

January 21, 2025

Transmitted Electronically

The Honorable Ted Cruz Chairman, U.S. Senate Committee on Commerce, Science, and Transportation 254 Russell Senate Building Washington DC, 20510

The Honorable Brett Guthrie Chairman, U.S. House Committee on Energy and Commerce 2125 Rayburn House Office Building Washington, DC 20515

Dear Chairman Cruz and Chairman Guthrie,

You have a powerful opportunity to advance Donald Trump's "America First" agenda on one of the most important economic issues of our day. In the upcoming reconciliation bill, you can fight off special interests and transform spectrum policy, generating billions of dollars for taxpayers, unleashing a new era of technological progress across numerous industries, and safeguarding our national security. You are uniquely positioned to further your longstanding leadership on this issue—and ultimately deliver an America First spectrum policy.

At the heart of this opportunity is a simple truth that you both understand: The federal government shouldn't cave to special interests when it comes to anything, especially something so vital to our country's future. My organization is prepared to help you develop a fair and free-market approach, building on the work you've already done to ensure that every American can fully participate in the 21st Century.

As you know, spectrum is essential to America's economic success and global leadership. The military needs spectrum for critical defense systems, and the private sector needs spectrum to power connectivity, boost productivity, and fuel job-creating private investment. An America First spectrum policy would increase access to bandwidth for American companies in a way that delivers the best deal for taxpayers and avoids undermining our national security.

But special interests committed to the status quo are standing in the way. They want Congress to double down on a decades old system of central planning in which the Federal Communications Commission picks winners to enjoy exclusive access to spectrum—prioritizing politically connected industries instead of the best interest of the American people. They're advocating for a top-down, command-and-control approach—the same failed thinking that brought us the Solyndra and Intel debacles -- which applied to spectrum auctions will increase costs, stifle growth, and could force the Pentagon to disrupt military preparedness and waste hundreds of billions of dollars moving off its current spectrum frequencies.

Americans deserve better. We urge you to enact commonsense policies that ensure fair treatment of all companies and users who need spectrum. In particular, we urge you to champion a new method of auctioning spectrum—a dual-track approach that allows two simultaneous auctions, one for exclusive use and the other for shared use. The auction that generates the best net revenue for taxpayers would win. As Congress eyes commercial spectrum auctions to deliver as much as \$70 billion in offsets in the reconciliation bill, a dual-track approach can help guarantee the largest possible net revenue toward that goal. More importantly, ensuring the availability of valuable spectrum for commercial use will promote economic growth, job creation and higher wages for American workers.

This approach would strike the rare balance of benefiting taxpayers, enabling innovation, and protecting our country's vital national security interests. It would also promote economic growth, job creation, and higher wages by ensuring the availability of valuable spectrum for commercial use.

We are happy to talk with you about this urgently needed reform at your convenience. Thank you for what you've already done on this critical issue—and for recognizing the need to advance an America First spectrum policy.

Sincerely,

David McIntosh

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President

Club for Growth