

**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.