

STATEMENT OF CONGRESSMAN RICK BOUCHER

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Introduction of the Voluntary Incentive Auctions Act of 2010

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Mr. Speaker, I rise today on the occasion of the introduction of the “Voluntary Incentive Auctions Act of 2010.” This measure will give the Federal Communications Commission the authority to implement a crucial aspect of the National Broadband Plan. It will help ensure that new spectrum can be made available for commercial wireless services by permitting the Commission to conduct incentive-based spectrum auctions in which a spectrum holder voluntarily relinquishes its spectrum in return for a portion of the auction proceeds.

Wireless communications services are rapidly growing. Each year, millions of users graduate from basic cell phones to smart phones that employ a range of data services. Those services require far greater bandwidth than traditional cell phones. And the data services offered through smart phones are becoming ever more sophisticated, often employing full motion video.

The combination of greater smart phone use and far more elaborate applications is placing unprecedented demands on our limited wireless spectrum availability. To meet these growing demands, the National Broadband Plan calls for making 500 MHz of spectrum newly

available for broadband use within the next 10 years.

That is a worthy goal, though attaining it may not be easy. The National Broadband Plan identifies some potential spectrum candidates, including spectrum in the Wireless Communications Service (WCS) band, the Advanced Wireless Services (AWS) bands and the Mobile Satellite Spectrum (MSS).

The National Broadband Plan also suggests that the Federal Communications Commission initiate a rulemaking to reallocate 120 MHz of spectrum currently in the hands of television stations from television broadcast to wireless broadband use. The Plan suggests that the Commission, among other things:

- Update its rules on television service areas and distance separations to ensure the most efficient allocation of channels to broadcasters, including packing broadcast channels more tightly together.

- Increase the efficiency of spectrum use in the television broadcast bands, including by setting a deadline for low-power stations to transition to digital and addressing poor VHF-reception issues.

- Establish a licensing framework that would allow two or more stations to share a single 6 MHz broadcast channel.

- Determine rules for auctioning broadcast spectrum reclaimed through repacking and voluntary channel sharing or channel surrender, including a way for stations to receive a share of the proceeds for spectrum they contribute to the auction.

The National Broadband Plan's recommendation concerning incentive-based auctions, with broadcasters sharing in the proceeds from the auction of spectrum they voluntarily return to the Federal Communications Commission, requires legislation. Today, my colleague Cliff Stearns, Ranking Member of the Subcommittee on Communications, Technology, and the Internet, and I are introducing the requisite legislative measure.

Our goal is to ensure that any incentive auctions the Federal Communications Commission conducts are truly voluntary. Only in instances in which television broadcasters or other spectrum holders willingly enter into agreements with the FCC for the surrender of their spectrum in return for a portion of the auction revenues would the transaction be deemed to be voluntary. And "truly voluntary" means neither directly nor constructively involuntary. For example, an effort by the FCC to impose a spectrum fee that would make some licensees financially unable to keep their spectrum would make the spectrum surrender constructively involuntary and would be impermissible under the terms of our legislation.

The Voluntary Incentive Auctions Act takes the right approach to incentive-based spectrum auctions. The right approach is for the FCC to work with television broadcasters and other licensees to identify the spectrum they now hold that on a purely consensual basis could be repurposed for commercial wireless use. Licensees who surrender spectrum would receive compensation in exchange for a voluntary spectrum transfer. I do not support, nor would the Voluntary Incentive Auctions Act of 2010 permit, any action by the FCC requiring broadcast stations or others to give up spectrum involuntarily.

The right approach is the one specified in this legislation—enter into conversations with broadcasters and others about surrendering a portion of their spectrum on a voluntary basis, determine rules for incentive-based auctions that are truly voluntary and conduct the auctions in accordance with the agreement.

It is also important that the Commission treat broadcasters that are required to relocate due to repacking fairly. Broadcasters just over one year ago completed the highly successful transition to digital television. That transition freed up substantial amounts of spectrum in the 700 MHz band for commercial wireless use.

To complete the digital television transition successfully, many broadcasters made significant investments in new equipment, including antennas and other items that are tailored to their current channel assignments. Therefore, broadcasters that are required to relocate as part of a repacking plan deserve fair compensation for the costs of that relocation. It is also important that the Commission ensure that broadcasters that relocate due to repacking do not lose over-the-air viewers as a result of that move.

Mr. Speaker, again, I am pleased to join with my colleague Mr. Stearns in offering this important measure to make available more spectrum for innovative wireless broadband services while assuring fair treatment for existing spectrum holders that facilitate that process by voluntarily returning some or all of their spectrum.