

October 7, 2020

The Honorable John Thune
United States Senate
Dirksen Senate Office Building 511
Washington, D.C. 20510

Dear Senator Thune,

We write to thank you for your recent letter supporting the American competitive approach to 5G deployment, which is private sector driven and private sector led.¹ We agree that nationalizing 5G and experimenting with untested models for 5G deployment is not the way the United States wins the 5G race. Deployment of 5G should not rely on the government but should focus on unleashing the private sector and the free market.

We too are concerned with the Department of Defense Request for Information on a government-managed process for 5G development and are alarmed with how quickly it is proceeding.² Even more disturbing are the rumors³ that the RFI was only for show and that the DoD already has an RFP it plans to greenlight.

Taxpayers should not foot the bill for something that the private sector is already committed to doing through a free market approach. America's private companies have invested decades of research, spent tens of billions of dollars, and are already deploying 5G across the country at a breakneck pace. There are three U.S. companies – AT&T, Verizon, and T-Mobile – who have spent billions⁴ in recent years building national 5G networks, and another, DISH, which is also building a network. The idea of government entering the 5G business has been rejected by policymakers on both sides of the aisle.⁵ More mid-band spectrum is all they need to turbo charge deployment. **It makes no sense to think that the DoD, starting from zero, could deploy these networks faster or more efficiently.** It would cost tens of billions of taxpayer dollars and take decades to build a network from scratch to nationalize our communications system.

¹ See Letter, Sept 30, 2020, https://www.thune.senate.gov/public/_cache/files/b38cc513-e694-461e-b52c-8454ff8f1726/67C00068B5E4353BFFD8E3548F61C8E9.9.30.20-potus-dod-rfi-letter.pdf

² See Department of Defense, "Defense Spectrum Sharing Request for Information," Sept 18, 2020, https://beta.sam.gov/opp/4851a65e2b2d4d73865a0e9865b0c28a/view?keywords=spectrum&sort=modifiedDate&index=&is_active=true&page=1

³ Bokhari, Allum, "Bokhari: THE 'DEFENSE INNOVATION BOARD' MAY JUST BE A GOOGLE LOBBYING OPERATION," *Breitbart*, Oct 1, 2020, <https://www.breitbart.com/tech/2020/10/01/bokhari-the-defense-innovation-board-may-just-be-a-google-lobbying-operation/>

⁴ Dano, Mike, "US wireless carrier capex projected to grow 11% in 2021 to \$35B," *LightReading*, June 29, 2020, [https://www.lightreading.com/5g/us-wireless-carrier-capex-projected-to-grow-11--in-2021-to-\\$35b/d/d-id/762044](https://www.lightreading.com/5g/us-wireless-carrier-capex-projected-to-grow-11--in-2021-to-$35b/d/d-id/762044)

⁵ DeChiaro, Dean, "Nationalization question hangs over White House's 5G announcement," *Roll Call*, April 15, 2020, <https://www.rollcall.com/2019/04/15/nationalization-question-hangs-over-white-houses-5g-announcement/>

For example, we are still waiting for the final results of a spectrum sharing plan that began 10 years ago in the Citizens Broadband Radio Service (CBRS) spectrum band.⁶ CBRS is 150 MHz of spectrum in the 3.5 GHz to 3.7 GHz range that was originally used by the Navy and some commercial satellite providers. The FCC designated the band for sharing among three tiers of users: incumbent users, licensed users and unlicensed users. The auction for licensed use began in July 2020 and concluded in September 2020. The carriers who won these licenses are in the beginning stages of building out their 5G networks. There is no reason to pull the rug out from under them now.

The implications of the DoD RFI are counter to the Administration’s recent actions. The President has repeatedly said that the private sector should lead the U.S. in 5G innovation.⁷ In August 2020, President Trump announced that 100 megahertz of contiguous, coast-to-coast mid-band spectrum in the 3.45-3.55 GHz band would be made available for commercial 5G deployment. DOD Chief Information Officer Dana Deasy commented, “With this additional 100 MHz, the U.S. now has a contiguous 530 megahertz of mid-band spectrum from 3450-3980 MHz to enable higher capacity 5G networks.”⁸ Here, the Administration and DoD collaborated to ensure no compromise to military preparedness, while also ensuring the free market, competitive U.S. economy can drive America’s winning position in the 5G race.

A government-run 5G backbone, wholesale network, or whatever name it goes by, is nationalization of private business. Spectrum sharing is something that must be considered as the nation moves forward with private networks, but it is not a reason for a government takeover. For a government-run network to happen, the federal government would have to either renege on licenses granted to private users or hoard spectrum at the expense of private industry. Either approach would upend well-established licensure policies at the FCC that establish certainty in operating and maintaining complex networks and create massive unnecessary delays to launching 5G networks. Moreover, the government should not be in the business of “competing” with private industry. That’s the business model of China and Russia, not the United States.

This concept has failed in other countries. Other countries experimented with nationalized networks and these attempts have failed. For example, in 2011, Russia gave away spectrum to a company that promised lower prices and sweeping deployments via a wholesale network built with Huawei equipment. Three years later, that company gave up after reaching barely a quarter

⁶ 27 FCC Rcd 15594 (18), <https://www.fcc.gov/document/enabling-innovative-small-cell-use-35-ghz-band-nprm-order>

⁷ See White House, “Remarks by President Trump on United States 5G Deployment,” April 12, 2020, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-united-states-5g-deployment/>

⁸ See Dept. of Defense, “White House and DOD Announce Additional Mid-Band Spectrum Available for 5G by end of the Summer,” Aug 10, 2020, <https://www.defense.gov/Newsroom/Releases/Release/Article/2307275/white-house-and-dod-announce-additional-mid-band-spectrum-available-for-5g-by-t/>

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of Russia.⁹ Meanwhile, in that same time, the U.S. industry built out LTE to nearly 96 percent of Americans.¹⁰ Similar experiments in South Africa and Mexico have also failed.¹¹

Spectrum does not belong to the military. If after discovering new efficiencies, the DoD has discovered ways to put spectrum allocated to it to better use, the government should clear the spectrum while making sure military needs are still met. Spectrum sharing between government and private users, like the CBRS band, or relocating government users and then auctioning the available spectrum with proceeds going to the American people, are both viable and tested. Military users should not build a network simply for financial gain including some kind of revenue sharing. The DoD sits on billions of dollars of spectrum assets without accounting for it on their balance sheets – if the DoD has excess capacity, it should be auctioned for the benefit of the American taxpayer.

The best approach toward collaboration between DoD and the private sector is cleared licensed spectrum for flexible use or coordinated sharing on bands among federal users and private licensed and unlicensed users, with proceeds going to the taxpayers. Nationalization or excessive regulatory intervention stalled other nations in the race to 4G. America won that race and the competitive process soared ahead, leading to economic gains for in networking, standards and technology, and eventually prompting the creation of the App Economy.¹² The race to 5G will be won if the private sector once again leads the way and the government does not get in the way.

Thank you for your leadership on this critically important issue. We hope you will continue your efforts to slow down the process on this disruptive proposal and to roll back any efforts to nationalize 5G development and deployment.

⁹ Moore, Gary, "Russia abandons autocratic telecom proposal," *Free Market Foundation*, March 05, 2018 <https://www.freemarketfoundation.com/article-view/russia-abandons-autocratic-telecom-proposal/>; See "MTS deploys FDD–TDD carrier aggregation technology" July 14, 2016

¹⁰ See T-Mobile, "T-Mobile Celebrates 1st Anniversary of LTE Rollout by Launching Major Network Upgrade Program," *Telecomlead*, March 12, 2014, <https://www.t-mobile.com/news/press/t-mobile-celebrates-1st-anniversary-of-lte-rollout-by-launching/>; See FCC, "2018 Broadband Deployment Report," Feb 2, 2018, <https://www.fcc.gov/reports-research/reports/broadband-progress-reports/2018-broadband-deployment-report>

¹¹ Moore, Gary, "How Kenya's bold open-access telecom plan came unstuck," March 5, 2020, <https://www.freemarketfoundation.com/article-view/how-kenya%e2%80%99s-bold-open-access-telecom-plan-came-unstuck/>; Hazlett, Thomas, "Hey, we might need that wall... to stop Mexico's state-run 5G Network," Feb 22, 2018 <https://thehill.com/opinion/technology/374742-hey-we-might-need-that-wall-to-stop-mexicos-state-run-5g-network/>; Song, Steve, "The Failure of Spectrum Auctions in Africa," *Many Possibilities*, April 21, 2017, <https://manypossibilities.net/2017/04/the-failure-of-spectrum-auctions-in-africa/>; Landa, Ramiro Tovar, "Spectrum Auction Tragedies: The Case of the Mexico Spectrum Auction for AWS Services," Jan 01, 2010

¹² See Recon Analytics, "HOW AMERICA'S 4G LEADERSHIP PROPELLED THE U.S. ECONOMY," April 16, 2018, <https://api.ctia.org/wp-content/uploads/2018/04/Recon-Analytics-How-Americas-4G-Leadership-Propelled-US-Economy-2018.pdf>

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Respectfully,

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