

MEMA Applauds Introduction of Legislation to Make R&D Credit Stronger, Permanent

For Immediate Release

Washington, D.C. - The Motor & Equipment Manufacturers Association (MEMA) strongly supports H.R. 942, The American Research and Competitiveness Act of 2011, sponsored by Reps. Brady (R-Tex.), Larson (D-Conn.), Paulsen (R-Minn.) and Eshoo (D-Calif.). This bipartisan legislation strengthens the research and development (R&D) tax credit and makes it permanent. Strengthening the R&D credit from 14 percent to 20 percent and making it permanent will allow America's largest manufacturing sector, motor vehicle parts manufacturers, to continue to innovate and invest in the United States and provide certainty for long-term business planning.

Vehicle parts manufacturers account for as much as 70 percent of the value-added in the manufacture of motor vehicles and more than 30 percent of total automotive investment in research and development. As auto and truck manufacturers respond to rising oil prices, consumer demand for more efficient vehicles and new federal fuel economy standards, parts manufacturers will need to aggressively invest in technologies that reduce fuel consumption and greenhouse gas emissions.

"The American Research and Competitiveness Act of 2011 will help motor vehicle parts manufacturers to make long-term R&D investments in the United States," said MEMA President & CEO Bob McKenna. "The long-term certainty created by H.R. 942 is especially important to suppliers since our members must plan for an eight to ten year product development cycle for most vehicles."

MEMA will strongly encourage its members to urge their lawmakers to support the American Research and Competitiveness Act.

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ABOUT MEMA

Suppliers manufacture the parts and technology used in domestic production of new cars and trucks produced each year, and the aftermarket products necessary to repair and maintain more than 248 million vehicles on the road today.

MEMA supports its members through its four affiliate associations, Automotive Aftermarket Suppliers Association (AASA), Heavy Duty Manufacturers Association (HDMA), Motor & Equipment Remanufacturers Association (MERA) and Original Equipment Suppliers Association (OESA). MEMA represents more than 700 member companies with global motor vehicle parts sales exceeding \$600 billion and 65 percent of North American automotive supplier

sales. For more information on the motor vehicle parts supplier industry, please visit www.mema.org.