

## THE WHITE HOUSE

### FACT SHEET: President Obama's Plan to Win the Future through the Wireless Innovation and Infrastructure Initiative

In his State of the Union address, President Obama set the goal of enabling businesses to provide high-speed wireless services to at least 98 percent of all Americans within five years. The rollout of the next generation of high-speed wireless – the “4G” technology now being deployed in the United States by leading carriers – promises considerable benefits to our economy and society. More than 10 times faster than current high speed wireless services, this technology promises to benefit all Americans, bolster public safety, and spur innovation in wireless services, equipment, and applications. By catalyzing private investment and innovation and *reducing the deficit by \$9.6 billion*, this initiative will help the United States win the future and compete in the 21<sup>st</sup> century economy.

- **Nearly Double Wireless Spectrum Available for Mobile Broadband:** The President has set the goal of freeing up 500 MHz of spectrum for everything from smartphones to wireless broadband connectivity for laptops to new forms of machine-to-machine communication within a decade. Critical to realizing this goal are “voluntary incentive auctions” and more efficient use of government spectrum, estimated to raise \$27.8 billion over the next decade.
- **Provide At Least 98% of Americans with Access to 4G High-Speed Wireless:** Private investments are extending 4G to most of the Nation, but leaving some rural areas behind. The President’s initiative would support a one-time investment of \$5 billion and reform of the “Universal Service Fund” to ensure millions more Americans will be able to use this technology.
- **Catalyze Innovation Through a Wireless Innovation Fund (WIN):** To spur innovation, \$3 billion of the spectrum proceeds will go to research and development of emerging wireless technologies and applications.
- **Develop and Deploy a Nationwide, Interoperable Wireless Network for Public Safety:** The President’s Budget calls for a \$10.7 billion commitment to support the development and deployment of a nationwide wireless broadband network to afford public safety agencies with far greater levels of effectiveness and interoperability. An important element of this plan is the reallocation of the D Block for public safety and \$500 million within the WIN Fund.
- **Cut the Deficit By \$9.6 Billion Over the Next Decade:** Nearly \$10 billion of spectrum auction revenue will be devoted to deficit reduction.

### *Details of the President's Initiative*

- **Nearly Double Wireless Spectrum Available for Mobile Broadband.** The number of “Smartphones” will soon pass both conventional mobile phones and computers around the world, promising lower costs for such devices, more functionality, and greater demand for bandwidth (speed). 4G deployment is rising to meet this demand, but it relies on access to the “airwaves” that is currently constrained by a spectrum crunch that will hinder future innovation. To address this challenge, the President’s initiative has set the goal of freeing up 500 MHz of spectrum. Specifically, the plan provides:
  - Win-win incentives for government holders. New financial-compensation tools and a commitment to using advanced technologies more effectively will enable government agencies to use spectrum more efficiently.
  - Win-win incentives for commercial holders. As recommended in the FCC’s National Broadband Plan, legislation is needed to allow the FCC to conduct “voluntary incentive auctions” that enable current spectrum holders to realize a portion of auction revenues if they choose to participate.

The majority of the freed up spectrum would be auctioned for licensed mobile broadband, raising a projected \$27.8 billion over the next decade, and a remainder would be for unlicensed use.

- **A Goal of 98% of Americans with Access to 4G High-Speed Wireless.** America’s businesses are building out 4G networks to much of the nation, with some major companies crediting the President’s recent tax incentives for accelerating their efforts. Nevertheless, absent additional government investment, millions of Americans will not be able to participate in the 4G revolution. To that end, the President’s Budget supports the 4G buildout in rural areas through a one-time \$5 billion investment. This investment, to be managed by the FCC, will help catalyze universal service reform to provide access to higher-speed wireless and wired broadband, dovetail with the need for public safety to have a wireless network available in rural areas, and extend access from the almost 95% of Americans who have 3G wireless services today to at least 98% of all Americans gaining access to state-of-the-art 4G high-speed wireless services within five years. Extending access to high-speed wireless not only provides a valuable service to Americans living in those areas – access to medical tests, online courses, and applications that have not yet been invented – but also catalyzes economic growth by enabling consumers and businesses living in those areas to participate in the 21<sup>st</sup> century economy.
- **A Wireless Innovation (WIN) Fund to Help Drive Innovation.** This \$3 billion fund will advance our economic growth and competitiveness goals, supporting key technological developments that will enable and take advantage of the 4G rollout and pave the way for new technologies. The WIN Fund will support basic research, experimentation and testbeds, and applied development in a number of areas, including public safety, education, energy, health, transportation, and economic development.
- **Develop and Deploy A Nationwide, Interoperable Wireless Network For Public Safety.** The 9/11 Commission noted that our homeland security is vulnerable, in part, due to the lack of interoperable wireless communication among first responders. The

rollout of 4G high speed wireless services provides a unique opportunity to deploy such a system in conjunction with the commercial infrastructure already being developed and deployed. To seize that opportunity, President Obama is calling for an investment of \$10.7 billion to ensure that our public safety benefits from these new technologies: \$3.2 billion to reallocate the “D Block” (which is a band of spectrum that would be reserved and prioritized for public safety and not auctioned as called for under existing law); \$7 billion to support the deployment of this network; and \$500 million from the WIN Fund for R&D and technological development to tailor the network to meet public safety requirements. This investment, in coordination with the investment in rural buildout, will ensure that the rollout of 4G in rural areas serves the needs of public safety and the broader community.

- **Cut the deficit by \$9.6 billion over the next decade.** The President’s proposals to auction off spectrum freed up from the government and voluntarily relinquished by current commercial users, is estimated to raise \$27.8 billion. This total is above-and-beyond the auction proceeds that are used to provide an incentive for private and government users as well as the auction proceeds that are expected even absent the President’s proposal. After the cost of the investments proposed by the President, the initiative would reduce the deficit by \$9.6 billion over the next decade.

### **Building on Progress**

The Administration has already made progress on its decade-long spectrum goal and on expanding broadband access.

- **A 115 MHz downpayment on the President’s 500 MHz goal.** Last June, President Obama issued a Memorandum calling for action by the Federal government and Congress to enable large swaths of spectrum to be used more efficiently. The NTIA has already taken steps to make good on that commitment. In particular, the agency has identified 115 Megahertz of Federal spectrum that can be freed up as part of a “fast track” process for exclusive or shared use, selected another 95 MHz of valuable spectrum for immediate evaluation, and has a workplan for evaluating other Federal spectrum bands that can be used more efficiently.
- **Recovery Act investments by the Commerce and Agriculture Departments have boosted deployment and adoption of broadband technology.** The Recovery Act provided around \$7 billion to expand broadband access and adoption, with more than \$2.5 billion going to the Rural Utility Service at Agriculture for rural areas and \$4.4 billion going to National Telecommunications and Information Administration at Commerce to support a number of broadband initiatives. In particular, NTIA provided around \$400 million in grants to jurisdictions using wireless broadband for public safety.