

54, rue La Boétie
75411 Paris Cedex 08
France
Tél. : + 33 (0)1 40 76 10 10
Fax : + 33 (0)1 40 76 14 00

June 9, 2004

The Honorable William Thomas
Chairman
Committee on Ways and Means
United States House of Representatives
Washington, DC 20515

Dear Chairman Thomas:

Alcatel is pleased to express its support for H.R. 4520, the "American Jobs Creation Act of 2004." As you know, Alcatel provides businesses, municipalities, and telecommunications carriers in the United States with broadband communications solutions, including digital subscriber line (DSL) and fiber-to-the-user networks. Alcatel employs thousands of American employees at its facilities located in California, Massachusetts, North Carolina, Texas, and Virginia.

Alcatel commends you for working to develop a bill that ensures U.S. compliance with its WTO obligations while also encouraging additional investment in the United States. In addition to the corporate rate reduction provided for in your legislation, Alcatel greatly appreciates the extension of the Research and Experimentation tax credit beyond its upcoming June 30 expiration date that has been included within the American Jobs Creation Act. As a company that has made significant investment in the United States, Alcatel also strongly supports your decision not to include broad changes to section 163(j) of the Internal Revenue Code within H.R. 4520, which would have only deterred further foreign direct investment in the United States. By virtue of these provisions and others with H.R. 4520, we are pleased to encourage the passage of this legislation by your colleagues in the House of Representatives.

Again, thank you for developing a proposal that meets important domestic and international objectives. We appreciate your efforts.

Sincerely,



Mike Quigley
President, Alcatel North America
Chief Executive Officer, Alcatel USA