



**Competitive Carriers Association**  
Rural • Regional • Nationwide®



*The Voice of America's Broadband Providers*

May 11, 2017

The Honorable Orrin Hatch  
Chairman  
Senate Committee on Finance  
Senate Dirksen 219  
Washington, D.C. 20510

The Honorable Ron Wyden  
Ranking Member  
Senate Committee on Finance  
Senate Dirksen 219  
Washington, D.C. 20510

Dear Chairman Hatch and Ranking Member Wyden:

The member companies represented by our trade associations provide broadband and other communications services to millions of customers living in rural and remote parts of our country.

Millions of Americans reap the benefit of connectivity due in large part to the success of the federal Universal Service Fund ("USF"). The USF, including the Connect America Fund, Mobility Fund, and other legacy High Cost support programs have been successful public/private partnerships that have evolved from providing near-ubiquitous voice service to supporting networks capable of providing broadband connectivity via fixed and mobile technologies. Our member companies are dedicated to offering the best service despite the many challenges associated with providing reasonably comparable services to rural America as those enjoyed in urban areas.

As your Committee endeavors to reform the tax code, it is our hope that you will prioritize policies that encourage additional broadband investment. One area in which your Committee can immediately provide a boost to broadband investment is to clarify that funds received by companies from broadband programs such as the USF or future infrastructure funding mechanisms do not constitute taxable income.

If disbursements from USF and other broadband funding programs are treated as nontaxable income, companies that receive this support will be able to use more of the funds they receive to deploy broadband networks deeper into rural America. This could be one of the most innovative, efficient, and effective ways to enhance broadband deployment and create new jobs in economically challenged rural areas. Clarifying the federal tax code to treat disbursements from all federal broadband programs, including the USF, as non-taxable will further the public interest by enabling the increased investment in infrastructure that is

necessary to create jobs and serve rural consumers who are waiting to be connected to high-speed broadband.

We remain committed to working with you and your staff to find creative policy solutions that will continue to drive our American economy forward and make us more competitive around the world. If you should have any questions please contact Tim Donovan, SVP, Legislative Affairs for CCA at 202.747.0718 or by email at [tdonovan@ccamobile.org](mailto:tdonovan@ccamobile.org), or Paul Raak, Vice President of Legislative Affairs for ITTA at 202.898.1514 or by email at [praak@itta.us](mailto:praak@itta.us).

Sincerely,



Steven K. Berry  
President & CEO  
Competitive Carriers Association



Genevieve Morelli  
President  
ITTA- the Voice of America's Broadband Providers

CC: Senate Finance Committee Members  
The Honorable John Thune, Chairman, Senate Committee on Commerce, Science, & Transportation  
The Honorable Bill Nelson, Ranking Member, Senate Committee on Commerce, Science, & Transportation  
The Honorable Roger Wicker, Chairman, Subcommittee on Communications, Technology, Innovation & the Internet  
The Honorable Brian Schatz, Ranking Member, Subcommittee on Communications, Technology, Innovation & the Internet



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May 11, 2017

The Honorable Kevin Brady  
Chairman  
House Committee on Ways and Means  
1102 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Richard Neal  
Ranking Member  
House Committee on Ways and Means  
1102 Longworth House Office Building  
Washington, D.C. 20515

Dear Chairman Brady and Ranking Member Neal:

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Sincerely,



Steven K. Berry  
President & CEO  
Competitive Carriers Association



Genevieve Morelli  
President  
ITTA- the Voice of America's Broadband Providers

CC: Members of the Ways and Means Committee  
The Honorable Greg Walden, Chairman, House Committee on Energy and Commerce  
The Honorable Frank Pallone, Ranking Member, House Committee on Energy and Commerce  
The Honorable Marsha Blackburn, Chairman, Subcommittee on Communications & Technology  
The Honorable Mike Doyle, Ranking Member, Subcommittee on Communications & Technology