



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

THE DIRECTOR

June 23, 1999

The Honorable John D. Dingell  
Committee on Commerce  
U.S. House of Representatives  
Washington, DC 20515-6115

Dear Representative Dingell:

Thank you for your letter detailing your concerns with the telecommunications provisions in the House and Senate passed versions of S. 1059, the National Defense Authorization Act for Fiscal Year 2000. The Administration shares your concern that, if enacted, these provisions would erode the current system of domestic and international spectrum management to the detriment of Federal agencies, State and local governments, and the private sector. In particular, the Administration continues to oppose sections 1049 and 1050 of the Senate passed bill, as indicated in the Statement of Administration Policy from May 24, 1999. The Administration also opposes section 151 of the House passed bill.

Section 1049 of the Senate passed bill would elevate the Department of Defense's current use of the spectrum above all other future Federal, State and local government, and private sector uses in all shared or government-exclusive bands. The provision would undermine the President's authority to set spectrum management priorities for the Federal Government and impair the Federal Communications Commission's (FCC) ability to manage the spectrum for the private sector and State and local governments, including public safety and law enforcement services. It could also discourage investment in new and more spectrum-efficient technologies; create disincentives for spectrum sharing; adversely affect future spectrum auction receipts; and impose significant costs on Federal agencies, State and local governments, and the private sector. Currently, more than one-half of private sector license assignments below 3.1 gigahertz are in shared bands, which represent hundreds of billions of dollars of current and future investments in communications systems.

Section 1050 of the Senate passed bill would prohibit the Federal Government from providing licenses, permits or funding to entities broadcasting without specific statutory authorization from outside the United States into the country on frequencies reserved to or used by the Department of Defense. These matters are more appropriately addressed by the U.S. Government in accordance with the radio regulations established by the International Telecommunication Union (ITU). The provision would be inconsistent with U.S. obligations under the ITU and could set a precedent that other countries could follow to the detriment of U.S. interests abroad.

Section 151 of the House passed bill would bar the Department of Defense from purchasing or leasing communications equipment or services that could interfere with the Global Positioning System (GPS). It would also require the Department of Defense to prove non-interference of commercial systems which could impose costs on the Department. While the Administration supports a robust GPS system in which national security and public safety users are appropriately protected from interference, the Administration opposes this provision as being overly prescriptive. The FCC is currently considering an interference standard proposed by the Commerce Department's National Telecommunications and Information Administration (NTIA) with the advice of the Interdepartment Radio Advisory Committee (IRAC), of which the Department of Defense is a member. The Administration is confident that the FCC and NTIA will establish rules that appropriately protect GPS operations, along with the many other uses of spectrum, and that existing Department of Defense mechanisms are adequate for ensuring compatibility between GPS and its current and future communications systems.

As you know, the existing spectrum management process includes formal consideration of concerns of the Department of Defense, all other agencies, and the private sector regarding spectrum assignments and allocations. Therefore, the Administration believes that concerns about meeting critical spectrum requirements to secure the national defense can be addressed through the current spectrum management process and must continue to be evaluated in the context of the national and public interest as a whole.

I appreciate your interest in maintaining the integrity of the domestic and international spectrum management process and the opportunity to outline the Administration's opposition to these provisions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jacob J. Lew', with a long horizontal flourish extending to the right.

Jacob J. Lew  
Director

cc: The Honorable Tom Bliley  
Committee on Commerce

The Honorable W. J. "Billy" Tauzin  
Chairman  
Subcommittee on Telecommunications, Trade and Consumer Protection  
Committee on Commerce

The Honorable Edward J. Markey  
Ranking Member  
Subcommittee on Telecommunications, Trade and Consumer Protection  
Committee on Commerce

The Honorable William S. Cohen  
Secretary  
Department of Defense

The Honorable William M. Daley  
Secretary  
Department of Commerce