



HOUSE COMMITTEE ON ENERGY AND COMMERCE

Markup of Budget Reconciliation Text Subtitle C – Communications

May 13, 2025 – 2:00 PM

OVERVIEW

On Tuesday, May 13, the House Energy and Commerce Committee began consideration of its budget reconciliation text, including Subtitles on Energy, Environment, Communications, and Health.

- The Communications Subtitle can be found [here](#).
- A full section-by-section of the bill can be found [here](#).

The Communications Subtitle includes two sections focused on spectrum and artificial intelligence.

- The first section would direct the National Telecommunications and Information Administration and the Federal Communications Commission to identify at least 600 MHz of spectrum in the covered band to be auctioned by 2034 on an exclusive, licensed basis for mobile broadband services, fixed broadband services, mobile and fixed broadband services, or a combination thereof. Auction proceeds would be required to cover 110 percent of federal relocation or sharing costs.
- The second section would appropriate \$500,000,000 to the Department of Commerce through FY2035 to modernize federal IT systems with artificial intelligence. It would also impose a 10-year moratorium on all state regulations of artificial intelligence.

Democrats called up five amendments, but none were adopted. Amendment topics included reallocation of proceeds generated by spectrum auctions to support 911 system modernization and broadband affordability, and removing the moratorium on state AI regulations.

The Communications Subtitle was approved by a vote of 29-24 along party lines.

OPENING DISCUSSION – COMMUNICATIONS SUBTITLE

Ranking Member Frank Pallone (D-NJ) argued while the Committee has spent the last several years working on a bipartisan spectrum package, Republicans “gave up” on these bipartisan efforts, instead opting to fund “tax breaks for billionaires and corporate interests.” He raised concerns about the spectrum provision in the reconciliation text, which would spend the estimated \$88 billion of funding generated by spectrum auctions on tax breaks, rather than updating 911 systems and other emergency communications.

Rep. Doris Matsui (D-CA) argued spectrum should remain a bipartisan issue, promoting innovation with the right mix of unlicensed, shared, and licensed spectrum. She raised concerns, however, the reconciliation bill is a “cash grab” funding tax breaks for corporations, and not investing in the public good. She asserted Republicans are delaying emergency response upgrades and efforts to make broadband more affordable and accessible. She also stressed the importance of the Citizens Broadband Radio Service (CBRS), cautioning against any legislation that may impact this service.

Rep. Robin Kelly (D-IL) echoed concerns about the proposed use of revenue collected by spectrum auctions. She also raised concerns about the growing cost of internet services, the expiration of the Affordable Connectivity Program (ACP), and potential impacts on the CBRs. Additionally, Rep. Kelly opposed language in the reconciliation text to impose a 10-year pause on state AI laws, which she asserted would allow Big Tech to deploy dangerous technologies nationwide.

AMENDMENTS

Amendment	Sponsor	Summary	Outcome
<u>COMM 4</u>	Carter (D-LA)	<p><i>Insert the <u>Next Generation 911 Act</u>, funded by spectrum auctions.</i></p> <p>Democrats: Rep. Carter emphasized the need to upgrade 911 technologies, including text messaging and video calling, equipping first responders with the best possible tools. He noted the language for this amendment was pulled from bipartisan legislation. Reps. Barragán (D-CA), Ruiz (D-CA), and Soto (D-FL) echoed the importance of updating 911 infrastructure and supported the amendment.</p> <p>Republicans: Rep. Hudson (R-NC) opposed the amendment, asserting further bipartisan discussions on the issue are needed before moving forward, including further budgetary discussions. He agreed modernizing 911 tech is a top priority.</p>	Failed by a vote of 24-28
<u>COMM 9</u>	Clarke (D-NY)	<p><i>Invest spectrum auction proceeds in reestablishing a broadband affordability program.</i></p> <p>Ds: Rep. Clarke argued broadband affordability programs are critical, especially with the expiration of the ACP and the rollback of digital equity initiatives. Reps. Dingell (D-MI), Ruiz, Barragán, Landsman (D-OH), and Menendez (D-NJ) supported the amendment and broader affordability initiatives.</p> <p>Rs: Rep. Hudson argued the ACP was intended to be temporary during COVID and saw high levels of waste, fraud, and abuse, while the Lifeline Program already exists to support broadband affordability. He added spectrum proceeds will also eventually run out and are not a sustainable funding source, and raised concerns about “mismanagement” of the Broadband Equity, Access, and Deployment (BEAD) program. Reps. Cammack (R-FL) and Houchin (R-IN) also rose in opposition.</p>	Failed by a vote of 24-29

<u>COMM 8</u>	Matsui (D-CA)	<p><i>Require Cabinet-level secretaries to receive cybersecurity training before spectrum auction authority can take effect.</i></p> <p>Ds: Rep. Matsui raised concerns about the reported use of insecure communications platforms such as Signal by senior government officials, as well as cuts to cybersecurity funding, firings of federal cyber professionals, and the dismissal of Cyber Safety Review Board (CSRB) members. Rep. Menendez supported the amendment, in light of increasing cyber threats posed by foreign actors. He also cited concerns about the security risks associated with DOGE’s access to federal systems.</p> <p>Rs: Rep. Hudson opposed the amendment. He agreed the use of secure platforms by federal officials is critical, but argued the amendment is “more about politics than security.”</p>	Failed by a vote of 24-29
<u>COMM 13</u>	McClellan (D-VA)	<p><i>Prevent conflicts of interest in the use of spectrum auction proceeds.</i></p> <p>Ds: Rep. McClellan raised concerns about conflicts of interest and collusion between the federal government and entities that certain government officials may have a financial interest in, citing specific concerns about Elon Musk and Starlink. Reps. Castor (D-FL) and Kelly commended the amendment.</p> <p>Rs: Rep. Hudson opposed the amendment. He argued the issue may not fall under the Committee’s jurisdiction and is “politically motivated.”</p>	Failed by a vote of 24-29
<u>COMM 19</u>	Pallone (D-NJ)	<p><i>Remove the 10-year moratorium on state artificial intelligence regulations.</i></p> <p>Ds: Ranking Member Pallone argued imposing a 10-year ban on state artificial intelligence regulations would leave states powerless to address harmful algorithms. Rep. Peters argued preemption may be appropriate to regulate the AI space, but opposed the length of time in the proposed moratorium. Rep. Matsui opposed preemption, preventing states from establishing their own consumer protection measures against potential harms of AI. Reps. Castor, Tonko (D-NY), Schakowsky (D-IL), Clarke, Soto, Trahan (D-MA), Menendez, Schrier (D-WA), Fletcher (D-TX), Ocasio-Cortez (D-NY), McClellan, and Ruiz also supported the amendment.</p>	Failed by a vote of 24-29

		<p>Rs: Rep. Obernolte (R-CA) asserted the moratorium would safeguard federal investments in AI innovation and regulation, preventing a patchwork of conflicting state laws. He agreed AI should be regulated, but only on the federal level. He clarified the primary purpose of the provision is to appropriate funding to streamline government operations with AI, and the moratorium aims to ensure the government is not burdened by many separate state-level AI regulations. He added the 10-year moratorium would only apply until Congress enacts legislation with federal preemption. Rep. Lee (R-FL) also opposed the amendment.</p>	
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Please click [here](#) for the archived hearing