

Congress of the United States
Washington, DC 20515

February 6, 2012

The Honorable John Boehner
Speaker
H-232, The Capitol
Washington, DC 20515

The Honorable Eric Cantor
Majority Leader
H-329, The Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Majority Whip
H-107, The Capitol
Washington, DC 20515

The Honorable Dave Camp
Chairman, Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

Dear Speaker Boehner, Leader Cantor, Whip McCarthy and Chairman Camp:

As the most recently elected Republican members of the U.S. House of Representatives, we believe Americans sent us to Washington to reduce the size and scope of the federal government. Our country is facing a host of challenges: out of control government spending, an unemployment rate over 8 percent, regulatory overreach punishing innovation, and a burdensome tax code hurting American businesses. Congress needs to act now to begin reversing these trends.

One issue that we are particularly concerned with is the job-killing medical device tax included in the new health reform law. This new tax, slated to begin in 2013, would raise \$2.2 billion annually on the backs of America's medical device manufacturers. It is already costing American jobs – jobs we cannot afford to lose. The medical device industry is a true American success story, and adding to their tax burden is the wrong approach at the wrong time. As we have already seen, this new tax would severely hamper medical device innovation, patient access to new therapies and treatments, and job creation we desperately need.

Just last November, one medical device company – Stryker Corp. of Kalamazoo, Michigan – announced plans to lay off 5 percent of its workforce and reduce its operating budget by \$100 million by 2013 because of this new tax. The company estimates the restructuring will cost between \$150 and \$175 million, of which approximately \$85 to \$95 million will be reflected in fourth quarter 2011 earnings. Stryker is just one example of the impact this tax would have on medical device manufacturers. A recent study conducted by Furchtgott-Roth in September 2011 projected job losses in the device industry will be in excess of 10 percent of the device workforce. Further, the study suggests U.S. device manufacturers will be more likely to close plants in the U.S. and replace them with plants in foreign countries. According to the chairman of one major U.S. device maker, once these jobs go abroad, they will be nearly impossible to get back.

While this provision was intended as a simple revenue-raiser, it is bad policy that will have severe consequences. The way the tax is structured, it applies only to sales – not profits, which will hit small businesses especially hard. As we all know, small business is the engine of the American economy, and we should not be raising taxes on them during these difficult economic times. Companies are obligated to pay this tax regardless of whether they yield a profit, and in some cases may pay more under this tax than they generate from operations.

We must act now to repeal this onerous and irresponsible tax. With so many jobs hanging in the balance, this should not be a political issue. While our overarching aim is to repeal Obamacare in its entirety, there are some provisions that are causing more and more damage with each passing day. This tax is one of those provisions.

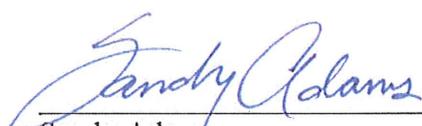
Representative Erik Paulsen of Minnesota introduced H.R. 436, the Protect Medical Innovation Act of 2011, on January 25, 2011, to repeal this tax. Currently, there are 226 cosponsors of the bill, including 87 freshmen. As the vast majority of Republican freshmen in the 112th Congress, we believe this is exactly the kind of bill we were elected to pass. We should not wait to act until 2013. The harm is being done now. Companies are planning for this new tax and jobs are being lost in the process.

We respectfully request our Leadership to work with Chairman Camp by bringing H.R. 436 to the floor for a vote as soon as possible. Doing so would protect medical innovation, preserve patient access to care, and create desperately needed jobs.

Sincerely,



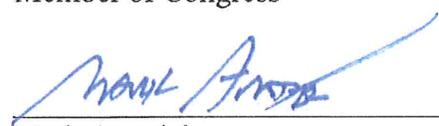
Todd Rokita
Member of Congress



Sandy Adams
Member of Congress



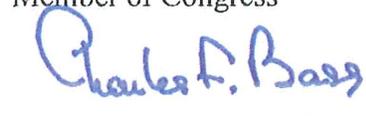
Justin Amash
Member of Congress



Mark Amodei
Member of Congress



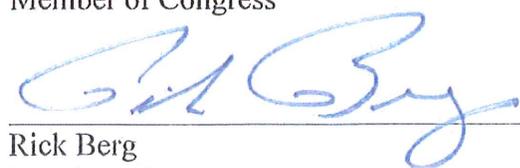
Lou Barletta
Member of Congress



Charlie Bass
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Dan Benishek
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Rick Berg
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Diane Black

Diane Black
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Mo Brooks

Mo Brooks
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Quico Canseco
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Blake Farenthold

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Mike Fitzpatrick

Mike Fitzpatrick
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Bill Flores

Bill Flores
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Cory Gardner

Cory Gardner
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Bob Gibbs

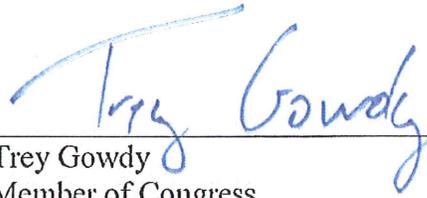
Bob Gibbs
Member of Congress

Christopher Gibson

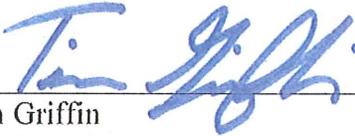
Christopher Gibson
Member of Congress



Paul Gosar
Member of Congress



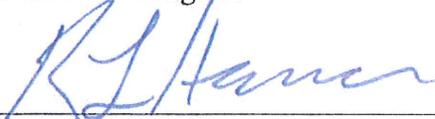
Trey Gowdy
Member of Congress



Tim Griffin
Member of Congress



Frank Guinta
Member of Congress



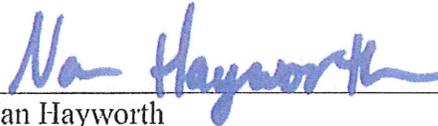
Richard Hanna
Member of Congress



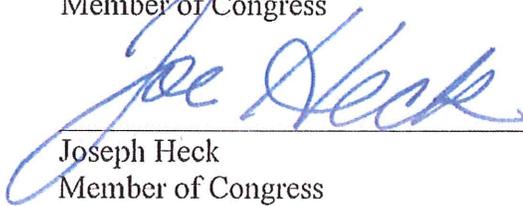
Andy Harris
Member of Congress



Vicky Hartzler
Member of Congress



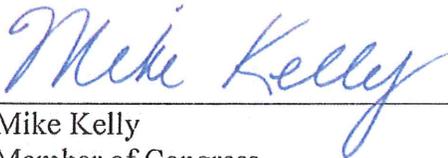
Nan Hayworth
Member of Congress



Joseph Heck
Member of Congress



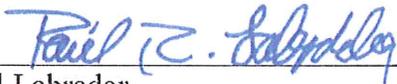
Tim Huelskamp
Member of Congress



Mike Kelly
Member of Congress



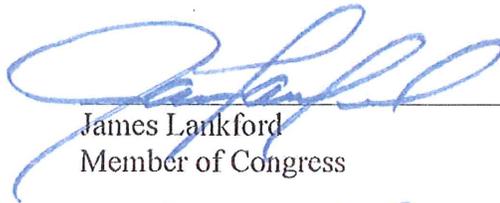
Adam Kinzinger
Member of Congress



Raul Labrador
Member of Congress



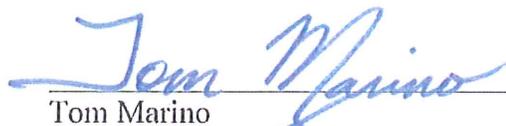
Jeff Landry
Member of Congress



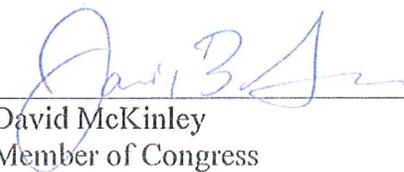
James Lankford
Member of Congress



Billy Long
Member of Congress



Tom Marino
Member of Congress



David McKinley
Member of Congress



Patrick Meehan
Member of Congress



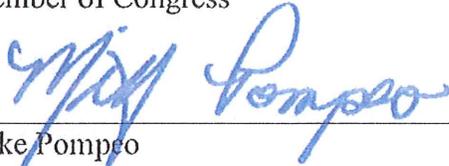
Mick Mulvaney
Member of Congress



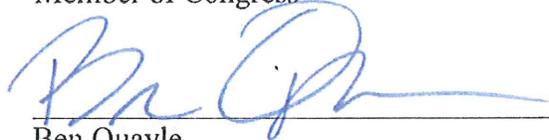
Kristi Noem
Member of Congress



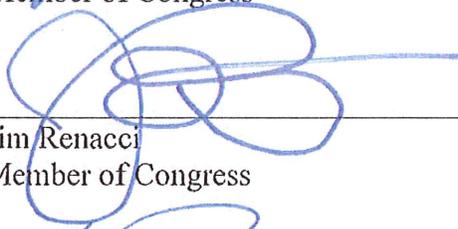
Alan Nunnelee
Member of Congress



Mike Pompeo
Member of Congress



Ben Quayle
Member of Congress



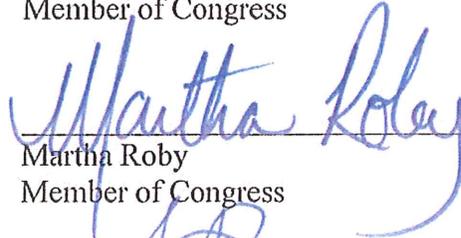
Jim Renacci
Member of Congress



Reid Ribble
Member of Congress



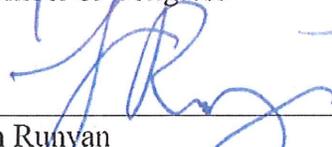
David Rivera
Member of Congress



Martha Roby
Member of Congress



Dennis Ross
Member of Congress



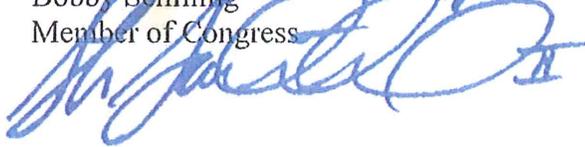
Jon Runyan
Member of Congress



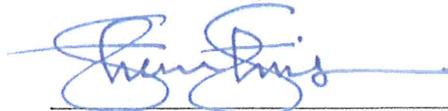
Bobby Schilling
Member of Congress



David Schweikert
Member of Congress



Steve Southerland
Member of Congress



Steve Stivers
Member of Congress



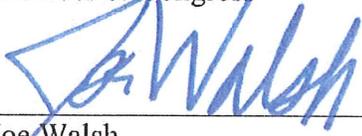
Marlin Stutzman
Member of Congress



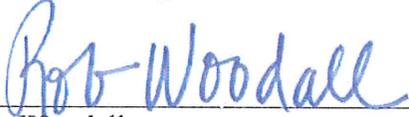
Scott Tipton
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Robert Turner
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Joe Walsh
Member of Congress



Rob Woodall
Member of Congress



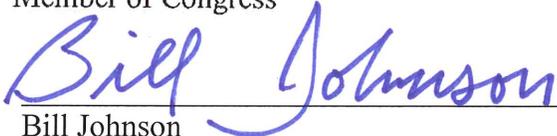
Todd Young
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Jeff Denham
Member of Congress



Austin Scott
Member of Congress



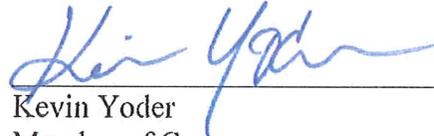
Bill Johnson
Member of Congress



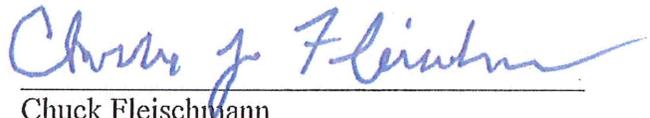
Tim Walberg
Member of Congress



Allen West
Member of Congress



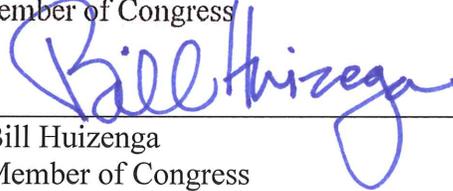
Kevin Yoder
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Chuck Fleischmann
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Scott Rigell
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Bill Huizenga
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