



January 23, 2024

The Honorable Cathy McMorris-Rodgers
Chair, House Energy & Commerce Committee
United States House of Representatives

The Honorable Maria Cantwell
Chair, Senate Commerce, Science, and Transportation
Committee
United States Senate

The Honorable Frank Pallone
Ranking Member, House Energy & Commerce
Committee
United States House of Representatives

The Honorable Ted Cruz
Ranking Member, Senate Commerce, Science, and
Transportation Committee
United States Senate

Dear Chair McMorris-Rodgers, Chair Cantwell, Ranking Member Pallone, and Ranking Member Cruz:

On behalf of the American Consumer Institute Center for Citizen Research (ACI), the nation's leading voice for consumers, I write to offer ACI's telecommunications policy priorities for the second session of the 118th Congress. Americans are struggling with many serious challenges and are looking to Washington for responsible leadership to alleviate some of their burdens. As your committees look to address some of America's pressing issues, we encourage you to continue your efforts to put the interests of taxpayers and consumers first.

As you chart an agenda forward, our collection of experts and professors stand ready to work with you and your colleagues on the issues outlined below. Together, we have decades of experience working on sound telecommunications and technology policies that promote consumer choice, affordability, and access. We're proud to have played a leading role in some of the most recent major regulatory and legislative efforts of the past decade and look forward to playing a constructive role in many more of these conversations. We hope that our independent research and commentary will be a resource in 2024 and beyond. The following summarizes ACI's telecommunications policy priorities as 2024 switches into full gear:

1. Fully Fund and Extend the Affordable Connectivity Program

First created in December 2021 as part of the bipartisan Infrastructure Investment and Jobs Act, the Affordable Connectivity Program (ACP) is important because it provides disadvantaged households with a discount on broadband services. To date, 22.5 million households have enrolled in the program, with

more joining every day. Many of these households are veterans, rural Americans, and low-income families living paycheck to paycheck. The ACP plays an important role in helping close the digital divide by providing families with the financial assistance they need to participate in the modern economy.

Unfortunately, the ACP is in imminent danger of exhausting all funding as soon as April of this year. Should funding run out, the results could be catastrophic as tens of millions of Americans could lose broadband access. Americans deserve to know that their internet connection is secure, and that the government will not pull the rug out from under them.

As of this month, less than \$4 billion of the original \$14.2 billion in appropriations remains available for distribution. Already, the Federal Communications Commission (FCC) has had to begin a wind down period that impacts the ability for companies to enroll additional Americans onto this critical program.

Recommendation: Congress should not allow the ACP to expire. Millions of Americans depend on this valuable program for basic connectivity, and they deserve to know that it will be around for the foreseeable future.

2. Reauthorize the FCC's Spectrum Auction Authority

In March of 2023, Congress allowed for the first time the FCC's auctioning authority to expire. The lapse of the regulatory agency's ability to auction spectrum licenses — government licenses granting an entity an exclusive right to use certain radio frequency bands — to commercial providers represented a devastating blow to the nation's ability to invest in its future and deliver quality wireless and broadcast service to millions of Americans. In the ten months since, private sector innovators have been at a disadvantage compared to other nations, including China, in developing the innovative products of tomorrow.

This expiration also reveals the need to create a long-term national game plan that includes a robust spectrum pipeline. Consequently, there's a high probability that the U.S. will experience significant capacity constraints in the years ahead. In fact, a recent report issued by the Brattle Group estimates that "absent any new spectrum, by 2027, the U.S. is expected to have a spectrum deficit of nearly 400 megahertz," representing a significant short fall in national capacity. Worse, this deficit is predicted to more than triple to 1,400 megahertz by 2032.

The lack of spectrum also comes in the wake of the recent meeting at the [World Radio Conference](#), an important international convening that determines spectrum allocation for mobile wireless networks and next-generation satellite broadband deployment. At the gathering, the global community agreed to harmonize new spectrum bands for 5G and beyond, particularly in the critical lower 3 GHz band and the 7/8 GHz band. However, without auction authority, we risk falling behind other countries that will adopt this change.

Recommendation: Congress must fully restore the FCC's auction authority. U.S. leadership is at stake by not restoring the FCC's auctioning authority so wireless companies can participate in more

auctions and secure greater amounts of full-powered, licensed spectrum. A robust spectrum pipeline should also be developed to prevent future demand from outstripping supply.

3. Pass Legislation that Finally Addresses Net Neutrality

The FCC is finalizing a new regulation that would once again reclassify broadband services from an “information service” to a “telecommunications service.” Imposing partisan, and excessive regulations onto Internet Service Providers would have a significant impact on the economy and would ultimately come at a major cost to broadband consumers. And as ACI noted in the FCC’s December [public comment period](#), “Such regulations represent a radical departure from the light-touch approach to the internet that has successfully governed the country over the last few years.”

Instead of heavy-handed regulations, Congress should work across party lines to establish permanent rules to maintain a pro-consumer framework that allows wireless services to thrive. Bipartisan legislation would once-and-for-all end the regulatory ping pong that has developed over the last several years and would provide all stakeholders a say during the drafting process. We believe that legislation, not partisan regulation, is the best way to enshrine the principles of net neutrality for the long-term.

Recommendation: Once final, Congress should repeal the FCC’s net neutrality regulation through a Congressional Review Act resolution. Afterwards, Congress should immediately work on passing a forward-looking bipartisan bill that finally ends the uncertainty that has impacted businesses and consumers.

In summary, the actions – or inaction – of Congress this year could determine whether the United States remains the innovative leader in the years ahead. Should you have any questions regarding our telecommunications policy priorities, we are at your service. We look forward to working with you to enact pro-consumer and forward-looking policies in 2024.

Respectfully,

Steve Pociask
President/CEO
American Consumer Institute

CC: Members of the House Energy and Commerce Committee, and Members of the Senate Commerce, Science, and Transportation Committee