

## STATEMENT OF CHAIRMAN AJIT PAI

Re: *Transforming the 2.5 GHz Band*, WT Docket No. 18-120

In 1963, a band from Liverpool released their debut studio album, *Please Please Me*, hoping to revolutionize the music industry.<sup>1</sup> That same year, the FCC fell in love with a different band—the 2.5 GHz band—and decided to establish rules to allocate that band for educational television services. Over half a century later, one band continues to occupy the airwaves, while in large part, the other is nowhere to be found. If you need a hint as to which band is which, I'll just say, sadly, that the FCC doesn't have jurisdiction over the Beatles.

But we do have control over the 2.5 GHz band. This is the single largest contiguous swath of mid-band spectrum below 3 gigahertz in the nation. And given its combination of coverage and capacity, it presents a big opportunity for 5G. But today, this valuable public resource is dramatically underused—especially west of the Mississippi River. That's partly because technological advances have rendered the original intended uses outdated, and partly because arcane rules have hampered providers from putting the spectrum to its highest-valued use.

Just as making available high-band spectrum for commercial use is critical to the development and deployment of 5G in the United States, so too is opening up mid-band spectrum. As Commissioner Rosenworcel has noted, “[f]or the United States to have secure 5G service available to everyone, everywhere, . . . [w]e need to make it a priority to auction mid-band airwaves right now.”<sup>2</sup> I agree. She has advocated for this agency to “explore innovative opportunities for making more efficient use of the 2.5 GHz band.”<sup>3</sup> I agree. And she has observed that the 2.5 GHz band “is the spectrum that can make 5G happen in our rural communities,” and that it “is a really big piece of the puzzle for 5G.”<sup>4</sup> I agree.

So today, the Commission majority takes a major step toward freeing up critical mid-band spectrum for 5G. At long last, we remove the burdensome restrictions on this band, allowing incumbents greater flexibility in their use of the spectrum, and introduce a spectrum auction that will ensure that this public resource is finally devoted to its highest-valued use. These groundbreaking reforms will result in more efficient and effective use of these airwaves and represent the latest step in advancing U.S. leadership in 5G.

We also give rural Indian tribes an exclusive window to obtain this spectrum to serve Tribal lands. Here's why. As I've seen for myself—from the Rosebud Sioux Reservation in South Dakota to the Navajo Nation in Arizona, from the Coeur D'Alene Reservation in Idaho to the Jemez and Zia Pueblos in New Mexico—the digital divide is most keenly felt in Indian Country. I want to make sure that those committed to connecting Tribal members in rural areas are given a strong opportunity to succeed. A Tribal priority filing window will help the most marginalized communities in the country gain access to services using this transformative spectrum band. In particular, I want to thank the

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<sup>1</sup> THE BEATLES, *PLEASE PLEASE ME* (EMI Studios 1963).

<sup>2</sup> Jessica Rosenworcel, *Choosing the Wrong Lane in the Race to 5G*, WIRE (June 10, 2019), <https://www.wired.com/story/choosing-the-wrong-lane-in-the-race-to-5g/>.

<sup>3</sup> *Allocation and Service Rules for the 1675-1680 MHz Band*, Notice of Proposed Rulemaking and Order, FCC 19-43, 2019 WL 2098514 (May 13, 2019) (Statement of Commissioner Rosenworcel), <https://docs.fcc.gov/public/attachments/FCC-19-43A4.pdf>.

<sup>4</sup> Monica Allevan, *Rosenworcel: 2.5 GHz spectrum key for 5G in rural areas*, FIERCEWIRELESS (Jan. 23, 2019), <https://www.fiercewireless.com/wireless/rosenworcel-2-5-ghz-spectrum-key-for-5g-rural-areas>.

Governor of Chickasaw Nation, Bill Anoatubby, and his team for sharing their perspectives on the importance of a Tribal window for 2.5 GHz spectrum during my recent visit to rural Oklahoma. Their insights, and those of Tribal leaders across the country, helped guide my thinking on this issue.

Following the Tribal priority window, the remaining unassigned 2.5 GHz spectrum will be made available for commercial use through a spectrum auction. The 2.5 GHz auction, which the FCC intends to hold next year, will put this spectrum to its most valuable use for the American people.

Accordingly, we decline to adopt priority windows for non-incumbent educational institutions or incumbent licensees. Here's why. Experience suggests that the past is highly likely to be prologue. And today, an overwhelming number of today's EBS licensees lease an overwhelming amount of EBS spectrum out to wireless companies. They don't use it for educational purposes. Indeed, over 95% of current license-holders for our 2,193 EBS licenses today lease much of this spectrum to non-educators. The FCC abiding this longstanding arbitrage has been unhelpful to consumers for many years. Given today's imperative of 5G leadership and consumer demand for advanced wireless services, the FCC extending this middleman model even further would be nonsensical. And as Commissioner Carr's recent inquiries have suggested, the FCC would be foolish, if not derelict in its duty, to allow entities to monetize this spectrum nationwide for purposes that have little to nothing to do with educating children. *That* would exacerbate rather than close the homework gap.

One other point. It's been 427 days—fourteen months to the day—since we started the 2.5 GHz proceeding. One of my colleagues suggested—yesterday—that we hold an incentive auction in this band with no details offered whatsoever on how to do so. Of the many problems with that suggestion, one stands out: It would delay an auction of this key mid-band spectrum by several years, according to our career staff, thus substantially slowing down progress on 5G. I believe that we need to make it a priority to auction mid-band airwaves right now—not in several years' time—and accordingly, I am not willing to support such a delay.

Moreover, it is important to remember the significant public interest benefits that follow from the approach we take today. We adopt an overlay auction with county-size licenses. We adopt a band plan that benefits small and large entities alike. And we also adopt bidding credits for small entities. This approach would encourage small companies to participate—companies like Midco, Carolina West Wireless, Pioneer Cellular, Viaero Wireless, AST Telecom, Waive Wireless, and Paladin Wireless. You may not have heard or some or any of these providers. And that's kind of the point. These are the foot soldiers of the digital revolution in rural and low-income America. These are the entities that will use this public resource to benefit the entire public. These are the companies that support the approach we're taking today.

Of course, today's milestone in mid-band spectrum does not stand alone. Later this summer, we aim to approve initial commercial deployments in the 3.5 GHz band, and we intend to hold an auction in the 3.5 GHz band next year. Moreover, thanks to the reforms we adopted last year, carriers that win licenses in that auction will be able to efficiently deploy 5G in the band. We're also working on the complicated task of freeing up spectrum for 5G in the 3.7-4.2 GHz band, commonly called the C-band. I'm optimistic that we will have results to show on this front this fall. And of course, our work on low- and high-band spectrum opportunities continues apace.

My thanks to those staffers working to help make the 5G digital revolution a reality. Today's important steps would not be possible without the help of Erin Boone, Stephen Buenzow, Jonathan Campbell, Melvin Del Rosario, Diane Dupert, Garnet Hanly, Tim Hilfiger, Chris Miller, Darrel Pae, Matthew Pearl, John Schauble, Catherine Schroeder, Becky Schwartz, Blaise Scinto, Christiaan Segura, Dana Shaffer, Nadja Sodos-Wallace, Cecilia Sulhoff, and Nancy Zaczek from the Wireless

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