

STATEMENT OF CHAIRMAN AJIT PAI

Re: *Auction of Flexible-Use Service Licenses in the 2.5 GHz Band for Next-Generation Wireless Services*, AU Docket No. 20-429.

Today we begin the process of adopting procedures for the third FCC auction of critical, mid-band spectrum for 5G. Based on what we have learned from the first two auctions, it is time to get going.

Auction 105, our auction of seven, 10-megahertz Priority Access Licenses per county in the 3.5 GHz band, concluded in August of last year. In that auction, 228 bidders won a total of 20,625 licenses—the largest number of licenses ever awarded through an FCC auction to the largest number of auction winners from a single auction. The diversity of winning bidders ran the gamut, from traditional wireless carriers to cable companies, from wireless Internet service providers to utilities, and even entirely new market entrants. Auction 107, an auction of 280 megahertz of spectrum between 3.7 and 3.98 GHz, is ongoing, with gross proceeds currently exceeding \$80 billion, far above the prior FCC auction record of just under \$45 billion.

The robust participation in both of these auctions is irrefutable evidence of the demand for spectrum—and mid-band spectrum in particular. That’s why the first objective of our 5G FAST Plan has been to quickly make more spectrum available for 5G services. One of this agency’s fundamental responsibilities is to ensure that spectrum is being put to its highest and best use. Unfortunately, until recently, that wasn’t happening in the 2.5 GHz band.

The 2.5 GHz band includes spectrum from 2496 to 2690 MHz and represents the largest band of contiguous spectrum below 3 GHz. The spectrum was designated for Educational Broadband Service (EBS) and Broadband Radio Service. But EBS eligibility and use restrictions, combined with an unusual licensing regime, resulted in much of the 2.5 GHz band lying fallow, particularly west of the Mississippi River. Technological advances also rendered the originally intended purpose for the EBS band largely outdated.

In July 2019, a majority of the Commission voted to transform the rules for the 2.5 GHz band to make more efficient use of this valuable spectrum. The Commission eliminated restrictions on the type of entities that can hold licenses as well as educational use requirements while providing incumbent entities with additional flexibility in how they can use this spectrum. The Commission also prioritized deployment of next-generation services to rural Tribal communities through the creation of a Rural Tribal Priority Window. As I’ve said before, “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.” To help bridge that divide, the Commission created a process to allow qualifying Tribal entities to apply for available white-space spectrum covering rural Tribal lands—for free. The Rural Tribal Priority Window closed on September 2, 2020, to massive success. The Commission received more than 400 applications from Tribal entities throughout the country in response to the window and the Commission has already granted 182 of these license applications.

With the Rural Tribal Priority Window now closed, we move to the next phase of making more efficient use of the 2.5 GHz band: seeking public comment on the auction procedures to be used for awarding overlay licenses for the remaining white-space spectrum available in the band. Auction 108 will offer approximately 8,300 geographic overlay licenses in the 2.5 GHz band. In this public notice, we seek comment on whether to use a single bidding round auction format with user-defined package bidding or a simultaneous multiple-round auction format. We also seek comment on other auction mechanics related to competitive bidding design, application and certification procedures, reporting requirements, and the prohibition of certain communications—consistent with prior auctions.

By initiating the pre-auction process for assigning licenses in Auction 108, we take another important step towards releasing critical mid-band spectrum to the market and furthering the deployment of 5G wireless and other advanced spectrum-based services across the country. With our efforts, the Commission is redeploying prime spectrum that has languished underused to help fulfill the promises of connectivity to *all* Americans.

Today's work will make a meaningful difference in the lives of many Americans. I would be remiss not to thank the dedicated Commission staff who have worked to make this happen. From the Office of Economics and Analytics: Erik Beith, Craig Bomberger, Jonathan Campbell, Rita Cookmeyer, Alex Espinoza, Jill Goldberger, Daniel Habif, Amanda Hilfiger, Bill Huber, Shabnam Javid, Eliot Maenner, William McFarland, Giulia McHenry, Gary Michaels, Linda Sanderson, Michelle Schaefer, Debbie Smith, Martha Stancill, Sue Sterner, and Margy Wiener; from the Wireless Telecommunications Bureau: Cheryl Black, Steve Buenzow, Melvin Del Rosario, Diane Dupert, Erin Fitzgerald, Tim Hilfiger, Jessica Hynosky, Madelaine Maior, Chris Miller, Susan Mort, Matthew Pearl, John Schauble, Catherine Schroeder, Blaise Scinto, Dana Shaffer, Nadja Sodos Wallace, Dorothy Stifflemire, Don Stockdale, and Nancy Zaczek; from the Office of General Counsel: David Horowitz, Keith McCrickard, and Bill Richardson; and from the Office of Managing Director: Laura Dean.