STATEMENT OF
COMMISSIONER JESSICA ROSENWORCEL

Re: *Amendment of Part 27 of the Commission's Rules to Govern the Operation of Wireless Communications Services in the 2.3 GHz Band; Establishment of Rules and Policies for the Digital Audio Radio Satellite Service in the 2310-2360 MHz Frequency Band*, *Order on Reconsideration, WT Docket No. 07-293 and IB Docket No. 95-91*

Today we move closer to achieving President Obama's goal of freeing 500 megahertz of spectrum for mobile broadband use. By modifying technical rules in the Wireless Communications Service (WCS) band, we free up to 30 megahertz of spectrum for mobile broadband—without causing interference to satellite radio or flight testing. This is good news. But it is part of a wireless tale a long time in the making. So as we look forward for opportunities to free additional spectrum for mobile broadband use, I think it is prudent to look back and examine the history of the WCS band. There are lessons to be learned.

The story starts in 1996, when Congress directed the Commission to make the 2.3 GHz band available for wireless services. The agency completed the auction of this spectrum the very next year. It raised more than $13.6 million in revenue. Though the WCS licenses were flexible, auction winners were required to provide substantial service within ten years regardless of what service they deployed.

At the same time, the Commission auctioned the adjacent spectrum to be used for satellite radio. While satellite radio became a successful business over the next decade, things did not go as well for the WCS licensees. They could not find a profitable service that did not interfere with their neighbors.

Nine years hence, the WCS spectrum was still mostly sitting fallow and the licensees asked the Commission to extend their build-out deadlines. Although the substantial service obligations were not met, the deadlines were extended. But just a handful of years later, in 2010, the Commission stepped in to update the technical rules and impose specific build-out requirements.

So for many years, we had a large swath of spectrum frozen and unused. But this year things began to thaw. The ice began to break with a number of secondary market applications for WCS licenses—deals reportedly worth hundreds of millions of dollars. With these applications, we received a proposal—the one that led to the Order we are adopting today—for new rules that the parties agree will finally put these airwaves to use. Now, as a result, we can see our way toward new mobile broadband services for consumers in the near term.

So what can we learn from this experience?

First, spectrum is only growing more valuable with time. That means priority on putting it to use, getting our build-out requirements right the first time, and holding licensees to the commitments they make.

There is a second lesson here, too. Secondary markets are a powerful way to address demand and improve the efficient use of spectrum. Although the applications for the WCS license transfers have not yet been resolved, we should keep in mind that secondary market negotiations have led to this innovative fix for a longstanding conflict.

Going forward, then, here is what we can take with us as we push toward President Obama's goal of freeing 500 megahertz for mobile broadband use. Strong build-out requirements combined with a

vigorous secondary market can be a potent way to speed the delivery of new spectrum for wireless broadband services.

Thank you to the Chairman for bringing us this item today. Thank you also to the Office of Engineering and Technology, the Wireless Telecommunications Bureau, and the International Bureau for their years of work on the WCS band and their unwavering commitment to see this spectrum put to use.