

**PREPARED REMARKS OF FCC COMMISSIONER MIGNON L. CLYBURN
THE COMPETITIVE CARRIERS ASSOCIATION ANNUAL CONVENTION
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Thank you, Mr. Berry, for that generous introduction. Good morning everyone. I appreciate all of you, for being here, for inviting me two years in a row, and for not reminding me that the last time I spoke here there was a government shut-down, the very next week.

Not only am I grateful that we appear to have a budget that covers this entire fiscal year, I consider myself fortunate, because thus far, every time I am invited to appear before you I have been in position to report on a policy development that CCA can celebrate. Last year, it was a voluntary industry solution that resolved the lack of operability in the lower 700 MHz band in the most efficient manner.

Under that agreement, AT&T modified its 700 MHz LTE network with new software that will enable it to support Band 12-capable devices, and would work with manufacturers, to develop devices, that support Band Class 12. This means customers of smaller carriers can roam on AT&T's LTE network, and devices like the iPhone that used to work exclusively for AT&T will work on your networks in the 700 MHz band.

I understand that, because of this agreement, equipment manufacturers have been working on Band Class 12 devices and there are a number of important updates to report. I hear that T-Mobile is testing interoperable Band 12 devices right now, and that these devices, could be ready to be sold, by the end of this year! I also heard that Sprint is working with your members, to deploy Band Class 12 devices, by First Quarter 2015. Last year, when the industry solution was announced, we did not anticipate seeing interoperable Band Class 12 devices until the end of 2015. So, these announcements by T-Mobile and Sprint are fantastic news!

There are two key reasons, why we have been able to make such strides towards interoperability in the 700 MHz band, in my opinion. The first is the excellent, relentless, advocacy by CCA before the Commission. Thank you Steve; and thank you all. The second is collaboration by all relevant stakeholders. Both of these factors also deserve the lion share of credit for many of the pro-competition and pro-consumer policies that the Commission adopted over the past 12 months.

Let's start with spectrum management policies. The consumer demand we have been seeing, over the past few years, for mobile broadband services, is nothing short of breath taking. I continue to marvel at the fact that when I first took office in the summer of 2009 tablet computers had not even hit the market.

Estimates are that by 2016, more than 100 million people in our nation, will own one and more than 250 million units will be shipped worldwide. These trends affirm that the Commission needs to find creative ways to allocate more spectrum for commercial wireless use and promote more efficient use of that spectrum.

Under Chairman Wheeler's leadership, the Commission is working towards holding two very important auctions to increase the amount of spectrum available for commercial wireless services. The AWS-3 auction, scheduled for November of this year, will make 65 MHz of spectrum available for wireless service. And this past May, the Commission adopted several important rules that will govern how we conduct the world's first ever, reverse voluntary broadcast TV auction.

I could not count these auctions as policy successes, unless they promoted competition. Competition is an essential driver of investment and innovation and must be preserved, as it is the best way to protect the growing percentage of Americans, who rely solely on mobile services, for their communication needs. CCA, and industry collaboration, played important roles in ensuring our rules for both of those auctions, promote competition.

With regard to the AWS-3 auction, the original staff proposal was for a band plan that contained only large geographic license areas called Economic Areas or EAs. CCA, and other groups representing smaller carriers, pushed for a band plan that included smaller geographic license areas, such as Cellular Market Areas or CMAs. And to be frank, I would have preferred a band plan with more blocks of CMAs.

I believe that it is important, that our wireless auctions also attract carriers, who may have a smaller service footprint and less capital, than those nationwide providers, yet possess a strong desire to acquire more spectrum in order to serve a particular footprint. This approach promotes competition in local markets and has the added benefit of ensuring that the auction promotes efficient allocation of spectrum to the highest and best use.

However, the effort to repurpose federal spectrum for commercial use requires compromise and future efforts to repurpose spectrum, will increasingly involve more difficult policy issues, where continued compromise will be necessary. We will need CCA to participate in these policy discussions to ensure any such compromise continues to promote competition in the wireless market.

CCA's efforts were also important when it came to the rules for the incentive auction. Here again, the original staff proposal, was for larger Economic Areas. The rationale for me in encouraging smaller carriers to participate is even stronger in the case of the incentive auction, because we must incentivize as many broadcast TV stations as possible to participate in the reverse auction. So I am glad that we pushed large and small carriers to develop a consensus so we could shift from exclusively larger Economic Areas, to smaller Partial Economic Areas.

I also appreciate CCA's advocacy to ensure the industry is complying with the FCC's 2010 order, mandating data roaming, among mobile broadband providers. Data roaming is critical to supporting competition and innovation. It permits providers to enter markets that others may deem hard to serve and it allows consumers in rural areas, to have more choice.

Every carrier has the potential need to roam on networks built by others. I am pleased that the courts have upheld the Commission's data roaming order. But a recent petition filed by T-Mobile suggests that, despite that data roaming order, the industry is not making sufficient progress towards creating more fair roaming agreements.

The petition recommends that the Commission consider certain benchmarks, such as whether the wholesale data roaming rate a carrier is offering is considerably higher than the retail roaming rate it offers. At last year's CCA event, one of the benefits of the industry voluntary solution on interoperability, which I touted, was that customers of smaller carriers would be able to use the most advanced handsets to roam on networks of larger carriers. The difficulty in reaching data roaming agreements is limiting the potential benefits of the industry solution on interoperability. I think we need to carefully evaluate the concerns raised by T-Mobile. So I am very pleased that Chairman Wheeler is urging the Wireless Bureau to carefully and quickly consider the T-Mobile petition and provide him a recommendation.

Mobility Fund and Universal Service

Another area that I've been passionate about during my time at the Commission is universal service. Promoting and ensuring universal service is one of the FCC's core objectives. I applaud the private sector, including many CCA members, for significant deployment of advanced wireless networks. But there still remain areas where service does not exist or where service only exists today because of support from the universal service fund.

In 2011, the FCC comprehensively reformed our high cost universal service program, which provides a subsidy to deploy and maintain networks in rural and high cost areas. The FCC created a Connect America Fund to close the digital divide and provide communities with broadband for the first time. We also created a universal service fund, devoted exclusively to mobility: the Mobility Fund, which will distribute support using market-based reverse auctions, to ensure funding is spent wisely, and efficiently.

Earlier this year, the FCC sought further comment on how to implement the Mobility Fund, highlighting the changes in the market since 2011, and asking how the Commission should take these changes into account, as it moves to adopt the rules for the Mobility Fund. My office advocated strongly for the creation of the Mobility Fund in 2011, including increasing the amount of money dedicated to mobility.

I continue to believe, that we need to have a robust mobility fund, because as great as the private sector has been with deploying wireless networks, there continue to be areas where private sector dollars alone are not enough. Mobility is extremely important. The number Americans, who are cutting the cord, so to speak and relying solely on mobile devices for their telephone needs goes up every year. For American adults, the number is 41 percent; but for those living below the poverty line, the figure is 56.2 percent, according to the National Center for Health Statistics.

As the Commission evaluates the record, to determine the size and scope of the Mobility Fund, we need to hear from you. How many of you serve rural America? You may have built towers, due to support from the universal service fund, and understand first-hand the challenges and economics of serving non-urban areas. For the FCC to move forward, we need data that identifies these costs; we need to know how much funding is necessary, to continue to serve these areas; we must know how much support is needed to extend to areas that lack service. One of the key issues in the Further Notice is the appropriate size of the Mobility Fund. Anecdotes or comments are not sufficient. Raw numbers are critical. So I look forward to maintaining this open and frank dialogue as we continue to implement the Connect America Fund and Mobility Fund.

Conclusion

I am proud of the job we've done at the Commission, but recognize that our work is far from over. There are many who serve rural America or who compete regionally, providing critical service to consumers, who are still struggling for a foothold. So we will continue to work hard to ensure that all Americans are served, and are served by a competitive and fair environment. We need you – smaller and rural carriers – to continue to seize opportunities, make robust investments in our mobile infrastructure, and develop innovative services and products to customers, such as flexible contract and pricing options.

But we also need smart policies coming from Washington, and that has the best chance of occurring, if there is engagement from all of you. Thank you again for the invitation to speak today. My door will always be open, and I look forward to continuing to work with CCA and its members, long into the future.