

Testimony of  
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on

“Equipping Carriers and Agencies in the Wireless Era”

before the  
House Energy & Commerce  
Subcommittee on Communications and Technology

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Chairman Walden, Ranking Member Eshoo, and Members of the Subcommittee, thank you for the opportunity to participate in today's hearing on behalf of CTIA – The Wireless Association®. We welcome this hearing and hope it will lead to a recognition that well-planned, properly executed relocation of Federal spectrum users can produce results that benefit the government, the wireless industry, and, most importantly, the American public.

As I have noted in previous appearances before the Subcommittee, America's wireless sector is facing unprecedented demand for wireless broadband capacity. The demand curve we are facing, which Cisco projects will grow by a factor of nine over the next five years, requires that the wireless industry have access to additional licensed spectrum if it is to continue meeting consumer expectations and serving as a catalyst for economic growth and U.S. leadership.

Fortunately, Congress recognized this when it included provisions in last year's Middle Class Tax Relief and Job Creation Act authorizing the FCC to conduct incentive auctions that may result in the conversion of some television broadcast spectrum for wireless broadband use. The FCC is moving to implement that legislation and it is vitally important that the incentive auction process move forward expeditiously. It is equally important that the Commission get it right by maximizing the amount of spectrum that is brought to auction. But even if the incentive auction process yields the 120 megahertz called for in the National Broadband Plan, that and other bands identified for auction by last year's legislation will only provide a portion of what is needed for the industry to meet consumers' and businesses' need for wireless bandwidth.

Additionally, absent an aggressive effort to bring additional spectrum to market, the leadership role the U.S. has long enjoyed in wireless could be put at risk. Many of our trading partners, who are also America's competitors, have recently brought or are bringing substantial amounts of spectrum to market for commercial use. For instance, Germany recently auctioned 350 megahertz, while the U.K. recently auctioned 245 megahertz, and Spain just auctioned 260 megahertz. On the Pacific Rim, Japan has 255 megahertz in the pipeline, while Australia is bringing 230 megahertz to market. It is important that the U.S. keep pace, yet under the most optimistic scenario, the auctions flowing from last year's legislation still will leave the U.S. short

of all of these international efforts and fail to achieve the National Broadband Plan's goal of making 300 megahertz "available for mobile flexible use"<sup>1</sup> by 2015.

To close this gap, Congress should – as it has in the past, always with leadership from this Subcommittee – look to repurpose bands held by Federal users for commercial use. Clearing Federal users from some of the bands they currently occupy will help the commercial sector gain access to the spectrum necessary to stay ahead of consumer demand. And perhaps just as importantly, a relocation process that leads to an auction can provide a critical infusion of funds to facilitate Federal users' movement to state-of-the-art technology. This will reduce ongoing maintenance and procurement costs for Federal agencies and free up resources that are increasingly strained by the budget caps imposed under the Budget Control Act.

The most logical frequency band to start with as we look to repurpose Federal spectrum is the block between 1755 and 1780 megahertz. While that band is currently used by the Department of Defense and other Federal agencies, it is identified internationally for commercial mobile use and thus its reallocation for commercial use would produce substantial benefits for industry and government alike.

From our members' perspective, allocating the 1755-1780 megahertz band for commercial service makes tremendous sense. The band is immediately adjacent to existing domestic wireless commercial spectrum, and thus it would fit seamlessly into the current mobile broadband spectrum portfolio. This will allow for more efficient equipment development and facilitate a more cost-effective migration of existing and developing technologies into the band. Additionally, because most developed countries – including 6 of 8 members of the G-8 and 17 of 20 members of the G-20 – either use or have allocated the 1755-1780 megahertz band for commercial use, there are significant economies of scale and scope that favor commercialization of the band. Recognizing that most of the developed world has already made the decision to commercialize the 1755 to 1780 megahertz band, we need to follow or disconnect the U.S. from the course charted by most of our trading partners. To CTIA, the right choice is clear.

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<sup>1</sup> National Broadband Plan, at 84. Available at [www.broadband.gov](http://www.broadband.gov).

Assuming that the 1755-1780 megahertz band can be reallocated, it should be paired with spectrum currently available for licensing at 2155-2180 megahertz. Current law requires the 2155-2180 megahertz band to be licensed by February, 2015 and it is our hope that the 1755-1780 megahertz band can be made available so that the two bands can be auctioned together. Pairing these bands will maximize their value not only to industry, but also to the government. A study by the Brattle Group found that auctioning the 2155-2180 megahertz band by itself would yield just \$3.6 billion, but when paired with the 1755-1780 megahertz band, the pairing could generate as much as \$15 billion.<sup>2</sup> Given the budget realities facing the country, a difference of that magnitude should not be ignored. But given the fast-approaching deadline for licensing the 2155-2180 megahertz band, achieving this beneficial pairing requires a sense of urgency from all parties.

As an indication of our commitment to moving the process forward, we have developed a proposed relocation “roadmap” that identifies alternative Federal bands to which services currently operating in the 1755 to 1780 megahertz band could be relocated and benchmarks the cost of these relocations at approximately \$4.7 billion. Based on information drawn from the NTIA 1755-1850 MHz Band Feasibility Report, the Commerce Spectrum Management Advisory Committee (CSMAC) Working Group effort, and an industry-sponsored monitoring study, we believe the “roadmap”, if implemented, could enable operations subject to relocation to migrate to suitable alternative bands and state-of-the-art equipment in a way that maintains and protects Federal users’ ability to execute on their missions while alleviating risk to taxpayers and dependence on an unpredictable and strained appropriations process.

Having offered the “roadmap” in a good-faith effort to advance discussions between industry and the government, we hope the Department of Defense and NTIA will respond constructively. If the government disagrees with the industry’s analysis, it should identify points

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<sup>2</sup> Coleman Bazelon, “The Economic Basis of Spectrum Value: Pairing AWS-3 with the 1755 MHz Band is More Valuable than Pairing it with Frequencies from the 1690 MHz Band,” at 1. Available at <http://www.brattle.com/documents/UploadLibrary/Upload938.pdf>.

of disagreement and offer its own proposed solutions, but do so expeditiously in recognition that the statutory clock is ticking on the 2155 to 2180 megahertz band.

We look forward to engaging with the Subcommittee and Federal users to move forward with the relocation process. With the protections provided by the Commercial Spectrum Enhancement Act's updated framework for Federal relocations, a properly executed relocation plan can result in a win-win-win for Federal users, the wireless industry, and the American public. Federal systems, many of which are decades-old and outdated, can be upgraded to the newest, most efficient technology. Wireless carriers can then use the relinquished spectrum to provide services and grow the economy. And the public will benefit from the savings associated with more efficient government systems and more robust, ubiquitous wireless broadband service.

Thank you again for the opportunity to participate in today's hearing. CTIA looks forward to working with the Subcommittee and the Federal user community to achieve an outcome that balances each of our interests and meets all of our needs. Taxpayers and consumers, who, of course, are one and the same, deserve no less.