



November 13, 2014

The Honorable John A. Boehner
Speaker
1011 Longworth House Office Building
Washington, D.C. 20515

The Honorable Harry Reid
Majority Leader
522 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Nancy Pelosi
Minority Leader
235 Cannon House Office Building
Washington, D.C. 20515

The Honorable Mitch McConnell
Minority Leader
317 Russell Senate Office Building
Washington, D.C. 20510

Dear Speaker Boehner, Leader Reid, Leader McConnell and Leader Pelosi:

The undersigned associations, representing companies that collectively provide Internet access services to more than 275 million broadband, cable, and wireless subscribers nationwide, write to express our strong support for making the Internet Tax Freedom Act (ITFA) permanent. We appreciate your leadership and we stand ready to work with you and your colleagues to make the Internet tax moratorium permanent, providing certainty to consumers, businesses and state and local governments in advance of the expiration of current law on December 11, 2014.

Protecting consumers from having their broadband access subject to state and local taxation and protecting Internet commerce from multiple and discriminatory taxation has broad bipartisan and bicameral support and has been the law for sixteen years. As a result, most Americans have never paid taxes on their broadband access. Keeping consumer access to the Internet free from taxation minimizes cost and promotes affordable access to this critical source of jobs, education, healthcare and entrepreneurial opportunities. Making this national policy permanent for the citizens of all fifty states will encourage economic growth by enabling more citizens to innovate and engage in today's digital economy.

If ITFA lapses, consumers are at risk of having excessive sales and communications taxes, at rates averaging double the general business sales tax rate, expanded to Internet services, such as Internet

access, email and instant messaging. Several studies have shown that higher cost translates to lower Internet adoption, especially among low-income consumers. A study by the Phoenix Center indicates that a 10% increase in price – not atypical among tax rates imposed by states and localities on communications services – would reverse six years of broadband adoption gains.

If Congress fails to act soon, millions of broadband, cable and wireless consumers will be at risk for new taxes in thousands of state and local jurisdictions. Now is the time to provide all Americans with certainty that their Internet access will never be subject to tax. It will also provide our member companies with confidence regarding the decisions they need to make with respect to ongoing broadband network investment. U.S. Internet providers invested over \$75 billion in 2013 alone. Together our member companies employ over 820,000 Americans who build, manage and secure our nation's broadband networks on behalf of consumers.

Again, we respectfully request you to take action immediately to protect all Americans from new regressive state and local taxation of Internet access and multiple and discriminatory taxation of Internet commerce. We look forward to working with you and your colleagues to achieve this important goal in the weeks ahead.

Sincerely,



Matthew Polka
American Cable Association



Steven K. Berry
Competitive Carriers Association



Chip Pickering
COMPTEL



Meredith Attwell Baker
CTLA – The Wireless Association



Genevieve Morelli
ITTA – The Voice of Mid-Size Communications Companies



Michael Powell
National Cable & Telecommunications Association



Kate Dean
US Internet Service Provider Association



Walter McCormick
US Telecom Association