



March 25, 2005

The Honorable Orrin Hatch  
104 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable Max Baucus  
511 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senators Hatch and Baucus,

On behalf of the Electronic Industries Alliance's (EIA) nearly 1,300 member companies, which greatly benefit from the research & development (R&D) tax credit, I'd like to thank you for your long-time support and your sponsorship of legislation this year to make credit permanent and more effective. EIA, which represents the full spectrum of U.S. technology manufacturers, strongly supports your efforts.

The R&D tax credit helps the U.S. generate economic activity that is essential to high-tech and helps us compete with other innovation-driven nations. It can encourage more investment, more research and more job creation for U.S. high-tech companies in the years to come. EIA's members believe this kind of government action can be an effective incentive for increased R&D spending. The credit creates a more competitive and business-friendly environment for high-tech here by lowering the cost of high-risk research, which in turn helps keep investment dollars in the U.S.

Innovation has given the U.S. and the rest of the world technological advancement while creating high-skilled jobs. If we want to ensure that successive waves of innovation begin in the U.S., and that U.S. workers are the first to benefit, we need fundamental economic building blocks such as an effective R&D tax credit.

Again, thank you for your constant support and your sponsorship of this critical legislation. If there is anything EIA can do to help you advance your bill this year, before the expiration of the credit in December, please do not hesitate to contact me directly or Storme Street of my staff at 703-907-7759.

Sincerely,

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

Dave McCurdy  
President