

**STATEMENT OF
COMMISSIONER MICHAEL O'RIELLY**

Re: *Auction of Priority Access Licenses for the 3550-3650 Band; Notice and Filing Requirements, Minimum Opening Bids, Upfront Payments, and Other Procedures for Auction 105, Bidding in Auction 105 Scheduled to Begin June 25, 2020, AU Docket No. 19-244*

It is amazing how much time has been devoted to the 3.5 GHz band to get us here today. As the Chairman's point person on this project, I am extremely proud of the efforts that took us from a three-tier structure that included priority access licenses (PALs) designed to discourage participation by many in the wireless sector, to a compromise plan reflected in the October 2018 order, and now to procedures that will allow a successful PAL auction. We will finally auction 10 MHz, county-sized licenses with standard license terms that are renewable, providing potential bidders with confidence that, if they invest, build, serve Americans, and follow the rules, they will not be at risk of losing their licenses and stranding investment. As I have previously stated, this mid-band spectrum is incredibly significant for 5G and other advanced wireless services. Accordingly, today's item is very important for three main reasons.

First, we decide not to pursue the option of CMA-level bidding packages, as previously proposed. While I remain unconvinced by the arguments against it, I must take into account the views of all the potential bidders. Declining to pursue package bidding here should help calm the waters for any remaining complainers, without altering auction participation or results.

Second, while it is not embedded in the document itself, we gained a commitment from the Department of Defense (DoD) that there would likely be no new DoD sites needing protection. This has become an issue over the last many months as previously unaccounted for sites were suddenly being "located" and now needed to be protected by the ESCs and SASs. Since the goal posts kept moving, it became difficult to establish a foundation for purposes of determining the utility and value of the non-federal spectrum. With this new understanding, unless something drastic changes, this process should be completed. And, that is a good development.

Third, the item signifies that we are ready to move on from the previous debates and tackle the remaining work to be done on this band. Specifically, everyone involved in CBRS—including DoD—is mindful that the power limit restrictions on PALs and General Authorized Access (GAA) are woefully inadequate, especially in rural America. Along with the unlicensed-like GAA spectrum, these licenses provide an excellent opportunity for fixed services providers, like WISPs, and smaller mobile providers. Potential users are interested in finding economical solutions to expand into unserved, remote areas, but they need higher power in 3.5 GHz to do so. DoD has already agreed to look into this, but we need a definitive timeframe for this review, along with a clear process to evaluate whether the dynamic protection areas can be reduced in size.

The Commission has acquiesced to the argument that the current statutory reimbursement structure applies in this instance. While we weren't necessarily required to do so under the statute, this decision should provide DoD with funding by the end of the year for research and the testing of higher power limits. That process should be able to be completed by the end of next year, if not sooner. I will continue to push on this matter and to get this finalized as soon as possible. We also may need to consider how to mitigate harmful interference between future C-Band licensees and CBRS users.

For now, we are able to finally proceed to the auction, which will allow the Commission to put these licenses, which have been in consideration for about a decade now, into the hands of the innovators, entrepreneurs, service providers, and industries that have been clamoring for mid-band licenses for all these years. Not to mention, these will be the first frequencies—70 megahertz in total—put into the

marketplace that can be used for 5G networks. After all the speculation and, at some points, pessimism, we will find out who is interested in these licenses and for which uses. I personally cannot wait to see how this band develops and what services are offered.

I thank the Chairman for bringing today's item before the Commission and for taking the necessary steps to ensure a successful auction in June. I approve.