

**STATEMENT OF
COMMISSIONER MICHAEL O'RIELLY**

Re: *Partitioning, Disaggregation, and Leasing of Spectrum*, WT Docket No. 19-38

I approve today's notice seeking input on how the Commission's secondary market policies can increase deployment in rural areas and facilitate the ability of small wireless providers to access spectrum. Congress required that we conduct – and I wholeheartedly support – such a review.

By way of background, the Commission has policies in place to facilitate secondary market transactions. Licenses can be sold or leased, in whole or in part, with overnight approval for many of the applications and notices for such deals. In fact, the Commission has conducted similar reviews in the past, which resulted in the introduction of leasing and expedited processing where appropriate. While the Commission has streamlined its procedures and provided flexibility under our rules to facilitate deals in rural America and to get spectrum into the hands of small businesses, many still assert that a vibrant secondary market, involving rural and small entities, has not developed.

The most common obstacle involves the simple fact that, often, it just isn't worth a current licensee's time to consider a small deal. Basically, the cost of negotiations and paperwork can outweigh the economic gains for spectrum in a more remote area. Therefore, our conversation must focus on how to reduce such burdens so that those with some excess spectrum in less populated areas are willing to enter into transactions. Not an easy task, I admit.

While the notice offers some ideas, they are far from likely to open the secondary market floodgates. I am somewhat skeptical that reducing performance requirements, providing some additional time for construction, or extending the license terms for operators that lease or sell spectrum will make a substantial difference. Regardless, I am more than happy to engage with interested parties on any of these ideas and others that they may have.

Ultimately, I hope industry will take this opportunity to think out of the box about ways – including approaches requiring Commission action or industry best practices – to meaningfully lower transaction costs and time spent so that those with spectrum are truly incentivized to execute the requisite deals. One way to reduce costs and hasten deal making could be to create a database or exchange that contains operator-approved contracts and available spectrum – an operational template, if you will. If an entity is willing to accept a contract as is, it could be submitted to the operator electronically, reducing prolonged back-and-forth negotiations and the requisite legal work. But, I recognize that it will likely take some greater effort to get license holders to participate and use advanced technologies that can inherently automate, record, and execute deals without emotion or competitive concerns and that hold interesting possibilities.

I thank the Chairman and Congress for starting this important discussion, but this proceeding will only be as good as the thought that goes into it. I hope wireless providers – big and small, urban and rural – really take the time to consider this issue and provide creative solutions.