



June 6, 2023

The Honorable Dan Meuser
United States House of Representatives
Chairman, Committee on Small Business
Subcommittee on Economic Growth, Tax, and
Capital Access
2361 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Greg Landsman
United States House of Representatives
Ranking Member, Committee on Small Business
Subcommittee on Economic Growth, Tax, and
Capital Access
2069 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Meuser and Ranking Member Landsman:

Competitive Carriers Association (CCA)¹ respectfully submits this letter for the record for today's hearing titled "American Ingenuity: Promoting Innovation Through the Tax Code." CCA applauds the Subcommittee for holding this important hearing focusing on the impacts that changes to the tax code, including research and development expensing and bonus depreciation, have on small businesses. CCA represents competitive wireless carriers that strive to innovate and lead the world in developing and providing communications technologies and services. Indeed, competitive wireless carriers serving rural, unserved, and underserved Americans are key contributors to a strong wireless ecosystem, and tax laws have real world effects on these carriers, including the ability to innovate and invest in next generation network technologies and services.

Allowing wireless carriers to receive tax deductible treatment for research and development costs as incurred, as well as to maximize bonus depreciation incentives on their investments, facilitates innovation. Further, many wireless carriers borrow funds to finance long-term investments in mobile telecommunications equipment and services, which in turn deliver 4G and 5G wireless connectivity. These advanced technologies are key to innovation and economic development. Tax code changes related to business interest deductibility negatively impact smaller carriers and carriers serving rural markets not only in terms of immediate costs, but also in the ability to finance important investments in their networks and to purchase the necessary components for next-generation technologies. For CCA members, network investments expand connectivity in the communities they serve. Alleviating tax burdens on competitive carriers results in further investment in innovation and connectivity as work continues to bridge the digital divide.

¹CCA is the nation's leading association for competitive wireless providers and stakeholders across the United States. Members range from small, rural carriers serving fewer than 5,000 customers to regional and national providers serving millions of customers, as well as vendors and suppliers that provide products and services throughout the wireless communications ecosystem.

CCA thanks you for your leadership and stands ready to work with you on these and other important issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Donovan", with a long horizontal line extending to the right.

Tim Donovan
President and CEO

cc:

The Honorable Roger Williams, Chairman, Committee on Small Business

The Honorable Nydia Velázquez, Ranking Member, Committee on Small Business