

PREPARED REMARKS OF FCC CHAIRMAN JULIUS GENACHOWSKI

The Commission will consider a Notice of Proposed Rulemaking that initiates a review of its policies governing mobile spectrum holdings.

As recently as July 2007, there was no iPhone, no Android phones, no tablets, no app stores. Back then only 9 million Americans, or about 4% of the mobile market, had smartphones. Today, the majority of mobile subscribers have smartphones, and those phones generate 35 times more traffic than old feature phones. For tablets, it's 121 times more traffic.

This past decade has also seen significant changes in the amount and nature of spectrum used for mobile broadband.

While we have seen major changes in all aspects of the mobile marketplace, the FCC hasn't reviewed its policies for mobile spectrum holdings in more than a decade. And stakeholders from throughout the mobile ecosystem have increasingly been saying it's time to take a fresh look, and that we can increase certainty and predictability for the marketplace.

Today we launch a rulemaking to review the FCC's mobile spectrum holding policies and make changes as appropriate, in order to enable a healthy and competitive wireless marketplace with clear and predictable rules of the road.

Getting these policies right is key to facilitating efficiency-enhancing secondary market transactions and promoting vibrant competition, both of which are necessary to drive the massive mobile investment and innovation we need to grow our economy.

It's another part of our multi-pronged strategy to ensure that the U.S. maintains and extends the global leadership in mobile services and innovation that we've regained over the last few years.

This proceeding will consider a wide range of viewpoints – we're open to all ideas and are not prejudging the outcome.

Launching this proceeding does not reflect a change in our views. As I've said before, efficiency-improving spectrum transactions can certainly be consistent with a competitive market. Nothing in this Notice changes that. Over the past three years, we've approved hundreds of transactions involving more than 1,000 licenses, while also significantly reducing the review time for major transactions.

We've also shown that we recognize when transactions require conditions or spectrum divestitures to preserve competition. Competition is the lifeblood of our free market economy. Indifference to competition is not good for innovation, investment or economic growth. And when we concluded that a proposed transaction simply didn't serve the public interest, we said so.

There's been one suggestion that, instead of the rulemaking notice we issue today, we begin with a Notice of Inquiry. This would needlessly add red tape, slow-roll the review, and delay possible improvements to current policies

This is an important Notice of Proposed Rulemaking. It is timely, appropriate, and necessary. It will contribute to our goal of increasing certainty and predictability. It will contribute to our goal of U.S. leadership in mobile.

Thank you to the Wireless Bureau for your thoughtful work on this item.