

Opening Statement of the Honorable Cliff Stearns
Subcommittee on Oversight and Investigations
Hearing on “The LightSquared Network: An Investigation of the FCC's Role”
September 21, 2012
(As Prepared for Delivery)

Today, the Subcommittee on Oversight and Investigations will examine the Federal Communications Commission’s decisions and orders relating to LightSquared and the company’s efforts to build a wireless mobile broadband network.

Since February, the committee has been examining the LightSquared matter. Committee staff has been briefed by and received thousands of pages of documents from the various parties involved, including LightSquared; the FCC; the National Telecommunications and Information Administration (NTIA); the groups who performed the testing of LightSquared’s system, including PNT ExCom; and the various GPS companies.

The controversy regarding LightSquared, and its efforts to build a national wireless broadband network, revolves around a piece of spectrum called the “L band.” This band of spectrum has historically been reserved for satellite services. In 2003, in order to encourage more efficient use of the band, the FCC issued an order permitting mobile satellite service providers to integrate an “Ancillary Terrestrial Component,” or land-based component, into these networks as long as they met certain requirements, called “gating criteria.” Chief among these criteria was a requirement that MSS licensees maintain an “integrated” satellite/terrestrial service.

Since that time, LightSquared and its predecessors have been involved in multiple proceedings before the FCC involving the development of its terrestrial component. During these proceedings, LightSquared reached agreements with GPS companies about “Out of Band Emissions” that may result from its terrestrial base stations and continued to move forward with its plans to develop its network, investing approximately \$4 billion. In March 2010, the FCC approved the transfer of SkyTerra’s L-Band licenses to LightSquared, enabling the company to deploy a nationwide broadband network. This transfer was conditioned on LightSquared meeting an aggressive build-out schedule and agreeing not to provide service to the nation’s two largest wireless carriers. Once again, as part of this transfer, LightSquared negotiated with the GPS companies to address the potential for “Out of Band Emissions” resulting from the deployment of its network.

In January 2011, the FCC granted a conditional waiver allowing LightSquared’s customers to access its network using devices only capable of receiving terrestrial signals. The waiver was conditioned on LightSquared resolving an overload interference issue raised by the GPS community. These interference issues were a different technical concern than the “Out of Band Emission” problems that had been raised by the GPS community in prior LightSquared proceedings.

A Technical Working Group, comprised of LightSquared, the GPS companies, and various federal agencies, was formed to examine the overload interference issues affecting GPS receivers. NTIA later charged an interagency group, PNT ExCom, with validating this testing. In February of this year, in the same month Congress passed legislation to bring new spectrum to the market, NTIA concluded that LightSquared’s system would cause unacceptable interference to GPS. Only one day later, the FCC moved to revoke its conditional approval of LightSquared’s plan to build a 4G wireless broadband network, leaving the company and its spectrum holdings in regulatory limbo.

This is where we stand today. LightSquared, a company that committed billions of dollars and years of time in developing its network, has filed for bankruptcy. It’s 40 MHz of spectrum is left unused at a time when demand for wireless services and broadband is exploding.

We have convened this hearing today to determine whether this could have been prevented. Did the FCC processes work appropriately? Should the GPS companies have raised concerns about interference earlier? Will interference issues continue to be a problem as providers expand broadband networks?

Recently, the President's Council of Advisors on Science and Technology – PCAST – released a report that, among other things, pointed to the indefinite suspension of LightSquared's network as an indication of inefficient spectrum solutions resulting from bad receiver performances. PCAST also predicted that more LightSquared controversies would occur if receiver-driven interference issues were not addressed.

This hearing today raises important implications for spectrum policy going forward. We must not permit regulatory uncertainty at the FCC to deter companies from investments that will bring more competition to the industry and more innovation for consumers. We must not allow 40 MHz of spectrum to sit fallow while at the same time seek to relocate broadcasters and federal users off their spectrum holdings to free up more space for wireless use. And we must not let poor receiver standards result in more interference issues down the road.

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