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In the Matter of	)	
Assessment and Collection of Regulatory Fees For Fiscal Year 2021	)	MD Docket No. 21-190

Reply Comments of R Street Institute

The R Street Institute—a nonprofit, nonpartisan, public-policy research organization engaged in policy research and educational outreach that promotes free markets—has long advocated for making additional bandwidth available for unlicensed use.[1] Part of the benefit of unlicensed allocations, as highlighted by other groups in the record for this proceeding, stems from the significant benefits of technologies such as Bluetooth and Wi-Fi, which utilize unlicensed frequencies to allow communications between devices.[2]

[1] "Comments of the R Street Institute," ET Docket No. 18-295, Feb. 8, 2019. https://www.rstreet.org/wp-content/uploads/2019/02/RSI-6-GHz-Comments-11.pdf; Jeffrey Westling, "Unleashing Unlicensed Innovation," *Inside Sources*, Nov. 21, 2019. https://insidesources.com/unleashing-unlicensed-innovation.

[2] See, e.g., "Comments of the Wi-Fi Alliance," ET Docket No. 21-190, Oct. 21, 2021, p. 2. https://ecfsapi.fcc.gov/file/102104616343/Wi-Fi%20Alliance%20-%20Comments%20-%20Regulatory%20Fees%20(21-109).pdf; "Comments of CCIA, DiMA, Incompas and Internet Association," ET Docket No.

However, the success of technologies already deployed represents only a fraction of the potential benefits from unlicensed allocations. Indeed, a core purpose of unlicensed allocations was to allow devices to utilize radios without the significant costs and burdens that come with acquiring an operating license from the Federal Communications Commission (Commission or FCC).[3] While the record is rife with comments highlighting legal and policy issues with a fee on unlicensed operations, an underdiscussed point is the inherent barrier that such a fee would erect on the innovation of new technologies and services—things which unlicensed use is designed to facilitate.

Wi-Fi is nearly ubiquitous, allowing individuals to connect to the Internet at their home, place of work, or even in public spaces. But none of this would have been possible without the reallocation of frequencies to unlicensed use, which allowed the technology to leverage so called "garbage bands" and test out spread spectrum technology previously almost unused by the industry.[4] Wi-Fi was always a risk, but developers could deploy and test the technology because they faced few barriers to entry.

While many now consider unlicensed nearly equivalent with Wi-Fi, we don't know what the next Wi-Fi or Bluetooth will be. Many different technologies use the unlicensed spectrum and many more could develop as the Commission allocates higher frequency bands that may seem less valuable in the moment. However, a regulatory fee on device manufacturers and the services that leverage unlicensed spectrum would defeat this underlying purpose. Instead of freely innovating and testing new devices, so long as they comply with the Part 15 rules, the Commission would insert additional risk into formulation. As a result, we may be left only with Wi-Fi and Bluetooth, and new services will lay fallow.

21-190, Oct. 21, 2021, p. 3. https://ecfsapi.fcc.gov/file/1021929321887/CCIA-DIMA-INCOMPAS-IA%20Reg%20Fee%20Comment%2010-21-21.pdf.

[3] Federal Communications Commission, *Unlicensed Use of the 6 GHz; Expanding Flexible Use in Mid-Band Spectrum Between 3.7 and 24 GHz*, Notice of Proposed Rulemaking, ET Docket No. 18-295, Oct. 24, 2018, p. 1. https://www.fcc.gov/document/fcc-proposes-more-spectrum-unlicensed-use-0.

[4] Paul Milgrom et al., "The Case for Unlicensed Spectrum," Oct. 23, 2011, p. 9. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1948257s.

The record is rife with arguments against fees on the unlicensed spectrum, and the Commission should consider these arguments carefully. While reviewing such perspectives, the Commission should never lose sight of the underlying purpose of the unlicensed spectrum: open innovation. Adding additional costs will undoubtedly limit this goal and stifle the development of the next groundbreaking service.

Respectfully submitted,

/s/

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