A federal wireless policy built on carrots, not sticks

By Jessica Rosenworcel - 06/27/13 09:30 AM ET

It was forty years ago when the first mobile wireless call was made. Marty Cooper took to the sidewalk in New York. He held to his head what looked like a 10-inch brick, a clunky device that weighed over two pounds. He spoke, the call went through, and he made history.

Four decades hence, look what that one call wrought. We are now a nation with more mobile phones than people. Half of those phones are smartphones. Add to this the tablets that one in three adults in the U.S. now owns—a number that is growing especially fast.

As big as these trends seem, we are just getting started. The world has gone wireless. Over the next five years, worldwide demand for wireless services is expected to grow by thirteen times. By the end of the decade, we will be deep in the Internet of Things, with more than 50 billion machine-to-machine devices communicating wirelessly.

Back in the here and now, all of this wireless demand has consequences for a scarce resource: spectrum. The airwaves around us that carry so much of our modern communications and that are responsible for so much of our modern economy—are finite. The iron laws of physics being what they are, we are simply not making more. So the challenge is on to use what spectrum we have more efficiently.

These efforts received a powerful jolt this month when the White House added a batch of new initiatives to the spectrum policy mix in an executive memorandum on Expanding America’s Leadership in Wireless Innovation. Among other things, the memorandum sets up a Spectrum Policy Team with experts from across government. It promotes research and collaboration to enhance spectrum sharing. It requires that spectrum efficiency is taken into account in federal procurement. It also encourages the development of more efficient radio receivers. These are all smart and helpful things.

But the single most effective thing we can do to meet the escalating demand for commercial spectrum is rethink the way the federal government uses spectrum. We need a policy built on carrots, not sticks.

Today, federal authorities have substantial spectrum assignments. Critical missions throughout the government are dependent on access to our airwaves. Federal government use of spectrum helps protect us from attack, with tools like early missile warning systems. They help manage our air traffic, enhance our crop productivity, and monitor our water supplies. We want these missions to succeed.

Traditionally, when commercial demands on spectrum rise, we go to these federal authorities and press
them to help find opportunities to repurpose their government airwaves for new private sector use. But our old three step process—clearing federal users, relocating them, and then auctioning the cleared spectrum for new use—is growing creaky. After all, more government functions than ever before are traveling over our airwaves. Plus, finding new spectrum for government relocation and the funds to support moving is flat-out growing more challenging.

That is why it is time for a fresh approach to federal spectrum. We need to develop a series of incentives to serve as the catalyst for freeing more federal spectrum for commercial use. Across the board, we need to find ways to reward federal authorities for efficient use of their spectrum. They could be straightforward and financial—under which a certain portion of the revenue from the commercial auction of their previously held spectrum would be reserved for the federal entity releasing the spectrum. They could also involve revenue from leasing for shared access during a period of transition to cleared rights. As part of this effort, we also should develop a valuation of all spectrum used by federal authorities, in order to provide a consistent way to reward efficiency. In short, we will create more commercial wireless opportunity and make smarter use of a scarce resource if federal authorities see benefit in commercial reallocation—and not just loss.

The good news is that this month’s memorandum moves us closer to an approach to federal spectrum use built on incentives. Within six months, the new Spectrum Policy Team is required to publish a report making recommendations to the President regarding market-based efforts to give agencies greater incentives to give up some of their spectrum, while still protecting their missions. This is a concrete step in the right direction. Given the multiplying number of wireless devices in our lives and the growing demands on our airwaves—now is not a moment too soon.

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