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ENERGY AND COMMERCE COMMITTEE

RANKING MEMBER

SUBCOMMITTEE ON
TELECOMMUNICATIONS AND
THE INTERNET

RESOURCES COMMITTEE

Congress of the United States

House of Representatives

Washington, DC 20515-2107

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The Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Chairman Powell:

I again write to urge the Commission to take action, on an expedited basis, to spark renewed investment in the telecommunications sector of our economy. The Commission can play an indispensable role in lifting the telecommunications marketplace out of its current state of economic pessimism. In particular, I urge you to press for adjustments in Commission rules and frequency allocations necessary to promote the widespread availability of technologies and services utilizing unlicensed spectrum.

If additional unlicensed frequencies can be put out into the marketplace sooner, entrepreneurs and high tech companies will be freed up to experiment, innovate, invest, and challenge marketplace incumbents in meeting the wireless needs of consumers. By making such additional frequencies available quickly and without the administrative delay of auctions, it is possible for these new, "disruptive" wireless technologies to assist in rejuvenating a key sector of our economy and to create jobs.

A few months ago, you announced an agreement with the National Telecommunications and Information Administration (NTIA) that heralded the future availability of 90 Megahertz (MHz) of the public's airwaves for future auctions for advanced wireless services. In your statement, you noted that this spectrum "should provide wireless carriers with sufficient capacity to keep pace with consumer demand for new and innovative services."

The additional frequencies that were announced, however, are not likely to be available for auction for several years. Moreover, clearance of certain frequency bands will be contingent, in part, upon the government appropriating additional funds through some mechanism to compensate incumbent users for the costs of relocation. Finally, the plan revealed last summer anticipates that some areas may remain encumbered with current users until December, 2008.

The real world economic impact of the additional 90 MHz, therefore, will be many years off. Until then, many consumers will remain reliant upon current FCC wireless licensees to meet much of the burgeoning marketplace demand for wireless networks, including wireless links for broadband access to the Internet.

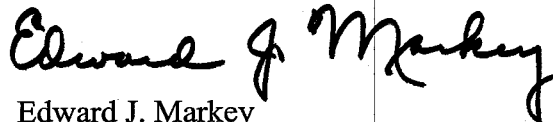
With a relatively small amount of spectrum currently available to the general public for such uses, unlicensed technologies utilizing so-called "802.11" protocols have nevertheless been a relative bright spot in a telecommunications sector otherwise stuck in the doldrums. Estimates vary, but some industry observers have noted that this year's wireless LAN equipment sales may exceed \$1 Billion and are expected to grow to over \$4 Billion by 2005. In short, even as the telecommunications sector remains mired in an economic slump, a "Spectrum Commons" composed of multiple unlicensed wireless networks and myriad applications has already demonstrated much promise.

As you may know, I have introduced legislation in the Congress, the "Wireless Technology Investment and Digital Dividends Act" (H.R. 4641), which calls in part, for additional unlicensed frequencies to be made available. The "Spectrum Commons" portion of my proposed bill specifically challenges the Commission and NTIA to develop a plan that would establish a 20 MHz band of contiguous frequencies below 2 GHz, as well as between 3 to 500 MHz between 2 GHz and 6 GHz – a significant swath of the airwaves that would remain open to the public and unlicensed and thus open for entrepreneurial investment and experimentation.

Please advise me on your thoughts about making additional frequencies available as a "Spectrum Commons." In particular, I am eager to know if you are prepared to stimulate economic activity by reallocating additional frequencies for such unlicensed use by the high tech sector in the near term. If so, kindly forward to me by November 13th your plan for making additional frequencies available for a "Spectrum Commons," including specifically, which frequencies you have tentatively identified for such use, and when you expect the Commission to complete any actions needed to make these frequencies available to the public.

Thank you in advance for your time and attention to this request.

Sincerely,



Edward J. Markey
Ranking Democrat
House Subcommittee on
Telecommunications and the Internet