



INDEPENDENT TELEPHONE & TELECOMMUNICATIONS ALLIANCE

September 22, 2010

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20510

The Honorable John Boehner  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20510

Dear Speaker Pelosi and Minority Leader Boehner:

The Independent Telephone and Telecommunication Alliance (ITTA) strongly supports the 50 (fifty) percent bonus depreciation language included in H.R. 5297, the Small Business Jobs and Credit Act.

ITTA member companies serve more than 20 million access lines across 44 states in mostly rural America. The current economic climate has created additional significant challenges to deploying broadband in high-cost rural America. As you know, successful broadband deployment is a key component to rebuilding our Nation's economy, and it is imperative that Congress pass legislation that will spur broadband deployment immediately.

The bonus depreciation language included in H.R. 5297 will allow ITTA member companies to accelerate broadband investment and deliver the economic, educational, and healthcare opportunities that broadband provides.

In addition to the bonus depreciation language included in H.R. 5297, ITTA urges Congress to act quickly to **prevent increases to capital gains and dividend taxes**. If Congress fails to act by January 1, 2011, the tax rates on capital gains could increase as much as 33 (thirty-three) percent. In regard to dividends, the increase to some individuals could increase as much as 164 (one hundred sixty-four) percent.<sup>i</sup>

ITTA member companies are committed to their role in the rebuilding of our Nation's economy, but that effort must be supported by sustainable business models that encourage investment. In fact, it is estimated that for every \$5 billion invested in broadband up to 2.5 million jobs will be created throughout the entire telecommunication sector.<sup>ii</sup>

ITTA member companies are ready to invest and create jobs: extending the bonus depreciation and preventing future increases to capital gains and dividends will put Americans to work building and maintaining the economic development backbone that is the Internet.

Once again, ITTA commends your leadership in recognizing the value of broadband in rebuilding our economy. ITTA looks forward to working with you on this important goal and if you have any questions please contact Paul Raak, Vice President of Legislative Affairs at 202.898.1514.

Sincerely,

Matthew L. Dosch  
Chairman  
ITTA

<sup>i</sup> The Alliance for Savings & Investment, [www.theASI.org](http://www.theASI.org).

<sup>ii</sup> Letter to Speaker Pelosi and Senate Majority Leader Reid, from Larry Cohen, President, Communications Workers of America (Dec. 9, 2008).