



March 19, 2003

The Honorable Richard B. Cheney  
President of the Senate  
Washington, DC 20510-0010

Dear Mr. President:

Enclosed is a draft bill to amend the Communications Act of 1934 in order to create a Spectrum Relocation Fund and to revise the procedures under which Federal entities are paid for the costs of relocating spectrum frequencies that are reallocated for auction to commercial entities. This proposal will provide more certainty for both Federal and commercial entities in the auction of reallocated Federal spectrum.

Under current law, commercial entities must reimburse Federal entities for the costs of relocating reallocated spectrum, and agencies are authorized to accept these payments, but actual expenditures of these payments must first be appropriated. This proposed legislation would change the mechanism for payment to the agencies from direct payments by the commercial entities to payments from a central Spectrum Relocation Fund funded by auction receipts. The proposal would also authorize the Federal entities to spend the payments without further appropriation.

The Office of Management and Budget (OMB) estimates that this proposal would increase direct spending by \$2.5 billion from fiscal years 2005-2010, though final scoring of enacted legislation may differ from these estimates. We have been advised by OMB that enactment of this legislative proposal would be in accord with the program of the President.

Sincerely,

A handwritten signature in cursive script that reads "Theodore W. Kassinger".

Theodore W. Kassinger

Enclosure

IDENTICAL LETTERS SENT TO:

The Honorable Dennis Hastert  
Speaker of the House of  
Representatives  
Washington, DC 20515-6501

The Honorable Thomas C. DeLay  
Majority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Nancy Pelosi  
Minority Leader  
House of Representatives  
Washington, DC 20515-6502

The Honorable Bill Frist  
Majority Leader  
United States Senate  
Washington, DC 20510-1601

The Honorable Thomas Daschle  
Minority Leader  
United States Senate  
Washington, DC 20510-0010

The Honorable John McCain  
Chairman, Committee on Commerce, Science  
and Transportation  
United States Senate  
Washington, DC 20510-6125

The Honorable Ernest F. Hollings  
Committee on Commerce,  
Science and Transportation  
United States Senate  
Washington, DC 20510-6125

The Honorable W.J. "Billy" Tauzin  
Chairman, Committee on Energy  
and Commerce  
House of Representatives  
Washington, DC 20515-6115

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