

**STATEMENT OF CHAIRMAN
TOM WHEELER**

Re: *Policies Regarding Mobile Spectrum Holdings*, WT Docket No. 12-269; *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, GN Docket No. 12-268.

By now, everybody knows that this Commission sees competition as the most effective tool for driving innovation, investment and consumer benefits. It should come as no surprise that promoting competition in the wireless industry is a high priority for the upcoming Incentive Auction.

As part of last year's update to our Mobile Spectrum Holding rules, the Commission voted to advance competition by implementing a groundbreaking "market-based reserve" in the upcoming Incentive Auction of up to 30 megahertz of spectrum per market. This reserve would provide protection that bidders without significant amounts of low-band spectrum could not be predatorily prohibited from gaining the necessary competitive capacity by those whose interest might be served by eliminating such competition. With today's Reconsideration Order, we take the important step of reaffirming the bold pro-competition policy.

The Incentive Auction offers one of the last opportunities for competitors to acquire significant quantities of low-band spectrum. This spectrum is important because of its propagation characteristics which allow it to travel farther and to penetrate buildings better. With more than 70 percent of low-band spectrum in the hands of just two providers, this decision assures that multiple providers have a meaningful opportunity to acquire these valuable airwaves.

Some parties have petitioned the Commission to increase the size of the reserve, while others have argued for its elimination. Today's Order on Reconsideration rejects both entreaties and maintains the reserve size at the previously-approved level.

To be clear, these rules are spectrum holding-based, not company-based. A company's eligibility is determined by their low-band holdings in each market, not by their overall size. In addition, the rules do not restrict any reserve-eligible bidder from also bidding on unreserved licenses. For consumers, these actions will mean more competition in more markets. And more competition will mean more benefits for consumers like greater choice, lower prices, and higher quality mobile services.