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COMMITTEE ON ENERGY AND COMMERCE  
ENERGY AND POWER



26 SEP 2011 RCU

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September 19, 2011

The Honorable Julius Genachowski  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street SW  
Washington, DC 20554

Dear Chairman Genachowski:

I am writing to express concern about the Commission's current policies surrounding microwave spectrum. First, I would like to commend you for your commitment to spectrum efficiency. Under your leadership, the Commission has taken numerous steps to identify and repurpose numerous spectrum bands, in order to facilitate additional marketplace interest. It is important that the policies surrounding such a scarce public resource encourage efficient usage to the widest number of commercial entities feasible.

The Commission recently improved the rules surrounding microwave spectrum to foster more robust usage. Nonetheless, certain licensing policies of microwave spectrum went unchanged, despite significant evidence suggesting they result in inefficient usage. As you are aware, the Commission currently provides licenses in the 11, 18 and 23 GHz bands on a first come, first served basis. This invites entities to expend the minimal application processing fee amount and acquire a spectrum license, despite little intention to fully utilize the spectrum.

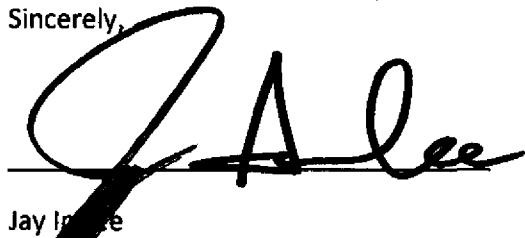
Unfortunately, these practices make it difficult to identify available microwave spectrum in certain areas. At present, potential licensees are discovering that the inefficient utilization of spectrum has a chilling effect on their ability to enter into certain markets – with rejections from third party spectrum coordinators indicating that no additional licenses are available. As a result of the present environment, investment in services like wireless backhaul is unnecessarily hampered. This can have a detrimental effect on both the economy and wireless customers. As such, I request that you please provide me with information regarding the extent of these rejections, whether through the Commission or third party spectrum coordinators.

WTB  
Spectrum Management  
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While I recognize that the law currently prevents the Commission from considering the effect spectrum policy would have on auction revenues, maximizing spectral efficiency will inherently increase its value. I am concerned that the current cost to gain a 10-year license for these microwave spectrum bands does not reflect the fair market value this spectrum possesses. In the current era of fiscal austerity, it is important that the Commission create policies that reflect marketplace demand for spectrum.

Just last year, you remarked that the Commission has "got to work on spectrum policies that generate greater efficiency." I agree, and urge you to implement improvements to the policies surrounding microwave spectrum. These may include reducing the license term, increasing licensee oversight, additional utilization requirements and transitioning to an auction regime. A combination of these steps will encourage greater efficiency while better reflecting the value of microwave spectrum. It is critical the Commission do all it can to foster innovation, efficiency and value within our Nation's spectrum bands.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Inslee".

Jay Inslee  
Member of Congress

cc:

Commissioner Michael J. Copps

Commissioner Robert M. McDowell

Commissioner Mignon Clyburn