
Government Spectrum Valuation Act

The United States is in the midst of a “virtual renaissance” that is full of countless opportunities for innovation and technological advancement that could transform the quality of life for millions of Americans. For these future technologies to operate, the United States must free up more radio frequency spectrum. Unfortunately, spectrum is a limited resource that cannot be manufactured, which means that future technology is dependent on finding innovative ways to more efficiently manage spectrum. In the United States, spectrum is managed by the Federal Communications Commission (FCC) for commercial and noncommercial uses, while the Department of Commerce’s National Telecommunications and Information Administration (NTIA) oversees the federal government’s use of spectrum.

To consider how to best meet the nation’s growing spectrum needs, Congress needs to review all of the federal government’s current spectrum allocations. While the federal government, particularly our military, uses spectrum for vital purposes, it may inefficiently use its current allocations and simply have sole access to more than it needs. For example, in 2012, the President’s Council of Advisors on Science and Technology (PCAST) noted that the federal government was predominantly allocated 60% of the “beachfront frequencies” between 225 and 3700MHz. According to PCAST, this allocation “effectively precludes substantial commercial use of those bands...[and] illustrates the importance of finding more effective mechanisms to share Federal spectrum.”¹

Even though the private sector’s access to additional spectrum could allow for continued innovation in a wide variety of sectors including energy, healthcare, manufacturing, and transportation, federal agencies have little incentive to share spectrum or make it available for commercial use because of the minimal fee they must pay to NTIA for their allocation.² Further, the absence of a market-based allocation of spectrum for federal agencies is a significant cause of inefficiencies and misallocations.

Congress has a clear responsibility to ensure that federal spectrum is being managed effectively and appropriately. One of the first steps to conduct effective oversight is to be able to assess the “opportunity cost” or the fair market value of federal spectrum allocations. By simply calculating the value of federal spectrum allocations, Congress and the Administration would be better equipped to identify highly valuable federal spectrum bands, and thus manage each federal spectrum allocation more efficiently.

Bill Specifics:

In response, Senator Lee has introduced the Government Spectrum Valuation Act (GSVA). GSVA would require over the next three years (and every three years thereafter) that the NTIA coordinate with the Office of Management and Budget (OMB) and the FCC to estimate the value of electromagnetic spectrum between 3 kilohertz and 95 gigahertz for licensed or unlicensed uses that is assigned or allocated to each federal agency as well as report the value in the President’s budget and each federal agency’s financial statement.

¹ “Realizing the Full Potential of Government-Held Spectrum to Spur Economic Growth,” President’s Council of Advisors on Science and Technology, July 2012; https://obamawhitehouse.archives.gov/sites/default/files/microsites/ostp/pcast_spectrum_report_final_july_20_2012.pdf

² “Spectrum Management: Incentives, Opportunities, and Testing Needed to Enhance Spectrum Sharing,” Government Accountability Office, November 14, 2012; <https://www.gao.gov/products/GAO-13-7>