



Aric Newhouse

*Senior Vice President
Policy and Government Relations*

June 17, 2015

U.S. House of Representatives
Washington, DC 20515

Dear Representatives,

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. 160, Protect Medical Innovation Act of 2015, introduced by Rep. Erik Paulsen (R-MN).

Since it went into effect in January 2013, the 2.3 percent excise tax on the gross sales of medical devices has significantly impacted medical device manufacturers, their employees and our nation's leadership in life sciences. The device tax, estimated to raise \$24 billion over the next 10 years, will increase the overall tax burden on the industry by more than one-third. As a result of the tax, the industry has reported domestic employment reductions of over 17,500 workers and forgone the creation of over 20,000 new jobs. Moreover, the additional tax burden draws away from investment in research and development in an industry that is driven by innovation and new technology.

H.R. 160 would repeal the burdensome excise tax on medical devices, an important step to assuring that the United States maintains its leadership position in the global medical device market. Failure to repeal the tax will hurt manufacturers of all sizes, particularly since the tax is assessed on a company's sales rather than profits. Due to extensive testing and trial periods, some innovative and life-saving products take several years to become profitable, making it especially difficult for small- and medium-sized manufacturers to operate.

The NAM's Key Vote Advisory Committee has indicated that votes on H.R. 160, including procedural votes, may be considered for designation as Key Manufacturing Votes in the 114th Congress.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads 'Aric Newhouse'.

Aric Newhouse

Key Manufacturing Vote