



Wireless  
Infrastructure  
Association

April 5, 2022

The Honorable Charles Schumer  
Senate Majority Leader  
S-230, The Capitol  
Washington, D.C. 20510

The Honorable Ron Wyden  
Chairman, Committee on Finance  
S219 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Leader Schumer and Chairman Wyden:

On behalf of the Wireless Infrastructure Association (WIA), the leading trade association on wireless broadband infrastructure issues, I am writing to express support for continuing tax policies that have helped stimulate billions of dollars of investments in America's wireless networks and infrastructure.

WIA represents the companies that make up the wireless infrastructure ecosystem in the United States. These companies are the businesses that build, develop, own, and operate America's wireless infrastructure. WIA members include infrastructure providers, wireless carriers, and professional services firms.

With the Infrastructure Investment and Jobs Act, Congress delivered an unprecedented investment in American broadband infrastructure. WIA and its members are already hard at work to ensure that the \$65 billion appropriated for broadband expansion will help close the digital divide and win the global race to 5G.

As congressional discussions progress on a potential alternative to last year's Build Back Better bill, WIA has serious reservations about the impact of a book alternative minimum tax provision, should it be considered in this or future legislation. Under the current tax code, companies that acquire spectrum licenses at Federal Communications Commission auctions are permitted to amortize these auction costs over a 15-year period, freeing up additional capital for investment in next-generation wireless infrastructure. The book alternative minimum tax provision in last year's Build Back Better bill would have changed this tax treatment—spectrum licenses would be considered indefinite-lived assets under tax law, and the purchase of these licenses would receive no deduction for book income purposes. In effect, applying a book alternative minimum tax to spectrum acquisition costs would create a 15 percent tax on the licenses needed to deploy America's 5G networks.

Wireless providers spend tens of billions of dollars on spectrum licenses, making these assets one of the most cost-intensive components of wireless networks. Imposing a new book alternative minimum tax on the costs of these licenses would inevitably decrease available capital for wireless infrastructure investment, forcing our members to reduce the \$100 billion in expenditures the wireless industry is projected to make over the next three years. And worse yet, the retroactive nature of the Build Back Better bill's book tax provision would amplify these deleterious effects.

At a time when Congress is prioritizing the expansion of broadband infrastructure across the country, applying a book alternative minimum tax to spectrum acquisition costs would represent a retreat in the march towards reaching the nation's connectivity goals. WIA therefore hopes that Congress will continue the current tax treatment of federal spectrum licenses as it considers future legislation. Doing so would advance Congress' broadband goals for the nation and promote continued innovation and investment in America's wireless broadband networks.

Sincerely,

A handwritten signature in blue ink that reads "Jonathan Adelstein". The signature is fluid and cursive, with a large loop at the beginning of the first name.

Jonathan Adelstein  
President and CEO  
Wireless Infrastructure Association