

Industrial Energy Consumers of America

The Voice of the Industrial Energy Consumers

1155 15th Street, NW, Suite 500 • Washington, D.C. 20005
Telephone 202-223-1661 • Fax 202-223-1420 • www.ieca-us.org

November 11, 2008

The Honorable Nancy Pelosi
Speaker
House of Representatives

The Honorable Harry Reid
Majority Leader
Senate

The Honorable John Boehner
Minority Leader
House of Representatives

The Honorable Mitch McConnell
Minority Leader
Senate

Dear Congressional Leaders:

As you consider the economic stimulus package, we urge you to include provisions that will support the manufacturing sector. Tax related incentives directed to increase capital spending in energy efficiency will quickly move inventory off shelves and into factories creating needed jobs, exports and reduction of greenhouse gas emissions, a powerful combination. As you consider these suggestions, please note that the US has lost over 20 percent or 3.4 million high paying manufacturing jobs since 2000.

The Industrial Energy Consumers of America is an association of leading energy intensive manufacturing companies with \$500 billion in annual sales and with more than 850,000 employees nationwide.

No sector of the economy can move as quickly as the manufacturing sector to put capital to work that will create jobs and economic growth by providing tax incentives to stimulate capital stock turnover, especially of equipment related to improving energy efficiency. It is important that these provisions be multi year in duration. Options include:

1. Provisions to allow the deduction of energy efficiency capital expenditures from income
2. An investment tax credit
3. Faster capital depreciation rates

Please note that included in China's economic stimulus package are export tax rebates and a tax reduction for capital spending by companies. As reported by the Wall Street Journal, new measures include an expected revamping of China's value-added tax system to allow all companies operating in China to deduct spending on capital equipment. China has a history of successfully

supporting their manufacturing sector which is the backbone of their country's financial success and a \$1.4 trillion positive balance of trade. Countries like China are our major competitors and potential markets.

We look forward to working with you as consider the economic stimulus package.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paul N. Cicio".

Paul N. Cicio
President

Cc:

Senate

House of Representatives