

Chairman Dingell at the Subcommittee on Telecommunications and the Internet hearing entitled "The Digital Future of the U.S.: Part III: Spectrum Opportunities and the Future of Wireless"

Statement of Congressman John D. Dingell, Chairman
Committee on Energy and Commerce

SUBCOMMITTEE ON TELECOMMUNICATIONS AND THE INTERNET
HEARING ENTITLED "THE DIGITAL FUTURE OF THE U.S.: PART III: SPECTRUM OPPORTUNITIES AND THE
FUTURE OF WIRELESS"
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Thank you, Mr. Chairman. Today we will hear about the future of wireless communications, focusing on the upcoming spectrum auction. I expect further opportunities to hear from a broader range of interests on what American consumers can expect in the mobile environment of the future.

The Nation's airwaves are a scarce natural resource, and we are entrusted to manage them on the public's behalf. This Committee has worked diligently to promote competition in the wireless industry. Those efforts continue today.

It is crucial that this Committee pay close attention to the upcoming 700 MHz auction. This auction holds great promise to bring more competition in the delivery of voice, video, and data services to consumers. The propagation characteristics make this spectrum particularly well suited for a "third pipe" into the home.

Next week, the Federal Communications Commission (FCC) is expected to release a preliminary set of service rules and seek further comment on particulars of the band plan. Ultimately, the FCC must resolve important questions. These include the size of the available spectrum blocks, the geographic scope of the licenses, build-out obligations, the structure of small business credits, and whether the band plan will advance the utilization of public safety spectrum. I expect the FCC to proceed with a transparent and sound auction structure based on Congressional objectives set forth in statute.

The threshold question is whether the auction structure will produce greater competition in the broadband marketplace. This auction presents an opportunity for a new entrant to emerge as a national broadband competitor. The FCC should adopt rules that maximize the opportunity for new entrants to obtain sufficient spectrum.

Next, the FCC must fully adopt robust build-out requirements to help speed the deployment of wireless broadband to people's homes, particularly in rural areas.

The auction structure should provide for licenses of different geographic sizes. Sufficient blocks of spectrum should be auctioned in smaller geographic areas. Combined with robust build-out requirements, such a structure should produce meaningful deployment in rural and underserved areas.

The auction structure should promote a variety of business models such that both large and smaller entities have a realistic chance to obtain spectrum licenses. Diversity in wireless communications is no less important than diversity in

other communications and media industries. I expect the FCC to provide smaller companies with a workable program and sufficient time to prepare for this auction.

Finally, the band plan must promote efficient overall use of spectrum. Public safety has a strong need for a nationwide interoperable broadband network. Small carriers seek a nationwide wholesale provider. Proposals such as Frontline appear to provide a technologically efficient way to achieve worthwhile policy objectives while preserving an open auction format. Yet, strong accountability measures may be needed to assure the public that such proposals produce the intended result.

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