

**STATEMENT OF
COMMISSIONER JESSICA ROSENWORCEL**

Re: *Auction of Priority Access Licenses for the 3550-3650 MHz Band; Comment Sought on Competitive Bidding Procedures for Auction 105; Bidding in Auction 105 Scheduled to Begin June 25, 2020, AU Docket No. 19-244*

Earlier this year I wrote in WIRED that if the United States wants to lead in the next generation of wireless service, we have work to do. It starts with this agency making it a priority to auction mid-band spectrum. It is the only way we can extend the promise of competitive 5G wireless service to everyone, everywhere across the country. So I support today's decision, which—at long last—kicks off a process to bring mid-band spectrum to market.

In fact, the 3.5 GHz band is a terrific place to start. That's because our policies in this band build on a long tradition of spectrum innovation in the United States. When it comes to wireless policy, we have a history of embracing the ideas that are cool, kooky, and new before anyone else. After all, it was more than two decades ago that we took the academic ideas of Ronald Coase and ushered in a whole new era of spectrum auctions. We also 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 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.

Four years ago, this agency recognized that our traditional spectrum auctions needed an update too—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. Under this three-tiered system, incumbent government users have a primary and preemptive right. But we know they do not need access all the time, everywhere, so we created a secondary license opportunity, custom-built for small cells. Then to the extent the demand for licenses is limited, opportunistic use is permitted by rule. To coordinate this grand effort, we proposed dynamic spectrum access systems.

Here's the best part. The framework we put in place for the 3.5 GHz band was ideal for 5G, too. The very structure of this band recognized that the smartphone might be the least interesting thing about our 5G future. Instead, it was designed for innovation. It recognized that we are on the verge of a new networked world with connectivity built into everything around us.

So in addition to the familiar carriers, we saw early interest in this band 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.

All of this required the agency to operate with regulatory humility. Because at the heart of our initial plan for the 3.5 GHz band was the recognition that the FCC could not know who will realize the best use cases for 5G, who will have the best business models for deploying it, or who will have the best ways to extend 5G service to rural communities. So instead of choosing winners and losers in this band—instead of adopting rules that were biased toward certain uses or the same-old, same-old carriers—we designed rules to balance the services we know today with the ones that may be coming our way tomorrow.

But in key ways—and over my objection—we retreated from this early and inspired vision for this band. In a decision last year, we revisited some of the fundamentals of this framework. We lost our nerve and reverted back to the old. Most notably, we expanded license sizes from census tracts to counties, shutting out new spectrum interests that cannot compete at that scale. To make matters worse, in today’s Public Notice we ask about even larger service territories at auction. I think that continuing down this road, narrowing the range of spectrum interests that could use these airwaves, would be a grave mistake. At a minimum, we must honor the hard-fought compromise that kept service areas in this band defined by counties. To do otherwise, would unacceptably risk the opportunities for innovation in this band and new entry points for 5G.

In addition, it is important to remember that we didn’t get this far alone. It wasn’t that long ago that the 3.5 GHz band was coveted military spectrum. Creating this opportunity—combining incumbent use with new commercial licensed and unlicensed use—took effort. It took working with our federal partners to reach a shared goal. We will need a lot more of this cooperation if we want to realize greater success in securing mid-band spectrum for new mobile use. But lately it feels like our relationships with our federal partners with spectrum interests have soured. I worry that our ability to make progress with other agencies has devolved under this Administration into very public disputes. We see it in the 24 GHz band, the 5.9 GHz band, the 2.5 GHz band, and elsewhere. For the sake of our shared digital future, I hope we can get back on track.

We need to do that because while today we put our first mid-band auction on the calendar, we have a lot more work to do to regain our wireless leadership. Sixteen countries are way ahead of us, already having auctioned mid-band spectrum specifically for 5G. South Korea held the first mid-band spectrum last year. Australia, Finland, Germany, Italy, Ireland, Japan, Kuwait, Latvia, Mexico, Oman, Qatar, Saudi Arabia, Spain, the United Arab Emirates, and the United Kingdom have already followed. In addition, China allocated mid-band spectrum specifically for 5G use last year.

This delay in the United States has consequences. While we have focused all our early energies on high-band spectrum auctions, the rest of the world has left us behind. Moreover, our slow pace of bringing mid-band spectrum to market for 5G will only deepen the digital divide that already plagues too many rural communities nationwide. That’s because recent commercial launches of 5G service across the country using millimeter wave spectrum are confirming what we already know—that commercializing high-band spectrum will not be easy or cheap, given its propagation challenges. The network densification these airwaves require is substantial. That means high-band 5G service is unlikely outside only the most populated urban areas.

So if I had one request, it would be that we speed the day when this agency holds the 3.5 GHz auction. In fact, I believe this is vitally important for both our economic and national security—and given my druthers, I would hold this auction this year before we bring to market any more high-band spectrum, including the 37, 39, and 47 GHz bands.

Nonetheless, today’s Public Notice represents progress—and it has my support. I appreciate my colleagues’ willingness to ask more questions in this item about the consequences of auctioning the 3.5 GHz band in larger blocks. I look forward to the record that develops, and I thank the staff for their creative work—and a special shout out to John Leibovitz, formerly of the FCC for his early vision for these airwaves and my colleague Commissioner O’Rielly for his efforts to follow through.