



May 9, 2014

The Honorable Ron Wyden
Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Orrin Hatch
Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Wyden and Ranking Member Hatch:

The Telecommunications Industry Association (TIA), the leading trade association for global manufacturers, vendors, and suppliers of information and communications technology (ICT), is writing to urge you to support the American Research and Competitiveness Act of 2014, H.R. 4438. The House of Representatives passed this important legislation earlier today on a strong bipartisan vote of 274-131. Expanding, simplifying, and making the R&D tax credit permanent are all essential steps to promote greater investment and maintain U.S. leadership in innovation.

This legislation will also have significant positive effects for the U.S. economy. A permanent R&D credit is expected to create \$33 billion per year in additional research and development spending, creating hundreds of thousands of new jobs. Making the credit permanent is also necessary to promote certainty for businesses. Repeated short-term extensions, including several extensions made retroactively after the credit has expired, do not allow businesses to invest in R&D activities to their full potential since long-term planning is not impossible.

TIA urges you to follow the House's lead by acting swiftly to pass legislation that extends and makes the R&D credit permanent. As opposed to a two-year extension, a permanent credit would create the certainty to provide sustained returns on government, tax-based investment and raise the bar on the sustainable impact of other potential government investments. In an economic environment when both long term deficit reduction and long term job creation are needed, the Senate needs to take the long term investment / benefit approach that this measure provides.

Sincerely,

Grant E. Seiffert
President