

United States Senate

WASHINGTON, DC 20510

May 14, 2014

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The Honorable Thomas Wheeler
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Chairman Wheeler:

We appreciate the considerable energy and attention you are devoting to the structuring of the incentive auctions authorized by the Middle Class Tax Relief and Job Creation Act of 2012. We know that you are committed to success of the auction process, and we share that goal. We write today to urge you to maximize the amount of spectrum that is reintroduced into the market, as well as the revenue that will be realized in the auction process, by adopting transparent, fair, and simple rules that neither discriminate against, nor discourage, any carrier from participating in the auctions.

The success of the incentive auctions is critical to our nation in several ways. First and foremost, the auctions will generate the revenue needed to establish FirstNet, a national, interoperable public safety wireless broadband network. The creation of this network is an unfulfilled recommendation of the 9/11 Commission; over a decade after that tragic day, we are finally on the precipice of establishing a system to prevent the communications failures that hampered the evacuation and rescue operations of our heroic first responders.

Second, the auctions will help put back into the market spectrum that is currently not being used to its fullest potential. In an era of rapidly increasing demand for spectrum, ensuring that this limited resource is being used most efficiently and effectively is a high priority for businesses and consumers alike.

Third, Congress required that \$20 billion in auction proceeds be paid into the U.S. Treasury for deficit reduction – a critical return for the sale of a valuable taxpayer asset.

In summary, a successful auction is critical to our economy, public safety and deficit reduction. For this reason, we are concerned that bidding restrictions will have the effect of disincentivizing broadcaster participation because of concerns about reduced returns. This could result not only in less spectrum being put back into the market to be used efficiently, but also less revenue generated by the auction. Ultimately, then, the biggest loser would be FirstNet and the public safety network America needs to thrive in the 21st century.

This is a complex and challenging issue, but we urge you to reconsider any rules that will limit participation by certain carriers in many markets across the country. It is the responsibility of the Commission to structure the auction so that broadcasters and bidders both have incentives to participate, and that auction revenue is maximized in order to adequately fund FirstNet and meet deficit reduction goals.

We have every confidence that the Commission can work together in a bipartisan manner to successfully implement the spectrum auction and to fulfill the goals that Congress has directed the Commission to achieve.

Sincerely,



CHARLES E. SCHUMER
United States Senator



JOHN CORNYN
United States Senator



SHERROD BROWN
United States Senator



JOHN THUNE
United States Senator