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The Honorable William M. Thomas
United States House of Representatives
2208 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative Thomas:

On behalf of Hewlett-Packard Company, I want to thank you for your June 17 vote in the United States House of Representatives in support of H.R. 4520, the American Jobs Creation Act of 2004.

There are many important provisions in this bill. By repealing the foreign sales corporation and extraterritorial income programs (FSC/ETI), this legislation will end punitive sanctions - currently at eight percent tariff - imposed by the European Union on a number of U.S. manufactured goods.

The Homeland Investment Act provision of H.R. 4520 is critical to HP. It will provide a temporary incentive to invest foreign profits in the U.S. This measure alone will provide major job creating incentives for the private sector. JPMorgan Chase, in an independent analysis based on the latest financial statement filings of companies listed on the S&P 5000, estimates that \$425 billion in cash would be eligible for repatriation to the U.S. economy. Allen Sinai's recent study reported that more than 500,000 additional jobs by 2005 would be created; \$234 billion of additional investment in plant and equipment would occur in the next five years; \$118 billion increase in federal tax receipts in the next five years would flow into the U.S. Treasury; \$163 billion reduction in the deficit would occur over five years and a potential seven percent average increase in the value of S&P 500 stocks.

Other very important provisions include the permanent tax rate reductions for domestic production activity, a large number of international tax reform provisions, extension of the research and development tax credit, dealing with the foreign tax credit under alternative minimum tax and the exclusion of incentive stock options and employee purchase plan stock options from wages.

We look forward to working with you to preserve these provisions as this measure moves to the next steps in the legislative process. HP urges you to support efforts to work expeditiously to reconcile the House and Senate FSC/ETI bills and send this critical legislation to the President's desk as soon as possible. Thank you very much for voting in favor of H.R. 4520.

Very truly yours,

A handwritten signature in black ink, appearing to read 'John D. Hassell', written over a horizontal line.

John D. Hassell