

**Opening Statement of the Honorable Greg Walden
Subcommittee on Communications and Technology
Hearing on “Improving Federal Spectrum Systems”
October 7, 2015**

(As Prepared for Delivery)

During my time as chairman of this subcommittee, one of the most important topics that we've addressed is spectrum - how to better use it, how to allocate it, how to value it. And through our work we've found bipartisan agreement on many of the policy issues around this valuable resource.

Three-and-a-half years ago Congress passed the Middle Class Tax Relief and Job Creation Act, including the spectrum incentive auction provisions this subcommittee brought to the table. If properly conducted, the upcoming broadband incentive auction will successfully free up a wide swath of valuable spectrum for new purposes. But with world-wide demand for wireless connectivity expected to grow 400 percent in the next three years, and given that the U.S. government is nowhere close to meeting the goal of repurposing 500 MHz as called for in the National Broadband Plan, it's clear we have more work to do.

One way we can continue to free up additional spectrum is through use of the Commercial Spectrum Enhancement Act. Under the CSEA, commercial providers bear the cost of moving federal incumbents to clear spectrum. Given the budgetary pressures facing the country — and the significant challenges our defense agencies face as a result of fiscal belt-tightening — we have an opportunity to work together to optimize the value of underutilized spectrum and upgrade equipment and services used by federal agencies.

Though there are many hurdles to overcome in clearing and reallocating federally held spectrum, we have proven it can be done to great success. The best example of this process is the recent AWS-3 auction, which made 65 MHz of spectrum available for wireless broadband and raised more than \$44 billion.

The AWS-3 auction worked. Now, let us move forward by giving agencies new tools that will allow them to become more innovative and efficient in how they use spectrum.

Under current law, federal spectrum users receive compensation for relocating spectrum-based systems and can upgrade equipment to further their mission. Carriers get the opportunity to purchase a resource they desperately need, and above all, consumers will have better mobile broadband service, allowing them to access the services and information they so clearly want and need.

Building on this successful process, today we are reviewing two pieces of legislation that will help move America forward. First, Representatives Guthrie and Matsui's Federal Spectrum Incentive Act allows interested agencies to take part in an incentive auction where they are compensated for relinquishing spectrum through auction proceeds. Currently, agencies are only allowed to be reimbursed for sharing or relocating — this legislation would incentivize agencies to take a hard look at their spectrum use and to give up the spectrum they don't need.

We're also reviewing a bill that would require the FCC to report back to Congress with draft auction plans going forward. This legislation is intended to help establish a more consistent and predictable supply of spectrum going forward through a formal process between the Congress, the FCC, the NTIA, and other agencies.

While the speed of innovation in technology is blindingly fast, the timeline for reallocating spectrum often is reflective of the tangled bureaucracy of government, and the fiscal and operational restraints on agencies. This conflict illustrates the urgent need for legislation to reform the federal system, bring about predictable and transparent auction rules, and provide clear incentives for agencies to free up under-used, or unneeded, spectrum.

We can move forward on this front while at the same time making sure agencies who rely on the resource for mission-critical operations have the most modern communications technology available.

I'd like to thank Ranking Member Pallone and Representative Clarke for working with us on this bipartisan discussion draft and I look forward to our continued collaboration. Working together we can provide the framework and incentives to increase efficiency, upgrade government systems, and make spectrum available to meet our country's wireless broadband demand.

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