

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN**

Re: *Amendment of Parts 1 and 22 of the Commission's Rules with Regard to the Cellular Service, Including Changes in Licensing of Unserved Area; Amendment of the Commission's Rules with Regard to Relocation of Part 24 to Part 2; Interim Restrictions and Procedures for Cellular Service Applications*, WT Docket No. 12-40, Notice of Proposed Rulemaking and Order (FCC 12-20).

Last July, President Obama issued an Executive Order directing independent agencies to identify, and repeal or modify rules that are outmoded or excessively burdensome. Based on the record, thus far, I agree that many of the site-based licensing rules of the 800 MHz Cellular Radiotelephone Service meet the Executive Order's standard. When the FCC established the initial rules for allocating this cellular service some thirty years ago, it adopted a hybrid licensing approach. Original Service Licensees were given five years to build networks in any part of a geographic location. Any area, which was not built out during that time period, was then relinquished, and the FCC would subsequently re-license those unconstructed areas on a site-by-site basis. This licensing approach helped to drive construction of mobile wireless networks across the nation.

But now we find that many of the site-based rules in this cellular service have become outdated. The existing technical rules for this service define a cellular carrier's service area based upon analog signal propagation. As a result of the Commission's 2002 order, which established the sunset of analog cellular service rules, analog service is generally no longer being offered. Therefore, it no longer makes sense to define a cellular service area based on analog signals.

Over the years, the Commission has also learned that there are a number of administrative costs associated with site-based licensing. Under the current rules, a cellular licensee making any system change, that would expand or decrease its service area, must file an application with comprehensive engineering data. Geographic area licenses, especially when used in more metropolitan areas, obviate the need for these numerous filings. Therefore, these licenses allow providers to more rapidly deploy and modify facilities within their licensed areas. Of all the licensed services that providers use to offer consumers commercial mobile wireless service, the 800 MHz Cellular Service is the only one that still incorporates site-based licensing. So, eliminating site-based licensing rules, when they no longer make sense, appropriately promotes more rapid network deployment and furthers regulatory parity.

There are a number of important proposals in this Notice of Proposed Rulemaking, such as: awarding Overlay Licenses through competitive bidding; allowing licensees to use secondary market measures to spur deployment; and the use of bidding credits to encourage small businesses to enter the mobile industry. I strongly encourage the industry and the public to carefully consider all of the proposals in this item. I am particularly interested in hearing how these proposals, or any alternatives, could promote more competitive options for consumers.

I commend Rick Kaplan and his staff of the Wireless Telecommunications Bureau for their hard work on this item.