

REMARKS OF FCC COMMISSIONER ROBERT M. McDOWELL

**3G AMERICAS TECHNOLOGY BRIEFING
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The Promise of the 700 MHz Band

Thank you, Scott, for your kind introduction. I'm pleased to be with you and 3G Americas today. Thank you all for hosting me this morning.

First, I want you to know that it is my personal mission to make sure that 3G Americas has to change its name -- frequently. I assure you that this will be good for all of us. You see, at the FCC, we are working on spurring the development and rollout of 4G and 5G technologies. So you may want to buy stationery that says "xG," or something, to save money. Today I'd like to focus on one of those Gs, the promise of the 700 MHz band.

But before I do that, I thought that I should talk a little bit about my general philosophy vis-à-vis my new job. I just started as a commissioner on June 1st. The most common question I get asked is "what is your pet issue?" The overarching issue for me is "freedom." Freedom. Just the very idea of freedom is a powerful force. In fact, my very first vote as a commissioner was to help TV Marti strengthen its ability to broadcast messages of freedom and hope into Cuba. Shortly thereafter, Fidel Castro fell ill.

But, in all seriousness, I trust free people acting within free markets to make better decisions than those of us in government. For the most part, government should do all that it can to get out of the way and to remove barriers to entry. However, there are times when the government should address market failure so new entrepreneurial ideas have a chance to compete in the market place and succeed or fail on their own merits -- and their own merits

alone. Any remedies applied to market failure should be narrowly-tailored, and sunseted, to maximize freedom for all market players, especially consumers.

Today, a wave of immensely powerful consumer demand is dictating business decisions. Consumers want to be able to “pull” the content of their choice through the pipe of their choice, anytime, anywhere and on any device. Those who act to curb or frustrate such demand do so at their peril.

If you don’t believe me, ask George Lucas. The creator of Star Wars recently explained his decision to get out of the feature film business, as we know it. He was recently quoted as saying, “I think the secret to the future is quantity. It’s going to be all pay-per-view and downloadable. I think people are going to be drawn to a certain medium in their leisure time and they’re going to do it because there is a desire to do it at that particular moment in time. Everything is going to be a matter of choice. I think that’s going to be a huge revolution in the industry.” Perhaps he is saying, “May The Force be with nimble entrepreneurs.”

Or, you can ask John and Karen O’Keefe, McDonald’s franchisees in suburban Chicago. The O’Keefes went live with a digital interactive video-and-music system in their McDonald’s restaurant on September 1, and have seen their sales increase by 17 percent! Customers at the O’Keefes’ restaurant can use their mobile phones to search, select and activate music and video shorts, through the restaurant’s “m-Venue” system, which was developed by a company called Akoo International. While munching on Big Macs, their customers can also download ringtones, wallpaper, games and sports clips. Perhaps that should be “McRingtones, McWallpaper, etc. ...”

I want to assure George Lucas, the O’Keefes, and all entrepreneurs, that I will do all that I can to help create an environment where they can have a chance to realize their dreams.

Only by promoting, preserving and protecting the freedom to compete and innovate, can we unleash a beautiful explosion of entrepreneurial brilliance. History has taught us that such explosions reward hard work and creativity; solve many challenges facing our society; fuel the American economy, and, ultimately, bring untold benefits to American consumers.

A priority of mine as a commissioner is to encourage the creation of new delivery platforms -- integrated, interconnected and interoperable platforms. I am delighted that wireless licensees and potential licensees, whether public safety or commercial, are now in a position to finalize plans for deploying in the 700 MHz "prime real estate" band. If "location, location, location," is the rule in the real estate business, then the 700 MHz band is Park Avenue. As you may know, the Digital Television Transition and Public Safety Act of 2005 (the DTV Act), which was enacted in February, makes several fundamental changes in the statutory regime applicable to the 700 MHz band spectrum. Perhaps most importantly, the DTV Act establishes a hard deadline of February 17, 2009, for the cessation of analog broadcasting in this spectrum. The DTV Act also requires the Commission to begin the auction for the licenses associated with the recovered analog spectrum no later than January 28, 2008, and to deposit the auction proceeds no later than June 30, 2008.

As a result of these congressional directives, the Commission is actively engaged in three separate, but related, proceedings that are each examining ways to maximize the efficiency of the 700 MHz band and to increase access to broadband services by American consumers, businesses and emergency response providers. And, Chairman Martin should be applauded for his leadership in this area.

First, prior to my arrival, on March 17, the Commission adopted a Notice that seeks comment on whether certain channels within the 24 megahertz of spectrum in the 700

MHz band allocated for public safety use should be modified to bring broadband communication services to emergency response providers.

Second, at our meeting in August, the Commission adopted a Notice that seeks comment on possible changes to the rules that will govern licensees that win spectrum in the portion of the 700 MHz band allocated for commercial use.

Third, and most recently, on September 8, the Commission released a Notice regarding possible changes to the rules governing the licensees in the guard band portions of the 700 MHz spectrum band.

Given the explicit deadlines set by Congress, we – all of us – have our work cut out for us. Our job is especially important because of the favorable propagation characteristics of the 700 MHz band and the high expectations for the auction, and I am encouraged by the level of dialogue this early on. As I move forward to assess the records submitted in this trilogy of proceedings, there are a number of factors that I'll have in mind:

First, I am committed to ensuring that the Commission takes advantage of all opportunities to spur technological innovation and increased access to broadband services by American consumers, businesses and public safety agencies. The 700 MHz band holds great promise in this regard. Our country is teeming with entrepreneurs who are ready, willing and able to invest and take the risks necessary to accelerate the development and roll-out of advanced services for an array of customers. In the end, America's consumers will reap the rewards.

Second, I'd like to encourage the public safety community and the commercial wireless industry to continue to talk about partnerships. While commercial wireless technologies may not be appropriate for every type of public safety communication, public safety agencies may find it useful to employ commercial systems, or to partner with commercial entities, to

fulfill their critical role in securing the homeland. Such dialogue is all-the-more important when we consider that public safety and commercial entities will be “neighbors” by the end of the DTV transition.

Third, I will do my best to ensure that future Commission actions do not impede the original intent of the Commission’s Part 27 rules, which apply to the commercial licensees that operate in the 700 MHz spectrum. In short, the Part 27 rules are aimed at enabling the broadest possible use of this spectrum and permitting deployment of a wide range of advanced wireless services. In light of the rapidly expanding international and domestic demand for wireless voice and data services, and the demand for greater amounts of spectrum to support advanced applications, in developing these rules, the Commission took a flexible, market-based approach. I want to make sure that any changes we make now do not water down the current plan. We must permit entrepreneurs the flexibility they need to use the spectrum for delivery of broadband wireless and broadcast-type services and technologies.

Finally, although I will, as always, give careful consideration to all proposals, I will also ensure that the marketplace, rather than the Commission, picks the winners. I do not want to hamper 3G Americas’ freedom to go forth and facilitate the seamless deployment throughout the Americas of GSM technology, and the next generations beyond that – so you can become 4G, 5G and beyond. And, I will do the same for your competitors!

In sum, it’s our job to manage the spectrum while allowing you to determine how best to use it. Then, we can get out of your way.

Thank you for inviting me here today and best of luck to you all.