STATEMENT OF
CHAIRMAN TOM WHEELER

Re: Broadcast Incentive Auction Scheduled to Begin on March 29, 2016; Procedures for Competitive
Bidding in Auction 1000, Including Initial Clearing Target Determination, Qualifying to Bid, and
Bidding in Auctions 1001 (Reverse) and 1002 (Forward), AU Docket No. 14-252, GN Docket
No. 12-268, WT Docket No. 12-269.

In the early 1990s, leaders at the FCC, Congress and the Clinton Administration had a big idea: rather
than license spectrum – a scarce, valuable resource – through competitive hearings and lotteries, market
forces should drive spectrum to its most valuable uses. This big idea led to the world’s first
competitive spectrum auctions – a breakthrough policy innovation that has raised tens of billions in
revenue for the U.S. Treasury and enabled hundreds of billions of dollars in private investment and
economic activity.

Since 1994, the FCC has conducted more than 80 spectrum auctions, but none more complex than
the upcoming Incentive Auction. It is challenging enough trying to design an unprecedented two-sided
auction with more moving parts than a Swiss watch. But the Commission must also balance a range of
goals that Congress established, goals that are sometimes competing. These objectives include helping
wireless carriers acquire licensed spectrum to meet growing consumer demand; making sure broadcasters
are fairly compensated for the spectrum they relinquish; recovering a portion of the value of this spectrum
for the public; preserving test beds for mobile innovation by maintaining spectrum for unlicensed use; and
promoting competition by providing competitive wireless carriers and new entrants a realistic opportunity
to acquire valuable low-band spectrum.

Adding to the complexity is that almost all of these goals and design elements are interrelated and
interdependent. If you change one piece here, that impacts another piece there, so the balancing and give-
and-take required is constant and immense.

For nearly two years, all the interested parties have been jockeying for auction rules that benefit
their position. Aside from a universal acknowledgment of the complexity of this challenge, the biggest
area of agreement among all stakeholders was the call for simplicity. The final rules must be as simple as
possible.

Now is the time to end the back-and-forth, make some hard decisions, and finalize our auction
rules.

The Public Notice establishes final rules for the auction that balance our statutory obligations,
heeds commenters’ calls for simplicity and transparency in the flow of the auction, and keep us on track
to hold the auction in the first quarter of 2016. Most importantly, the rules would serve the public’s
interest in an effective, efficient, and timely auction.

Our goal remains to clear the highest possible amount of spectrum for broadband consistent with
broadcasters’ voluntary decisions to relinquish some or all of their spectrum usage rights.

We eliminated from an earlier proposal bidding procedures that many commenters believed were
burdensome and could limit broadcaster participation in favor of a formula for opening bid prices that
creates value for both broadcasters and American taxpayers. Our action today also ensures that
competitive wireless carriers and new entrants have a clear shot at adding sufficient low-band spectrum to
their portfolios so that they can compete more effectively in both rural and urban areas.
This Public Notice reflects an incredible amount of modeling and the careful consideration and analysis of all parties’ comments and concerns in a robust public record. Today’s package of rules is designed to best serve the broad public interest – and that’s the true test of good public policy.

Hard choices on difficult questions mean that no stakeholder will get exactly what it wants. Taken as a whole, however, today we strike a fair balance that serves the greater public interest. The net result is that we are one step closer to making history next year with the world’s first Incentive Auction. Like the initial spectrum auction more than two decades ago, this big idea will be a big win for the American people, unleashing new waves of innovation, economic growth and consumer choice.