



**Telecommunications Industry Association**

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January 6, 2022

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

On behalf of the Telecommunications Industry Association (TIA), the leading trade association representing manufacturers and suppliers of high-tech communications networks, I am writing to express our concern with the 5G Tax provision included in the House version of the Build Back Better Bill.

TIA represents more than 400 global companies that enable high-speed communications networks and accelerate next-generation information and communications technology (ICT) innovation. Through leadership in technology programs, standards development, and business performance solutions, TIA and its members are accelerating connectivity across the United States.

TIA applauded Congress for passing the bipartisan Infrastructure Investment and Jobs Act, which is already fueling investments in secure, high-speed broadband network infrastructure. For similar reasons, TIA supports the goals of the broadband and ICT provisions in the Build Back Better bill.

Yet, buried within the House version of the Build Back Better legislation is a tax provision, known in tax parlance as the book alternative minimum tax, that threatens congressional efforts to narrow the digital divide and stymie U.S. leadership in 5G.

Today, when wireless companies purchase spectrum licenses at federal auctions, current tax law permits companies to deduct (or amortize) these auction expenditures from their taxes in equal installments over a period of fifteen years. These spectrum auctions costs can be significant—the U.S. Treasury collected more than \$80 billion in its recent C-Band auction. And the cost savings permitted under current law helps to fuel investments in next generation wireless infrastructure and services.

But under the new book alternative minimum tax provision introduced in the House Build Back Better bill, the auction costs associated with acquiring spectrum would no longer be eligible for amortization. This effective results in a 5G tax, and it would surely have a chilling effect on wireless broadband investments.

TIA therefore hopes the House and Senate can work together to alter the book alternative minimum tax provision to ensure that spectrum auction fees continue to receive the same tax treatment that has led to a wave of innovation in wireless broadband services and helped the United States lead the world in 5G. Doing so will maximize the returns on Congress' historic investments in broadband infrastructure and ensure that all Americans can benefit from robust and innovative wireless services.

Sincerely,



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David Stehlin  
CEO  
Telecommunications Industry Association

cc: The Honorable Maria Cantwell  
The Honorable Frank Pallone