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February 8, 2016

The Honorable Barbara Boxer  
United States Senate  
112 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable Dianne Feinstein  
United States Senate  
331 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senators Feinstein and Boxer,

We are deeply concerned about the Trade Facilitation and Trade Enforcement Act of 2015 conference report as it includes a provision that would make the Internet Tax Freedom Act (ITFA), a federal ban on Internet access taxes, permanent. As you know, a permanent moratorium on state and local taxation of internet access services would erode a critical revenue stream for California cities, further threatening their fiscal stability. We urge you to work with your colleagues to remove this provision from the conference report.

In California, over 150 localities implement a voter approved telecommunications tax – known as a utility user tax (UUT) – which provides approximately 15% of general purpose revenue that pays for services such as police, fire, and emergency response. The telecommunications UUT provides California cities over \$500 million in revenue. At a time when state and local governments are already under tremendous financial pressure, the loss of this revenue through the enactment of a permanent ITFA would impact their ability to provide critical public services while adding to the fiscal constraints that they face.

Therefore, as you begin Senate consideration of the conference report, we urge you to work with Senate leadership to remove the ITFA provision from the conference report to ensure that local governments can continue to collect this revenue to provide critical services. As a leader on this issue in the past, we appreciate your willingness to fight for cities and the services the UUT tax provides.

Thank you for your attention to this request. Should you have any questions or require additional information, please feel free to contact Eve O'Toole ([eve.otoole@hklaw.com](mailto:eve.otoole@hklaw.com)) at (202) 419-2505 or Leslie Pollner ([Leslie.Pollner@hklaw.com](mailto:Leslie.Pollner@hklaw.com)) at (202) 469-5149. We look forward to working with you.

Sincerely,

A handwritten signature in cursive script that reads "Chris McKenzie".

Chris McKenzie  
Executive Director  
League of California Cities