

**STATEMENT OF
CHAIRMAN TOM WHEELER**

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

Today, we take a significant step forward in spectrum policy by creating a new Citizens Broadband Radio Service. This new service leverages innovative new sharing rules and technologies to create a 150 megahertz band of contiguous spectrum to help meet the Nation's wireless broadband needs. Of this amount, 100 megahertz was previously unavailable for commercial use. Both the President's Advisory Council on Science and Technology (PCAST) and the FCC's Technological Advisory Council, which I was honored to lead at the time, recommended that the Commission target the 3.5 GHz as an "innovation band." Building on what the Commission did under the leadership of Chairman Genachowski and Chairwoman Clyburn, we adopt final rules to do so today.

When looking back over the long history of spectrum policy the bedrock policy question hasn't changed: how do we best manage a scarce public resource?

Over time, the Commission has made fundamental advances in how it manages spectrum. We improved spectrum reuse by relying on frequency coordinators to maximize efficiencies. We implemented spectrum auctions, using a market mechanism to resolve who should have exclusive rights to use frequencies at a given location. We provided spectrum for unlicensed use – the sandbox where great innovations were born and now thrive. Today, we create a new three-tiered access scheme in the Citizens Broadband Radio Service that accommodates many users and use cases, and manages scarcity in several new ways.

First, we are leveraging advances in computing technology to rely on an innovative Spectrum Access System to automatically coordinate access to the band. It's the traditional frequency coordination role, but modernized using advanced technologies to maximize efficiency.

Second, we are using auctions to grant exclusionary interference protections only when the spectrum is actually scarce. Under our rules, anyone with a certified device can use the spectrum, sharing it with others. In areas where the spectrum is scarce, users can participate in an auction to seek a license to gain priority access to the band.

Third, in cooperation with our federal partners, we are creating a new way to share spectrum with federal users. By leveraging the Spectrum Access System and technologies to monitor and sense when a federal user is present, we can move toward true dynamic sharing of the band between federal and non-federal users.

This is another demonstration of the results of effective collaboration with our federal partners. When this spectrum was originally identified for potential federal-commercial sharing, significant exclusion zones around the coasts were anticipated. As we promised last spring, we have revisited this analysis. Commission staff spent almost a year providing analytical support to NTIA, the Department of Defense – particularly the Navy – and others to facilitate their proposal to reduce the exclusion zones.

This was a significant engineering undertaking, with positive results: the zones shrunk by 77 percent. And, perhaps more importantly, by leveraging advances in spectrum sensing technology, we have a path toward making those zones disappear completely and at relatively low cost.

In years to come, I think we will look back on the effort as a watershed in furthering a cooperative environment between the FCC and our federal counterparts, and pushing forward the state of the art in spectrum sharing.

I want to thank the NTIA, Department of Defense, and our staff for coming together to solve a difficult spectrum sharing problem, for now and for the future.

In the end, our new approach will provide significant economic benefits. It will improve wireless network capacity in areas with high demand like dense urban areas or stadiums. It will provide “mainstream” spectrum for high-value industrial sectors, such as energy, manufacturing, and healthcare, that otherwise had to rely on expensive, specialized equipment in very fragmented bands. And it will create a band of at least 80 megahertz open and available to all those that which to experiment, innovate, and create new devices, services, and applications that we can’t even imagine yet.

This item is built on a foundation of previous Commission actions, including the work on white spaces in the TV spectrum and our Notice of Inquiry in 2010 asking what the Commission might do to support dynamic spectrum access. Without those efforts, we would not be where we are today.

Finally, a note about LTE-Unlicensed and LAA. While this issue is not at the core of this proceeding, it has been getting a lot of attention lately. We maintain our historical policy of technological neutrality in today’s item, but will continue to closely monitor standards bodies’ deliberations with respect to the use of LTE-U in the 3.5 GHz band, and in the 5 GHz band, in addition to potential pre-standards deployments. Various parties have already met with Commission staff to discuss the technical aspects of these technologies. In order to ensure that the public has a window into these discussions, I have directed the staff to draft a Public Notice within 30 days, opening a docket in which interested parties can file their perspectives.

Thank you to the Wireless Bureau, the Office of Engineering and Technology, and the International Bureau for your work on this item, which marks an important breakthrough in spectrum policy.