

**STATEMENT OF SENATOR SAM BROWNBACK**  
**COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION**  
**FULL COMMITTEE HEARING ON SPECTRUM MANAGEMENT**  
**JUNE 11, 2002**

\$ Spectrum management is an increasingly important component of our nation's communications policy. Wireless services, be they terrestrial or satellite, are providing Americans with unprecedented connectivity for all telecommunications services. This is placing ever greater demands on our spectrum management policy, but our policy is breaking down.

\$ The various agencies that have day-to-day responsibility for managing spectrum seem to be scrambling at the last minute to address now-critical marketplace needs for reform on their end. All government stakeholders -- legislators, regulators, and diplomats alike -- have failed to aggressively represent the interests of our nation in international fora designed to create international spectrum management policy required in an increasingly interconnected world. Our current spectrum management also suffers from our failure to create a reliable secondary market for spectrum use. I do support statutory changes that will create ownership-like efficiencies in the market that will assist non-licensees in their efforts to obtain access to spectrum.

\$ On this note, we must also address licensing that prevents rural communities from being left behind by an assignment process that disproportionately favors national services. Secondary markets can help in this regard, and I look forward to reviewing other legislative concepts that will ensure rural communities have access to vital spectrum resources.

\$ Finally, and the focus of the balance of my comments today, Congress has permitted spectrum auctions B intended as an efficient and objective means of licensing spectrum B to become a mere tool for raising revenue.

\$ Spectrum auctions were intended to bring efficiency and objectivity to our spectrum licensing processes. In concept, those interests willing to pay the most for spectrum at auction had the greatest incentive to deploy services quickly to recoup their investment. This would ensure the timely availability of new services to the public, which is how the public receives its return on the use of the public airwaves. Deposits of auction revenues in the treasury should be seen as an added bonus, not the primary goal of spectrum auctions.

\$ However, since passage of the Balanced Budget Act of 1997, we have clearly lost sight of these principles. The transition to digital television was intended to be a cooperative, market driven process. Yet, 2006 was set in the statute for the transition to come to a

close. We made this decision in 1997 not because it was realistic, but because such a decision was required for budgetary purposes.

\$ The end result is Congressional impatience with the DTV transition, even though it is probably proceeding without undue delay considering the incredible investments, technological hurdles, and policy resolutions required. Too, we are forced to address issues that, quite frankly, should never have been raised, such as the 700 megahertz debacle.

\$ Today's reliance on spectrum auctions for revenue generation, and not solely for spectrum assignment, cannot continue. In my view the most critical component of spectrum management reform will be finding the means of severing spectrum auction revenues from the appropriations process, and making it as difficult as possible for future Congresses to rely on these revenues for appropriations purposes until revenues are actually deposited in the treasury. I whole heartedly endorse the concept of a trust fund as part of spectrum management reform, and will work to ensure that such a trust fund can also serve the purpose of protecting spectrum auction revenues from the general budget process until such time as is appropriate.

\$ On this note I would like to address a nascent aspect of this debate: setting aside spectrum auction revenues for non-spectrum management related purposes. I will oppose such concepts. The first goal of spectrum auction revenues should be management of the spectrum itself. Outstanding issues such as reimbursement for relocation must be addressed and assisted through the use of auction revenues that have been received. Only then should auction revenues be deposited in the Treasury. It is only at this time that those revenues should be made available for other uses.

\$ Should we include requirements on these revenues before they are even received we will simply create the same sort of mess we have created with the surface transportation trust fund, where certain revenues are *anticipated*, spending commitments are made, and then we find ourselves in a bind when those revenues are not realized. We all know that those interests seeking these sorts of requirements on spectrum revenues will not simply Await for next year@ should revenues not materialize to the extent expected.

\$ Thank you Mr. Chairman.