

**STATEMENT OF
COMMISSIONER JESSICA ROSENWORCEL**

Re: *Amendment of the Commission's Rules with Regard to Commercial Operations in the 1695-1710 MHz, 1755-1780 MHz, and 2155-2180 MHz Bands*, Report and Order, GN Docket No. 13-185

This is a big deal.

It was 2008 the last time the Commission conducted an auction this significant. Think about that. Our last major auction was conducted when the iPhone was in its infancy. We were giddy over our ability to tap on a screen—any screen—and expect an Internet-enabled response based on the swipe of a finger. Before streaming video in our palms and laps had become commonplace. Before the applications economy grew to provide over 750,000 jobs. It was a long time ago.

But in the intervening years we were not asleep at the switch. Congress took steps to clear spectrum used by federal authorities and directed this agency to put it to new commercial use. So as a result of their efforts in the Middle Class Tax Relief and Job Creation Act, we can sit here today and tee up an auction of 65 megahertz of prime spectrum.

Our auctions, however, do not take place in a vacuum. Even after all the bids are in, after all the winners are decided, there is a lot of work to do before consumers see the benefits. So it is worth noting that our efforts today are designed to speed this along. Through interoperability requirements, we are lowering the barriers to developing equipment for this new spectrum. By encouraging broader interoperability with the 2180-2200 MHz band, we are facilitating the deployment of an additional 40 megahertz of spectrum. This is good stuff—designed to make it possible to put the benefits of these airwaves in the hands of consumers in ways that are faster, smarter, and sooner.

But the promise of this proceeding goes even further. Because if we get this right, we will also substantially fund the first nationwide, interoperable, wireless broadband network for public safety—the First Responders Network Authority—even before we begin our upcoming spectrum incentive auction. This is important. It means we can finally deliver on the promise of the 9/11 Commission recommendations and give our public safety officials a start on the network they need to keep us safe. Moreover, funding this network through these auctions now will free the Commission to develop more robust incentives in our incentive auction later.

So there is a lot here to celebrate. But as far as we have come, we also need to keep an eye on where we are going next. Because the demand for spectrum since we last held a major auction has skyrocketed—and it shows no signs of stopping. Yet freeing the next swath of federal airwaves will not come easy.

We can, of course, continue on our current course. When commercial wireless demands rise, we can ask Congress to go to our federal partners and press them to find new ways to repurpose old airwaves for new commercial use. But as everyone of us involved in this proceeding knows all too well, our three-step process—clearing federal users, relocating them, and then auctioning the cleared spectrum for new use—is growing creaky. It takes far too long.

That is why it is time for a fresh approach to federal spectrum. We need a policy built on carrots, not sticks. We need to develop a series of incentives to serve as the catalyst for freeing more federal spectrum for commercial use.

Across the board, we need to find ways to reward federal authorities for efficient use of their spectrum. They could be straightforward and financial—under which a certain portion of the revenue from the commercial auction of their previously held spectrum would be reserved for the federal entity releasing the spectrum. They also could involve revenue opportunities from leasing or shared access, including during a period of transition to cleared rights. As part of this effort, we should consider a valuation of all spectrum used by federal authorities in order to provide a consistent way to reward efficiency. In short, we will make smarter use of a scarce resource if federal authorities see benefit in commercial reallocation—rather than just loss.

The good news is that these ideas are gaining steam. The Administration added a batch of new initiatives to the spectrum policy mix in last year's Executive Memorandum on Expanding America's Leadership in Wireless Innovation. In Congress, Representative Matsui and Representative Guthrie introduced a ground-breaking bipartisan bill that provides a framework for rewarding federal spectrum users for efficient use. This is a terrific bill that could have big impact.

Of course, this is all getting ahead of what we have right here, right now, today. But we need to look for new spectrum opportunities down the road, well before we have the auction of this 65 megahertz in the rear view mirror. Given the speed at which our wireless world is evolving, now is not a moment too soon.

Thank you to the Wireless Telecommunications Bureau for your hard work on this important auction—and spectrum auctions yet to come.