

**Prepared Remarks of FCC Commissioner Mignon L. Clyburn**  
**Competitive Carriers Association – Annual Convention**  
**Ft. Lauderdale, FL**  
**October 8, 2015 at 8:00am**

Good morning. I want to thank your President, Steve Berry, for his friendship and that warm introduction. And I am grateful to CCA for allowing me to take part in this year's convention.

Like you, I am excited to witness the upcoming "Women in Wireless." We are seeing an increase of initiatives specifically designed to reduce the workforce gender gap in the wireless and technology space and what will be especially evident in just a few minutes is that more female leaders bring to the fore levels of technical expertise, leadership, and ability that inspire, improve bottom lines, and close persistent opportunity gaps. So I commend CCA for scheduling a panel that highlights these gains.

I enjoy attending this convention because it allows us to openly address key concerns and network with innovators and leading industry thinkers from across the globe. And the fact that the licensed service area of CCA's 100 plus carrier members' covers more than 95% of the nation, is not lost on me and the voice of your members and is even more vital as the wireless industry evolves.

In a relatively short period of time, we have seen this industry move from being a luxury to a must-have service. There is a generation out there that has only talked, texted, emailed, tweeted, shared pictures, watched videos, listened to music, tracked news, secured directions, or monitored their vital signs from a wireless device. And as you have heard me say often, as technology evolves to spur new business models, the four core principles of our nation's communications policy will always remain in style: competition, public safety, consumer protection, and universal service.

**Competition**

I start these types of conversations with a focus on competition, not just because this is the Competitive Carriers' Annual Convention. Consumers benefit the most when markets are competitive and most often, this leads to lower prices, more product options, and better service quality.

For nearly five years, I have been calling on the FCC to consider creative and legally sustainable approaches to promote greater participation by all businesses in the communications industry. I have consistently pushed to ensure that the FCC continues to implement competitive practices and frameworks.

We can further this objective by being enablers of investment and innovation when it comes to the deployment of commercial networks. By allocating spectrum in 2014, the H Block and AWS-3 auctions combined made 60 megahertz of paired spectrum available for commercial use and the Commission is on course to hold the first incentive auction of its kind in 2016. The 600 MHz spectrum will help carriers meet demand and increase competition for wireless service. What makes me most proud about the AWS-3 and incentive auctions is that the rules were designed to spur participation from smaller carriers, particularly in rural America, and we received support from a number of organizations, including CCA.

You provided valuable insight on the competitive framework for the upcoming incentive auction. You worked with industry stakeholders to develop a consensus so that we could shift from the larger Economic Areas to smaller Partial Economic Areas for the auctions. Your efforts were responsible for our adoption of up to 30 MHz of reserve spectrum in the incentive auction. It is important that our

wireless auctions continue to attract carriers who may have a smaller service footprint and less capital than nationwide providers, but maintain a strong desire to acquire more spectrum to better serve their markets.

I also appreciate your efforts to help the staff provide much needed guidance on what communications are prohibited during the quiet period. I encourage you to carefully review that guidance and tell us if you need more information.

Last week, the FCC announced that at the next open meeting, we will vote on an item to initiate a rulemaking proceeding on the licensing and technical rules, for spectrum bands from 24 GHz and above. It was once thought not practical to deploy a mobile service network on spectrum bands above 3 GHz. But advances in engineering changed that way of thinking.

Now, a number of communications companies have asked that we start this proceeding to help spur deployment of the next generation, or 5G, of commercial mobile networks. 5G networks promise to offer higher data speeds with lower latency than current networks, and I believe we should ensure that our spectrum management policy, with regard to allocations above 24 GHz, should promote competition as much as our spectrum policies below 3 GHz. I plan to carefully consider the NPRM with that goal in mind.

Once the NPRM is released, I encourage CCA to participate and share its expertise, so we can take a course in this proceeding that best promotes competition in the commercial wireless market.

Another way the FCC is promoting robust competition and service to local areas in the upcoming auction is by reforming our competitive bidding rules to promote economic opportunity and competition, ensure accessibility, avoid excessive concentration of licenses, and disseminate licenses among a wide variety of applicants, including small businesses, as well as deterring unjust enrichment. In order to do this, we have attempted to promote small business participation in the wireless industry, primarily by awarding auction bidding credits through the Designated Entity (DE) program.

The challenge has been to find the proper balance between allowing small businesses to acquire spectrum through DE credits on the one hand and preventing parties from circumventing the purpose of those rules and being unjustly enriched on the other. Between 2004 and 2006, our policy changes shifted this balance and it negatively impacted small business participation.

However, about a year ago, parties, including members of CCA, told us that a number of rules, including the Attributable Material Relationship Rule, and the Former Defaulter Rule, were having an adverse effect on small businesses at a time when these entities were facing increased challenges to compete effectively in the commercial wireless industry and serve their target markets.

CCA met with Commission staff last year and provided valuable insight on the Former Defaulter Rules' potential effect on auction participation. I am glad we amended the Former Defaulter Rule, the Attributable Material Relationship rule, and the policy that DEs must use the licenses they win with DE credits to provide facilities-based retail service. I am thankful that CCA members of the industry worked with the Commission to push for these amendments and adopt a rural bidding credit for non-DEs with 250,000 or fewer subscribers. I hope this credit creates incentives to deploy more networks and create jobs in these communities, many of which are low-income and overburdened.

## **Public Safety**

I also want to thank CCA and smaller wireless carriers for advocacy in the public safety proceeding to promote wireless location accuracy. The number of wireless-only American households has almost tripled in the past eight years. And nearly 60% of those living below the poverty line live in wireless-only households. The number of wireless calls to 911 from indoors is drastically increasing and one of my goals is to find ways to improve response times for 911 calls from cellphones.

I believe that in order to improve response times, all carriers must do their part. But we must also recognize that smaller carriers face unique challenges. For example, handset change-out rates impact small wireless carrier's ability to meet certain benchmarks. Therefore, with CCA's advocacy, we determined that non-nationwide carriers should be given more time – two more years – to meet their requirements.

### **Consumer Protection**

In the area of consumer protection, perhaps the most significant thing we undertook this year was to adopt the Open Internet Order. An Open Internet has become an indispensable platform for free expression and economic growth.

The key to the Internet's success has been its open design, which allows innovation and ideas to come from anyone, anywhere. Nobody needs permission when it comes to access.

My position on this issue has been consistent and transparent. In 2010, when the Commission adopted its first Open Internet Order, I made clear that I would have applied the fixed rules to mobile services and the evolution of the fixed and mobile broadband industries since then has only reaffirmed my commitment to this principle. We know that many Americans, and particularly low-income consumers, rely heavily on their mobile devices, and according to a recent study, for approximately 10% of all Americans, their mobile phone is their *only* access to the Internet.

Users of mobile devices should not be relegated to a second-class Internet. They need and deserve a robust experience on par with their wired peers. This is why I cast my vote to approve the strongest Open Internet protections ever proposed by the FCC.

### **Universal Service**

For you, going without that smartphone, tablet, or access to the Internet for any length of time is a temporary inconvenience.

But what too many of us wrongly assume is that this option is available to everyone. Millions of Americans lack access to the Internet at home. So they must turn to libraries for access to broadband. But small branches are closing or are the ones that are open only when they are at work. Terminals are often occupied if they get to a branch and for me, what is most troubling is the fact that these are the very people who need and would benefit from connectivity the most.

The FCC has taken many steps to narrow that gap in rural, urban, and suburban areas and I remain proud of those efforts. But what I am particularly interested in is fully delivering on Congress' mandate for universal service.

I strongly supported the creation of a fund dedicated to ensure that consumers in all regions of this nation have access to mobile broadband services, reasonably comparable to what we have in urban areas. Mobility Fund Phase I and Tribal Mobility Fund Phase I have connected thousands of previously unserved areas and populations with mobile service.

In June 2014, the Commission adopted a Further Notice that proposed to retarget the Mobility Fund Phase II, in light of marketplace developments. We also proposed to retain a dedicated mobility fund focused on preserving service that exists today due to support from the universal service fund and extending service to areas unserved by 4G LTE.

Recently, CCA called on the Commission to re-structure and implement Phase II of the Mobility Fund “in a manner that recognizes the unique benefits that mobile broadband services provide to consumers and reflects the full extent to which large portions of the country still lack access to such services.” CCA also urged the Commission to “increase the funding available to mobile providers through the Mobility Fund to reflect the true state of mobile broadband deployment—which is far more limited than the Commission assumes in the FNPRM—and the increasingly essential nature of mobile broadband services.”

What I am not pleased with is the lack of movement on adopting a permanent mobility fund. The Commission decided on a dedicated mobility fund nearly four years ago, but funding for competitive ETCs is frozen at 60% of the 2011 support. Now is the time for the Commission to ensure that funding directly to mobile providers extracts the most value for each dollar of universal service spent. And now is the time for consumers in unserved areas to have service that most of us take for granted. In order to achieve these objectives, the Commission must advance the availability of mobile services in America and establish a dedicated mobility fund.

As most of you know, one of my colleagues recently said that a technology neutral Phase II auction could address the concerns of small wireless carriers who had been counting on the Mobility Fund auction. If you disagree, I encourage you to challenge that assertion and provide detailed data why you disagree.

### **Closing**

It is important for CCA to continue to educate policymakers on key issues, like competition, spectrum, access to devices and networks, universal service fund reform, Next-Gen 911 solutions, and consumer protection, because this is not only necessary for you to thrive, but it is necessary in order for our communities to thrive.

Thank you for allowing me to share my thoughts with you this morning and continue to have a wonderful summit.