

Responses to Questions for the Record

The Honorable Marsha Blackburn

1. **Mr. Bergmann, HR 4190 is intended to encourage greater spectrum efficiency - a worthy objective - but even enhanced efficiency is unlikely to keep us ahead of rising demand for wireless capacity, which Cisco estimates will grow by a factor of six over the next five years.**

So would you agree that the real key to keeping America at the forefront of the wireless revolution is finding additional spectrum that can be turned over to the commercial sector?

A. CTIA strongly supports efforts make additional spectrum available for commercial mobile use to satisfy the exponential growth in consumer demand for bandwidth-intensive mobile applications and services. Congress and the Executive Branch should focus in particular on spectrum that can be reallocated for exclusive non-federal use. As CTIA has explained, there is no substitute for licensed, exclusive-use spectrum.

Unfortunately, there is virtually no unencumbered spectrum below 3 GHz, which is ideally suited for commercial mobile use. As a result, to keep pace with consumer demand for mobile bandwidth, Congress and the Executive Branch need to examine opportunities to relocate incumbent users. But encouraging more efficient use of spectrum should be at least part of the solution because greater spectral efficiency will make relocating incumbent users (or enabling them to simply relinquish spectrum) faster and less costly.

2. **Finding 5.1 of the President's 2012 PCAST report titled Realizing the Full Potential of Government held Spectrum to Spur Economic Growth states the following: There is no incentive system today for Federal Government agencies to be efficient in their use of spectrum or to share spectrum allocated to them with the non-federal sector.**

That report concluded that "there is no incentive system today for Federal government agencies to be efficient in their use of spectrum."

Do you believe Federal users, in general, are any more efficient today than they were then? Why or why not? How can we get them to be more efficient?

A. CTIA strongly supports efforts to encourage Federal users to use spectrum more efficiently so that additional spectrum can be reallocated for commercial mobile use to satisfy the exponential growth in consumer demand for bandwidth-intensive mobile applications and services. Congress and the Executive Branch should adopt affirmative measures that will enable federal agencies to take advantage of incentives to free up the additional spectrum that will continue to drive the growth of the wireless industry and our Nation's economy.

In considering incentives for federal agencies to make additional spectrum available, Congress and the Executive Branch should focus in particular on spectrum that can be reallocated for exclusive non-federal use. As CTIA has explained, there is no substitute for licensed, exclusive-use spectrum.

Congress should consider financial incentives to encourage Federal users to utilize spectrum more efficiently. While the Commercial Spectrum Enhancement Act (“CSEA”) provides federal agencies with reimbursement for costs they incur as a result of spectrum relocation, agencies do not otherwise recognize any revenue from the auction of spectrum on which their systems operate.

Congress could allocate some percentage of auction revenues of spectrum voluntarily relinquished by Federal users to the affected agencies. Federal entities that agree to relinquish exclusive use spectrum should enjoy a higher percentage of auction revenues than agencies that relinquish shared spectrum.

Any incentive payments provided to agencies would be in addition to payments that they would otherwise receive for relocation or sharing under the CSEA (unless they merely relinquish spectrum and do not relocate to other frequency bands). In addition, agency budgets should not be reduced by the amount of payments they receive from auction proceeds if an agency voluntarily relinquishes spectrum. CTIA commends H.R. 1641 for proposing financial incentives to encourage Federal users to relinquish spectrum.

The CSEA can also incentivize Federal users to utilize spectrum more efficiently. The CSEA’s Spectrum Relocation Fund (“SRF”) should be made available for research and development regarding more efficient use of spectrum for which there are no immediate plans for reallocation or sharing. Funding for long-term research will provide the precise incentives for federal agencies to investigate the use of more spectrum-efficient or state-of-the-art technologies. CTIA commends Congress for permitting the SRF to be used for such purposes in the Bipartisan Budget Act of 2015. In addition, H.R. 4190 would create prize competitions to dramatically accelerate the development of technology that improves spectrum efficiency, which could be utilized by federal agencies.