Congress of the United States
Washington, DC 20515

October 2, 2009

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Steny Hoyer
Majority Leader
U.S. House of Representatives
Washington, DC 20510

Dear Speaker Pelosi and Majority Leader Hoyer,

We write to express our deep concern about the $4 billion annual tax on medical device manufacturers included in Senator Baucus' proposal for health reform, *America's Healthy Future Act of 2009*. We are extremely concerned that this tax would harm our districts' economies, impede innovation, and ultimately deny access to life-saving medical devices for patients.

Medical technology companies employ more than 357,700 workers in the United States, many of them in firms with less than 100 employees. The medical technology sector offers high-paying jobs to Americans across the country. These jobs are tied heavily to research and development, helping to keep the United States at the forefront of innovation.

The tax proposed in Senator Baucus' health reform bill would assess taxes on manufacturers of medical devices at a rate necessary to generate $4 billion annually, over ten years. This amount exceeds the total $3.7 billion in venture capital funding raised by the medical technology sector and is roughly half of the $9.6 billion in total R&D investment by the sector in 2007.

We agree that health reform is needed and should be paid for, but this proposal threatens to crush the very industry that could save billions of dollars in the healthcare system. This $40 billion tax would hamper investment in R&D, slow innovation, and cut jobs at a time when unemployment rates across the country are already too high. We cannot afford these losses.

We appreciate your consideration on this issue and look forward to your response.

Sincerely,

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Andre Carson
Member of Congress

Jason Altmire
Member of Congress

Parker Griffith
Member of Congress

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