

**Prepared Remarks of FCC Commissioner Mignon L. Clyburn
Rural Wireless Association Summit
2015 Super Mobility Week
Las Vegas, Nevada
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Good afternoon everyone. Allow me to thank Tanya Sullivan [or Carrie Bennet], for that gracious introduction, and the Rural Wireless Association, for inviting me to take part in this year's Summit. It is always great to see Carrie, and if you would, please join me in congratulating Bennet & Bennet. 2015 marks her firm's 20th Anniversary.

To say that the wireless industry has evolved a great deal over the past 20 years, is an understatement. In a relatively short period of time, we have seen it move from being a luxury service, to a must-have service. There is a generation out there, that has only talked, texted, emailed, tweeted, shared pictures, watched videos, listened to music, tracked news, secured directions or monitored their vital signs only from wireless devices and there is no sign of things slowing down nor do most of us want it to.

We are encouraging innovation and the amazing improvements it brings to our lives.

But even as technology evolves to spur new business models, I believe that those four core principles of our nation's communications policy remain in style: competition, public safety, consumer protection, and universal service.

Competition. Consumers benefit the most when markets are robustly competitive, because that most often leads to lower prices, and better quality products and service. In order to promote competition in the wireless market, the most important thing the FCC can do, is enable investment and innovation in the deployment of commercial networks. In the past year, the Commission has done so by allocating spectrum for auctions. In 2014, we held the H Block and AWS-3 auctions that together, made 60 megahertz of paired spectrum available. Now, we are on course to hold the incentive auction in 2016.

But what makes me the most proud about the AWS-3 and incentive auctions, is that we adopted rules to spur great participation from smaller carriers. Prior to this, the Commission often used large license or Economic Areas. There are 176 of them in this great nation. But for the AWS-3 auction, we included one block with 734 smaller Cellular Market Areas, which also offered 5-by-5 megahertz licenses.

For the incentive auction, the rules we adopted call for 416 Partial Economic Areas and 5-by-5 licenses.

I endorsed this, because it is important that our wireless auctions attract carriers, who may have a smaller service footprint and less capital, than nationwide providers, but have a strong desire to acquire more spectrum, so they can better serve their markets. This approach not only promotes competition in local markets, it has the added benefit of ensuring that the auction promotes the

most efficient allocation of spectrum, to the highest and best use. This is particularly important, in the case of the incentive auction, since we must attract broadcast TV stations to participate in the reverse auction. We can best promote these goals, by auctioning smaller block sizes of spectrum in smaller geographic area licenses. So I am glad that RWA and other industry stakeholders worked hard, to develop a consensus, so we could shift from the larger Economic Areas to smaller Partial Economic Areas for the incentive auction.

Another way the FCC is promoting robust competition and service to local areas in this upcoming auction, is by reforming our competitive bidding rules.

When Congress amended the Communications Act in the 1990s to give the Commission the authority to conduct spectrum auctions, it specifically mandated that we design them to “promot[e] economic opportunity and competition,” “ensur[e] that new and innovative technologies are readily accessible to the American people,” “avoid[] excessive concentration of licenses[,] and disseminate licenses among a wide variety of applicants, including small businesses,” and deter unjust enrichment.

In order to implement these mandates, the Commission has attempted to promote small business participation in the wireless industry, primarily by awarding auction bidding credits through its Designated Entity (DE) program. The challenge has been to find the proper balance between allowing small businesses to acquire spectrum through DE credits on the one hand, and preventing parties from circumventing the purpose of those rules and being unjustly enriched on the other. Between 2004 and 2006, our policy changes shifted this balance, and it impacted small business participation tremendously... and not for the better.

A number of parties told us, that the Attributable Material Relationship Rule, the Former Defaulter Rule and other rules, were actually having an adverse effect on small businesses, right at a time when these entities are facing increased challenges to compete effectively in the commercial wireless industry and serve their target markets. That is why, since 2010, I have been calling on the Commission to consider creative and legally sustainable approaches to promote greater participation by small businesses, in the communications industry.

So I am glad that we amended the Former Defaulter Rule, the Attributable Material Relationship rule and the policy that DEs must use the licenses they win with DE credits to provide facilities-based retail service. I commend RWA and other members of the industry, who worked with the Commission, so we could adopt a rural bidding credit for non-DEs with 250,000 or fewer subscribers. When we issued our Notice for the proceeding, I was pleased that we sought comment on bidding credits, to deploy facilities to persistent poverty counties. According to the United States Department of Agriculture, a county is persistently poor, if 20 percent or more of its population has been living in poverty, over the last 30 years or more. Currently, there are approximately 353 such counties in this country.

Although the record did not provide sufficient comment on how we should design this specific bidding credit, the rural bidding credit you helped us adopt, covers 90 percent of these counties. The wireless industry often talks about how deployment of their networks creates jobs

and spurs economic growth. I hope this credit, will create incentives to deploy more networks, in these communities.

But in order to meet our ever growing communications needs, carriers need more than spectrum. They must deploy this spectrum, over a hardened, robust mobile infrastructure, which includes antennas and base stations. Too often, the process of obtaining the necessary approvals from federal, state and local governments, can be both expensive and time-consuming. Last October, we adopted an Order to address these shortcomings, by bringing about more efficiency to the process of approving wireless facilities. Since 1974, the FCC's environmental and historical review procedures, have excluded collocations of antennas from most of the requirements, recognizing the benefits of using existing structures over constructing new ones. We expanded that exclusion to include: equipment associated with the antennas (such as wires, cables, and backup-power equipment), utility poles, and electric transmission towers, that meet certain conditions.

We also adopted a shorter 60-day period of review, before a collocation application can be deemed granted. When I was a state commissioner in South Carolina, I saw how difficult it was for some low income communities, to adapt to one size fits all legislation. So this proposal concerned me.

At the end of the day, I was able to support this time frame, primarily because CTIA and PCIA agreed to make a number of commitments, that could help resource constrained municipalities, transition to the new rules we adopted. They provided best practices, used by other jurisdictions, that are able to review and approve applications in fewer than 60 days. They assisted in drafting a model ordinance, and created a checklist local officials can use, to help streamline review processes.

Public Safety. I also want to thank RWA and smaller wireless carriers, for your advocacy in the public safety proceeding, to promote wireless location accuracy. Given the current rate at which Americans are adopting mobile services, improving response times for 9-1-1 calls from cellphones, should be a top national priority. The number of wireless only American households, has grown from roughly 16 percent in 2007, to 44 percent today.

And for those living below the poverty line, that number is a whopping 59.1 percent. An increase in the number of people, who rely solely on cellphones, means an increase in wireless calls, to 911 from indoors.

In order to improve the accuracy of wireless 9-1-1 location information, I believe all relevant stakeholders must do their part. But we must also remain mindful, of the challenges faced by small wireless carriers. Handset change-out rates, will impact small providers' ability, to meet certain benchmarks, therefore, they should be given more time to meet requirements. So non-nationwide providers are given additional time, two more years, to achieve vertical benchmarks. This is the requirement most likely, to require handset change-outs.

Consumer Protection. In the area of consumer protection, perhaps the most significant thing we undertook this year, was to adopt the Open Internet Order. An Open Internet has

become an indispensable platform for free expression and economic growth. The key to the Internet's success, has been its open design, which allows innovation and ideas to come from anyone, anywhere. Nobody needs permission when it comes to access.

My position on this issue has been no secret. In 2010, when the Commission adopted its first Open Internet Order, I made clear that I would have applied the fixed rules to mobile services. In my opinion, the evolution of the fixed and mobile broadband industries since 2010, only reaffirmed my commitment to this principle. We know that many Americans, and particularly low-income consumers, rely heavily on their mobile devices, and according to a recent study, for approximately 10% of all Americans, their mobile phone is their only access to the Internet. Users of mobile devices, should not be relegated to a second-class Internet. They need and deserve a robust experience, on par with their wired peers. That is why I cast my vote to approve the strongest Open Internet protections ever proposed by the FCC.

Universal Service. For most of us in this room, going without our smartphone, tablet or access to the Internet, for any length of time, is difficult. What we might take for granted, however, is that this engagement is one in which millions of Americans do without every single day – denying them the advantages and opportunities, access to broadband provides: getting a better education, utilizing advanced, remote, healthcare monitoring, finding the best job, working from home, maintaining connections with loved ones, and participating in civic engagement.

That is why I strongly supported the creation, of the first universal service fund dedicated to mobility, to ensure that consumers in all regions of this nation, have access to mobile broadband services, reasonably comparable to what we have in urban areas. I am pleased that Mobility Fund Phase I and Tribal Mobility Fund Phase I, have or are in the process of connecting tens of thousands of previously unserved areas and populations with mobile service.

In June 2014, the Commission adopted a Further Notice that proposed to retarget the Mobility Fund Phase II, in light of marketplace developments. But we also proposed to retain a dedicated Mobility Fund, focused on preserving service that exists today, due to support from the universal service fund and extending service to areas unserved by 4G LTE.

What I am not pleased about, however, is the lack of movement on adopting a permanent Mobility Fund. Four years after a bipartisan Commission decided to have a dedicated Mobility Fund, it has yet to come to fruition. Instead, the funding for competitive ETCs is frozen at 60% of the 2011 support, with no guarantee any of the support is going to extend broadband, or that the support is necessary to maintain service.

I believe it is time for the Commission to act. We need to create a dedicated mobility fund, and ensure that all areas of our nation, have service. It is time to ensure that funding directly to mobile providers, extracts the most value for each dollar of universal service spent, and it is time for consumers in unserved areas, to have service that most of us take for granted.

Thank you once again, for allowing me to spend time with your membership. Have a wonderful summit!