

May 30, 2007

The Honorable Kevin J. Martin
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: WT Docket Nos. 96-86, 06-150, 06-169

Dear Mr. Chairman:

Each of our collective memberships have long fought for free competition principles in a fair and open market. We are concerned that some of the recent proposals in your 700 MHz auction proceeding threaten these principles. If properly conducted, the auction would benefit consumers, service providers and American taxpayers alike, by rationally allocating a valuable swath of radio spectrum while raising billions of dollars for the U.S. Treasury. However, if a different path is taken, and the auction were to be biased towards a particular company or business model, the result will be the devaluation of valuable spectrum.

As you and your colleagues work to finalize the rules for the upcoming auction, we urge you to recognize that auctions such as this one can be conducted in a pro-taxpayer, pro-consumer, pro-market and pro-competitive manner, but only if they are conducted without interference and encumbrances. Such maladies would serve only to impose artificial limits on those who may bid, likely to the detriment of consumers. For this reason, it is our view that network neutrality, eligibility restrictions, and the Frontline proposal recently submitted to you for consideration should be soundly rejected. The Frontline proposal will inevitably short-change taxpayers and consumers alike, and encourage unnecessary and unwise regulation in the vibrantly competitive wireless marketplace.

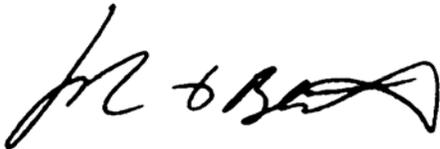
While cloaked in promises that it will deliver every special interest's pet policy objective, such as "net neutrality" and "open access," in fact, Frontline's proposed solutions are little more than transparent and self-serving efforts to impose "poison pill" obligations on the spectrum auction proceedings. Such encumbrances are designed solely to narrow the range of prospective bidders and reduce the cost of the spectrum licenses Frontline seeks.

We, the undersigned groups, find it ironic that these encumbrances have been proposed by former F.C.C. Chairman Reed Hundt, a man who used to support "mak[ing] spectrum available to the private sector in an orderly but expeditious process, while relying on market forces to put spectrum to its highest valued use." (Reed Hundt, "The Hard Road Ahead," December 26, 1996). Hundt has traditionally been a supporter – correctly, in our view – of assigning spectrum by free and open auction, in order to ensure that it is assigned to those who value it most. These same voices now argue

against the efficient and rational allocation of spectrum in a free, fair, competitive and open auction system. This change of heart, however, is directly at odds with American taxpayers' and consumers' best interests.

We urge you and your colleagues to reject the Frontline proposal. Thank you for your timely consideration of our request on this important matter.

Sincerely,



John Berthoud
National Taxpayers Union



Tom Schatz
Council for Citizens Against
Government Waste



Jeff Mazzella
Center for Individual Freedom



Bill Lauderback
American Conservative Union



Matt Kibbe
FreedomWorks

