



January 23, 2012

The Honorable Barack Obama
President of the United States of America
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

As your State of the Union Address approaches, the Telecommunications Industry Association (TIA) and its 500 member companies would like to express our gratitude for your efforts to advance U.S. leadership in the information and communications technology (ICT) sector and to spur investment in ICT infrastructure. Your Administration's ICT policies and achievements, including the resources provided through the American Recovery and Reinvestment Act (ARRA), have contributed to the ongoing economic recovery. We urge you to work with and call on Congress to act swiftly to ensure the final passage of wireless spectrum and public safety network legislation. Auction authority legislation is vital to America's future competitiveness.

The U.S. economy benefits tremendously from the multiplier effect of ICT infrastructure investment. Growth in the ICT sector not only creates jobs in manufacturing ICT equipment and deploying physical infrastructure, but also leads to economic growth through the creation of new businesses, services, and technologies in other sectors of the economy. For example, your proposal to develop and deploy a nationwide wireless broadband public safety network would create an estimated 100,000 new jobs in ICT industries and, over time, produce indirect benefits of an estimated \$4 to \$8 billion per year. Moreover, the \$3.4 billion investment in ARRA for smart grid deployments could produce nearly 30,000 new jobs, while acting as seed money for a fully-deployed ICT-based smart grid with economic benefits ranging from \$48 to \$76 billion per year.

Last year, we shared with you TIA's *Innovation Package: A Roadmap for Growing Jobs & the Economy*. It provided a concrete set of policy recommendations that the U.S. government can implement to 1) Recapture Global Competitiveness, 2) Drive Investment and 3) Enable Forward-Looking Technologies. We appreciate your Administration's adoption of many of these recommendations, and look forward to continued progress in these areas.

Recapturing Global Competitiveness: The U.S. must continue to hold our trading partners to their commitments under international trade rules, as it is essential that ICT manufacturer and supplier companies have access to fast-growing export markets. Building upon the passage of the Colombia, Panama and South Korea free trade agreements, we must continue to open up markets by negotiating new agreements such as the Trans-Pacific Partnership Agreement, and by expanding existing agreements such as the WTO's Information Technology Agreement.

We appreciate your Administration's continuing efforts to focus on U.S. ICT research. We strongly support making the R&D tax credit permanent, and also support creating multi-year

federal research plans that will drive investment in next-generation technologies. The long-term future of the U.S. ICT industry also depends on federal support for education in science, technology, engineering, and mathematics (STEM), and the enactment of immigration reforms to attract and retain the best and brightest innovators in STEM fields from around the world.

We are encouraged by your efforts to engage with Congress on tax reform. In particular, TIA hopes you will propose reducing the effective U.S. corporate tax rate to help level the playing field for U.S. firms. Lowering the corporate tax burden by 10 percent would increase investment in ICT by nearly \$71 billion, which in turn will raise productivity and total business spending on wages, salaries and other compensation by nearly \$450 billion while generating an estimated \$990 billion in additional capital investments. Tax reform should also include lowering the tax rate for repatriated funds, which will encourage domestic investment and boost our nation's economy.

Driving Investment: Through incremental tax credits, expensing, and bonds, the U.S. Government can drive investment in our nation's next-generation broadband infrastructure. We applaud your directive for Federal Agencies to review their regulations and remove those which are outdated and stifle job creation, making our economy less competitive. TIA believes that removing regulatory uncertainty and making timely decisions that have a light-touch regulatory approach will provide market certainty and facilitate technology-neutral investment, which will in turn increase access to advanced services and devices – as well as the broadband-enabled economy – for American consumers.

Enabling Forward-Looking Technologies: The continued development of innovative broadband technologies – particularly wireless applications and services – relies on increasing the amount of radio spectrum dedicated to broadband. TIA strongly supported your overall goal of repurposing 500 MHz of federal and non-federal spectrum for broadband, and your specific proposal in the American Jobs Act to provide the FCC with voluntary incentive auction authority. We urge you to underscore to Congress how essential such legislation would be to the U.S. economy as a whole. In addition, policies that encourage the use of innovative communications technology to reduce energy consumption through smart buildings, a smart grid, and travel substitution are critical to preserving natural resources, creating jobs, and helping American companies thrive in global markets. As the economic recovery accelerates, more energy will be needed to sustain growth, with ICT products being critical to managing energy usage in a more efficient manner.

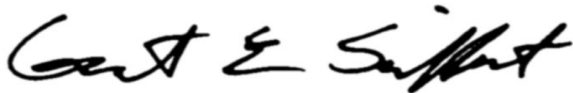
Global approaches to cyber-security will also be needed as countries around the world evaluate their individual security vulnerabilities and needs with respect to their technology infrastructure. While security is of concern to all, global approaches to ICT security must be taken to avoid the development of different cyber security policies and technical requirements that could negatively impact market access, U.S. competitiveness, interoperability, and even global ICT security itself.

Finally, all Americans must have access to new and innovative technologies. However, we must continue to maintain – and the Administration should continue to support – a collaborative approach among stakeholders and the use of voluntary, consensus-based standards to increase compliance with regulations, including the recently-adopted FCC regulations on the accessibility of existing and nascent technologies by those with disabilities. This approach will encourage innovation and open up new employment opportunities for this important community.

Mr. President, we thank you again for recognizing the important role that we, the manufacturers and suppliers of information and communications technology, play in the U.S. economy. We are committed to working with your Administration, the FCC and Congress to develop the policies outlined in TIA's Innovation Package, which will keep the American people on the path of economic recovery and growth.

The future of our communications network infrastructure matters to our nation's health and global competitiveness and it matters to all Americans who want to make a living in the global economy of the 21st century.

Sincerely,

A handwritten signature in black ink, reading "Grant E. Seiffert". The signature is written in a cursive style with a large initial "G" and a prominent flourish at the end.

Grant E. Seiffert
TIA President