

**STATEMENT OF
CHAIRMAN TOM WHEELER**

Re: *Amendment of the Commission's Rules with Regard to Commercial Operations in the 3550-3650 MHz Band*, Further Notice of Proposed Rulemaking, GN Docket No. 12-354

Today we take an important step towards a new spectrum future. Not only are we proposing to open up the 3.5 GHz band, but we are also enabling the powerful new concept of spectrum sharing among multiple users on an hierarchical basis.

In July 2012, the President's Council of Advisors on Science and Technology (PCAST) issued a landmark report on maximizing the potential of wireless spectrum to grow our economy and enable other benefits for the American people. The PCAST report highlighted spectrum sharing as a next-generation policy innovation that holds the potential to revolutionize the way we manage our airwaves. With this item, the Commission takes another significant step to turning this concept into reality.

Both the PCAST and the FCC's Technological Advisory Council, which I was honored to lead, recommended that the Commission target the 3.5 GHz as an "innovation band." Building on what the Commission has already done under the leadership of Chairman Genachowski and Chairwoman Clyburn, that's exactly what we're doing in this item.

This Notice proposes a three-tiered spectrum access model, which includes federal and non-federal incumbents, priority access licensees, and general authorized access users. The three-tiered construct was a key aspect of the PCAST report, and is necessary to realizing the full potential of spectrum sharing.

Second, it proposes a single, highly flexible band plan, avoiding the analog trap of Balkanizing spectrum into sub-bands, each with its own sets of rules.

Third, the Notice anticipates a wide range of flexible uses. Small cells will undoubtedly be a core use case, but we would not limit the band to such use.

Finally, the Notice reflects economic incentives. Even with the most efficient technology, there will always be places and times where there is rivalry for spectrum access. To that end, the Notice proposes a flexible auction and licensing scheme that leverages the technical capabilities of a Spectrum Access System (SAS) database. Think of the SAS as a traffic cop for spectrum in that it can assess what spectrum is available so that it can be accessed by prioritized users.

I know that the three-tier construct and non-traditional licensing scheme is a bit nouveau. That's by design; if we are going to have sufficient spectrum for the needs of the 21st century, we are going to have to think anew. This proposal could unlock vast new opportunities for wireless – in huge verticals like energy, healthcare, and financial services. We also see the 3.5 GHz band as a potential home for new technologies like LTE-Unlicensed, which could inhabit the General Authorized Access tier. Or it could allow for new flavors of Wi-Fi. There is huge upside within this proceeding. We should not flinch from the opportunity simply because it is not standard operating procedure.

Thank you to the Wireless Telecommunications Bureau, the Office of Engineering and Technology, the International Bureau, and the Office of the General Counsel for their outstanding, out-of-the-box work on this issue.