

Spectrum Summit
October 21, 2010
1:00 p.m.
Commission Meeting Room

Remarks of Commissioner Robert M. McDowell

Good afternoon everyone, and welcome to the FCC. Most important, thank you for participating and for helping to educate us on the very important technical and policy issues surrounding America's use of our airwaves. While always a subject I enjoy, today's discussion is all the more timely given that my colleagues and I are grappling right now with the steps needed to encourage advanced mobile broadband deployment. We are fortunate to have the opportunity to benefit from your expertise.

The American wireless marketplace is dynamic and explosive; a world leader in innovation and competition. And it certainly offers one of the brightest rays of growth and opportunity in the U.S. economy. Just listen to some of the newest facts about this exciting sector of our economy:

- The U.S. leads the world in 4G innovation and investment.
- 2010 will mark the first year when the total number of *mobile* broadband connections will exceed the total number of *fixed* broadband connections.
- In 2011, smartphone sales will exceed "standard" feature phones.
- The smartphone market grew 50 percent between June 2009 and June 2010.
- Annual sales of smartphones will exceed those of *personal computers* in 2012.
- Nearly 400,000 mobile applications made by thousands of entrepreneurs are available to American consumers with hundreds more becoming available every day.
- More than 1.5 billion devices that connect wirelessly to the Internet will be shipped globally over the next five years.

Given this context, I am pleased that we are starting to do the heavy lifting – to undertake the longer term spectrum planning – now. I applaud Chairman Genachowski for bringing us together today. And, as always, I stand ready to work with him, and all of my colleagues here, to begin the process of putting more spectrum into the hands of consumers. There's a lot we can accomplish together. For instance:

First, AWS. I appreciate the work that our colleagues at NTIA are undertaking to help us optimize the AWS-3 allocation. Also, their efforts to ensure that this allocation is harmonized

internationally will provide economies of scale, carrier competitiveness, and global roaming relationships that help to ensure greater investment opportunities, more robust competition, increased innovation and lower prices. I look forward to working on service rules and getting that spectrum into the hands of consumers as quickly as possible.

But as an overarching matter, I hope our new rules will stick with the Commission's more recent "flexible use" policy. Old style "command and control" (read: prescriptive) rules hamper creative entrepreneurs who are in the best position to understand and satisfy consumer demands.

Next, *public safety*. It is disappointing that America has not made progress on creating a nationwide interoperable broadband network for use by our first responders since the 700 MHz auction. But, I thank Chairman Genachowski for moving forward to grant the waivers that are permitting 21 jurisdictions to begin building their networks. I look forward to helping craft new rules and policies that will put this spectrum into use. I am also interested in learning more about interim technical solutions, including off-the-shelf products, which have the potential to assist public safety immediately with their critical work. With the 10th anniversary of the September 11th terrorist attacks less than a year away, we should not waste any time.

With respect to the *broadcast spectrum*, as the Chairman has indicated, we will initiate two proceedings at our November agenda meeting, one relating to broadcast spectrum use, the other on spectral efficiencies for all bands, including the broadcast band. We are at the very beginning of what will surely be a lengthy process. I look forward to digging in and giving these issues the careful and thoughtful consideration that they deserve. Likewise, I look forward to consulting with Members of Congress as they consider legislation in this area. As one who was extensively involved in the DTV transition, I am confident that we are capable of working cooperatively to devise a win-win solution.

Also, *white spaces*. It's no secret that, for some time now, I have emphasized the importance of concluding this proceeding so that consumers can benefit from the power of this unlicensed spectrum as soon as possible. Although our work is not entirely complete, thanks to Chairman Genachowski's leadership, last month we took another important step. I look forward to coordinating closely with our talented colleagues in the Office of Engineering and Technology on completing our next task: getting the TV bands geo-location databases up and running in a manner that is pragmatic, efficient and competitively neutral. Certainly it is important that we proceed to this next step, which will bring greater certainty to the entities that tell us they stand ready to build amazing new technologies for this spectrum band.

And on a bigger picture point: As the demand for mobile data services increases, providers will need to increase their backhaul capacity, including microwave backhaul, to accommodate the expected exponential increase in traffic. Cisco estimates that mobile broadband traffic will more than double between now and 2014. Increasing the use of available microwave channels will serve as an additional choice for backhaul services. This, too, is an issue that I've been speaking about for some time now. I appreciate the Commission's express commitment to pursue quickly the question of whether we can accommodate licensed rural backhaul in the white spaces. And, I am delighted to have Commissioner Baker's support for

this concept. Thank you, Commissioner Baker. I look forward to receiving the Commission staff report on this terrific “win-win” idea by the end of the year.

Finally, a word on *technological advances to improve spectral efficiency*. As I mentioned earlier, I am delighted that we will be initiating a proceeding in this area, as announced by Chairman Genachowski earlier today. Here again, this is a matter I’ve raised on a number of occasions over the years. While we are sorting through the complex issues associated with freeing up more spectrum for the longer term, I look forward to learning more about technologies that will allow wireless providers to take better advantage of the immediate fixes already available in the marketplace. These include more robust deployment of enhanced antenna systems; improved development, testing and roll-out of creative technologies where appropriate, such as cognitive radios; and enhanced consideration of, and more targeted consumer education on, the use of femto cells. Each of these technological options augments capacity and coverage, which is especially important for data and multimedia transmissions.

Emphasizing spectral efficiency is crucial in light of the realities that are shaping America’s wireless future. In practical terms, even if we could identify 500 megahertz of quality spectrum to reallocate today, the better part of a decade would transpire before we could write proposed auction rules and band plans, analyze public comment, adopt rules, hold an auction, collect the proceeds, clear the bands, and watch carriers build out and turn on their networks. So, in the meantime, helping innovators create and deploy new technologies to enhance more efficient use of the airwaves has to be a top priority for all of us.

So, without further adieu, let me introduce Tom Wheeler, who has graciously agreed to moderate this afternoon’s panel. Tom is managing director of Core Capital Partners, which he joined in 2005 after nearly three decades of working in the telecommunications policy arena, leading both NCTA and CTIA at various periods. Welcome, Tom. Thank you for joining us today, and for sharing your wealth of knowledge.