GWTC/board member Andrew Seybold on rivada’s request for mid-band spectrum

Recently in my Public Safety Advocate newsletter I wrote an article based on a New Yorker story about a company known as Rivada and its quest to obtain Mid-band spectrum at no cost from the Federal Government. Rivada promised it would provide 5G coverage to rural America, while at the same time providing a way for the Federal Government to free itself from Chinese wireless companies.

After I published my newsletter, GWTCG Counsel Alan Tilles and I had an interesting email exchange. Out of that discussion came my suggestion for a different way to handle this type of spectrum allocation and perhaps other spectrum allocations as well. My suggestion is not a new idea since it has been used in Japan for years (I have previously reported on this). I believe it might be a way to enable new players to enter the wireless space. The plan does not call for spectrum auctions as we know them. Rather, it is a different approach that will bring income to the Federal Government every year for the duration of the license or licenses for this spectrum use.

The premise is to hold a form of an auction. However, in order to win, an applicant must demonstrate through actual financial statements the company’s ability to finance the build-out the network or networks. The other requirement is that the network or networks cover the entire United States and its territories even in areas of sparse population (as established by a population per square mile rule or standard). Once the winner or winners are chosen by an independent body with concurrence of the Federal Government, licenses will be issued and contracts signed. The contracts will require each successful spectrum winner to make yearly payments for the spectrum to which it has access and to pay a one-time fee for each new device added to its network.

This approach is unlike what most countries including ours are doing today with spectrum auctions and one-time buy-ins. The advantage for the government is longer-term income by collecting fees every year the network operator is providing service. Potential network operators that are essentially not able gain a spectrum foothold during standard FCC auctions will be on an equal footing. I think we will be pleasantly surprised at the number of organizations that would take part in this selection format.

Spectrum is a finite resource even with 5G and 6G spectrum becoming usable for broadband. It seems short-sighted to offer spectrum at a one-time auction price rather than on a yearly-lease basis. The other advantage to this method is if winner(s) do not meet build-out goals as stated in the lease and license agreements, the government would be able to cancel the spectrum lease and find another company that will meet build-out deadlines.

1 GWTCG is a non-profit trade association created to advocate on behalf of government and non-government users of wireless technology and communications in the public service industries, such as public transit. GWTCG’s membership includes government agencies, manufacturers, engineers and consultants working on a variety of issues impacting represented users.
Many details would need to be worked out. For example, how long after the lease was entered into would the company be permitted to sell the lease to another entity, and could that entity be an existing carrier? How would we determine the true financial costs and rewards, and who would serve on the selection panel (in addition to Federal representatives)? There are more questions I am sure, but I think this type of spectrum allocation going forward would be a fairer way of handling spectrum, and it would provide an on-going revenue stream to the Federal Government, a revenue stream that hopefully could be used for other telecommunications projects rather than contributing to the Federal coffers.

Some thoughts to think about, some ideas to ponder. I believe this proposal should be reviewed and commented on by both those who manage our spectrum and those who use our spectrum. Giving spectrum away used to be okay, but not in today’s world and not based on promises that rural America would finally have access to broadband Internet.