

**STATEMENT OF
COMMISSIONER JESSICA ROSENWORCEL**

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*

Mark your calendar. This vote is big. It's a major milestone in United States spectrum policy. That's because the wireless auction we schedule today features something truly radical—a framework for sharing that can turn spectrum scarcity into abundance. That's very cool. But as exciting as this moment is, it is also bittersweet. That's because we could have been celebrating this achievement years ago.

Let's begin with what makes this effort so profound. To do so, I think it's important to put it in context. We have a long tradition of spectrum innovation in the United States. When it comes to wireless policy we have a history of embracing ideas that are cool, kooky, and new before anyone else. After all, it was two and a half decades ago that we took the academic ideas of Ronald Coase and ushered in a whole new era of spectrum auctions. We also pioneered the use of unlicensed spectrum—the airwaves we now know and use every day as Wi-Fi. More recently, we blazed a trail for two-sided incentive auctions. With each of these efforts we reoriented ourselves from what was to what could be. In doing so we changed the way that wireless systems are developed and distributed not just domestically, but worldwide.

Five years ago, this agency recognized that our traditional spectrum auctions needed an update too—and that the 3.5 GHz band was the perfect place to start. Instead of relying on the traditional binary choice between licensed and unlicensed, the agency adopted an unprecedented three-tiered model of spectrum sharing and management. Under this three-tiered system, incumbent government users have a primary and preemptive right. But we know they do not need access all the time, everywhere, so we created a secondary license opportunity, custom-built for small cells. Then to the extent the demand for licenses is limited, opportunistic use is permitted by rule. To coordinate this grand effort, we proposed dynamic spectrum access systems.

Here's the best part. The framework we put in place for the 3.5 GHz band was ideal for 5G, too. The very structure of this band recognized that the smartphone might be the least interesting thing about our 5G future. Instead, it was designed for innovation. It recognized that we are on the verge of new networked world with connectivity built into everything around us.

So in addition to the familiar carriers, we saw early interest in this band from entities that support industrial operations and wanted to use this spectrum for intelligent manufacturing, power generation and distribution, and healthcare. Our record supported its use for advanced inspection and sensor technologies, including aerial drones, terrestrial crawlers, and robotics. The American Petroleum Institute expressed interest in its use for updating drilling operations. The Port of Los Angeles wanted to explore its use for sharing shipping data. Plus rural interests saw a unique opportunity to bring more service and more competition to remote areas of the country that are too often left behind.

All of this required us to operate with a heavy dose of humility. Because at the heart of our initial plan for the 3.5 GHz band was the recognition that the Federal Communications Commission could not know the best use cases for 5G, who will have the best business models for deploying it, or who will have the best way to extend 5G service to rural communities. So instead of choosing winners and losers in this band by adopting rules that were biased toward certain uses or the same-old, same-old carriers, we

developed policies to balance the services we know today with opportunities for those that may be coming our way tomorrow.

Now the bittersweet. It never should have taken us this long to get here. We started down this road five years ago—five years ago! During the intervening years we hemmed and hawed and revisited some of the fundamentals of our new framework. We lost our nerve and in key ways retreated back to the old. Then we claimed that these changes made this portion of our airwaves more 5G-friendly. But the honest truth is that these changes exposed our lack of imagination and a misunderstanding of what 5G is, what it needs, and what it can do.

Most notably, we expanded license sizes from census tracts to counties, shutting out new 5G spectrum interests that cannot compete at that scale. Then we proposed even larger service territories at auction. I am glad that we do not continue on this course in today's decision, because it would narrow even further the range of spectrum interests that could use these airwaves. I'm glad that we honor the hard-fought compromise that kept service areas in this band defined by counties.

In addition, it is important to remember that we didn't get this far alone. It wasn't that long ago that the 3.5 GHz band was coveted military spectrum. Creating this opportunity—combining incumbent use with new commercial licensed and unlicensed use—took effort. It took working with our federal partners to reach a shared goal. We will need a lot more of this cooperation and coordination if we want to realize greater success in securing mid-band spectrum for new mobile use. But lately it feels like when it comes to 5G policy, the right hand of the government is not talking to the left. We see it in this Administration's all-too public disputes about supply chain security, protecting weather radar, and traffic safety. In fact, late last year, the bipartisan leadership of the Senate committees on Intelligence, Homeland Security and Governmental Affairs, Foreign Relations, and Armed Services wrote the White House expressing concern that we do not have a coordinated plan for a secure 5G future—and that we need one. I think they're right.

I also think that today's effort represents progress. We have the first mid-band auction of the 5G era on the calendar. We have a genuinely creative framework for wireless sharing. It's an important new chapter in the history of spectrum policy in the United States. I'd also like to thank staff who have been working long—too long—on bringing this vision of the 3.5 GHz band to market. Plus, a special shout out to John Leibovitz, who championed this effort early and often. Thank you also to my colleague Commissioner O'Rielly for following though.