

**Aric Newhouse**

Senior Vice President  
Policy and Government Relations

May 6, 2014

U.S. House of Representatives  
Washington, DC 20515

Dear Representative:

The National Association of Manufacturers (NAM), the largest manufacturing association in the United States representing manufacturers in every industrial sector and in all 50 states, urges you to support H.R. 4438, the American Research and Competitiveness Act of 2014, introduced by Reps. Kevin Brady (R-TX) and John Larson (D-CT).

Research and development (R&D) is the lifeblood of manufacturing, driving growth through increased productivity and new product development. The R&D tax credit is a proven incentive for spurring private-sector investment in R&D and creating domestic, high-wage jobs as 70 percent of credit dollars are used to pay salaries of R&D workers. The United States was once the leader among Organisation for Economic Co-operation and Development (OECD) countries in providing the best R&D incentives. Unfortunately, according to a recent OECD study, the United States now ranks 22nd in research incentives among industrialized countries, as many countries have created more robust and permanent R&D incentives. The lack of a permanent R&D tax credit creates uncertainty as manufacturers do not know if the credit will be around for the entire length of their R&D projects.

Thus, NAM members strongly support H.R. 4438 to provide a strengthened, permanent R&D credit, retroactive to the beginning of 2014. A strong and permanent R&D incentive will allow the United States to remain competitive in the global race for R&D investment dollars and a leader in global innovation.

The NAM's Key Vote Advisory Committee has indicated that votes on H.R. 4438 may be considered for designation as Key Manufacturing Votes in the 113th Congress. Thank you for your consideration.

Sincerely,



Aric Newhouse

Key Manufacturing Vote