



February 9, 2004

The Honorable Bill Thomas
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Grassley
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Charles Rangel
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Max Baucus
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairmen Thomas and Grassley, and Ranking Members Rangel and Baucus:

We urge you to make the enactment of a permanent research tax credit (R&D Credit) with the modifications contained in companion bills H.R. 463/ S. 664 an early legislative priority in 2004.

As you know, the technological innovations made possible by the R&D Credit enable companies to bring more products and services to market, increase employment, and raise the standard of living for all Americans. R&D helps manufacturers and services companies with U.S. operations maintain a competitive edge over lower-cost foreign competitors. It allows a small, medium or large company to reduce its financial risk in expensive, labor-intensive R&D investments.

Since the credit was created in 1981, investments in technology and innovation have spurred economic growth and contributed greatly to our country's high standard of living. Continued R&D spending is a necessary element in our country's ability to invest for our future.

The growth of our economy is inextricably tied to the ability of companies to make a sustained commitment to long-term research. Congress has consistently demonstrated support for the R&D credit. This year, in order to provide stability and to ensure that all companies performing intensive research in the United States are able to benefit from the credit, Congress should make the credit permanent, increase the Alternative Incremental Credit (AIRC) rates, and provide an alternative simplified credit calculation.

Sincerely,

Organizations

Adhesive and Sealant Council, Inc.
AdvaMed, the Advanced Medical
Technology Association
AeA

Alabama Technology Network
American Architectural Manufacturers
Association
American Boiler Manufacturers Association

1331 Pennsylvania Avenue, NW • Suite 600 • Washington, DC 20004
(202) 637-3076 • www.nam.org/RnDCredit

The R&D Credit Coalition is a group of more than 85 trade and professional associations and more than 1,000 small, medium and large companies which engage in U.S.-based research throughout major sectors of the U.S. economy, including aerospace, agriculture, biotechnology, chemicals, electronics, energy, information technology, manufacturing, medical technology, pharmaceuticals, software and telecommunications.

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American Chemistry Council
American Foundry Society
American Furniture Manufacturers Association
American Gas Association
American Petroleum Institute
Arizona Association of Industries
Arizona Technology Council
Associated Industries of Massachusetts
Association of Equipment Manufacturers
Association of International Automobile
Manufacturers, Inc.
Association of Washington Business
Biotechnology Industry Organization
Business and Institutional Furniture
Manufacturer's Association
Business Roundtable
Business Software Alliance
Chattanooga Technology Council
Chicago Software Association
Computing Technology Industry Association
Connecticut Technology Council
Council of Regional Technology Associations
Electronic Industries Alliance (EIA)
Farm Equipment Manufacturers Association
Financial Executives International Committee
on Taxation
Forging Industry Association
GAMA, An Association of Appliance and
Equipment Manufacturers
Hearth, Patio & Barbecue Association
Indiana Manufacturers Association
Indiana Medical Device Manufacturers Council
Industrial Fasteners Institute
Information Technology Association of America
Information Technology Industry Council
InfoTech Niagara
Institute of Makers of Explosives
International Sanitary Supply Association
Iowa Association of Business and Industry
IPC, Association Connecting Electronics
Industries
Louisiana Association of Business and Industry
Maine's Software & Information Technology
Industry Association
Manufacturers' Association of South Central
Pennsylvania
Maryland Chamber of Commerce
Mass Software Council
Medical Device Manufacturers Association
Metal Treating Institute
Michigan Manufacturers Association
Motor & Equipment Manufacturers Association
National Association of Manufacturers
National Marine Manufacturers Association
National Society of Professional Engineers
NEOSA (Northeast Ohio Software Assn.)
New Jersey Business & Industry Association
New Jersey Technology Council
Non-Ferrous Founders' Society
North Carolina Citizens for Business and
Industry
North Carolina Electronics & Information
Technologies Association
Northeast Ohio Software Association
Northern Virginia Technology Council
Ohio Manufacturers' Association
Pennsylvania Manufacturers' Association
Pennsylvania Technology Council
Pharmaceutical Research and Manufacturers of
America
Pittsburgh Technology Council
Puerto Rico Manufacturers Association
Security Industry Association
Semiconductor Equipment and Materials International
Semiconductor Industry Association
Silicon Valley Tax Directors Group
Software & Information Industry Association
Software Finance and Tax Executives Council
Specialty Equipment Market Association
Steel Manufacturers Association
Technology Council of Central Pennsylvania
Technology Council of Maryland
Telecommunications Industry Association
The Aerospace Industries Association of
America, Inc.
The Oklahoma State Chamber
The Tax Council
The Technology Network (TechNet)
Toy Industry Association
U.S. Chamber of Commerce
Utah Information Technology Association
(UITA)
Utah Manufacturers Association
Waste Equipment Technology Association,
part of the Environmental Industry Associations
Wisconsin Manufacturers & Commerce
WSA (formerly the Washington Software
Alliance)

Companies

312, Inc.
3M
A. O. Smith Corporation
Ablation Industries, Inc.
ACE Clearwater Enterprises
Acelera Group
Actel Corporation
Acteon Technologies, Inc.
Advanced Energy Industries, Inc.
Advanced Input Devices
Advanced Micro Devices
Advanced Technology Systems, Inc.
Advanced Window, Inc.
Agere Systems Inc.
Agilent Technologies, Inc.
Air Products and Chemicals, Inc.
Akzo-Nobel Inc.
Albemarle Corporation
Alcatel
ALLETE
Allweather Architectural Aluminum Inc.
Alogent Corporation
Alside Inc.
Altera Corporation
Alvaka Networks
Ambitech International, Inc., - Axiom
Operations
American Management Systems, Inc.
Apple Computer, Inc.
Applied Films Corporation
Applied Materials, Inc.
Applied Micro Circuits Corporation
ARACOR
Arch Chemicals, Inc.
Architectural Testing, Inc.
AREVA T&D Corporation
ArvinMeritor, Inc.
Ashland Inc.
Ask Jeeves, Inc.
AT&T Corp.
Atlas Sound, L.P.
Atmel Corporation
Atom Sciences, Inc.
Attachmate Corporation
Aubrey Group, Inc.
Audiovox Corporation
Autodesk, Inc.
Avaya Inc.
Aventis
Axian, Inc.
AXIS Computer Systems, Inc.
Ball Corporation
Barr Laboratories
BASF Corporation
Bayer Corporation
Blomberg Window Systems
Bluespec, Inc.
BMC Software
Borland Software
Boston Communications Group, Inc.
Boston Scientific
Bravo Technical Resources, Inc.
Bristol-Myers Squibb Company
BroadLogic Network Technologies Inc.
Brocade Communications Systems Inc.
BSI Proteomics Corporation
BTU International
Business Objects S.A.
Bytemobile, Inc.
Cabot Corporation
Cadence Design Systems, Inc.
California Integration Coordinators, Inc.
California Micro Devices Corporation
Candela Corporation
Captaris, Inc.
Captiva Software Corporation
Case New Holland Inc.
Catalyst International, Inc.
Cattron Group Inc.
Caveo Technology Inc.
CD\Works
Ceridian Corporation
Cerylion
Cincom Systems, Inc.
Cisco Systems
Citrix Systems, Inc.
Clarity Visual Systems, Inc.
Click Bond, Inc.
CMS Products Inc.
Codemesh, Inc.
Cohu, Inc.
Color Guard Fence
Components Corporation of America
CompuSage, LLC
Computer Sciences Corporation
Comsys Information Technology Services, Inc.

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Comtech Telecommunications Corp.
Conexant Systems, Inc.
Consulting Collaborative
ContentGuard Inc.
Convoq, Inc
Cooper Tire & Rubber Company
Cortland Glass Co., Inc.
Covansys Corporation
Creative Computer Applications, Inc.
Cree, Inc.
Crompton Corporation
Crystal Windows and Doors
CrystaLite, Inc.
Cummins Inc.
Cva, Inc.
Cymer Inc.
Cyneta Networks, Inc.
Cyveillance
Daico Industries, Inc.
DaimlerChrysler Corporation
Dana Corporation
Data I/O Corporation
DAXKO
Dayton Technologies, LLC
Dean Foods Company
Deere & Company
Delphi Corporation
Detroit Regional Chamber
Diodes Inc.
Donaldson Company, Inc.
Dow Corning Corporation
Drexler Technology Corporation
DriSteem Corporation
DuPont
Duraswitch
Dynamic Systems Inc
EADS TELECOM North America
Eagleware Corporation
Eastman Chemical Company
Eaton Corporation
eBay Inc.
Edgewater Technology Inc.
EDO Corporation
EDS
EFCO Corporation
EFJ, Inc.
Eli Lilly and Company
EMC Corporation
Engent
Esterline Technologies Corporation
etalk Corporation

Exar Corporation
Excell Data Corp.
Excom, Inc.
Expandable Software, Inc.
Exxon Mobil Corporation
F5 Networks
Falcon Plastics, Inc.
Feld Hyde Wertheimer & Bryant, P.C.
Firstwave Technologies, Inc.
Flowserve Corporation
Fluke Corporation
Follett Corporation
Ford Motor Company
Franz, Inc.
Frequency Devices, Inc.
Gaska Tape Inc.
Gehring Textiles, Inc.
Gehring-Tricot Corp.
Genentech
General Dynamics Corporation
General Motors Corporation
General Technology Corporation
Geneva Aerospace, Inc.
Genzyme Corporation
Giga-tronics, Inc.
Glass Equipment Development
GlaxoSmithKline
Global Exchange Services
Grady-White Boats, Inc.
Graham Architectural Products, Inc.
Green Hills Software, Inc.
Group 1 Software, Inc.
Guidant Corporation
Harris Corporation
Hart InterCivic
Harvard Design & Mapping (HDM)
Henkels & McCoy, Inc.
Hewlett-Packard Company
High Voltage Engineering Corp.
Hi-Rel Laboratories, Inc.
Hogan & Associates, Inc.
Hollingsworth & Vose Company
Honeywell
i2 Technologies
iAT Leverage
ID Analytics, Inc.
Imtec Acculine Inc.
Indyme Electronics, Inc.
InFocus Corporation
InLine Connections
Innovax Corporation

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Inovise Medical, Inc.
In-Store Technology, LLC
Intel Corporation
Intelligent Technologies, LLC
InterDigital Communications Corporation
International Business Machines Corporation
International Paper
International Sematech
International Skylights
Internet Security Systems, Inc.
Interpoint
Inter-Tel, Incorporated
Intervoice, Inc.
inTEST Corporation
Intuit
ION SIGNATURE TECHNOLOGY, INC.
Irvine Sensors Corporation
ISD Corporation
IT Support Center
JDS Uniphase
Johnson & Johnson
Kathrein Inc., Scala Division
KEMET Corporation
Kennametal Inc
Kinro Inc.
KLA-Tencor Corporation
Koller Enterprises, Inc.
KOR Electronics
Lancope, Inc.
Learning Technology Systems, Inc.
Lexmark International, Inc.
Lineman Enterprises LLC
Lockheed Martin Corporation
Lovejoy Chaplet Corp.
LSI Logic Corporation
Lucent Technologies - Bell Labs
 Innovations
Macrovision Corporation
MAPICS, Inc.
MapInfo Corporation
MatrixOne, Inc.
Maverick Boat Company, Inc
Maxsa Innovations
Medrad
Medtronic, Inc
Merck & Co., Inc.
Mercury Computer Systems, Inc.
Meritide, Inc.
Metal Edge International, Inc
Metanology Corporation
MI Technologies
Micron Technology, Inc
Microsoft Corporation
Minerva Networks, Inc.
Minnesota Wire & Cable Co.
Mitek Corporation
MKS Instruments Inc.
Mobius Management Systems, Inc.
Moldflow Corporation
Monetek, LLC
Monitech Systems, Inc.
MSS Technologies, Inc.
MTS Systems Corporation
Nalco Company
Napersoft, Inc.
National Semiconductor Corporation
NCR Corporation
NetCentric Technologies, LLC
Netegrity, Inc
Network Associates, Inc.
Network Equipment Technologies, Inc.
Nicholson Industries, Inc.
Northrop Grumman
Novell, Inc.
OME Consultants LLC
Onyx Software Corporation
Oracle Corporation
Palomar Technologies, Inc.
Panasonic
Parametric Technology Corporation
PeopleSoft, Inc.
Pereira Consulting Services, Inc.
Pfizer Inc
PGT Industries Inc
Philips Electronics
Phoenix Wheel Co., Inc.
Phoseon Technology Inc.
Physical Optics Corporation
Pittco Architectural Metals, Inc.
Pop Art, Inc.
Power Integrations Inc.
PPG Industries, Inc.
Precision Aerodynamics LC
Procter & Gamble
PTC
Pulizzi Engineering Inc.
QEI, Inc.
Qualcomm
QuickLogic Corporation
QUINTRON SYSTEMS, INC
R.T. Vanderbilt Company, Inc.
RAM Software Systems, Inc.

Ramtron International Corporation
Raytheon Company
RF Monolithics, Inc.
Rimage Corporation
Rockwell Automation
Rockwell Collins
Rogers Corporation
Rohm and Haas Company
Rohm Electronics
Rolls-Royce North America
RPM International Inc.
Rudolph Technologies, Inc.
S. C. Johnson & Son, Inc.
Sabre Holdings
SAP America, Inc.
SAS
SBC Communications, Inc.
SCANIS, Incorporated
Science Applications International Corporation
Seagull Software
SECNAP Network Security Corporation
Secure Computing Corporation
Semicoa
Semtech Corporation
Sevista Technologies Inc.
Sigma Designs, Inc.
Silicon Laboratories Inc.
SnapNames.com, Inc.
SoftInWay, Inc.
Softrax Corporation
Sonnet Technologies, Inc.
Sony Corporation of America
Southern Champion Tray LP
SpatialLight, Inc.
SpectraLink Corporation
Squaretree Software, Inc.
SRC Computers, Inc.
SRS Labs
STC Keltec -A -Crane Co. Company
Stora Enso in North America
StorageTek
Summer Eyes Software Corp.
Sun Microsystems, Inc.
Superior Metal Products Company, Inc.
Sybase, Inc.
Symantec Corporation
Syngenta Corporation
Synopsis, Inc.
Syntel Inc
TDK Semiconductor Corporation
TechPoint, Inc.
TeleCommunication Systems, Inc.
TeleNet Marketing Solutions, LLC
Texas Instruments
Textron Inc.
The AAI Corporation
The Bilco Company
The Boeing Company
The Bronze Craft Corporation
The Dow Chemical Company
The Lincoln Electric Company
The MathWorks
The Return Exchange, Inc.
The Timken Company
Thermal Designs Inc.
Thiel Audio Products Company
timeBLASTER Corporation
Timension, Inc.
TimeVision
TippingPoint Technologies
Titon Incorporated
Tone Commander Systems, Inc.
TRACO
Travelocity
Trax Retail Solutions, Inc.
Trillion Digital Communications, Inc.
Tripwire, Inc.
Tristan Technologies
UMD Technology, Inc.
Unify Corporation
Unisys Corporation
United Technologies Corporation
Universal Avionics Systems Corporation - R/D/E Division
Usability Resources Inc
UTeC Corporation LLC
Varian Medical Systems
Varian, Inc.
Veeco Instruments Inc.
Vektrex Electronic Systems, Inc.
VERITAS Software Corporation
Vermeer Manufacturing Co.
Vertex, Inc.
Vesta Corporation
ViaSat, Inc.
Viking Yacht Company
Visteon Corporation
VisualCalc, Inc.
Volvo Group North America, Inc.
Vulcan Materials Company
W. L. Gore & Associates, Inc.

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Weather Shield Windows & Doors

Williams-Pyro, Inc.

Winchester Business Systems, Inc.

Wisconsin Aluminum Foundry

Company, Inc.

Witness Systems

Wordspan, L.P.

Wyeth

Xerox Corporation

Xilinx, Inc.

Xtera Communications, Inc.

Xyron Corporation

YKK AP America Inc.

Z Microsystems, Inc.

Zircon Corporation

Zygo Corporation