

**STATEMENT OF
COMMISSIONER BRENDAN CARR**

Re: *Transforming the 2.5 GHz Band*, WT Docket No. 18-120

Today's vote brings more good news for U.S. leadership in 5G.

The Order before us helps clear a massive amount of prime, mid-band spectrum for 5G—200 MHz in total. This spectrum is an important input to a successful 5G deployment because it has capacity and coverage characteristics that make it well-suited for next-gen connectivity. In fact, one nationwide carrier is using parts of this very spectrum today for 5G. It's providing uninterrupted coverage to people traveling across a city, with continuous streams of hundreds of megabits per second on the go.

Of course, mid-band spectrum is not the only necessary input for a successful 5G build in the U.S., even though you might think that based on the latest D.C. talking points. Here's the reality. For the U.S. to win the race to 5G—to see not only the full range of next-gen services but to see them in communities across the country—we need a strategy that opens up high-, mid-, and low-band spectrum. And that's why this FCC has executed on an all-of-the-above approach.

Take our efforts on high-band spectrum. Several carriers have already gone live with 5G offerings using this spectrum. They're hitting peak speeds of two gigabits per second to customers' phones. And they're providing many families with their first taste of competition for in-home broadband. Bringing this new competition to home broadband is wildly popular with everyday Americans. And this 5G service works best with high-band spectrum. Carriers are not hitting multi-gig, fiber-like speeds in these markets on mid-band spectrum.

Low-band spectrum, in turn, is one key to making sure rural America is not left behind in our upgrade to 5G. One carrier alone has committed to covering 90 percent of rural households with 5G using its low-band holdings. This will mean at least 50 megabits per second for farms and ranches that today don't have a single option for broadband. Bringing 5G to these sparsely populated communities is not a mid- or high-band play alone.

And that brings me to today's decision, which complements all these efforts. A lot of work went into opening up this 200 MHz of mid-band spectrum. And that work didn't even start until 2018 when this FCC launched this rulemaking. Prior FCCs probably put off this effort because the path forward presented challenges. A lot of that has to do with the history of this band. It's a history that tracks the evolution of the FCC, from an agency that placed too much weight on its own predictive judgments to one that prefers flexibility and bottom-up experimentation.

These 2.5 GHz licenses were created in 1963 for schools to transmit video programming. The idea was that a school district might have instructional videos that it wanted to beam from a central office to a neighborhood school. Educators, on tight budgets, weren't likely to have the capacity or know-how to self-provision a niche technology. And so the original service, called ITFS, stagnated. Over the next 55 years, companies figured out ways to make use of the band often in spite of our rules, first for commercial video networks, and later for mobile broadband.

Creative entrepreneurs deserve credit for stitching together this spectrum. They have layered narrow bands of circular-shaped licenses—which reflected the band's original purpose, television transmission—to create wider channels for broadband. Yet because of the FCC's decades-old history in the band, it's still saddled with ribbons of white spaces and rules that encumber its most valuable uses. Indeed, about half of the U.S. is not even covered by a 2.5 GHz license today.

The Order frees the spectrum from the misguided choices of FCCs past. It makes the licenses flexible-use, which technology and the market show us will power 5G. It modernizes the licenses' shapes by auctioning the white spaces and encouraging geographic consolidation. And it relies on market forces—rather than a protracted or reticulated FCC process—to quickly and fully rationalize the spectrum for 5G. This means mid-band for 5G today.

Now, some will tell you that we shouldn't take these steps to free up mid-band spectrum. They say this spectrum is for kids and schools. They pit winning the race to 5G against education, creating the illusion of a binary choice. But when you scratch the surface of their claim and see what's underneath it, I can tell you it's not the kids.

The original 2.5 GHz licenses were given only to accredited educational institutions and government entities engaged in the formal education of enrolled students. The FCC later opened a small window of license eligibility but only for nonprofits and only if their purposes were educational and they produced instructional video content. The idea was that valuable spectrum should be given away only to entities that need it to educate kids.

In the course of examining the 2.5 GHz licenses at issue in this order, I discovered that many of these national organizations are using this valuable public spectrum that they got for free for activities far removed from kids and schools. They are not laser-focused on closing any homework gap. They are not devoting all of their energy to kids still stuck on the wrong side of the digital divide. It turns out, they're liquidating the spectrum and spending cash on pet projects. Political campaigns. Buying a non-GMO farm. Even pocketing millions of this tax-free money for themselves. These practices may not only violate FCC rules, but, in some cases, federal tax law as well.

So last week, I started an inquiry by sending letters to some of these national organizations. We need to get to the bottom of their shady practices. And we need to hold them accountable for any wrongdoing.

To further my efforts, I am glad my colleagues agreed to include language in today's decision that directs the Enforcement Bureau and the Wireless Telecommunications Bureau to review these existing license holders for compliance with our rules and other applicable laws. Strong enforcement is especially important now because this Order allows national nonprofits and all other 2.5 GHz holders to sell their licenses, potentially at great profit. Those resources should go to kids and schools, not shady middlemen, not rent-seekers, and not scam artists.

I also think the FCC should demand much more from these and other EBS license holders than we've been getting. The current 30 percent buildout obligation is out of step with the performance requirements we impose on other wireless licensees. I proposed that we increase buildout on existing EBS licensees to 80 percent, and although we do not take that step in this Order, the Order now creates the procedural path to accomplishing that in a pending rulemaking.

With these changes in place, a vote for this item is a vote to return the focus to kids and schools. It's a vote for 5G. And a vote for the next item up on our agenda is another vote for more 5G. Together, these two items put up for auction more spectrum than at any time in the FCC's history, and they enable the clearing of prime 5G spectrum to rival any country in the world.

I am proud of the work this FCC has done on spectrum and infrastructure to secure U.S. leadership in 5G. I am glad to vote in favor of more mid-band spectrum for 5G today. I want to thank the Wireless Bureau for its work on this item. It has my support