

**STATEMENT OF
CHAIRMAN MICHAEL K. POWELL**

Re: Facilitating the Provision of Spectrum-Based Services to Rural Areas and Promoting Opportunities for Rural Telephone Companies to Provide Spectrum-Based Services (WT Docket No. 02-38); et al., Report and Order and Further Notice of Proposed Rulemaking.

Encouraging increased development and deployment of spectrum-based services to rural areas is vital to achieve the Commission's dual objectives of promoting increased facilities-based competition and providing ubiquitous, affordable broadband services to all Americans. Today's Agenda Meeting focuses on providing carriers sufficient incentives, financing opportunities, and access to spectrum to deploy inexpensive wireless services in rural areas.

I remain committed to facilitating wireless services to rural areas thereby enabling Americans, regardless of where they travel, reside, or conduct business, to communicate effectively. The importance of this objective becomes clear when one realizes that of the 3,200 counties in America, approximately 72 percent are rural and that 21 percent of all Americans reside in these rural counties. These Americans are entitled to the same benefits and choices as those residing in urban or populated areas. In recent visits to Tennessee and South Dakota, I saw first hand the transformative power that broadband communications access can have in rural America. Economic development, education, and health care can benefit when our rural communities get connected.

Today's Order adopts initiatives and policies aimed directly at facilitating access to capital and lowering regulatory and market barriers to spectrum and infrastructure in rural areas. Giving rural licensees the option of granting the Department of Agriculture's Rural Utilities Service a conditional security interest in their spectrum licenses will greatly enhance the licensees' financing opportunities. By eliminating the absolute bar against rural cellular cross-interests and transitioning to a case-by-case review of rural license transfers, the Commission can more effectively guard against anticompetitive transactions without prohibiting transactions that are in the public interest. This Order also relaxes build-out and emissions requirements for rural carriers, which will increase the flexibility of licensees to tailor spectrum-based services to the needs of their customers located in sparsely populated areas.

In an increasingly mobile world, Americans demand seamless and reliable wireless services. Through the adoption of this Order and our complementary actions in the *Secondary Markets* and *Unlicensed Devices* proceedings, we are bolstering this objective by enhancing licensees financing opportunities, streamlining secondary market transactions, and encouraging increased competition to advance the interests of rural America.