

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN**

Re: *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*,
GN Docket No. 12-268.

Like many of you in this room I spend a fair amount of time in airports. During my early days of travel, newspapers, and magazines were the must-have, must-read attachments for any trip. Today -- not so much. If you take the Metro or other short haul services, you more likely will find riders glued to a tablet, cell phone, or other wireless device.

News, information, entertainment or even basic communication is now delivered anytime and everywhere. School-aged children, old-school stalwarts, people from all walks of life are adopting the ubiquitous and utilitarian tools of today, which make our lives more convenient, more accessible and more efficient.

This is the world in which we live, and it is a wonderful place indeed.

But as our societal appetite for feature rich content increases, and in order for us to continue along this path, we must position ourselves to provide this nation with an adequate amount of spectrum -- making this proceeding one of most important and challenging of the day.

Innovation in mobile broadband, has spurred spectrum demand, at a breathtaking pace. I still marvel at the fact, that when I first took office in the summer of 2009, tablet computers had not even hit the market. Now estimates are that by 2016, more than 100 million people in our nation will own one.

Those tablets use 121 times as much spectrum, as the traditional cellphone, so if we want all communities to have access to the most advanced wireless technologies, our regulatory policies must keep pace and that includes repurposing more spectrum for commercial wireless services.

In 2012, Congress took a dramatic step by giving us statutory authority to conduct the world's first voluntary incentive auction in a way that also preserves the integrity of the broadcast TV industry. Now, the Commission must move expeditiously and carefully to carry out this directive.

Designing this auction is daunting and unprecedented. It must integrate three major elements: (1) the reverse auction for those TV stations that want to relinquish their spectrum rights for payment, (2) the repacking of broadcast TV stations that want to stay on the air, and (3) the "forward auction" which would license repurposed spectrum for wireless services. Each element presents its own set of difficult, technical issues; but further complicating the task is that Congress imposed specific requirements for each element.

However, the Commission staff has shown that it is more than up to the challenge. In this NPRM, the staff set us on a course that indeed would benefit both the broadcast TV and wireless industries and advance communications policy objectives, such as participation by smaller companies, competition, and accommodating other existing services that have proven so valuable. With this Order, the staff has recommended rules that improve on those goals.

I am particularly pleased that the Order does more to promote participation, by designated entities, or DEs, and small businesses. We make clear we intend to initiate a rulemaking that would revisit a number of DE rules, including increasing bidding credits and the attributable material relationship rule and wrap up that proceeding early enough so parties can account for any rule changes as

they plan for the incentive auction. We also state that we intend to resolve a pending request to waive the material relationship rule in the near term.

Another noteworthy change in the forward auction rules will promote more competition. It is important that our wireless auctions also attract carriers, who may have a smaller service footprint and less capital than nationwide providers, yet possess a strong desire to acquire more spectrum in order to serve a particular footprint. This approach promotes competition in local markets and has the added benefit of ensuring that the auction promotes efficient allocation of spectrum to the highest and best use. This is particularly important, in this case, since we must incentivize broadcast TV stations to participate in the reverse auction. We can promote these goals by auctioning smaller block sizes of spectrum in smaller geographic area licenses. So I am glad that we pushed large and small carriers to develop a consensus so we could shift from the larger Economic Areas to smaller Partial Economic Areas.

I am also pleased that we have reaffirmed our commitment to ensuring that unlicensed spectrum in the 600 MHz band, can be used to provide broadband service. I have been a strong advocate for unlicensed use of TV White Spaces since we adopted final rules in 2010. This technology, which takes advantage of the excellent signal propagation characteristics of below 1 GHz spectrum, has great potential to provide wireless broadband services in low income communities that are often difficult to serve. There are initiatives such as AIR.U – a partnership between New America Foundation, technology companies, and GIG.U, -- that are finding solutions for universities in rural areas. This past summer, AIR.U worked with West Virginia University to launch a pilot program that provides campus-wide Wi-Fi services, using TV White Spaces. I commend Chairman Wheeler for considering an alternative plan that would provide for more unlicensed spectrum in the 600 MHz band. This is sure to spur new innovations in unlicensed broadband services worldwide.

The Order also provides more protection, for certain services, than the NPRM originally proposed. For example, I have been concerned about the impact that the 2012 statute and this proceeding could have on low power TV stations, or LPTVs, and translators. LPTVs provide diverse and local television programming and translator stations in particular are an important free over-the-air television resource in the most remote of locations. It was important to me that the Commission explored all reasonable options to allow these stations to continue to broadcast, after the auction. The NPRM sought comment on allowing these stations to channel share. This Order goes further by explaining that the Commission will initiate a more comprehensive rulemaking proceeding to explore several other options for LPTVs. In addition to channel sharing, it will explore: (a) allowing these stations to transition to VHF channels; (b) using the repacking software to help LPTVs, find new locations to operate; and (c) extending the September 2015 deadline for converting digital services, so LPTVs do not have to relocate to meet that deadline, and relocate yet again, after the incentive auction. The Order also adopts a rule that would allow these stations to continue, post auction, to serve in a 600 MHz license area until a wireless carrier commences operation. The wireless carrier must notify LPTVs, 120 days in advance, of that date.

I also commend the staff, for working hard to find solutions, for wireless microphones. Broadcasters and other entities, which rely on wireless microphones for late breaking electronic news gathering or live events, need the assurances of reliable, high quality audio. In the Incentive Auction Order, we will permit wireless mics to operate in 4 megahertz of the duplex gap, and in the naturally occurring empty TV channel, in every market. And in the companion wireless microphone Order, we also adopt today, we are granting to professional sound companies and venues that routinely use 50 or more wireless microphones the same rights as low power auxiliary station licensees. This will provide a meaningful benefit to entities that require the protection a license affords without unduly reducing the amount of spectrum available for other uses in the television bands.

This Order marks an important milestone for this proceeding, but as it makes clear, our work is

not over. We must seek comment on auction design and other issues to address important policies before conducting the auction. And we have greatly benefitted thus far, from the input of many in the industry. Still needed, however, is continued participation to ensure that we get the final details right. I thank Gary Epstein, Bill Scher, and Edward “Smitty” Smith for their presentations, and I wish to extend special thanks to all the staff members who spent hours briefing me and working with me to address my questions about the item particularly my Wireless Legal Advisor, Louis Peraertz, who of course, I also wish to thank. I also want to thank Paul D’Ari, Bill Stafford, Brenda Boykin, and Sade Oshinube for their work on the wireless microphone order.