

**Remarks of  
Jonathan S. Adelstein  
Commissioner, Federal Communications Commission**

**Wireless Communications Association  
WCA 2006  
Washington, DC  
June 27, 2006**

[As prepared for delivery]

Thank you, Andy, for the kind introduction and for inviting me to “kick off” your kick off event of WCA 2006. I think it is a great idea to have a Carrier Investment Forum. I am a big believer in the success of spectrum-based providers to ensure our country’s economic competitiveness.

With recent changes and consolidation in the communications industry, it becomes even more critical that we make vibrant, spectrum-based communications opportunities available to more consumers and companies. We need to promote opportunities to expand wireless connectivity, as well as to reach our most underserved communities with broadband access.

I firmly believe that broadband is the key to economic growth in this digital information age. It is a key that can open the door to educational and economic opportunities to communities across America, enriching people’s lives. That is why facilitating access to wireless broadband is one of my core policy goals while at the FCC.

And it is a goal that I know the WCA membership shares. You have one of the more diverse membership groups in Washington representing all different types of licensees and unlicensed providers. And while you operate in a number of different bands, you all seem to share the common vision of providing the best broadband service possible to the communities you serve.

My Work at the FCC

My job as an FCC Commissioner is to help you accomplish your goal of expanding and improving your service to the public. To get there, the Commission has to be more creative with a term I have coined “spectrum facilitation.” That means looking at all types of approaches – regulatory, technical, or economic – to get spectrum into the hands of operators ready and willing to serving consumers at the most local levels. For example, I strongly supported guidelines to facilitate a more robust secondary market. We removed significant obstacles and provided a framework for allowing licensees to lease spectrum more easily, while ensuring that the Commission does not lose ultimate control over the spectrum.

Another approach I am particularly excited about is cognitive or smart radios. As many of you know, cognitive radios could play a key role in shaping our spectrum use in the future. Smarter wireless devices will allow us to make greater use of spectrum than is possible today. I have seen them up close, and am just amazed by their potential. Smart radios can leapfrog the technical and legal problems that currently hamper many of today’s spectrum opportunities.

I am also continually evaluating our service and construction rules to ensure that our policies do not undercut the ability of wireless innovators to get access to new or unused spectrum. So in developing policies, I have tried to advocate a carrot and stick approach. I want to promote flexibility and innovation. But since the spectrum is a finite public resource, I want to see results as well – particularly in the area of wireless broadband.

Just last summer, for example, I was very pleased to work with Sprint and Nextel to secure significant build-out commitments from the companies for the deployment of services in the 2.5 GHz band in association with their merger. I initially had concerns about Sprint Nextel amassing such a wide swath of spectrum in this band without providing any clear plan for deployment. I raised these issues with the companies, and was encouraged by their response. They met my concerns head on by providing a specific schedule of implementation milestones that will ensure wireless broadband services will be deployed to at least 30 million Americans across a number of markets, both large and small.

This truly is a banner commitment for the wireless broadband industry. It is said that a rising tide lifts all boats, and I believe that the Sprint Nextel investment will help all providers in the 2.5 GHz band. The infusion of capital into this market should significantly stimulate product and service offerings that ultimately will benefit both the commercial and educational segments of the 2.5 GHz industry. And in a report released last month, one analyst confirmed that the Sprint Nextel condition would have a profound effect on the wireless landscape by resulting in an increase in broadband choice and availability across the country.

I also have pushed hard to further jumpstart wireless broadband efforts in the 2.5 GHz band by all licensees. I secured an agreement for more significant safe harbors in the omnibus EBS/BRS reconsideration Order that we released this past April. Safe harbors are just that – they are not a requirement; parties are not obligated to meet them. A safe harbor is non-binding, but if met, it provides operators the security that they absolutely have complied with our substantial service requirements. Now if we are to provide that security option by adopting safe harbors, we should make them worthwhile. I believe this spectrum has so much potential, and we already are seeing local companies and national providers like Clearwire provide 2.5 GHz broadband services in dozen of markets across the country. The bottom line is that if we are going to allow licensees the flexibility of a “substantial service” construction standard, we have to make sure the safe harbors are meaningful.

#### EBS/BRS

As I have just touched on, it has been a busy year at the FCC for WCA and its members. And I have tried to be as involved as possible in these decisions. With our omnibus EBS/BRS item, for example, I think we moved another step closer to the widespread deployment of wireless broadband services in the 2.5 GHz spectrum band. It took a lot longer than I hoped, but we finally clarified the set of rules that should accommodate future innovative technologies offered by BRS and EBS operators and facilitate the provision of advanced spectrum offerings.

As some of you may remember, when we adopted the underlying Order in this proceeding back in June 2004, I expressed my disappointment that the Commission adopted a transition process that was based on major economic areas or MEAs instead of smaller markets. I was concerned

that the obligation to transition an entire MEA would make it exceedingly difficult for proponents to effectuate transitions in their particular market. While it was small comfort to be proven right when it comes to broadband deployment, it is telling that not a single transition plan had been filed in the almost two years since that decision was made. That is why I was so pleased that we reversed this earlier decision and agreed with a large number of commenters to implement transitions by Basic Trading Areas (BTAs) rather than MEAs. For the foreseeable future, I believe that BRS and EBS services will be local ones, and our decision to adopt smaller transition markets should make it a lot easier for proponents to effectuate transitions and start rolling out broadband services.

A lot was said in the record over the months leading up to the omnibus item about the length of leases between EBS and BRS licensees. In the end, I was happy to support the compromise advanced by WCA and the Catholic Television Network that we ultimately adopted. This compromise is significant and will enable educational and business entities to engage in meaningful partnerships that ultimately will lead to the deployment of wireless broadband networks. But these networks will not come cheap. It was critical that parties could come together and find common ground so students and educators can also benefit from the deployment of these state of the art facilities.

On a different subject, I did express a concern with our decision regarding the treatment of existing BRS operators who are interested in “opting-out” of the Commission’s transition plan. These service providers, companies like WATCH TV and Sioux Valley Wireless, really are the stars of the industry. They have complied with our rules for many years, and have deployed digital video (and sometimes even digital broadband) systems that ably serve their communities. I tried to provide BRS operators with some improved waiver procedures by advocating an automatic grant provision for those parties that filed waivers for opt-out that went unopposed. I was disappointed that we ultimately were unable to provide these operators with additional certainty but am pleased the Commission made a commitment to review these waivers expeditiously.

In April, we also put in place important relocation procedures that will apply to BRS licensees operating on channels 1 and 2 in the 2.1 GHz band. Our decision is particularly significant because the adopted procedures are another important step in our efforts to prepare for the upcoming Advanced Wireless Services (AWS) auction later this summer, as a subgroup of AWS licensees ultimately will be responsible for relocation of these BRS operators.

We had to craft a carefully balanced item that considered the needs and requirements of both new AWS entrants and current BRS licensees with operational subscriber-based systems. So while we adopted our general policies for relocation that have served the Commission so well over the past decade, we made a number of important adjustments to this overall structure to reflect the specific types of services offered by existing BRS operators. For example, we will allow BRS incumbents to fully use existing throughput by adding customers even if such changes would increase the size of service area subject to relocation. We also will require that BRS operators be relocated on a system-by-system basis, not link by link as we have done with other relocation efforts. These are important changes to our policies that were critical for my support of our decision.

I was disappointed, though, because we were unable to adopt self-relocation procedures that would have allowed BRS operators to initiate involuntary relocation after some type of waiting period. Self-relocation procedures have proven to be a useful tool in promoting timely and prompt spectrum relocation proceedings in the past. I am hopeful that my concerns are misplaced and that relocation will occur on an expedited basis notwithstanding our lack of a self-relocation policy.

### Creative Licensing Approaches

During the past several months, I have also pushed for flexible licensing approaches that make it easier for community-based providers to get access to wireless broadband opportunities. Last year, for example, we adopted rules to make spectrum in the 3650 MHz band available for wireless broadband services. To promote interest in the band, we adopted an innovative hybrid approach for spectrum access. It makes the spectrum available on a licensed, but non-exclusive, basis. I have spoken with representatives of the Community Wireless Network movement, and they are thrilled with this decision. They think it will have a positive impact on their efforts to deploy broadband networks in underserved communities around the country.

We need to find the right balance between a licensing model for traditional, area-wide, mobile systems, and a model for services such as those proposed for the 3650 MHz band. That band ultimately may serve a different user group, one that often is driven by more localized, community-based needs.

This follows in the footsteps of our decision in the 70/80/90 GHz proceeding that also broke new ground. It signaled a new approach to spectrum licensing in making spectrum available for enterprise use. As you know, this spectrum block can be used to connect buildings with multi-gigabit-speed wireless point-to point links for a mile or more.

Instead of digging up streets to bring fiber to buildings, licensees can set up a wireless link for a fraction of the cost. And it is available to operators by just applying through an on-line database. In fact, GigaBeam is installing five links for the city of Sioux Falls in my home state of South Dakota. The links will be used for a number of City services including public works, police and fire departments as an alternative to fiber.

I think these decisions reflect a positive trend at the Commission. Of course, only time will tell if the novel decisions we have made result in efficient use of these spectrum bands. But I think that given the success of unlicensed wireless networks, we are on the right track, and our creative spectrum management approach is well justified.

And I am pleased that we are moving forward with looking at revised procedures to authorize devices to use an additional 255 MHz of spectrum for unlicensed use in the 5 GHz band. This spectrum will be such a valuable asset to the wireless broadband community. So I want to see us move forward with this final phase as quickly as possible. And a lot of credit for the work on the revised standards goes to the joint efforts of industry and Government representatives through our ITAC-R Government/Industry Project Team.

We also are finally moving forward with NTIA on developing a joint test bed. A test bed will be crucial in considering new methods for sharing spectrum and other important spectrum management issues. Over the past few years, a lot of creative proposals grew out of the task force work from both the Commission and NTIA. I want to make sure these efforts are fully considered. A test bed will also be an important vehicle for considering and developing new spectrum management innovations for federal and non-federal use.

### Looking Forward

But we cannot rest on our laurels. The Commission needs to do whatever we can to stay on the cutting edge of spectrum policy. I am concerned that we have been letting things slip recently and losing our spectrum edge.

For instance, I am troubled by recent decisions related to the AWS auction. I want the auction to be a real opportunity for new and incumbent carriers to expand existing networks and develop new and exciting wireless broadband services. But I am afraid that recent decisions made by the Commission may substantially undercut that effort – such as our decision to impose blind bidding on our upcoming AWS auction in the event certain thresholds are not met. I am worried about the chilling effect of this decision on participation by smaller and medium-sized carriers. I have heard directly from companies and investors that Wall Street shares this concern.

I have also been very disappointed in our failure to deal directly with the loophole in our rules that allows large wireless companies to invest in designated entities given the overwhelming support in the record to do so. We missed a real opportunity to shut down what almost everyone recognizes has the potential for the largest abuse of our DE program. And now it appears that the changes that were adopted may actually do more harm than good to the DE community.

A different proceeding that could substantially help our wireless broadband efforts but has languished since the summer of 2004 is our rural wireless proceeding. As some of you may recall, I was disappointed in several aspects of that Report and Order. But I pushed strongly for a Further Notice that continues to explore possible re-licensing approaches and construction obligations for current and future licensees who hold licenses beyond their first term. I think this is an important dialogue. I continue to believe that we should consider an approach that provides for re-licensing in the event that market-based mechanisms still result in unused spectrum. We cannot afford to let spectrum lay fallow. If, after so many years, licensees do not plan to use or lease the spectrum they acquired in rural and other unserved areas, they should let someone else have access to it. We may even want to consider a “use it and keep it” approach that allows providers to use spectrum that current holders are allowing to lay fallow.

And we have active issues like 700 MHz and the white-spaces proceeding that really deserve our utmost consideration. There are significant opportunities in these bands and we want to make sure that we start giving them the full attention they deserve.

### Conclusion

If we are going to see real broadband competition, it probably has to come from wireless. I have coined a new phrase; we should not talk about a third broadband pipe anymore, but a third

channel. Mark my words, spectrum-based services ultimately will be the key driver of competition in the broadband space.

So, we all will play an important role in promoting the further deployment of spectrum based services for the benefit of our country and economy. I wish you the best of luck with your conference, and I look forward to working with you on these critical efforts.