

**STATEMENT OF
CHAIRMAN AJIT PAI**

Re: *Auction of Flexible-Use Service Licenses in the 3.7–3.98 GHz Band for Next-Generation Wireless Services; Notice and Filing Requirements, Minimum Opening Bids, Upfront Payments, and Other Procedures for Auction 107; Bidding in Auction 107 Scheduled to Begin December 8, 2020; AU Docket No. 20-25.*

This is a watershed moment for American leadership in 5G. Today, we establish final procedures for the auction of 280 megahertz of mid-band spectrum from 3.7-3.98 GHz (part of what is commonly known as the C-band), paving the way for bidding on these critical frequencies to begin December 8. This auction will quickly free up a significant amount of spectrum for 5G and represents the Commission's most significant action yet to repurpose mid-band frequencies.

Our work on the C-band builds on our efforts over the last few years to implement the FCC's 5G FAST Plan—a comprehensive strategy for Facilitating American Superiority in 5G Technology. Executing this plan is critical to boosting economic growth, job creation, and America's global competitiveness. The first prong of our 5G FAST plan is making more spectrum available for the commercial marketplace. That's why, over the past three years, we have left no stone unturned in making a mix of low-, mid-, and high-band spectrum available for 5G services.

With respect to high-band spectrum, we have conducted spectrum auctions in the 28 GHz band; the 24 GHz band; and the upper 37 GHz, 39 GHz, and 47 GHz bands. Gross proceeds for these three auctions totaled over \$10 billion. Together, these auctions have made available almost five gigahertz of spectrum for 5G and other advanced wireless services. This is more spectrum than was used for terrestrial mobile broadband by all wireless service providers in the United States combined before these auctions started.

As for low-band spectrum, this summer, we completed the post-incentive auction transition process in the 600 MHz band smoothly and on time—a task many said was impossible. And today, that band is being used to provide 5G service across our country. Indeed, just this week, one U.S. carrier using this spectrum became the first in the world to launch a commercial, nationwide stand-alone 5G network.

And then there's mid-band spectrum. These airwaves are critical for 5G. They feature the attractive combination of good geographic coverage with strong capacity, which enables providers to broadly deploy fast 5G networks. Despite starting from scratch in 2017, this FCC has been working hard to make more than 600 megahertz of mid-band spectrum available for 5G deployments.

Let's start with the 3.5 GHz band. When the Commission began its efforts to make 150 megahertz in the 3.5 GHz band available for commercial use, it was primarily used by federal radar systems. The Commission initiated a rulemaking proceeding that led to the creation of a dynamic, three-tiered, hierarchical framework to coordinate shared federal and non-federal uses. In recent years, this Commission has worked with our public and private partners to get the vital technical work done to bring this spectrum to market. Specifically, we've authorized several Spectrum Access System Administrators and Environmental Sensing Capability operators, paving the way for full commercial deployment in the band. Moreover, under Commissioner O'Rielly's leadership, we reformed our rules regarding Priority Access Licenses to facilitate the deployment of 5G in the band. And at this moment, the 3.5 GHz band auction is ongoing. It will make available up to 70 megahertz of spectrum for Priority Access Licenses on a county-by-county basis, offering the greatest number of licenses—over 22,000—ever in a single FCC auction.

And then there's the 2.5 GHz band. Last year, the Commission liberalized the rules of this underused mid-band spectrum, the largest swath of contiguous spectrum in the country below 3 GHz. We created a first-ever opportunity for rural Tribes to get early access to 2.5 GHz spectrum before the start of an auction. This Rural Tribal Priority Window for the 2.5 GHz band is currently open, and we have already received over 280 applications. Once the window closes, I expect we will move forward with scheduling a 2.5 GHz auction in the first half of 2021.

That brings us to the C-band, which will be our largest auction of mid-band frequencies for 5G to date. Five months ago, the FCC voted to clear the lower 280 megahertz of the C-band and make this spectrum available for flexible use. When we crafted our rules for repurposing the C-band, we prioritized making a large amount of spectrum in this band available for 5G as quickly as possible while still ensuring that incumbents would have access to sufficient spectrum to continue delivering the same services they currently provide over the entire C-band spectrum. That's why we rejected politically-motivated calls to do literally nothing until Congress passed a law on the subject (breaking news: It still hasn't). That's why we included accelerated relocation payments to incumbent satellite operators that will make spectrum available for 5G two to four years earlier than otherwise would have been the case. And that's why we proposed an aggressive schedule for holding an auction within the calendar year. I'm proud to say that even amidst a pandemic—and the effective shutdown of Commission headquarters it occasioned just a few weeks after we adopted the *C-band Order*—the excellent work of FCC staff has kept us fully on track and on schedule.

Speaking of staff, they've continued to do the critical tasks necessary for a successful C-band auction and clearing. In recent months, FCC staff administered a process by which all eligible space station operators voluntarily elected to clear the band on an accelerated basis. Staff also created a cost catalog with categories and estimates of presumptively reasonable expenses that Fixed Satellite Service and Fixed Service incumbents may incur as they clear operations from the band. Incumbent earth station operators alternatively can elect to receive lump sum payments, pursuant to a recently announced process. Further, we are seeking comment on the proposed selections for the Relocation Payment Clearinghouse and Relocation Coordinator, each of which will play a key role during the transition process.

All in all, the C-band auction is a massive undertaking, offering up to 5,684 new flexible-use overlay licenses for 5G. And this Public Notice brings us one step closer to launching this auction on December 8. It establishes clock phase categories for each Partial Economic Area, which will be determined based on whether incumbent earth stations in a PEA are subject to a Phase I or Phase II relocation deadline. It establishes clock and assignment phase procedures. It establishes upfront payment and minimum opening bid amounts for the new flexible-use overlay licenses. And it sets auction deadlines, as well as bidding credit caps for small businesses and rural service providers.

For their hard work, I would like to thank the diligent staff who worked on this Public Notice: Erik Beith, Craig Bomberger, Jonathan Campbell, Alex Espinoza, Daniel Habib, Bill Huber, Shabnam Javid, Gary Michaels, Giulia McHenry, Erik Salovaara, Linda Sanderson, Martha Stancill, Sue Sterner, and Margy Wiener from the Office of Economics and Analytics; Peter Daronco, Nellie Foosaner, Anna Gentry, Katherine Nevitt, Roger Noel, Matthew Pearl, Paul Powell, Jaclyn Rosen, Dana Shaffer, Donald Stockdale, and Cecilia Sulhoff from the Wireless Telecommunications Bureau; Ashley Boizelle, Deborah Broderson, David Horowitz, Thomas Johnson, and Bill Richardson from the Office of General Counsel; and Chana Wilkerson and Sanford Williams from the Office of Communications Business Opportunities.