

February 3, 2022

The Honorable Charles E. Schumer  
The Honorable Nancy Pelosi  
The Honorable Ron Wyden  
The Honorable Richard E. Neal

**RE: Build Back Better and Spectrum Tax**

Dear Majority Leader Schumer, Speaker Pelosi, Chairman Wyden, and Chairman Neal:

INCOMPAS is writing to express our concern with the provision included in the House version of the Build Back Better Bill that will change the tax treatment of FCC spectrum licenses that were obtained via FCC auctions.

INCOMPAS is the internet and competitive networks association—the preeminent national industry association advocating for streaming, internet content and the deployment of new high-speed broadband networks, including competitive fiber and mobile networks that are delivering faster, more reliable, affordable, and robust broadband across the U.S. Our [members](#) include the leading competitive companies who are delivering fiber and wireless infrastructure throughout the U.S. They are offering higher speeds, better service, at lower prices than some of the largest incumbent providers in the nation. In addition, we have internet content and cloud companies who are providing service on top of these networks, and in some instances partnering with these networks to offer innovative products and services to consumers and businesses, including 5G.

As a result of the COVID-19 pandemic, our members are seeing significant growth in the demand for the services they offer, and the case to deploy competitive broadband networks has improved. Indeed, Congress’ commitment to invest in broadband network and service availability through the CARES Act, the American Rescue Plan, and the Infrastructure Investment and Jobs Act, which INCOMPAS and its members supported, also is contributing significantly to meeting the broadband needs of the nation. INCOMPAS is actively representing our members at the federal, state, and local levels in the implementation of the broadband programs, and we are emphasizing the need for policies that incent fast network deployment throughout the U.S. so that every consumer and business in the U.S. can benefit as soon as possible from both fiber and 5G network connectivity. We believe it is critical that all consumers and businesses have competitive choice, and we are highlighting that infrastructure deployment policies must enable and promote network deployment by competitors. This is important for competition in the U.S., but also because it better positions our nation to compete in the international arena.

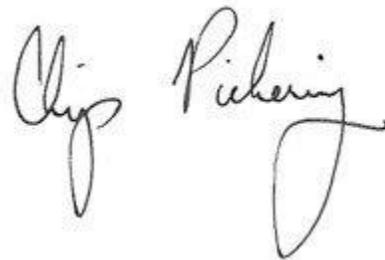
We are concerned that the proposed tax change in Build Back Better in the House version that would no longer allow companies who obtained spectrum via FCC auction to deduct (or amortize) these auction expenditures from their taxes over 15 years. This change will negatively impact the

availability of capital to fund the 5G deployment plans of our competitive wireless member companies. However, the impact is far reaching for our membership because both our fiber and cloud members also likely will see a decline in investment as they are working in partnership to deliver the 5G networks with incumbent and competitive wireless companies alike.

There also is another potential harm that we wanted to bring to your attention. Certain of the broadband programs that Congress has funded contemplate a match from non-federal sources. As the private sector investment in 5G and fiber networks are negatively impacted by this change, so too is the ability of the industry to meet the match requirement and participate so that the programs can fully meet their goals of bringing broadband connectivity and affordability to everyone.

It is our hope that the House and Senate will be willing to consider modifying the approach so that the Congress does not inadvertently harm competitive broadband deployment. Should you have any questions concerning our perspective, please do not hesitate to reach out.

Sincerely,

A handwritten signature in black ink that reads "Chip Pickering". The signature is written in a cursive style with a large, sweeping flourish at the end of the name.

Chip Pickering  
CEO