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February 18, 2010

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

The Honorable Mitch McConnell
Republican Leader
U. S. Senate
S-230, The Capitol
Washington, DC 20510

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

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

Dear Majority Leader Reid, Republican Leader McConnell, Chairman Baucus & Senator Grassley:

On behalf of the Telecommunications Industry Association (TIA), I am writing to respectfully request your leadership in the coming weeks in efforts to secure a multi-year extension of a strengthened federal research and development tax credit (R&D credit).

TIA is a leading trade association for the information and communications technology industry, with over 500 member companies that manufacture or supply the products and services used in global communications. Research is the backbone of the communications industry, a building block for the development of advanced communications products and services, thus, the swift extension of the R&D credit is essential to our industry.

As you know, the development of leading-edge communications applications is complex, requiring time, capital resources and a long-term vision – which is why a long term extension, or a permanent credit, is so critical for companies' ability to plan. Any further delay in extending this credit will add additional uncertainty and will continue to mitigate the incentive value of the credit, especially as compared to the generous credits that can be received for doing research abroad. With the credit's expiration at the end of last year, companies today must make critical R&D investment decisions under a cloud of uncertainty that affects current projects and future plans. Strengthening and extending the R&D credit now will help to lower the cost of those very investments that will continue to foster growth in the overall economy.

Long-term communications research has significant positive effects not only due to the development of key new technologies, but as a supporting sector for the economy as a whole, advancements here will benefit the nation's economic stability. The long-term extension of the R&D credit is an essential, outstanding, element of that innovation agenda and we hope that the Senate will consider this extension in the near term.

Thank you for your past leadership on efforts to keep American industry competitive and I respectfully urge you to pass legislation that strengthens and extends the R&D credit as soon as possible.

Sincerely,

A handwritten signature in black ink that reads "Grant E. Seiffert". The signature is written in a cursive, flowing style.

Grant Seiffert
President