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SAN JOSE, CA – Eight high-tech industry associations have proposed a stimulus package for the slowing American economy. The associations include **SEMI, TechNet, Information Technology Industry Council**

, **AeA**

and the

Semiconductor Industry Association

In a letter to Speaker Nancy Pelosi (D-Calif.) and House Minority Leader John Boehner (R-Ohio), the associations state their concern that current efforts focus on consumer spending and fail to address some of the fundamental challenges facing our economy. In letters to the White House and the leadership of the House of Representatives and the Senate, the associations urge policymakers to focus on fundamental challenges facing our economy, in addition to the consumer portion of the stimulus package.

In part, the letter states, “If we are to jumpstart our economy and get it back on the road to recovery, we will need more than a new battery and another tank of gas. We will need a new engine, and the best way to do that is by unleashing the American spirit of innovation and creativity.”

The associations propose four recommendations to promote innovation:

1. The U.S. should increase its efforts in research and development. To retain an innovative edge in the world economy, the associations want the U.S. to commit significant resources to R&D. However, the R&D tax credit expired on Dec. 31. The letter proposes Congress enact a multi-year extension of a strengthened R&D tax credit and provide funding of basic R&D at the levels passed by Congress in early December.
2. The U.S. should direct the benefits of technology on two major US challenges: health care and the environment. The letter calls for bold tax incentives to help stimulate new environmental breakthroughs and encourage consumers and businesses to purchase energy saving products and save on energy costs. It suggests similar incentives should be enacted to allow doctors, healthcare facilities, and healthcare networks to invest in interoperable health IT equipment.
3. The U.S. must commit to developing and attracting the brightest minds globally. The associations want to ensure every American student pursuing a career in science, technology, engineering or math has necessary grant and loan incentives to graduate and enter the workforce. In addition, high-skill immigration reform is needed so that U.S. educated, foreign-born students in these STEM fields can stay in the U.S.
4. The U.S. needs to reinvest in itself. Congress should pass a short-term Investment Tax Credit targeted toward information and communications technology equipment, according to the proposal. This tax credit would help banks, small businesses, retailers, and other businesses maintain investments in computers, and help high-tech manufacturers maintain investments needed to keep their factories up-to-date.

The associations believe these recommendations will have an immediate impact in 2008 and 2009. They state, in the long-term, a decade of economic research demonstrates that the U.S. can boost long-term economic growth by stimulating the development and adoption of new technologies.