

March 17, 2010

The Honorable Harry M. Reid  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Nancy Pelosi  
Speaker  
United States House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Washington, DC 20510

The Honorable John Boehner  
Minority Leader  
United States House of Representatives  
Washington, DC 20515

Dear Leaders:

On behalf of the member companies we represent, our associations urge you to support extending the temporary 50 percent expensing (or “bonus depreciation”) provision, as recently recommended by President Obama.

Our member companies have largely maintained our huge investments in the US economy while this policy has been in place, with 30 cents of every capital dollar going towards good jobs here in the US. This provision expired at the end of 2009 and we are concerned its expiration will result in reduced future investment at the wrong time – just as our economy slowly recovers and while unemployment rates remain high.

The outlook for the overall economy has improved over the past few months, yet we still need pro-growth policies to ensure that economic growth continues. The 19 percent decline in business investment during 2008-2009 has been deeper than any decline in the post-World War II era. While there are signs that business investment is starting to stabilize, we are not yet out of the woods. We need to do all we can to keep the economy moving in the right direction.

Unfortunately, the important investment incentive provided by bonus depreciation expired at the end of 2009. Our member companies believe that allowing businesses to continue expensing 50 percent of capital equipment in the tax year it is purchased and placed into service, at least through the end of 2010, is needed to promote continued investment. Treasury studies have shown this would promote substantial economic growth. President Obama agrees, and recommended an extension of the Recovery Act’s bonus depreciation provisions as part of his State of the Union address.

The bonus depreciation provisions enacted for 2008 and 2009 have been valuable in promoting investment, but to bolster economic growth, bonus depreciation needs to be

extended into 2010. Thank you for considering our proposal. We look forward to working with you to ensure that this legislation is enacted into law.

Sincerely,



Air Transport Association



American Trucking Association



American Gas Association



Business Roundtable



CTIA – The Wireless Association



National Cable & Telecommunications Association



TechAmerica



Telecommunications Industry Association



United States Telecom Association



Edison Electric Institute



Solar Energy Industries Association



National Association of Manufacturers



U.S. Chamber of Commerce

CC: The Honorable Max Baucus, Chairman, Senate Finance Committee  
The Honorable Sander Levin, Chairman, House Ways and Means Committee  
The Honorable Charles Grassley, Ranking Member, Senate Finance Committee  
The Honorable Dave Camp, Ranking Member, House Ways and Means Committee  
Members of the Senate Finance Committee  
Members of the House Ways and Means Committee