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# United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

March 29, 2012

RUSSELL SULLIVAN, STAFF DIRECTOR  
 CHRIS CAMPBELL, REPUBLICAN STAFF DIRECTOR

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

Dear Chairman Genachowski:

I have long advocated for a responsible federal fiscal policy that forces the federal government to do a better job of "living within its means," in much the same way long required of all responsible, taxpaying American families. Achieving this long-term goal will require careful attention to identify under-utilized sources of revenue and to reduce inefficient spending, along with all other forms of fiscal fraud, waste and abuse. As you know, the Senate Finance Committee thus has jurisdiction over all matters that affect federal revenue.

As the Ranking Member of the Finance Committee, I must be sure that the Commission effectively implements its duties under the bipartisan Middle Class Tax Relief and Job Creation Act of 2012, (the "JOBS Act"). Specifically, I am interested in the revenues to be generated by provisions requiring the Commission to identify and auction at least 30 megahertz of spectrum by February 22, 2015. These legal duties should also help the Commission implement its own 2010 National Broadband Plan, which called for the Commission to bring to market 300 megahertz of spectrum by 2015.

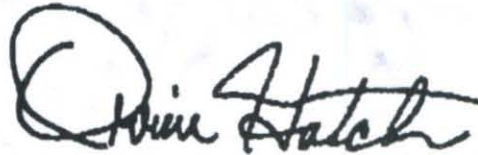
I am most interested in learning how the Commission plans to comply with the JOBS Act and implement its own National Broadband Plan. I strongly believe that the Commission must create and publish a comprehensive set of milestones for measuring progress toward completing the required auctions by 2015. This is important not only to ensure that the process remains on track, but also to ensure the public and members of Congress can continue to rely upon revenue projections based upon prompt and responsible administrative action. Please inform me in writing when I can expect to see a report detailing how the spectrum at issue will be cleared, what parameters will be used to repack current licensees and how the incentive auctions will proceed.

However, I also wish to be clear that the need for schedules and goals to help measure progress towards these important legal and fiscal obligations does not mean that the Commission should attempt to prescribe or "over-engineer" the outcome of these auctions. Quite the contrary. As Commissioner Robert McDowell recently warned, "History has proven that regulators' attempts to over-engineer spectrum auctions often result in harmful, unintended consequences." The increasing importance of revenue-generating mechanisms like spectrum auctions thus calls for careful attention to the lessons of history and oversight of this fiscally important process by the Finance Committee.

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Thank you for your attention to this matter. I look forward to working with the Commission to ensure that the implementation of the JOBS Act vindicates the Committee's belief in the Commission's ability to execute its duty to achieve, by February 22, 2015, at least the first 10% of the 2015 spectrum-allocation objectives prescribed by the Commission's National Broadband Plan.

Sincerely,

A handwritten signature in black ink, reading "Orrin Hatch". The signature is fluid and cursive, with a large initial "O" and a long, sweeping underline.

Orrin G. Hatch  
Ranking Member

cc: Commissioner Robert McDowell,  
Commissioner Mignon Clyburn