

# United States Senate

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March 14, 2019

The Honorable Ajit Pai  
Chairman  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

Dear Chairman Pai,

I am pleased to see the Federal Communications Commission (FCC) explore additional opportunities for spectrum to help accelerate the deployment of 5G to communities across the country, including in rural America. These efforts will help ensure that America wins the race to 5G. Mid-band spectrum, specifically the C-band, is well-suited for 5G services. I believe it is critical that the process for allocating C-band spectrum for 5G must be fair, open, and transparent. I remain concerned that the proposal made by a consortium of foreign-owned satellite providers known as the C-Band Alliance (CBA) meets none of these requirements.

The CBA has proposed an unprecedented private reorganization and spectrum sale with little FCC oversight and public input. The CBA has every incentive to propose a plan that serves its own interests. For instance, the CBA could limit the amount of spectrum it would make available in order to raise the price it could charge 5G providers. A privately-managed spectrum sale conducted behind closed doors will favor certain parties, exclude others, and most importantly, lead to the inefficient deployment of valuable 5G spectrum. However, a public auction put on by the FCC would allow for the most competitive allocation of licenses to best enable 5G deployment. It will also permit a fair, open, and transparent process.

While the CBA has tried to cloak its proposal as a conventional secondary sale of spectrum, it is actually a fundamental reorganization of the C-Band out of public view. The stakes are too high for the FCC to outsource this critical function to unaccountable, foreign-owned private parties. Because the airwaves are a public resource, the FCC must oversee the transition of the C-Band. Unlike this consortium of self-interested foreign-owned satellite companies, the FCC is best suited to make transparent and fair decisions that prioritize the public interest and maximize the public good.

A privately-managed spectrum sale would give the CBA the means to sell nationwide licenses to the largest wireless carriers, with little concern for competitive carriers and new entrants. This outcome would be particularly harmful for rural America as large wireless carriers may never deploy 5G service in these communities. The CBA's members would also have the incentive to raise prices for their remaining satellite services. This would have a disproportionate impact on rural cable operators and their customers.

I urge you and the FCC to reject the CBA proposal and to instead exercise the responsibility given by Congress to determine the appropriate allocation of C-Band spectrum for 5G use. I believe it is necessary for the FCC to utilize an open and public auction process.

Thank you for considering these views and for your service to America.

Sincerely,

A handwritten signature in blue ink that reads "John Kennedy". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John Kennedy  
United States Senator