

**STATEMENT OF
CHAIRMAN JULIUS GENACHOWSKI**

Re: *Innovation in the Broadcast Television Bands: Allocations, Channel Sharing and Improvements to VHF*, ET Docket No. 10-235, Notice of Proposed Rulemaking.

This item is the first of three the Commission is considering today that will help meet our nation's need for cutting-edge wireless services and technologies for the 21st Century – helping spur our economy and create jobs. One way to think of spectrum is as “invisible infrastructure.” Though you can't see it, spectrum is the backbone of our mobile communications infrastructure – and so is essential to one of the most robust and promising sectors of our economy.

We are at an inflection point with our invisible infrastructure. The explosive growth in mobile communications threatens to outpace the infrastructure on which it relies. I've said this before, but it bears repeating and emphasis: If we don't act to update our spectrum policies for the 21st century, we're going to run into a wall – a spectrum crunch – that will stifle American innovation and economic growth and cost us the opportunity to lead the world in mobile communications.

The spectrum crunch threatens to create millions of dissatisfied consumers, who – if we don't tackle this challenge – will be forced to choose between poor service and higher prices.

As we outlined in the National Broadband Plan and more recently at the FCC's Spectrum Summit, we have a two-pronged plan for bridging the gap between spectrum supply and demand. First, we'll pursue policies to drive the most efficient and flexible use of spectrum. Second, we'll seek to bring market forces to bands of spectrum where markets currently aren't given the opportunity to work.

This item advances both goals. It starts what I hope will become a landmark rulemaking to bring efficiency to the use of our TV broadcast spectrum, and lays essential groundwork for market-based policies in the form of voluntary incentive auctions, which I strongly hope Congress authorizes in the near future.

The roughly 300 MHz of spectrum in the TV bands is among the most robust available. Beachfront property. The transition to digital made it possible to transmit over-the-air broadcast programming using less spectrum than before. While some stations are seizing the opportunity to offer multicast streams or mobile TV that serve the public interest, others are not.

We might think of the steady stream of broadcast DTV transmissions as trains with a fixed number of boxcars delivering digital content – but many of the boxcars are empty. This spectrum is too valuable – and our spectrum needs too great – for it to be used inefficiently. Especially given that less than 10% of Americans receive broadcast television only through over-the-air spectrum signals.

Yet our rules currently don't permit certain types of efficient use, such as channel sharing. To stick with the metaphor, channel sharing would allow two or more TV stations to fill the boxcars on a train of spectrum. Today's rulemaking proposes rules for voluntary channel sharing, increased flexibility of allocations, and seeks comment on improving VHF reception. In so doing we lay important groundwork for incentive auctions in the broadcast TV band. Our goal is to be ready to move quickly in the event that Congress authorizes incentive auctions.

I believe that moving forward with incentive auctions is vital to our economy and to American consumers. By bringing market forces to broadcast spectrum, it would free up airwaves for mobile broadband, drive private investment, enhance our global competitiveness, and lead to improved service to consumers. It would also yield significant revenue for the Treasury.

It is fair to broadcasters, providing additional optionality, while recognizing broadcasters' important ongoing obligation to serve the public interest and the needs of viewers who continue to rely only on over-the-air broadcasting.

The action we take today is our first formal step to set the stage for incentive auctions. It's perhaps reminiscent of an action taken more than 20 years ago at the Commission, when the FCC started a process to provide for digital television. While it wasn't headline news at the time, it ultimately led to the emergence of a new generation of TV technology and freed more than 100 megahertz of spectrum that is about to usher in Fourth Generation or 4G wireless services and technologies and new broadband services for public safety.

We know it will not be easy to free up spectrum for mobile broadband from the existing broadcast TV band. Neither was the process that led to the DTV transition and the resulting freeing of spectrum. Yet it is at least as necessary as the process that began more than 20 years ago. And, because of how fast our global competitors are moving, it's essential that we move rapidly. We don't have anywhere close to 20 years.

We can't afford to fall behind, and that is why today, we take this important step to begin the process of freeing up a significant amount of broadcast TV spectrum for mobile broadband.

I thank the staff of the Office of Engineering and Technology, the Wireless Bureau, and the Media Bureau, and the Office of the General Counsel for their hard work on this item. This item is a great example of how we can achieve a great product through close collaboration among Bureaus and Offices.