STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN

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

There are some who say that – like oil and water – regulation and innovation just don't mix. All too often, they contend, regulation effectively protects incumbents and stifles innovation by creating barriers to entry for new entrants and disruptive technologies.

This proceeding, which builds upon recommendations in the July 2012 PCAST Report, offers a possible rebuttal to that position. It clearly shows the federal government understands that technological advances can enable us to depart from traditional regulatory models and adopt new approaches, with lower administrative costs, which could spur even greater innovation from incumbent carriers, and new entrants. Because repurposing federal spectrum for commercial use can take years, and the country's demand for mobile broadband services will not wait that long, the PCAST Report recommended that commercial services share underutilized federal spectrum to the maximum extent possible. The advances in small cell networks and the concepts in the successful TV White Space databases, make that degree of spectrum sharing possible.

So, in 2012, we adopted an NPRM that proposed new spectrum management concepts with a license by rule framework which would provide for Incumbent Access, Priority Access, and General Authorized Access tiers. We proposed a highly flexible band plan to facilitate rapid broadband deployment while protecting existing federal and commercial incumbent users in the 3.5 Gigahertz band. That NPRM also improved on the PCAST recommendation by including the 3650 to 3700 megahertz band. This band is used extensively by wireless Internet service providers, or WISPs, to provide broadband in rural and other underserved areas.

This Further Notice brings even more creativity to the proceeding, by revising the licensing framework, in order to incentivize more efficient use of the Priority Access tier. Instead of licensing that tier to only certain institutions by rule, we propose to expand the eligibility to all entities and establish granular flexible Priority Access Licenses that would amount to a 10 megahertz license, for one census tract, for one year that can be aggregated. If more than one entity wants the same license for the same year, there will be an auction. Although these licenses would have some of the key features of traditional FCC licenses, such as exclusive spectrum rights, because they are shorter in duration, they would not have other features, such as performance requirements. The goal is to establish a license, with lower administrative costs, that would allow for micro-targeted network deployments; and easy aggregation, to serve a larger footprint for a longer period of time.

By enabling aggregation, this framework would allow for the type of predictability that would attract larger carriers, to invest in equipment for the band. Because we also propose to require interoperability across all three tiers throughout the 150 megahertz in the band, this approach has the added benefit of bringing greater spectrum availability and equipment scale economies to WISPs, new entrants, and small businesses who want to provide service in the band.

I want to thank Roger Sherman, Julie Knapp, and the staffs of the Wireless Bureau, OET and International Bureau, and my legal advisor, Louis Peraertz, for their hard work on this item and their contributions throughout this proceeding.