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Silicon Valley Leadership Group Urges Congress to Immediately Re-instate R&D Tax Credit *Needed to help ensure ongoing, global competitiveness*

SAN JOSE, Calif., November 14, 2006 — The R&D tax credit needs to be immediately re-instated, according to the Silicon Valley Leadership Group. The tax credit, which expired on December 31, 2005, is sorely needed to help ensure the ongoing competitiveness of Silicon Valley and other U.S. business regions.

The Silicon Valley Leadership Group applauds our local congressional delegation's leadership supporting passage of the tax credit, and urges both houses of Congress and the President to move forward this week. The Leadership Group represents over 200 of the Valley's most respected companies accounting for nearly 250,000 private sector jobs. More than 50 Leadership Group members have co-signed a letter and are sending separate letters to the U.S. Senate joining with other members of the R&D Credit Coalition of the National Association of Manufacturers in calling for swift Congressional action.

"The lack of an R&D tax credit is a significant cause for concern among our member companies," stated Carl Guardino, president and CEO, Silicon Valley Leadership Group. "Businesses of all sizes, their employees and the health of our economy all stand to gain if Congress acts promptly." Every dollar of R&D tax benefit generates an additional dollar in private R&D expenditure, according to the Bureau of Labor Statistics.

"Without Congress passing a permanent incentive for R&D," Guardino continued, "Silicon Valley companies will increasingly be faced with the tough choice of either continuing to operate on an uneven playing field or outsourcing more of their R&D dollars to non-U.S. locations."

To ensure an R&D tax credit is as effective as possible and relevant to current business conditions, the Silicon Valley Leadership Group supports the Alternative Simplified R&D Tax Credit (ASC) and expanding the defined R&D practices under the Alternative Incremental Credit (AIC). Such a "modernized" version of the R&D credit would promote new levels of collaboration with California universities, more innovative products for the marketplace, and all levels of jobs, from low-wage to middle to higher-wage earning opportunities.

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About the Silicon Valley Leadership Group:

The Silicon Valley Leadership Group, founded in 1978 by David Packard of Hewlett-Packard, represents more than 200 of Silicon Valley's most respected employers. Leadership Group members collectively provide nearly 250,000 local jobs, or one of every four private sector jobs in Silicon Valley.