



November 12, 2003

Dear Senator,

We are writing to urge the Senate's swift consideration of S. 150, the Internet Tax Nondiscrimination Act. The Electronic Industries Alliance (EIA), the Consumer Electronics Association (CEA) and the Telecommunications Industry Association (TIA) are strongly in favor of permanently extending a ban on Internet access taxes and on multiple and discriminatory taxes. These important provisions, originally put in place by the Internet Tax Freedom Act in the 105<sup>th</sup> Congress, are critical to the growth of the technology sector. With the November 1 expiration date already past and Congress on its way towards the end of this year's session, we are concerned that consumers face potentially burdensome taxation.

The Internet has grown exponentially since the initial access tax moratorium went into effect in 1998. However, to encourage further expansion to consumers and the spread of advanced services and technologies such as DSL, cable, optical fiber and satellite broadband, Congress must ensure that the cost of Internet access remains tax-free. S. 150 provides for a policy that is technology-neutral and takes into account newly developed technologies for providing Internet access.

We believe it is important to note that the bill is not intended to provide a blanket tax exemption for telecommunications services. It is also not intended to shield legitimately taxable services through "bundling" with Internet access.

The House of Representatives' companion to S. 150 was passed with strong bipartisan support, and we believe there is clear support in the Senate for this important legislation as well. It is critical that Congress act quickly to ensure market certainty and continue encouraging the growth of electronic commerce and the Internet. Therefore, we urge the Senate to approve S. 150.

If you have any questions, please contact Doug Wiley, EIA's Senior Vice President of Government Relations (703-907-7525); Adam Falkoff, CEA's Senior Director of Government Affairs (703-907-7644); or Grant Seiffert, TIA's Vice President of External Affairs and Global Policy (703-907-7722). Thank you for your consideration.

Sincerely,

Dave McCurdy  
President  
Electronic Industries Alliance

Gary Shapiro  
President  
Consumer Electronics Association

Matthew J. Flanigan  
President  
Telecommunications Industry Association