Congress of the United States
Washington, DC 20515

October 13, 2011

The Honorable Patty Murray, Co-Chair
Joint Select Committee on Deficit Reduction
448 Russell Senate Office Building
Washington, DC 20510

The Honorable Jeb Hensarling, Co-Chair
Joint Select Committee on Deficit Reduction
129 Cannon House Office Building
Washington, DC 20510

Dear Senator Murray and Representative Hensarling:

We appreciate the important work you and other members of the Joint Select Committee on Deficit Reduction are undertaking to reduce the deficit and improve the economy. We wholeheartedly agree with Senator Kerry, Senator Toomey, Representative Upton and Representative Becerra, who wrote to the President last week, that providing increased spectrum for commercial broadband use will generate revenue for deficit reduction, promote innovation, create jobs and grow our economy.

According to one estimate, the information and communications industry contributed more than $1.7 trillion to the U.S. Gross Domestic Product (GDP) in 2009, or 12.6% of total U.S. GDP. It is widely acknowledged that wireless broadband also generates annual productivity gains of approximately $28 billion, and one analyst even estimates the productivity gains from the deployment and use of wireless broadband will generate almost $860 billion in additional GDP by 2016.

Every sector in our economy benefits from wireless development. For example, broadband deployment will vastly improve health care efficiencies and services. One study finds that increased output generated by seniors and disabled individuals, reduced medical costs, and reduced costs of institutionalized living created through accelerated broadband deployment will total $927 billion between 2005 and 2030. Advancements in wireless technologies aim to reduce the burden on the chronically ill by providing remote monitoring of medical functions and to save lives through public safety interoperable networks. Yet none of this is achievable if we cannot make more spectrum available to the wireless industry. It is therefore imperative that Congress provide the FCC the authority to conduct voluntary incentive auctions of the spectrum, which most economists agree is the best way to transition this valuable resource to its best and highest use.

However, as members of the Select Committee acknowledged last week, this alone will not be enough to free up the airwaves for continued innovation. As you know, the Federal government has the largest designation of frequency bands. According to the Technology Policy Institute, the government currently has exclusive or shared ownership of more than half of the ideal spectrum for wireless deployment. Unfortunately, it is largely unknown

PRINTED ON RECYCLED PAPER

how exactly Federal agencies and departments are using spectrum and which spectrum could be used more efficiently.

That is why we urge you to consider our proposal to establish a process nearly identical to the successful Base Realignment and Closure (BRAC) procedure to determine which Federal spectrum should be auctioned for sole or shared use by the private sector. The BRAC-like Commission is a key model for spectrum relocation because it forces the relocation process to move forward unless Congress passes legislation to block it. Once a determination is made on which spectrum the government must vacate or share, the legislation calls on the FCC to auction such spectrum, which will raise funds for the relocation process and for deficit reduction. Our legislation would provide the telecommunications industry with a certain path forward to reliably clear spectrum for wireless advancements that will grow our economy and improve our international competitiveness.

A draft and summary of the proposal are enclosed for your reference. **We look forward to working with you to ensure Congress provides all the tools necessary to promote job creation and economic growth through increased spectrum efficiency.**

Very Truly Yours,

Mark Kirk
U.S. Senator

Adam Kinzinger
Member of Congress

Enclosures

cc:

Senator John Kerry
Senator Pat Toomey
Representative Fred Upton
Representative Xavier Becerra
Senator Max Baucus
Senator Jon Kyl
Representative Dave Camp
Representative Jim Clyburn
Representative Chris Van Hollen
Senator Rob Portman