

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN**

Re: In the Matter of Comment Sought on Competitive Bidding Procedures for Broadcast Incentive Auction 1000, Including Auctions 1001, and 1002 (GN Docket No. 12-268, AU Docket 14-256)

When Congress gave us authority to hold the world's first voluntary reverse auction of broadcast spectrum, it presented the Commission and the communications industry with more than engineering and auction design challenges. We were faced with a character challenge. We could let doubt and acrimony minimize the success of the auction. Or, when it comes to a few topics, we could agree to disagree then, through collaboration, proceed to design a framework that would honor the ingenuity that brought us the Internet and fuel the next generation of mobile broadband innovation.

There are more than a few reasons why I am optimistic that the industry will work with us to make the incentive auction a success. First, there is the current total of winning bids in the AWS-3 Auction: a record setting \$43.2 billion in an auction that has yet to close. While we should be cautious about reading too much into it at this point, what is undeniable is that the current total bid amount far exceeds analysts' predictions. Wireless carriers are opening their checkbooks to acquire spectrum – that finite resource which is the lifeblood of wireless services. And because the 600 MHz band has superior engineering characteristics, we adopted a band plan, spectrum aggregation rules, and a strong interoperability mandate in order to encourage robust participation from small and large carriers. We should continue to see great demand from carriers for the spectrum offered in the incentive auction.

Second, we have provided broadcast television stations with substantial information to encourage their participation in the reverse auction. The Commission has made clear that broadcasters in small and large markets are pivotal to clearing spectrum on a nationwide basis. The staff estimates contained in the Greenhill & Company report offer attractive valuation levels.

Third, despite disagreements with the reserved spectrum cuts in our Mobile Spectrum Holdings Order and the repacking section of our Incentive Auction Order, wireless carriers and broadcasters are still at the table helping us develop the proper technical rules in the Part 15, wireless microphone, and inter-service interference proceedings.

With all of these reasons to be optimistic, now is the time to focus on what comes next. We also need relevant stakeholders to carefully consider the details of the proposals in this Auctions Comment Public Notice. Since the 2012 Notice that initiated this proceeding, we have known generally about proposals such as dynamic descending prices for the reverse auction and ascending clock auctions, for the forward auction. But the current Public Notice provides considerably more detail, on both aspects which should encourage broad input. For those broadcasters who want to stay on the air, take a close look at how we are determining final TV channel assignments. To those who are interested in participating in the reverse auction, are there ways to improve our reverse auction pricing, while properly balancing the other policy goals for the auction?

With regard to the option to move from the UHF band to the VHF band, since TV stations would maintain their must carry rights with cable and satellite providers, this option should seem attractive to broadcasters. If this is your preferred option, does the procedure for choosing different relinquishment options give you enough information to know if you should choose the low VHF or high VHF band? For wireless carriers, this is the first time the Commission will use ascending clock auctions, spectrum reserves, and an assignment round, in a forward auction. Are there any details we should consider adding?

I want to again commend Gary Epstein and his staff on the Incentive Auction Task Force, for their hard work throughout this proceeding and for presenting us with an excellent item. I am grateful for the time they took to brief me and my staff on the Public Notice.