



May 8, 2009

The Honorable John A. Boccieri
U.S. House of Representatives
1516 Longworth House Office Building
Washington, DC 20515

Dear Congressman Boccieri:

Third Way is pleased to support H.R. 1545, which would make the Research and Development tax credit permanent and provide increased tax incentives to reward companies that not only research, but also manufacture their products in the United States of America. We believe this legislation will not only help to create new good jobs in America but spur the innovation necessary for future job growth.

We share your belief that a strong manufacturing sector is vital to our nation's prosperity, and that helping American manufacturers to create solid middle class jobs must be a top priority. America's manufacturing sector is still a world leader and major economic driver, contributing \$1.6 trillion to the economy in 2007 and accounting for more than 60% of national exports. The manufacturing sector plays a significant role in the labor market, directly or indirectly providing about 20 million Americans with well-paying jobs. In recent years however, manufacturers have faced increasingly difficult economic circumstances, leading to the loss of over 23,000 manufacturers between 2000 and 2006 and the elimination of more than 3.8 million manufacturing jobs since the beginning of the decade. The recent recession has only compounded the challenges facing the manufacturing sector, and the need for action is apparent.

Manufacturers are currently the primary beneficiary of the Research and Development Tax Credit, and more than 70% of the benefit under the credit supports wages in research and development jobs. We believe that extending and expanding the credit would provide critical, targeted support to the manufacturing sector that would leverage America's natural innovative advantages to stimulate economic growth, enhance the competitiveness of American companies, and create new jobs.

We applaud your efforts, and hope that the House will favorably consider H.R. 1545 or incorporate its provisions into any broader business or tax legislation it considers.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jim Kessler".

Jim Kessler
Vice President for Public Policy

A handwritten signature in blue ink, appearing to read "Anne Kim".

Anne Kim
Director, Economic Program