

**STATEMENT OF
CHAIRMAN KEVIN J. MARTIN**

Re: Service Rules for the 698-746, 747-762 and 777-792 MHz Bands (WT Docket No. 06-150); Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems (CC Docket No. 94-102); Section 68.4(a) of the Commission's Rules Governing Hearing Aid-Compatible Telephones (WT Docket No. 01-309); Biennial Regulatory Review – Amendment of Parts 1, 22, 24, 27, and 90 to Streamline and Harmonize Various Rules Affecting Wireless Radio Services (WT Docket No. 03-264); Former Nextel Communications, Inc. Upper 700 MHz Guard Band Licenses and Revisions to Part 27 of the Commission's Rules (WT Docket No. 06-169); Implementing a Nationwide, Broadband, Interoperable Public Safety Network in the 700 MHz Band (PS Docket No. 06-229); Development of Operational, Technical and Spectrum Requirements for Meeting Federal, State and Local Public Safety Communications Requirements Through the Year 2010 (WT Docket No. 96-86); Report and Order and Further Notice of Proposed Rule Making.

Since I became chairman, promoting broadband deployment and increasing penetration has been one of my highest priorities. I am pleased that since then, we have made significant progress. For instance, an independent study by Pew Internet and American Life Project recently confirmed our own findings about the growth of broadband. Pew found that from March 2005 to March 2006, overall broadband adoption increased by 40%—twice the growth rate of the year before. Critically, this significant increase in broadband adoption was widespread and cut across all demographics. Equally important, Pew found that the average price consumers pay for broadband has also dropped in the past two years.

However, there is no question that much work still needs to be done.

One important factor spurring both increased broadband availability and reduced prices is competition among broadband platforms.

In much of the country, however, consumers have a choice of only two broadband services: cable or DSL. And in some parts of the country, consumers don't even have that choice. The most important step we can take to provide affordable broadband to all Americans is to facilitate the deployment of a third "pipe" into the home. We need a real third broadband competitor. And we need a technology that is cost-effective to deploy not just in the big cities, but in the rural areas, as well. All Americans should enjoy the benefits of broadband competition – availability, high speeds, and low prices.

The upcoming auction presents the single most important opportunity for us to achieve this goal. Depending on how we structure the upcoming auction, we will either enable the emergence of a third broadband pipe – one that would be available to rural as

well as urban American – or we will miss our biggest opportunity. Such a status quo outcome certainly would not sit well with consumer groups that have been strongly urging us to adopt rules that facilitate the ability of a “third pipe” to develop.

The leading technology companies —Google, Intel, Skype, Yahoo, along with DirecTV, and EchoStar are the only parties that have **promised** to try to provide a national, wireless broadband alternative. They have explained that, for a national wireless broadband service to emerge, the auction must do three things: (1) make available at least one 11 MHz paired block; (2) offer at least some large geographic areas; and (3) enable package bidding so that rights to a national service could be acquired. These technology companies have formed a coalition urging the Commission to follow these key principles that they believe are essential to the deployment of an additional broadband competitor.

I put forth a proposal that would meet these three requirements. I am surprised that some of my colleagues do not support this approach. Indeed, some of them have been the most critical of the current state of broadband deployment and competition and the most vocal about us needing a national strategy. It is puzzling that they would not endorse taking the minimum steps necessary to enable a wireless broadband alternative to develop for all Americans.

Importantly, the proposal I put forth would provide for a variety of geographic license areas spectrum block sizes. The mix of geographic license sizes coupled with a proposal for specific geographic build-out requirements – the strictest build-out the Commission has ever proposed – would help ensure that the rural and underserved areas of the country will benefit from the provision new services that this spectrum will facilitate. We also would permit higher power limits in rural areas, which will reduce the number of towers necessary to serve consumers and lower the cost of build-out. This proposal would provide significant opportunities for small and rural carriers as well as new entrants to the broadband market to obtain spectrum at auction.

Like broadband, meeting the needs of public safety has been a major focus of mine since becoming Chairman. We all know the tragedies that can occur when public safety officials cannot adequately communicate. The public safety community needs more spectrum, and they need to be able to build a truly national, interoperable broadband network. This item takes an important step to achieving those goals.

We tentatively conclude that public safety wideband spectrum allocation should be consolidated and revised to provide broadband only on a going-forward basis. In addition, many national and local public safety organizations have expressed support for a public-private partnership approach for a single, national licensee to achieve an interoperable public safety broadband network in the context of other public safety proposals. In the *Further Notice*, we seek comment on the proposal by Frontline Wireless, which would establish a new commercial licensee that would have specific obligations to build out a common broadband infrastructure for public safety and commercial use, working in concert with a national public safety licensee. We also ask if

there are other opportunities for public-private partnerships that will help bring our first responders the benefits of broadband.

Although we are seeking further comment on issues, I remain highly aware of the need to move swiftly to provide sufficient time for all parties to prepare for the auction. It is paramount that this auction not be delayed. I look forward to a focused public dialogue on these issues in the coming weeks, and look forward working with my fellow commissioners to come quickly to resolution on these issues.