

**STATEMENT OF
CHAIRMAN JULIUS GENACHOWSKI**

Re: Innovation in the Broadcast Television Bands: Allocations, Channel Sharing and Improvements to VHF (ET Docket No. 10-235)

Two months ago, Congress passed the Spectrum Act, authorizing the FCC to design and conduct the world's first voluntary incentive auctions. Today, we take our first significant action at the Commission level to put this historic legislation into effect.

Incentive auctions are an innovative, market-based mechanism that will enable the repurposing of much needed spectrum, including broadcast spectrum, for flexible use such as mobile services.

Incentive auctions are unprecedented and complex – but they are an opportunity to unleash vitally needed additional spectrum for mobile broadband, helping promote U.S. leadership in mobile, and driving tremendous value creation for American consumers – from improving mobile service to economic growth and job creation to improvements in education, health care, and public safety.

The new legislation authorizes the Commission to offer broadcasters the opportunity to share in auction proceeds -- an unprecedented opportunity for capital infusions for broadcasters. One key mechanism for such capital infusions is channel sharing – which in conjunction with the auction process would provide funds to compensate broadcasters for contributing a portion of their spectrum capacity, while preserving the must-carry rights of the stations sharing channels.

We recognize that broadcasters need good information to inform their decisions, and today's first incentive auction Report and Order is an important step in that process. It establishes a framework for broadcaster participation in a channel sharing agreement with another station, including specifying the rights that channel-sharing stations will have.

We will continue our work to ensure that broadcasters have the information they need with a channel-sharing workshop on May 22.

There are many steps to follow, as we seek to implement the new law and maximize its opportunities. I thank my commissioner colleagues for working together on today's important step, and I look forward to ongoing collaborative efforts to implement the new law.

I encourage all interested stakeholders to participate in the proceedings we will launch to implement the law. Working together, we can make the incentive auction a win-win for the broadcasting industry, the mobile industry, our economy, and all consumers.

My thanks to everyone in the Media Bureau, as well as in OET, for all their hard work on this item.