



CRS Report for Congress

Wireless Technology and Spectrum Demand: Advanced Wireless Services

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Summary

Advances in wireless telecommunications technology are converging with Internet technology to foster new generations of applications and services. Presently, the United States and other countries are moving to third-generation (3G) and fourth-generation (4G) mobile telephony. A related trend is the growth in use of Wi-Fi (wireless fidelity) and WiMAX (an industry designation for a type of broadband standard). Wi-Fi uses local wireless networks for high-speed (broadband) mobile access to the Internet. WiMAX uses broadband wireless to link fixed points and also supports mobile devices.

From the perspective of spectrum management, a significant difference in the technologies is that 3G, 4G, and WiMAX services operate on designated, licensed frequencies, while Wi-Fi shares unlicensed spectrum with other uses. From the perspective of spectrum policy, a key difference between licensed and unlicensed use is that the market for services delivered over licensed frequencies is developed by the license-holder whereas demand for services on unlicensed frequencies is developed by the manufacturers of the devices. As the markets for Wi-Fi and WiMAX expand, policy issues before Congress include the competitive impact on commercial wireless carriers when municipalities offer wireless broadband services, promoting the development of broadband wireless access, and assuring the availability of appropriate spectrum.

Legislation providing terms for the release of spectrum for unlicensed or licensed use in TV “white space” includes S. 234 (Kerry) and its companion bill H.R. 1597 (Inslee); S. 337 (Sununu); and H.R. 1320 (Rush). S. 1853 (Lautenberg), the Community Broadband Act, would assure the right of communities to offer advanced telecommunications services. H.R. 5682 (Allen), the Rural America Communication Expansion for the Future Act of 2008, would provide incentives to encourage broadband use in rural areas, including a grants program for local governments “to establish publicly-available networks of broadband service.” The Wireless Internet Nationwide for Families Act of 2008, H.R. 5846 (Eshoo) would require the FCC to auction two national licenses for unpaired spectrum that would be used to provide free broadband services to consumers and public safety.

Wireless Technology: Development and Demand

In order to deploy advanced wireless technologies, telecommunications carriers, broadcasters, cable companies, content providers and others are seeking effective strategies to move to new standards, upgrade infrastructure, and develop new services and content. This migration path includes decisions about acquiring and using spectrum. Spectrum is managed by the Federal Communications Commission (FCC) for commercial and other non-federal uses and by the National Telecommunications and Information Administration (NTIA) for federal government use. International use is facilitated by numerous bilateral and multilateral agreements covering many aspects of usage, including mobile telephony.¹ Spectrum is segmented into bands of radio frequencies and typically measured in cycles per second, or hertz.²

Commercial wireless communications typically rely on bandwidth below 3 GHz because of limitations in current technology. Although developments in technology increase the efficiency of spectrum and expand its usable range, there is persistent demand for spectrum to carry new services as other technologies reach the market. New developments in wireless technology support many services for business and consumer markets, such as enhanced Internet links, digital television and radio broadcast reception, high-quality streaming video, and mobile commerce (m-commerce) — including the ability to make payments.

Mobile Telephony. Mobile communications became generally available to businesses and consumers in the 1980s. The “first generation” was built on analog technologies. Second generation (2G) wireless devices are characterized by digitized delivery systems. Third generation (3G) mobile technology represents significant advances services in cell phone technology. 3G and 4G networks provide capacity for broadband applications that include video and mobile (transportable) television.³ These leading-edge technologies can easily support multi-function devices, such as the BlackBerry and the iPhone. Business and consumer demand for mobile services is considered by many to be an important engine for future growth in American and global economies. The United States had over 250 million mobile phone subscribers in December 2007.⁴

¹ The International Telecommunication Union (ITU), part of the United Nations, is the primary organization for coordinating global telecommunications and spectrum management.

² Radio waves are usually identified by frequency. Standard abbreviations for measuring frequencies include kHz — kilohertz or thousands of hertz; MHz — megahertz, or millions of hertz; and GHz — gigahertz, or billions of hertz.

³ Broadband refers to the capacity of the radio frequency channel. A broadband channel can transmit live video, complex graphics, and other data-rich information as well as voice and text messages, whereas a narrowband channel might be limited to handling voice, text, and some graphics. For an in-depth study of wireless broadband, see *Connected on the Go: Broadband Goes Wireless*, Wireless Broadband Access Task Force, Federal Communications Commission, February 2005 at [http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-257247A1.pdf].

⁴ Statistic updated regularly at [<http://www.ctia.org/>].

Wi-Fi and WiMAX. In 1999, what is now known as the Wi-Fi Alliance formed to develop and promote a worldwide standard for localized, high-speed wireless networking.⁵ Today, most new laptop computers come equipped with the technology that allows wireless access to the Internet using Wi-Fi technology. Wireless Local Area Networks (WLANs) operate on unlicensed spectrum, using radio frequencies in the free 2.4 GHz and 5.4/5.7GHz spectrum bands. A group of standards for frequency use in these bands is known as the 802.11 family, or legacy. The 802.11a/n standards are commonly referred to as Wi-Fi, for wireless fidelity. Wi-Fi provides high-speed Internet access for personal computers and handheld devices and is also used by businesses to link computer-based communications within a local area. Links are connected to a high-speed wireline (landline) either at a business location or through hotspots. Hotspots are typically located in homes or convenient public locations, including many airports and café environments such as Starbucks. Another standard for wireless Internet is Bluetooth, which has a shorter range than Wi-Fi but works well in cell phones. Bluetooth handles both voice and data; Wi-Fi is mostly data but also supports Voice over Internet protocol (VoIP) calls, sometimes known as VoWiFi.

WiMAX (Worldwide Interoperability for Microwave Access) refers to both a technology and an industry standard, the work of an industry coalition of network and equipment suppliers⁶ that have agreed to develop interoperable broadband wireless based on a common standard (IEEE 802.16) for point-to-point transmissions. WiMAX technology can transmit data over distances of up to 30 miles and is used in the United States as a “last mile” technology, that is, a means to provide fixed wireless service to locations that are not connected to networks by cable or high-speed wires. Mobile WiMAX is still in the early stages of development.⁷ WiMAX uses multiple frequencies around the world in ranges from 700 MHz to 66 GHz. In the United States, frequencies where WiMAX is being tested or used include 700 MHz, 1.9 GHz, 2.3 GHz, 2.5 GHz and 2.7 GHz.

Future technologies for wireless broadband include WiMAX and Long Term Evolution (LTE) networks. LTE is the projected development of existing 3G networks built on Universal Mobile Telephone System (UMTS) standards.

Broadband Wireless Access to the Internet

As demand for Internet services grows, policymakers at all levels of government are seeking ways to make access — especially high-speed, or broadband, access — to the Internet available to all. As wireless technologies have improved, they have become a popular option for deploying municipal broadband, especially to disadvantaged sectors of a community. Successive Congresses have seen the introduction of bills supporting

⁵ Website at [<http://www.wi-fi.org>].

⁶ Founding members of the WiMAX Forum include Airspan, Alvarion, Analog Devices, Aperto Networks, Ensemble Communications, Fujitsu, Intel, Nokia, Proxim, and Wi-LAN. For additional information, see [<http://www.wimaxforum.org/>].

⁷ A global standard for mobile WiMAX, 802.16e has been established by the IEEE 802.16 Working Group; documentation is at [<http://www.wimaxforum.org/technology/documents/>]. Viewed October 23, 2007. WiMax has been accepted as a 3G standard by the International Telecommunications Union.

programs to bridge what is often called the digital divide, the inequality of access to the Internet because of technical or economic constraints.⁸

Municipal Deployment of Broadband. The two main broadband technologies that are particularly attractive to communities, in part because they support existing community services such as Internet access for schools and communications for public safety, are fiber-optic cable networks and wireless access — WiFi today, possibly WiMAX in the future. The spread of wireless services such as access to the Internet and anticipated advances in wireless technology are modifying the business case for choosing a broadband technology. Networks that depend on a fiber-optic cable backbone are capital-intensive and usually more profitable in high-density urban areas. A number of rural communities have used their resources to install fiber-optic broadband services in part because they were too small a market to interest for-profit companies. Increasingly, communities are looking at wireless technologies to support their networks.

Several states have passed laws prohibiting or limiting local governments' ability to provide telecommunications services. An effort to challenge such a law in Missouri by municipalities offering local communications services in the state was heard before the U.S. Supreme Court in 2004.⁹ In the Telecommunications Act of 1996, Congress barred states from "prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service."¹⁰ The Court ruled that "entity" was not specific enough to include state political divisions; if Congress wished specifically to protect both public and private entities, they could do so by amending the language of the law. This Court decision and the steady improvement in broadband communications technologies that municipalities wish to have available in their communities have provided fuel for a policy debate about access to broadband services. The central debate is whether municipal broadband services are part of essential infrastructure with many public benefits, including stimulus to the local economy, or whether they provide unfair competition that distorts the marketplace and discourages commercial companies from investing in broadband technologies. In particular, the fact that urban areas are creating Wi-Fi networks and providing, among other services, free wireless links to the Internet is viewed as a threat to commercial companies and a form of unfair competition.

Municipalities installing free Wi-Fi zones often contend that generally available access to the Internet through wireless connections has become an urban amenity, arguably a necessity in sustaining and developing the local economy. Municipal Wi-Fi also provides the opportunity to improve social services and Internet access in disadvantaged communities that often are not served by fiber optic networks.¹¹

⁸ For further information, see CRS Report RL30719, *Broadband Internet Access and the Digital Divide: Federal Assistance Programs*, by Lennard G. Kruger and Angele A. Gilroy.

⁹ U.S. Supreme Court, Docket Number 02-1238.

¹⁰ 47 U.S.C. 253 (a).

¹¹ The Federal Trade Commission's Internet Access Task Force has published a report discussing many aspects of municipal broadband implementation and related issues, at [<http://www.ftc.gov/opa/2006/10/muniwireless.htm>].

White Space. Unlicensed spectrum is not sold to the highest bidder and used for the services chosen by the license-holder but is instead accessible to anyone using wireless equipment certified by the FCC for those frequencies. New technologies that can use unlicensed spectrum without causing interference are proposed for vacant spectrum designated to provide space between the broadcasting signals of digital television, known as white space. On September 11, 2006, the FCC announced a timetable for allowing access to the spectrum so that devices could be developed and ready for retail sales by February 2009.¹² One of the potential uses for white space is wireless broadband to support access to the Internet.¹³ These unlicensed applications could be used as an extension of the licensed applications that will be possible on the 700 MHz band once it is cleared of analog broadcasts. The National Association of Broadcasters (NAB), and others, are protesting the use of white space for consumer devices on the grounds that they could interfere with digital broadcasting. Companies such as Microsoft, Dell, and Motorola, however, have stated that they believe solutions can be found to prevent interference. NAB has asked the FCC to complete the rule-making process by banning unlicensed devices from white spaces. Other interests, including consumer groups, argue that the potential for new services, especially the possibility of wireless access to the Internet in under-served areas, merits that the FCC continue to evaluate technologies. There have also been proposals to license some of the frequencies in white space and auction the licenses.

Bills in the 110th Congress

Bills to increase the availability of unlicensed spectrum for community broadband are H.R. 1597, S. 234 and S. 337. The Wireless Innovation Act of 2007 (S. 234, Senator Kerry) would require the FCC to complete Docket 04-186 and issue a final order, among other requirements, within 180 days of the bill becoming law. H.R. 1597 (Representative Inslee) is a companion bill. The White Spaces Act (S. 337, Senator Sununu) would provide terms for the release of white space spectrum for unlicensed or licensed use, prohibit the FCC from banning the marketing of technologies that work on the white space, and address uncertainty stemming from legal proceedings regarding authority over the use of the spectrum, among other uses. The Interference Protection for Existing Television Band Devices Act (H.R. 1320, Representative Rush) would prohibit the use of unlicensed devices of any kind in white space in rural areas until after February 17, 2009, and of mobile devices until at least three years later. In particular, unlicensed devices would not be allowed to operate on channels already in use by low-power auxiliary television broadcast devices and the FCC would be required to seek additional way to protect these broadcasts from interference by unlicensed devices.

The Community Broadband Act of 2007 (S. 1853, Senator Lautenberg) would specifically assure the rights of communities to offer broadband services. Other provisions of the bill, would prohibit discrimination against competing service providers, and would require full disclosure of the intended project to the community. Public-private

¹² FCC, *First Report and Order and Further Notice of Proposed Rule Making*, ET Docket No. 04-186, released October 18, 2006.

¹³ "Tech Firms Push to Use TV Airwaves for Internet," by Charles Babington, *The Washington Post*, March 13, 2007.

partnerships are encouraged in the bill's language. S. 1853 was unanimously reported out of the Committee on Commerce, Science, and Transportation on October 30, 2007.

The Rural America Communication Expansion for the Future Act of 2008 (H.R. 5682, Representative Allen) would provide incentives to encourage broadband use in rural areas. The bill includes a section that would create a grants program for local governments "to establish publicly-available networks of broadband service." The bill would authorize \$15 million for each of fiscal years 2009 through 2013. The grants program would be administered through the NTIA for the benefit of rural and underserved areas.

The Wireless Internet Nationwide for Families Act of 2008 (H.R. 5846, Representative Eshoo) would require the FCC to auction two national licenses for unpaired spectrum that would be used to provide free broadband services to consumers and public safety users. Both licenses would be for 20 MHz of spectrum; one of the licenses would be in the 2155-2180 MHz range. During 2007, M2Z and several other companies petitioned the FCC to release 20 MHz of spectrum licenses at 2155-2175 MHz for a national broadband network. M2Z offered to provide basic service for free to consumers and public safety. In return for the grant of the license, which would be assigned without auction, M2Z offered to pay a percentage of gross revenues to the U.S. Treasury. In September 2007, the FCC issued a Notice of Proposed Rulemaking to establish service rules for the auction of a license or licenses at 2155-2175 MHz.¹⁴ H.R. 5846 would direct the FCC to issue auction rules that would require free access, high-speed service, national coverage, open access to devices, and build-out schedules, among other provisions. Similar rules would apply to the second national license for 20 MHz that the FCC would be required to identify and auction. Other provisions would require the FCC to work with the NTIA in reporting to Congress on such matters as broadband competitiveness and affordability, spectrum efficiency, technological advances, and more effective allocation and assignment of spectrum resources.

¹⁴ FCC, *Notice of Proposed Rulemaking*, WT Docket No. 07-195, released September 19, 2007.