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December 18, 2012

The Honorable John Boehner  
U.S. House of Representatives  
1011 Longworth House Office Building  
Washington, DC 20515

The Honorable Nancy Pelosi  
U.S. House of Representatives  
235 Cannon House Office Building  
Washington, DC 20515

Dear Speaker Boehner and Leader Pelosi:

The Telecommunications Industry Association (TIA), the leading trade association for global manufacturers, vendors, and suppliers of information and communications technology, writes to urge your support for the retroactive extension of the research & development tax credit as part of any year-end “fiscal cliff” legislation. The expiration of the credit at the end of 2011 significantly harms American competitiveness during this time of economic uncertainty.

A failure to retroactively extend the credit would result in a significant curtailment of research & development activities in the coming months, with follow-on effects that will be felt for years. Basic research in general, and ICT research in particular, is often long-term in nature. Although the temporary, short-term nature of the current R&D tax credit has limited its potential effectiveness, the U.S. ICT industry has nevertheless relied upon it while investing in cutting-edge new technologies. Therefore, a sudden and unexpected increase in the tax burden associated with R&D activities – including activities *already conducted* – will cause the private sector to immediately drop or scale back research plans, dealing a devastating blow to U.S. competitiveness. Congress must avoid this worst-case scenario.

After this crisis is addressed, TIA looks forward to working with you in 2013 towards more comprehensive tax reform that will ensure the U.S. maintains its technology leadership in the years to come.

For more information, please contact Danielle Coffey at (202)-346-3243 or by email at [dcoffey@tiaonline.org](mailto:dcoffey@tiaonline.org).

Sincerely,

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

Grant E. Seiffert  
President

Cc: Sen. Harry Reid, Sen. Mitch McConnell