

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN**

*Re: Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions,
Docket No. 12-268*

We often talk about leaving this world, and this country, better than we found it; reducing the national debt, lowering our carbon footprint, preserving and striving for peace between nations, and so on. What we are affirming in this room, today, improving our mobile and broadcast industries, I believe, should be added to the list.

I have been hearing about the looming spectrum crunch for as long as I've been here. And even as a casual observer of one's surroundings, you can't help but notice that everyone we know and see in coffee shops, at sporting events, and on subways, is using mobile broadband for various purposes.

This insatiable demand for mobile services forces the industry to work hard at ensuring that their networks can keep pace. Now, we've reached a point where government can and must lend a constructive hand to ensure the platforms, that many now take for granted, keep moving efficiently. We are quickly outraged when the smallest delay in service affects our experiences. And while getting angry at the DMV remains at the top of everyone's list, being unable to log-on to Facebook in a Wi-Fi hotspot, is making a steady climb towards first place.

However, we will not be able to take this giant leap forward without patience, positive engagement, and great assistance, from the outstanding engineers and professionals in the broadcast industry. At the beginning of this process and during our early discussions on repacking and voluntary auctions, there was no small amount of anxiety from broadcasters. And while some anxiety remains, today, as I have said all along, the word *voluntary* is the most important word contained in all of the pages that comprise this document.

In the press release issued when staff circulated this NPRM, Chairman Genachowski made two points I wish to underscore. First, voluntary incentive auction authority gives us the ability to strengthen both our mobile and broadcast industries. Second, to "maximize the opportunities of spectrum [which this new authority creates], depends on the active engagement of the public and all stakeholders."

Both points should be guiding principles as we continue in this proceeding. The incentive auction authority Congress gave us also presents novel challenges. The Commission must comply with the statutory language and carefully consider all relevant issues necessary to properly design three key aspects of the unprecedented voluntary incentive auctions: the reverse auction, the repacking of remaining broadcast TV licensees, and the forward auction. Each of these has its own set of difficulties, so we need the engagement of all relevant parties to design the auction properly and make the most of this opportunity.

Gary Epstein, Ruth Milkman, Julie Knapp, Bill Lake, and Bill Scher, have made much time in their busy schedules to brief me on the NPRM and the Incentive Auction Rules Option attached to the item. I am confident the staff is doing their best to provide parties with meaningful opportunities to participate in a process that can improve both the mobile and broadcast industries. It is also clear that considerable time and effort went into trying to simplify the incentive auction process and remove as many computational challenges as possible from broadcasters who may be interested in relinquishing spectrum. If we need to make changes to add more clarity to the process, the staff has shown that they are open to all recommendations.

I generally support all the preferred proposals in the NPRM. But there are a few I believe deserve special mention. I was particularly pleased to see proposals that would preserve sufficient spectrum for unlicensed operations. Promoting continued innovation in the unlicensed service industry is important to our National economy and to maintaining leadership in the mobile broadband services market. It is estimated that unlicensed spectrum, generates between 16 and 37 billion dollars each year, for the U.S. economy. In November of last year, the Consumer Federation of America found that Wi-Fi offload, resulted in wireless carriers, not having to construct 130,000 cell sites. This resulted in annual cost savings of more than 25 billion dollars.

Finding sufficient spectrum for unlicensed services is also important to companies, who have already spent considerable capital and other resources, trying to develop networks and devices that comply with the TV White Space rules we adopted, in September 2010. Successful TV White Space business models increase the chances that some Americans who live in low-income rural and urban areas, will receive the affordable competitive options for mobile broadband services that most Americans already enjoy.

I was pleased to see that the NPRM seeks comment on bidding credits, which could create opportunities, for small businesses to acquire wireless spectrum in the forward auction process. I also appreciate that we are seeking comment on whether those small business credits are sufficient to create opportunities for businesses owned by women and minorities. At most of my appearances, and in meetings in my office, small business owners and prospective owners, explain to me just how difficult it is to succeed in a down economy. And while the economy is rapidly improving, these innovative entrepreneurs, and hard-working people find it nearly impossible to get access to capital or find worthwhile inroads to credit.

What we do, today, will further assist us in realizing growth opportunities for these individuals and their ideas. We should be very proud of that. Small businesses are the powerful little engines that run America, and I am glad to have a hand in their growth potential.

I was also happy to see questions on what the Commission should do to ensure interoperability in the band plan for the forward auction. The current lack of interoperability, in the lower 700 MHz band, is impeding the deployment of competitive options for consumers. To ensure that this incentive auction yields the greatest possible benefits for consumers, we must consider whether we should mandate interoperability in the spectrum we repurpose for mobile services.

Thank you, Gary for your presentation. I especially appreciate your efforts to identify each of the 70 staff members who worked on this NPRM. I also want to thank my wireless legal advisor, Louis Peraertz. You should all feel great; for this is truly an impressive item.