

PROMOTING EFFICIENT USE OF SPECTRUM

CEA POSITION: Over the past decade, the amount of commercial licensed spectrum has nearly doubled, while the amount of unlicensed spectrum has nearly quadrupled.

The Consumer Electronics Association (CEA)® supports the market-oriented, deregulatory approach that Congress and the Federal Communications Commission (FCC) have generally taken with regard to our nation's spectrum policy. This approach has provided a platform for innovation resulting in enormous public and economic benefits through the allocation of both licensed and unlicensed spectrum.

BACKGROUND: Three years ago, CEA called on policymakers to lead American consumers to a new era of mobility and spectrum-based services. CEA developed a multi-pronged strategy for Congress and other policymakers to revolutionize spectrum policy. America's leaders responded by adopting policies that have already begun to drive investment, innovation and consumer welfare:

a. Set a Firm Deadline to Complete the DTV transition: Congress passed the Digital Television Transition and Public Safety Act of 2005, setting February 17, 2009 as the hard deadline for the DTV transition.

b. Auction Spectrum for Next Generation Wireless Broadband Services: The Commercial Spectrum Enhancement Act in 2004 and the DTV and Public Safety Act of 2005 made it possible for the FCC to auction 90 MHz of Advanced Wireless Services spectrum in 2006 and 52 MHz of spectrum formerly occupied by analog television broadcasters in 2008. In addition to raising more than \$32 billion in revenues for the U.S. Treasury, these two auctions unleashed large swaths of spectrum ideally suited for the provision of wireless broadband services. CEA is particularly pleased with the outcome of the 700 MHz spectrum auction. The auction's rules promoted the principles of open networks, requiring the "C" block license winners to build a network that allows consumers to connect using the devices and applications of their choice. We are hopeful that recent announcements by Verizon Wireless and the Open Handset Alliance will pave the way toward new and innovative products and services in the 700 MHz and other commercial wireless bands.

c. Allow Unlicensed, Non-interfering Use of Vacant Broadcasting Spectrum : In 2007, the FCC announced it would open up spectrum between TV station operations, so-called "White Spaces," to innovative, non-interfering wireless operations. In its comments, CEA urged the Commission to authorize such operations so long as they complied with sufficiently robust technical rules protecting incumbent users from harmful interference. In November 2008, the Commission released an Order authorizing the use of unlicensed, fixed and personal/portable White Spaces devices in the television bands. The order also contains a host of regulatory protections intended to provide adequate interference protection to incumbent operators (e.g., digital broadcasters and wireless microphones). CEA will work with all stakeholders to ensure that adequate safeguards are in place to enable the proliferation of new wireless broadband services and devices without interfering with consumers' enjoyment of digital television programming.

CEA EVALUATION: A rational policy for both licensed and unlicensed spectrum plays a critical enabling role in the consumer electronics industry. For example, unlicensed spectrum has provided a platform for innovation for numerous consumer electronics (CE) products, including wireless networks, cordless phones, remote control devices, and CB/family radio products. Emerging applications include ultrawideband, high-speed home and business wireless networking, and in-home distribution of digital TV signals. Thus, an effective unlicensed spectrum policy will be important to

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creating consumer demand for broadband services and facilitating the digital television transition – two important CEA and national priorities. At the same time, it is critical to ensure that licensed spectrum users are afforded protection from harmful interference. Furthermore, as policymakers reform spectrum policies, they must ensure that policies or mandates do not inadvertently hamper innovation. In particular, failed proposals to mandate receiver standards could potentially stifle innovation and increase manufacturing costs.

For more information, please contact CEA at publicpolicy@CE.org or visit www.CE.org/governmentaffairs.