

STATEMENT OF FCC COMMISSIONER MICHAEL COPPS
SPECTRUM POLICY TASK FORCE PUBLIC HEARING
AUGUST 1, 2002

Thank you, Lauren,
and good morning to everybody. I very much appreciate the opportunity to be here. I want to thank all of the participants in today's session, and all four sessions, for taking the time to assist the Commission in really one of its top priority items. And I'd especially like to thank the people who traveled long distances to be here today. I've recently traveled some long distances myself, and today is the first day back in the office. We just got back from Alaska and from the NARUC meetings in Portland, and I had a chance to glance at my desk this morning, and I'm afraid I'm not going to be able to stay here all morning, but I do want to hear a part of the session. And you can be assured that we will be following up on the record of this very, very closely. I'd like to thank Paul Kolodzy and Lauren Van Wazer, and the whole Commission team for their very hard work on this task force, and on all of these ongoing issues.

This task force will really be successful to the extent of its ability to tap the best and the brightest thinkers from across the land, and it obviously has been successful in doing that, obtaining ideas from academe, from public interest groups, businesses, government, and interested individuals, wherever they may be found. We need all the help we can get on how best the Commission can perform its spectrum management and spectrum allocation responsibilities amidst all the technological changes, and convergences, and demands that are out there. These are new times, and we need new thinking.

I think the problems of the last months demonstrate the cracks in our system, and demonstrate that we need all the help we can get. There are insufficiencies in our auction process, and they have become quite manifest over the course of the past 12 months. They're holding us back.

There are imperfections in the marketplace and it appears that relying solely on the market to yield economically optimal results, and socially optimal results, without attention to the imperfection to the marketplace won't work. Plus, it defies, I think, all economic theory, common sense, and our statute to expect that to happen.

Our auction process is, most would agree, better than what went before it, better than freezing existing users and technologies in place, better than having the Commission choose winners and losers through beauty contests, but there have to be some fixes at a minimum.

There are some new ideas out there on spectrum use, on flexibility, and higher efficiency management. We also have the unlicensed model. I believe in the unlicensed model. It has produced results at a time when there are few bright spots in telecom. It won't work everywhere, but we should determine how we can expand its use. We should have a better idea of where it can work, and we should be working on finding new Unlicensed Spectrum.

I also believe in the power of new technologies, especially those that address the spectrum crunch, like software-defined radio. We should ensure that our rules encourage such innovation through flexibility, and by allowing competition rather than undermining it by allowing our rules to be used as the tools of stagnation and consolidation.

I also want to point out the particular importance of coming up with a better understood standard of harmful interference. Our current obscurity on what constitutes harmful interference leaves incumbents, and new licensees, and manufacturers without the certainty they need to conduct their business resulting, obviously, in under-investment, protracted and wasteful regulatory proceedings, and time consuming litigation.

We may not be able to come up with the perfect engineering definition of harmful interference, but I think we can come up with a clearer legal standard. Even if we fail, I think just the intellectual exercise of going through a proceeding on what constitutes harmful interference will help us better understand the issues, and help our stakeholders to better understand the challenges that we face. I've been advocating this for a long time now, as some of you know, and I'm pleased that we're going to be addressing this issue at a later session.

Finally, once this task force has completed its work this fall and published its report publicly, the Commission should rapidly commence a Formal Notice of Inquiry using the insights we gain here to determine what changes to spectrum policy should be made. We must have that kind of Commission follow-through, because otherwise we will be left in muddy waters and the hard work done here would, to a large extent, be wasted.

At the same time, I like the idea of an ongoing Spectrum Task Force to keep the Commission and its bureaus focused on spectrum priorities, and to provide an easily identifiable and user-friendly access point for our stakeholders in private sector, and throughout the country, so you have a tremendously challenging agenda, but also a tremendously promising opportunity to give us a really badly needed helping hand here at the Commission. There is no higher priority, as I said at the outset, than trying to get a handle on spectrum management, spectrum allocation.

The last year has shown that we have a long, long way to go so I, for one, and I know I speak for all of my colleagues and the chairman in saying that we are delighted that you have taken the time to be with us to share your expertise with us, to give us the benefit of your good judgment. So thank you very much, and I will not delay the proceedings further, and will allow you to get to

work, but I thank you for the opportunity to
welcome you here.