



ADVANCING GLOBAL COMMUNICATIONS

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December 18, 2007

The Honorable Max Baucus
Chairman
U.S. Senate Finance Committee
Washington, DC 20510

The Honorable Charles Grassley
Ranking Member
U.S. Senate Finance Committee
Washington, DC 20510

The Honorable Charles Rangel
Chairman
U.S. House Committee on Ways and Means
Washington, DC 20515

The Honorable Jim McCrery
Ranking Member
U.S. House Committee on Ways and Means
Washington, DC 20515

Dear Chairmen Baucus and Rangel and Ranking Members Grassley and McCrery,

On behalf of the Telecommunications Industry Association, I am writing to urge you to support in the final farm bill conference report a provision included in the Senate's farm bill, the Food and Energy Security Act, regarding broadband expensing.

The broadband expensing provision included in the Senate farm bill was authored in the past by Representative Phil English and the late Representative Robert Matsui. In this Congress, the bill, H.R. 1818, is authored by Representative Doris Matsui and Representative Phil English and enjoys broad bipartisan support. This provision creates a temporary, two-tiered, technology and provider neutral, tax incentive that aims to encourage new infrastructure investment. Specifically, the bill provides a 50 percent expensing for new investment in "current-generation" technologies that provide 5 megabit downstream and 1 megabit upstream service and 100 percent expensing for investment that provides 50 megabit downstream and 10 megabit upstream service in rural or underserved areas.

The inclusion of this provision in the final farm bill measure will provide a significant, short term incentive for the deployment of both current and next generation broadband. This Congress has made increasing America's competitiveness a priority and the enactment of this provision is a key part of that effort.

TIA is a leading trade association for the information and communications technology industry, with 600 member companies that manufacture or supply the products and services used in global communications. The demand for broadband and high-speed services has grown exponentially as carriers invest in new fiber, new IP technology and new wireless infrastructure to provide state of the art voice, video and data services. Highly advanced and secure communications services should be available to all Americans.

As the Congress convenes the conference committee to reconcile the differences between the House and Senate farm bills, we urge you and your fellow conferees to support the inclusion of broadband expensing provision in the final package. Thank you for your attention to this critical matter.

Sincerely,

Grant Seiffert