



Electronic Industries Alliance

February 16, 2006

The Honorable Blanche Lincoln
355 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Lincoln,

Nearly three years after the Electronic Industries Alliance (EIA) began examining the significant structural changes taking place in the world economy and began to devote our resources to promoting a bipartisan national vision and strategy on innovation and global competitiveness, we have arrived at a critical juncture. Positive, bipartisan bills introduced in the past two months by Senators Ensign and Lieberman (S. 2109, the National Innovation Act of 2005) and Senators Alexander, Bingaman, Domenici and Mikulski (S. 2197, 2198 and 2199, collectively the PACE Acts) aim to sharpen the U.S.'s competitive edge, and I hope you will consider co-sponsoring these bills.

I am thrilled to see many of the recommendations from EIA's 2004 policy playbook, *The Technology Industry at an Innovation Crossroads* – a key element of our ongoing innovation initiative – resonating with elected leaders on both sides of the aisle. Hardly a day goes by now without a federal-level forum, Congressional hearing or speech promoting research and development, math and science education, a competitive tax and regulatory landscape, sensible visa policy and homegrown innovation. The President's use of his recent State of the Union Address as a platform to unveil his American Competitiveness Initiative underscores the prominence and traction these issues have steadily gained.

There has been progress in critical areas over the past several years. In 2004, Congress passed tax legislation that makes the U.S. a more attractive destination to locate or expand high-tech operations. New visa policies enable more U.S.-educated graduate students to stay and contribute to the advancement of science and technology here. The Class Action Fairness Act signed last year is helping U.S. companies control the cost of doing business domestically. And as part of the tax reconciliation bill heading into conference, both the House and Senate are working to expand and enhance the R&D tax credit that is so critical to fostering domestic innovation.

We believe that the National Innovation Act and the PACE Acts are a strong start to what we know will be a vigorous debate this year on priorities, budgets and the most pragmatic and responsible policies for spurring a healthy long-term job market and business landscape in the U.S. The bills' collective focus – strengthening our education system, our R&D pipeline and our skilled workforce – is one that must be bipartisan and embraced by every Member of Congress. I

urge you to study these bills, provide comments and suggestions, and become a part of the solution.

At a time when budgetary concerns, trade tensions and the ongoing War on Terrorism consume legislators' attention, we realize that making innovation and U.S. competitiveness policy topic #1 is no easy task. But it must occur. The call for a national innovation vision and strategy is no less urgent today that it was when we began our work three years ago, and we are grateful for the thoughtful ideas that have been presented by policymakers and by President Bush in his recent State of the Union address.

I appreciate your consideration today of the important pieces of legislation introduced in the Senate and hope you will join us in your support of the National Innovation Act and the PACE Acts.

Sincerely,

A handwritten signature in black ink that reads "Dave McCurdy". The signature is written in a cursive, flowing style.

Dave McCurdy
President & CEO
Electronic Industries Alliance

cc: Senator Lamar Alexander
Senator Jeff Bingaman
Senator Pete Domenici
Senator John Ensign
Senator Joe Lieberman
Senator Barbara Mikulski