



March 21, 2021

Support the Gigabit Opportunity Act, H.R. 3377

On behalf of FreedomWorks' activist community, I urge you to contact your representative and ask him or her to cosponsor the Gigabit Opportunity Act, H.R. 3377, introduced by Rep. Kat Cammack (R-Fla.). The Gigabit Opportunity Act would support rural broadband development by amending the tax code to authorize the designation of qualified gigabit opportunity zones in low-income communities, and to provide tax incentives for investments in these zones.

While many areas of our country have benefited greatly from the rapid development of broadband infrastructure, others have been left behind. As the [Federal Communications Commission](#) (FCC) notes, "In urban areas, 97% of Americans have access to high-speed fixed service. In rural areas, that number falls to 65%. And on Tribal lands, barely 60% have access. All told, nearly 30 million Americans cannot reap the benefits of the digital age." With network technology advancing faster than ever before, it is critical that Congress take the necessary steps to start bridging the digital divide.

Towards this end, the Gigabit Opportunity Act is a fantastic place to start. With this legislation, governors are able to submit nominations to the Department of the Treasury for qualified low-income communities to be designated "gigabit opportunity zones." Governors must prioritize those areas poised for economic growth and currently face obstacles to development because of a lack of broadband connectivity. Once gigabit opportunity zones have been established, H.R. 3377 creates a series of enticing tax incentives to spur investment in these zones.

The tax incentives come in two forms: decreased capital gains taxes and immediate tax expensing on qualified property. The capital gains incentives are mostly deferrals of taxes on capital gains from investment in the zones. As it stands, high regulatory burdens coupled with sparse populations mean that many rural areas cannot attract the investment required to develop high-speed broadband. Combining these incentives with immediate expensing for the cost of property will adequately entice the necessary investment for these areas that would otherwise be unprofitable to develop.

Depriving rural areas of broadband has left them at a severe disadvantage to their urban counterparts in an increasingly connected, global economy. Now more than ever, industries like agriculture are becoming more reliant on stable internet connections, and this need will only increase. In the past few years, the FCC has made bridging the digital divide a priority. Now is the time for Congress to make the same commitment. For these reasons, I urge you to contact your representative and ask him or her to cosponsor the Gigabit Opportunity Act, H.R. 3377.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Brandon', with a stylized flourish at the end.

Adam Brandon
President, FreedomWorks