

DEPARTMENT OF THE TREASURY WASHINGTON, D.C.

SECRETARY OF THE TREASURY

AUG 2 2007

The Honorable Nancy Pelosi Speaker U.S. House of Representatives Washington, DC 20515

Dear Madam Speaker:

We write to express our strong support for passage of legislation to extend permanently the moratorium on Internet access taxes and on multiple or discriminatory taxes on electronic commerce. The Internet is an innovative force that opens up the vast potential economic and social benefits of electronic commerce. Preventing the taxation of Internet access and keeping the Internet free of multiple or discriminatory taxes will help sustain an environment for innovation, help ensure that consumers continue to have affordable access to the Internet, especially high-speed Internet, and strengthen the foundations of electronic commerce as a vital and growing part of our economy.

As you know, the current moratorium expires on November 1 of this year. We thank you for your leadership on this issue of great importance to American consumers and businesses. We urge you to expedite passage of a permanent extension so that President Bush can sign it into law before the current moratorium expires.

We look forward to working with you on this important issue. If you should have any further questions or concerns, please feel free to contact us or Nathaniel Wienecke, Assistant Secretary for Legislative and Intergovernmental Affairs, Department of Commerce, at (202) 482-3663, or Kevin Fromer, Assistant Secretary for Legislative Affairs, Department of the Treasury, at (202) 662-0539.

Sincerely,

Henry M. Paulson, Jr. Secretary of the Treasury

Secretary of Commerce

The Honorable Max Baucus Chairman, Senate Committee on Finance

The Honorable Charles Grassley
Ranking Member, Senate Committee on Finance

The Honorable Daniel K. Inouye Chairman, Senate Committee on Commerce, Science and Transportation

The Honorable Ted Stevens Ranking Member, Senate Committee on Commerce, Science and Transportation

The Honorable John Conyers, Jr. Chairman, House Committee on the Judiciary

The Honorable Lamar S. Smith Ranking Member, House Committee on the Judiciary

The Honorable Charles Rangel Chairman, House Committee on Ways and Means

The Honorable Jim McCrery Ranking Member, House Committee on Ways and Means

Identical Letters were sent to:

The Honorable John Boehner House Minority Leader

The Honorable Harry Reid Senate Majority Leader

The Honorable Mitch McConnell Senate Minority Leader