



March 16, 2022

Dear Members of the House Subcommittee on Communications and Technology,

During your hearing entitled **5G and Beyond: Exploring the Next Wireless Frontier**, Digital Liberty would like to recommend extending FCC auction authority, adherence to the interagency process for spectrum allocations, and avoidance of instituting a minimum book tax.

FCC auction authority should be extended before it expires to ensure current and future auctions can continue without issue. Congress must continue to identify bands for auction to keep the spectrum pipeline open and flowing. This continued process is vital for innovation, investment and international competition.

Deployed spectrum brings billions of dollars in investment and connectivity for innovation and to close the digital divide. The associated auctions have also brought billions of dollars to the U.S. Treasury. While extending auction authority, Congress must keep in mind that CBO scores for spectrum, historically, are grossly underestimated often by tens of billions of dollars.

As Congress looks to maximize the value of bands available for auction, we must also avoid policies and practices that would depress auction revenues or otherwise limit future deployments. **It is important that the NTIA-FCC interagency process is utilized and respected without debates falling into the public sphere, and Congress should avoid counterproductive taxes, such as the minimum book tax the was included in Build Back Better.**

The FCC is the agency tasked with determining commercial spectrum allocations. They have the experience and engineering expertise to make these determinations and have a very long track record of success with spectrum auctions and reallocating spectrum to best uses. Stakeholders must respect the process which is designed to reveal and resolve interference issues well in advance of licensing and deployment. In recent years, we have seen agencies look to derail deployments after years of proceedings, technical analysis and review. Without being able to trust this process, companies may be hesitant to participate in the auction process or we will see a decrease in valuation and revenues.

If instituted or even considered, the minimum book tax is wholly counterproductive to the stated goal of bridging the digital divide, universal service, and winning the race to 5G. While Digital Liberty supports no version of a 15% book tax or 15% corporate minimum tax, these taxes are particularly harmful for ISPs and spectrum licensees. The book minimum tax as applied to spectrum would be a retroactive tax on licenses purchased from the government that are not freely transferrable and have associated FCC buildout requirements. A tax of this nature would stymie policy goals, reduce auction revenues, reduce investment and delay deployments.

FCC auctions have proven vastly beneficial to taxpayers, who are after all the beneficiaries of efficient allocations of this valuable, finite resource. We appreciate your continued focus on American competitiveness in all areas associated with connectivity and are happy to assist in achieving these goals.

Regards,

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