



# NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.  
See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

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## **FCC SEEKS TO REFORM AND MODERNIZE CELLULAR LICENSING REQUIREMENTS**

### *Issues Notice of Proposed Rulemaking and Order to Reduce Regulatory Burdens*

*Washington, D.C.*—The Federal Communications Commission (FCC) took steps today to promote government efficiency and eliminate burdensome regulatory processes by providing licensees with greater flexibility to provide advanced communications service in areas currently unlicensed in the 800 MHz Cellular Service (Cellular Service).

Consistent with its regulatory reform agenda, the FCC issued a Notice of Proposed Rulemaking (*NPRM*) and adopted an Order proposing to revise the licensing model for the Cellular Service from a site-based to a geographically-based approach. This proposal would first reduce regulatory requirements in the most licensed markets while preserving the current model for a period to foster the provision of service in less licensed markets.

Since its inception approximately 30 years ago, the Cellular Service has transformed the communications landscape by making mobile services broadly available to the American public. For many years, the Cellular Service's licensing model helped successfully drive widespread construction and initial service to the public. Today, most Cellular Service markets are almost completely licensed, with only limited unlicensed Cellular Service area remaining; as such, the site-based model is yielding diminished returns. As regions become substantially developed, the significant administrative burdens on licensees associated with the site-based model may no longer outweigh the public benefits.

The proposal for a geographically-based model would bring the Cellular Service into harmony with more flexible licensing schemes used successfully by other similar mobile services, such as PCS, the 700 MHz Service, and AWS. This proposal would eliminate burdensome application filings for even minor technical system changes and would allow for greater licensee ability to adapt to technological and marketplace changes.

Specifically, the FCC proposes to issue geographic area "Overlay Licenses" authorizing build-out in all remaining unlicensed area and in any area vacated by existing incumbents through competitive bidding, in two stages. Stage I of the transition would include all Cellular Service markets that meet the FCC's proposed "Substantially Licensed" test. In this stage, site-based licensing would end in those markets, and the Overlay Licenses would be assigned via competitive bidding. The site-based regime would continue, however, in all other Cellular Service markets for a proposed seven-year period until Stage II of the transition. This proposal includes continued protection of incumbents from harmful interference throughout all stages of the transition.

The FCC further proposes to streamline the Cellular Service rules, including, for example, updating application requirements and deleting seven outdated data collection requirements, such as

certifications associated with stopping analog service, or the “analog sunset.” The elimination of these seven data collection requirements, if adopted, will bring to 32 the number of unnecessary data collections eliminated by the FCC. The Commission’s actions to end these data collections are consistent with two Executive Orders that called on federal agencies to review rules and regulations and ensure they are cost-effective and do not place unnecessary burdens on industry.

The FCC also adopted an Order imposing a freeze on the filing of certain Cellular applications while establishing interim procedures for currently pending applications. These steps will help ensure a more efficient and orderly rulemaking, consistent with numerous prior Commission actions, while allowing some flexibility for continued expansion of service to consumers in many markets.

Action by the Commission February 15, 2012, by Notice of Proposed Rulemaking and Order (FCC 12-20). Chairman Genachowski, Commissioners McDowell and Clyburn. Separate statements issued by Chairman Genachowski, Commissioners McDowell and Clyburn. Docket No.: WT Docket No. 12-40

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