

**Opening Statement of the Honorable Greg Walden  
Subcommittee on Communications and Technology  
Hearing on “Status of the Public Safety Broadband Network”  
February 2, 2016**

*(As Prepared for Delivery)*

This morning we convene to examine the progress in the deployment of the nationwide public safety broadband network. A mandate given to FirstNet by Congress in the Middle Class Tax Relief and Job Creation Act of 2012 and for which FirstNet was created.

With the January 13th release of the Request For Proposal to award a contract for the deployment and operation of the network, FirstNet has achieved its most crucial milestone to date, and within the timeframe promised by Chairman Sue Swenson. I commend Ms. Swenson, the FirstNet Board and the staff of FirstNet for reaching this milestone – especially given the time lost in FirstNet’s early days when controversy hobbled its efforts.

If FirstNet is able to stay the course to the timeline it has established for the RFP process, proposals will be due just one year after the United States Government Accountability Office released its report on FirstNet’s progress in establishing the network. In that report GAO observed that “FirstNet faces a multitude of risks, significant challenges, and difficult decisions in meeting its statutory responsibilities, including how to become a self-funding entity.”

Today’s discussion with FirstNet will give us the chance to gain a better understanding of the RFP, what it means for our nations’ first responders, and FirstNet’s thoughts on how it envisions its future. To that end, we have begun to hear concerns from parties that are candidates to build FirstNet’s network.

Some have expressed concern with FirstNet’s attempt to establish a private-public partnership for the deployment and operation of the network through a single contract that covers all the states and territories. Rather than a “network of networks” approach, FirstNet is asking one company to take on the obligations nationwide. This approach could make it tougher for small and regional companies to participate in FirstNet without partnering with one of the nationwide carriers.

Others are concerned that FirstNet’s RFP asks the winning bidder to take on the obligation to serve the needs of public safety, but doesn’t provide an economic incentive to do so. In broad strokes, the RFP take the approach that rather than FirstNet paying for the contractor’s services, wireless providers will come to play in exchange for access to FirstNet’s spectrum and the ability to charge public safety users subscription fees. The RFP also envisions grants of up to \$6.5 billion in funding to support the build-out and operation of the network, but requires repayment of nearly 85 percent of that money in the form of “sustainability payments” to FirstNet. In short, it appears FirstNet is asking a wireless provider to take on the obligation of building a network to public safety specifications in exchange for a monopoly on public safety users and a zero interest loan.

Others still have expressed concerns that this seems to be a rehash of the failed approach of the FCC’s 2007 700 MHz D block auction. Then, the FCC asked the wireless industry to pay \$2 billion for a nationwide license that would come with an obligation to negotiate with, and serve the needs of, public safety. Even with the prospect of holding the D block license going forward as enticement, the wireless industry was not willing to put up the capital needed or build the

network public safety was demanding. Nine years later, FirstNet is asking wireless providers to take similar terms without the enticement of the license. I hope that these concerns are misplaced, but there is a small but growing chorus asking why FirstNet believes that this time will be different.

The legislation that created FirstNet was not my preferred approach. I favored construction from the bottom up, not the top down. And while I take some comfort that FirstNet has chosen a public-private partnership as the vehicle to deploy the network, the concerns we are hearing are valid.

But for better or worse, the RFP is in the field. The die is cast. Whether a business case can be made for what FirstNet is asking will be better understood in April when responses are due and proposals submitted. Today is an opportunity for FirstNet to answer some questions, maybe assuage some fears, and to inform the committee of what the RFP means for the deployment of a public safety broadband network that reaches all corners of the United States, urban and rural.

Finally, we will also hear from the FCC. The FCC plays a critical role in the state “opt out” provisions of the statute as it is charged with reviewing and approving a state’s plan to deploy its own radio network. With the RFP issued, and an award in the fourth quarter of 2016 anticipated, states will need to understand that process in order to make an informed decision on whether to accept FirstNet’s plan or deploy on their own. As delay from the commission could frustrate deliberations of states deciding whether to opt out, I hope that when we gavel out today we will do so with an understanding of when the FCC will satisfy this statutory duty.

###