



Issue Brief

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What's at Stake for Taxpayers With DoD's Government 5G Proposal

This month, the Department of Defense's (DoD) Defense Information Systems Agency (DISA) is requesting information from industry on spectrum sharing. It's a topic and public comment format (a request for information, or RFI) that seems wonky and technical at first glance, but will actually impact American taxpayers and consumers in major ways over the next few years.

This is because [the RFI](#) hints at some grand DoD ambitions for spectrum sharing; specifically, that the Pentagon may want to build its own, national 5G network. In fact, the first questions DISA asks in its section on "Requested Information" are:

How could DoD own and operate 5G networks for its domestic operations? What are the potential issues with DoD owning and operating independent networks for its 5G operations?

Key Facts:



The Pentagon has issued a request for information (RFI) on potentially developing and deploying their own 5G network.



The private sector, not the federal government, is best prepared to bring 5G technology and all its benefits to American taxpayers and consumers.



With uncertain costs and concerns that government ownership of 5G will choke off innovation, the best step is for the Pentagon to halt plans to build a 5G network.

There are numerous issues with this proposal, which NTU's Senior Fellow Mattie Duppler [noted](#):

...taxpayers should be concerned that last month the Pentagon indicated that it might take steps to control and operate bands of wireless spectrum that it has previously agreed to auction off to commercial entities. It would be disastrous if the Department of Defense moved forward with a plan to own and operate a domestic 5G network.

...[Not moving forward with DoD plans] is a chance for the administration to demonstrate its commitment to free market principles by committing to a competitive and open marketplace for spectrum, one that allows the private sector to innovate free of government regulation.

Drilling down even deeper, in an attempt to answer DoD's question about "potential issues" with their proposal, NTU can identify four broad concerns government-owned 5G would raise for taxpayers and consumers alike:

- By attempting to own and operate their own 5G network, DoD will **block current and future private sector innovations in 5G**; as NTU has [argued before](#), private companies are far more likely to bring productive and cost-saving technologies to the American people, in a faster and more efficient manner, than federal, state, or local governments.
- The key to **America's global economic competitiveness and security** is providing Americans with the best and fastest internet that can power [new technologies](#) like autonomous vehicles (AVs) and virtual reality (VR). For that reason, the Pentagon even more than other federal agencies should be wary of having government get in the way of 5G development and deployment.
- A nationalized 5G network is a prime example of DoD 'mission creep,' and federal stakeholders have not done an adequate job of estimating or explaining **how much a federal 5G network would cost taxpayers**.
- The Government Accountability Office (GAO) recently [pointed out](#) that the [federal government's 5G strategy](#) - published in March, before DoD 5G nationalization plans were made public through the RFI - **fails to fully address any of GAO's six desirable characteristics for "an effective national strategy."** The one characteristic where DoD most fell short, according to GAO, was on potential costs.

Private Sector Innovation

The first and foremost concern with a DoD-owned 5G network is that government ownership of 5G would choke off better opportunities for the private sector to create new technologies and innovations that benefit American taxpayers, workers, and consumers.

NTU is far from the only stakeholder with this concern. Last month, nearly 20 Republican senators wrote to President Trump, asking him to reverse DoD's course on the federalization of 5G. Many of these senators are strong allies of the president. They [wrote](#), in part:

The United States won the global 4G race because we empowered the private sector to build multiple competitive 4G networks by freeing up the necessary spectrum and eliminating unnecessary regulations. Because of that, today the United States benefits from multiple wireless carriers engaged in a race to deploy 5G networks nationwide, and hundreds of smaller and regional companies serving their communities.

Importantly, key congressional Democrats appear to agree. Following DoD's RFI, House Energy and Commerce Committee Chairman Frank Pallone (D-NJ) and Energy and Commerce Technology Subcommittee Chairman Mike Doyle (D-PA) [said](#) that the plan "undermines the careful and complicated work done by the FCC and the NTIA to allocate this spectrum for commercial use." They added that the RFI "appears to be backtracking on President Trump's commitment last month that 'the American wireless industry will be able to build and operate 5G networks.'"

Indeed, several actions taken by the administration and the independent Federal Communications Commission (FCC) *have* boosted private-sector 5G efforts. Just last month, the FCC [announced](#) it will "make 100 megahertz of mid-band spectrum in the 3.45-3.55 GHz band available for 5G deployment across the contiguous United States." These efforts, FCC said, are:

...a critical step forward in the Commission's efforts to free up more spectrum for the commercial marketplace under its comprehensive 5G FAST Plan.

Even DoD has bolstered private-sector efforts, notwithstanding this latest RFI. Earlier in October, DoD [announced](#) \$600 million in awards to private companies like AT&T and GE Research "for 5G experimentation and testing at five U.S. military test sites."

As the Pentagon notes in their press release on the new awards, the military benefits from spectrum use, and by extension 5G technology, in numerous ways. According to the [Congressional Research Service](#) (CRS):

The military uses the entire spectrum to support intelligence and military operations. ... The majority of military communications capabilities use radio waves, microwaves, and infrared frequencies. Nearly every modern weapons system—airplanes, satellites, tanks, ships, and radios— depends on the spectrum to function.

While DoD's use of midband spectrum, ideal for 5G development and deployment, presents complicated issues for the Pentagon, the FCC, and for private-sector leaders seeking to harness the power of 5G, the answer is certainly not a national government network. In fact, government ownership of 5G could make the nation *less* safe and secure.

Global Competitiveness and National Security

Though it may seem like a counterintuitive suggestion, Pentagon ownership over 5G could actually undermine several of the nation's national and global security goals in the years to come.

A major concern in the global race for 5G is the Chinese company Huawei. As CRS has [noted](#):

Some experts are concerned that vulnerabilities in Chinese equipment could be used to conduct cyberattacks or military/industrial espionage. These experts claim vulnerabilities were introduced through the poor business practices of many Chinese companies. However, they note that vulnerabilities could also be intentionally introduced for malicious purposes.

CRS also points out that Huawei "has signed contracts for the construction of 5G infrastructure in around 30 countries, including Iceland, Turkey, and the United Kingdom." While Huawei 5G infrastructure has security implications in all 30 countries, it is of particular concern with major American allies like the United Kingdom.

Numerous congressional stakeholders, though, have warned that DoD efforts to interfere with private sector development and deployment of 5G could put the U.S. further behind China in the global race to win 5G. As nearly 20 U.S. senators put it in their [letter](#) to President Trump:

The race to 5G may hold even greater significance for America's future, especially as we compete with China for dominance in the 5G ecosystem.

We agree with you that “[t]he race to 5G is a race America must win” and that “[w]e cannot allow any other country to out-compete the United States in this powerful industry of the future.”

If DoD moves forward with 5G nationalization, they could inadvertently halt a number of ongoing plans from leading private-sector innovators to deploy 5G across the nation. This could put the U.S. behind China not only on 5G development and deployment, but could also hamper U.S. efforts on 6G and other technologies with global economic and security implications for the decades to come.

Some members of Congress have followed up with [legislation](#) that would lock in the FCC's plans to auction off midband spectrum, a move NTU supports that also forecloses any DoD plans to nationalize 5G. The legislation, sponsored by Sens. Roger Wicker (R-MS) and John Thune (R-SD), and Reps. Greg Walden (R-OR) and Brett Guthrie (R-KY), is appropriately called the [Beat CHINA for 5G Act](#).

DoD Mission Creep

NTU has regularly warned that the Pentagon's budget is [bloated](#) and requires [reductions](#). Undoubtedly, 5G nationalization efforts would take the budget in the opposite direction, expanding the Pentagon's mandate beyond congressional intent and adding to the bill DoD sends taxpayers each year for its massive operations.

DoD was evasive about potential costs in a [follow-up Q&A](#) to the RFI. Responding to a question about how DoD would fund a 5G network, the agency wrote:

In Question A, the RFI asks about DoD owning and operating 5G networks for its domestic operations and potential issues with “DoD owning and operating independent networks for its 5G operations.” The RFI does not specifically address funding issues, or is not yet determined.

Contributing to the confusion is that even *before* the DoD's 5G nationalization plans, GAO [wrote](#) that the federal government had not yet determined the costs and fiscal impact of a national 5G strategy (emphasis ours):

Specifically, the strategy does not explicitly discuss what it will cost and does not include any cost estimates either for achieving individual goals or for implementing the strategy as a whole. Additionally, the strategy does not include information on the sources and types of resources required, such as federal, state, local, or private resources. **This is of particular concern because 5G deployment will occur across all levels of the government and the private sector, and addressing 5G risks and challenges will be a shared fiscal responsibility.**

This is of particular concern to NTU as well. The Pentagon budget is already too high, and contributes to America's record deficits and debt, yet DoD could move forward with a 5G nationalization plan with extremely uncertain costs and no details about fiscal burden-sharing.

Beyond cost concerns, Chairmen Pallone and Doyle have [expressed doubts](#) that DoD has the legal authority to move forward with this plan:

We write to request that the Government Accountability Office (“GAO”) evaluate whether the Department of Defense (“DoD”) has the legal authority to construct, operate, or maintain a commercial communications network or lease its assigned electromagnetic spectrum (“spectrum”) to private entities to provide commercial communications service. We believe DoD has limited or no legal authority to do so.

The chairmen express concern that DoD plans may violate *both* the Communications Act (giving FCC the authority to auction off spectrum to commercial entities) and the Anti-Deficiency Act (instructing federal agencies to “only spend money for specific purposes and in specific amounts dictated explicitly by Congress”). At a bare minimum, the fiscal and legal uncertainty of this proposal demands pause from DoD.

Before nationalization plans were even revealed, the top acquisition official at the Pentagon, Undersecretary Ellen Lord, had suggested in 2019 that the Pentagon was planning a “[national industrial policy for 5G](#).” NTU and NTU Foundation have warned of the dangers and follies with national industrial policy [many times before](#), but the speed at which this RFI is moving forward (and the rumors DoD may “[proceed immediately](#)” to an RFP) underscore the threats of DoD’s ‘mission creep’ to taxpayers and consumers.

Holes in the National 5G Strategy

As noted above, GAO evaluated the Trump administration’s March 2020 national 5G strategy in a recent [report](#). GAO has identified six characteristics for a successful national strategy: 1) that it has a purpose, scope and methodology; 2) that it defines the problem and assesses risks; 3) that there are goals, objectives, activities, and performance measures; 4) that strategy authors define what the strategy will cost; 5) that organizational roles, responsibilities, and coordination are defined, and 6) that there is an integration and implementation plan. GAO says that strategies can “fully” address, “partially” address, or not address any one of these six elements.

As we wrote above, GAO determined that one of the six elements was not addressed at all. It’s the most important element for taxpayers: what a national 5G strategy will cost. However, GAO determined that even the other five elements are only “partially” addressed - none of the characteristics are fully addressed.

GAO underscored the risks of a “partially” addressed national 5G strategy in the conclusion of their recent report:

5G is currently being developed and deployed within the United States— and across the world—and is considered vital to U.S. interests. As a result, it is vital for the U.S. government to have a 5G strategy and implementation plan that contain enough information and details to effectively position the nation to be able to plan for and respond to the advent of 5G.

The nonpartisan government watchdog recommended that the Assistant to the President for National Security Affairs, in collaboration with other administration stakeholders, “ensure that the plan to implement the 5G national strategy fully addresses all elements of our six desirable characteristics of a national strategy.” While DoD 5G nationalization would be misplaced and counterproductive at any time, it is particularly irresponsible for the Pentagon to push forward when even an overarching national strategy - just a “starting point,” as noted by GAO - is woefully incomplete.

Conclusion

It is clear that rapid 5G deployment and development can bring millions of Americans faster and more reliable internet, which in turn could save consumers, workers, and (by extension) taxpayers time, money, and effort in the years to come. It can also accelerate the development of exciting new technologies like driverless vehicles and virtual reality applications, which could help America continue to flex its leadership on the most exciting developments in the global economy and society at large.

The DoD's apparent 5G nationalization plans threaten all that progress, and could cause the U.S. to cede development of next-generation products and services to a Chinese political system and a powerful company (Huawei) that the Pentagon itself has recognized as a security threat and a great power rival.

The only reasonable conclusion is for the Pentagon to halt any plans to move forward on the federalization of 5G. American taxpayers, consumers, and workers - and by extension, the global economy - will win with American companies, not the U.S. military, at the helm of 5G deployment.

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