

**STATEMENT OF
COMMISSIONER GEOFFREY STARKS**

Re: *Auction of Priority Access Licenses for the 3550-3650 MHz Band; Comment Sought on Competitive Bidding Procedures for Auction 105; Bidding in Auction 105 Scheduled to Begin June 25, 2020, AU Docket No. 19-244*

Today we take another step on the long road to full commercial service in the 3.5 GHz band. With last week's authorization of initial commercial deployments, this Public Notice continues our progress towards making this valuable mid-band spectrum fully available. Already, handset manufacturers are incorporating it into their devices, and the initial commercial deployments will include private wireless networks for airports, city governments, and wind and solar farms. I will be following their progress closely and look forward to when we can grant approval to full operations across the country.

This item proposes rules governing the auction of Priority Access Licenses in the 3.5 GHz band, scheduled for June 25, 2020. It will be one of the most complex auctions we've conducted to date, with about 3,200 license areas available for bidding. I'm excited to move the ball forward on distributing these licenses, but I must express some concern. While I was not a Commissioner when the agency voted last year to revise the geographic configuration of the PALs from census tracts to counties, I share Commissioner Rosenworcel's point about whether the current approach will adequately encourage the innovative uses and new entrants that were the focus of the original 3.5 GHz order in 2015.

Specifically, today's Public Notice seeks comment on a proposal to permit Cellular Market Area (CMA)-level bidding for blocks within the counties in the top 305 markets. I appreciate the Office of Economic Analysis's efforts to propose rules that level the playing field between CMA-level bidders and those who will bid on a county basis, but I also want to avoid unintended consequences. For example, will county-level bidders be able to compete effectively with CMA-level bidders for blocks in counties within the same CMA as a large city? Notwithstanding limits on the number of blocks a CMA-level bidder can obtain in a single county, how likely is it that two CMA-level bidders could take up all 7 available PALs in all the counties within that CMA? To address these issues, should we limit the number of CMAs that are subject to CMA-level bidding? If so, what limits would we impose? I encourage commenters to share their views on these questions.

In addition, these procedures can be confusing for new entrants with limited resources. All parties that want to participate in the auction should be able to understand its workings – I consistently hear from parties how complex it is to participate in our auctions. At my request, this item includes language clarifying the relationship between CMA-level and county-level bids. Hopefully this language will help participants clearly understand how we're running this auction, and how to execute on their goals. Thank you to my colleagues and OEA for their support for this edit.

My thanks to the Office of Economic Analysis for their work on this item.