

Meredith Attwell Baker
President/CEO

July 9, 2014

The Honorable John Boehner
Speaker
U.S. House of Representatives
H-232 U.S. Capitol
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
H-204 U.S. Capitol
Washington, DC 20515

Dear Speaker Boehner and Leader Pelosi:

On behalf of CTIA – The Wireless Association® (“CTIA”), I write in support of Representative Pat Tiberi’s H.R. 4718, a bill to permit businesses to claim an additional first-year depreciation deduction (“bonus depreciation”) equal to 50 percent of the cost of the qualified property placed in service after December 31, 2013. CTIA also supports allowing companies to claim a portion of unused alternative minimum tax (“AMT”) credits in lieu of bonus depreciation to better utilize and take advantage of their AMT credits so as to maximize the opportunities for companies to increase their capital investment.

The wireless industry is very capital intensive and tax policy impacts the ability of CTIA’s members to invest and contribute to economic growth. By making bonus depreciation permanent, H.R. 4718 offers certainty for CTIA’s members, allowing them to plan for future investments and lowering the cost of capital so they can continue to invest in wireless broadband networks, the essential infrastructure of the 21st century.

Last year, with help from a prior extension of bonus depreciation, U.S. carriers invested more than \$30 billion in their networks. This accounted for a quarter of the world’s wireless capital investment. As a result of this ongoing investment in domestic infrastructure, the U.S. enjoys nearly 50 percent of the world’s 4G LTE subscribers despite being home to just five percent of the world’s wireless subscribers.

If adopted, H.R. 4718 will facilitate continued expansion of wireless broadband networks, supporting an innovative, growing, and U.S.-based applications development sector, as well as enabling innovations in areas such as telematics, smart-grids, and telemedicine.

Bonus depreciation encourages investment, promotes innovation that advances American leadership, and supports high-tech, high-wage jobs. For these reasons, CTIA strongly supports this critical legislation and urges all Members to vote for H.R. 4718.

Sincerely,



Meredith Attwell Baker
President and CEO