



Senate Majority Leader Harry Reid
S.221, The Capitol
Washington, DC 20510

Speaker Nancy Pelosi
H-232, The Capitol
Washington, DC 20515

Dear Leader Reid and Speaker Pelosi:

On behalf of The Technology Network (TechNet) and the National Venture Capital Association (NVCA), we write to thank you for your leadership in developing policies to promote a strong economy and job creation. We appreciate your dedication to finding short- and long-term solutions to America's economic challenges.

As you continue your work, we encourage you to resume consideration of energy tax legislation as a way to spur development of a new, cutting-edge economic engine. The legislation that you so strongly supported during last year's energy debates has the potential to drive economic growth and create new, good-paying, reliable manufacturing and production jobs for American workers.

We have witnessed unprecedented economic growth throughout the clean tech sector in recent years, thanks in large part to tax incentives like the Investment Tax Credit (ITC) included in the 2005 energy bill. In just three short years, these credits have driven investment and provided the economies of scale necessary to spur the development, deployment and adoption of clean energy technologies in the mass market.

Venture capital investment in clean energy technologies has grown exponentially. In 2007, \$2.2 billion was invested in 201 companies, representing a 46 percent growth in dollars and a 57 percent growth in deal volume over 2006 when \$1.5 billion was invested in 128 companies.

Investment in capital intensive industries such as energy requires a significant time and funding commitment. A signal from the federal government, in the form of an extended, enhanced ITC and PTC, would go a long way in encouraging even greater investments in this promising sector.

According to a recent economic study conducted on behalf of Environmental Entrepreneurs, if investment continues to grow at its current rate, the clean tech industry could lead to as many as half a million new quality jobs and inject \$70 billion to \$95 billion in new revenue streams. Federal tax incentives can help ensure this growing sector reaches that potential.

Unfortunately, the incentives that have helped drive such economic growth are set to expire at the end of this year. Without the extension and expansion of tax incentives that take a technology neutral approach to accelerate the development and commercialization of the most effective green technologies and innovations, the rate of economic growth in this promising sector will not continue.

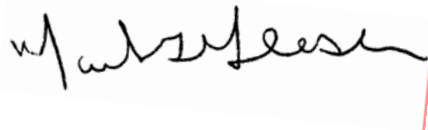
A new economic sector is emerging; it is one that can shift the nation's economy to clean energy production, generation and use. But without the continued support of tax incentives to help this emerging industry compete on a level playing field, the opportunity will be lost.

We applaud your ongoing efforts to keep America's economy strong and urge you to resume work on these vital energy tax provisions at your earliest convenience to ensure our continued global leadership in this growing economic sector. We stand ready to assist your efforts in support of this important legislation.

Sincerely,



Lezlee Westine
President and CEO, TechNet



Mark H. Geesen
President, NVCA