

**STATEMENT OF
COMMISSIONER JESSICA ROSENWORCEL,
DISSENTING**

Re: *Promoting Investment in the 3550-3700 MHz Band*, GN Docket No. 17-258,
Report and Order (October 23, 2018)

Throughout the course of the Federal Communications Commission's history there have been opportunities big and small to sway the course of spectrum policy. For the most part, this agency has a proud tradition of rising to the challenge. Decades ago we took the academic ideas of Ronald Coase and ushered in a new era of spectrum auctions. We pioneered the use of unlicensed spectrum—the airwaves we now know and use every day as Wi-Fi. More recently, we blazed a trail for two-sided incentive auctions with last year's first-of-its-kind repurposing of broadcast spectrum. With each of these efforts we reoriented ourselves from what was to what could be. In doing so, we changed the way that wireless systems are developed and distributed not just domestically, but worldwide.

But no one will count today's decision as a shining example of our daring. Because here we fall short. Our innovative spirit is in retreat.

That's because today this agency reverses course on the experimental vision we had for wireless policy in the 3.5 GHz band. This is shortsighted. Instead of offering a bold new vision, we adopt more of the stale policies of the spectrum past.

Let's begin with what could have been. Three years ago this agency recognized that our traditional spectrum auctions needed an update—and that the 3.5 GHz band was the perfect place to test a new framework. Instead of relying on the traditional binary choice between licensed and unlicensed, the agency adopted an unprecedented three-tiered model for spectrum sharing and management. On top of that, we experimented with a new mix of service rules aimed at lowering barriers to entry, cultivating new sources of investment and competition, and creating new opportunities to reach rural and hard-to-serve areas of the country.

We accomplished this by adopting license areas based on census tracts, shortening license terms to three years, and setting up frameworks to support lightweight leasing. Together, these rules made our scarce spectrum resources more abundant for all. They put this spectrum in reach of non-traditional wireless interests who want to innovate and join the ranks of those who bid on airwaves and support the internet of things.

This had all the hallmarks of a wild success. We saw interest in the 3.5 GHz band auction from far and wide. In addition to the familiar carriers, we had interest from entities that support industrial operations and wanted to use this spectrum for intelligent manufacturing, power generation and distribution, and healthcare. Our record supported its use for advanced inspection and sensor technologies, including aerial drones, terrestrial crawlers, and robotics. The American Petroleum Institute expressed interest in

its use for updating drilling operations. The Port of Los Angeles wanted to explore its use for sharing shipping data. Rural interests saw a unique opportunity to bring more service and more competition to remote areas of the country that are too often left behind.

This was exciting. With a creative framework for the 3.5 GHz band along with smaller licenses and shorter terms, the universe of bidders in our auctions was poised to grow. This, of course, is precisely what we need for successful auctions in the future. Moreover, the enthusiasm for this effort was real. Millions were invested in exploring its possibilities. More than 200 experimental authorizations were granted. Multiple applications were received from aspiring database providers. Protocols regarding operations, interoperability, security, and device testing were all underway.

But instead of seizing this opportunity, we are in retreat. What this agency adopts today is a hollow version of our initial proposal. Instead of doing something new, we are reverting to the old. We take what was most innovative about our 3.5 GHz band model and cast it aside in favor of existing business models. We expand licenses from census tracts to counties and all but bless even larger service territories at auction. We extend the terms for licenses. We adopt last generation build-out requirements for an innovation band that was designed for flexible new services and sensors.

This is a lost opportunity. In our effort to reach a messy compromise, we've created a band that is not well suited to the services of today and offers too few opportunities for the services of tomorrow. This is like being at the dawn of the Uber age and doubling down on taxi medallions. It's at odds with the experimentation that spectrum policy needs for a successful future—and it lacks the audacity that has been a powerful part of our wireless success in the past.

I dissent.