

**Remarks of
John Muleta
Chief - Wireless Telecommunications Bureau
Federal Communications Commission
Land Mobile Communications Council Luncheon
April 3, 2003**

Good afternoon. I want to thank the Land Mobile Communications Council (“LMCC” or “Council”) for inviting me to speak at today’s luncheon. I welcome this opportunity and I look forward to working with the Council and its membership in addressing spectrum management issues that affect public safety and private land mobile radio communications. I want to recognize Cathy Seidel, our new Deputy Bureau Chief, D’wana Terry, Chief of our Public Safety and Private Wireless Division, and Shellie Blakeney, one of my legal advisors, who are attending this luncheon with me. There are also numerous other Commission employees including Tom Stanley, Kathy Harris and Kathleen Ham O’Brien that are in attendance and are very well-versed with the LMCC and its issues.

In my new position, I am excited about the future of wireless communications and the Bureau’s role in having this medium reach its full potential. In panel discussions, interviews and exchanges with various industry representatives, I have outlined three macro goals for the Bureau. These goals are: 1) increasing the consumer good in ways that would result in tangible public benefits such as lower prices, more services, and greater end user functionality; 2) providing greater emphasis on public safety and homeland security interoperability issues where wireless communications plays a crucial role; and 3) fostering US global competitiveness by finding ways to encourage greater US research and development investment in wireless services. As Bureau Chief, one of my key challenges will be to identify and implement regulatory infrastructure that supports these goals going forward.

In understanding this challenge, it is important to note that the Commission, under the leadership of Chairman Powell, initiated a broad ranging examination of spectrum policy in the U.S. The Spectrum Policy Task Force, an interdisciplinary team of senior Commission staff attorneys, engineers and policy

makers, has been evaluating existing spectrum policies and identifying areas where we could improve the regulatory process in order to match the evolving state of radio technology. The Commission released the Task Force Report late last year and the comment cycle ended in February. A few of the general principles discussed in the Report are familiar concepts in the private land mobile radio context, such as: 1) spectrum efficiency; 2) transitioning to more flexible approaches in the service and licensing rules; 3) fostering operational flexibility; and 4) considering incentive based mechanisms such as user fees or other similar steps to stimulate improvements in efficiency. Overall, the Task Force's report identifies the regulatory challenges to involve providing quicker access to spectrum and fostering flexible use of spectrum. It is clear to me, based on my experience in the private sector, that greater access to and flexible use of spectrum will support entrepreneurial pursuits that will lead to the development of multi-faceted applications that will benefit the end-users. The Bureau has been very active in the Task Force initiative and we will continue to identify and explore specific opportunities to integrate the concepts discussed in the Report into our day-to-day regulatory responsibilities.

Moving on to our day-to-day regulatory responsibilities at the Bureau, we are working to think innovative regulatory policies, rules, and licensing concepts in order to provide for greater spectrum access and flexibility. The Bureau has and will continue to make strides in these areas. Today, I would like to discuss these issues in more detail especially as they relate to the private radio community.

I recognize that private radio communications is crucial to the support of commerce and thus, our national economy. These services serve as the backbone of many important businesses underpinning the US economy such as the telecommunications, broadcast, and public safety industries. In addition, the private radio industry also supports many other critical infrastructure industries such as railroads, utilities, pipelines, transit systems, financial institutions, airports/airlines, and maritime operators. Understandably, these business communities require a relatively predictable private radio industry so that their operations run smoothly. We therefore believe that providing adequate spectrum reserves is a critical role that the FCC can play in supporting the private radio industry and its constituents. However, as we all know, spectrum is a

limited commodity and because of this constraint, we must balance the need to reserve spectrum for future use with the countervailing consideration of its efficient use.

To address the other area of emphasis for the Bureau, flexible use of spectrum is really our way of describing innovations in efficient spectrum use. In my view, the move to flexible use of spectrum is a joint responsibility of the Bureau and the general wireless community. In our case, we must put in place innovative rules and policies to promote flexible use of spectrum. On the other side, the public safety and private wireless communities must direct their R&D and marketing efforts at developing innovative applications for spectrum that will demand flexible use of spectrum. The Wireless Bureau has always been and will continue to be committed to this integral relationship. We must work together and continue to strive to be the innovators that we have proven to be in the past by creating and employing mechanisms that ease congestion and promote efficient spectrum use.

In this context, I want to note the recent adoption of a Report and Order based on a plan created and submitted by the LMCC in the late 1990s supporting low power operations in the 450-470 MHz band. Low power communications are generally more efficient in that they permit the reuse of frequencies. This item offers current users in the 450-470 MHz band more reliable low power operations and additional options with respect to power levels thereby helping to ease congestion in the band. I would like to thank the LMCC for its input and effort in moving this forward.

The Bureau's innovative approach to regulation was demonstrated when it provided for the mandatory migration to narrowband operations and technologies in the Balanced Budget Act proceeding. These actions will also relieve some of the congestion in the bands and permit other new uses and will promote greater efficiency in the use of spectrum by public safety and private land mobile users.

Upcoming rulemakings, such as the 800 MHz proceeding, 4.9 GHz proceeding and the 70/80/90 GHz proceeding, will once again, present the Bureau and industry with the opportunity to embrace innovative proposals in an effort to enhance wireless communications. The industry plan addressing the interference problems in the 800 MHz band is a testimony of innovation. Interference in the 800 MHz

band is a very complex problem and the industry has taken action, submitting several different comprehensive plans that strive to alleviate some of the current problems experienced in the band. I have already met with some of you in the audience about this proceeding and I look forward to working closely with industry representatives as the Bureau examines this issue and constructs the appropriate regulatory solution. The 4.9 GHz and 70/80/90 GHz proceedings also present exciting opportunities for opening up spectrum for new applications. These proceedings will allow us to provide the flexibility in the service and licensing rules that will enable new ways of using spectrum in these higher bands.

We are also continuously looking at ways to increase access to spectrum that is already out there. One initiative that facilitates this is the Bureau's spectrum audit. One ongoing example is the Bureau's current audit of spectrum below 512 MHz. This project has resulted in the recovery of over 33,000 call signs of which more than 5000 are public safety. The spectrum audit helps identify spectrum that appears to be in use when it actually is not. We can now recover this "lost" spectrum and put it in play for future reassignment. The current spectrum audit has been ongoing for about a year and I want to applaud the LMCC for its support throughout the process.

In addition, I expect that we will keep pushing the concept of band managers as a way of facilitating access to spectrum. The band manager concept permits prospective users to either participate as a band manager or get spectrum from one. I should also mention our auctions program and various new regulations for secondary markets in spectrum that foster the use of voluntary transactions between current licensees and potential licensees as a way of addressing the need for greater access to spectrum.

Notwithstanding all of these various ways of achieving access and flexible use, the Bureau continues to recognize that we have to be mindful of public safety and homeland security and the role spectrum plays in these areas. We believe that reliable wireless communications are essential to protecting our nation against adversarial attacks and play a central role in securing our response mechanisms during times of crises. Enhancing interoperability and other communications for first responders are instrumental in this regard. I look forward to working with the public safety community as we explore the roadblocks to

effective public safety communications and develop workable solutions. In addition to increased access to spectrum, - funding, planning, coordination and training are instrumental in realizing the best possible results in this arena.

Finally, I would like to address the importance of customer service to the Bureau and its mission. As many of you know, the Bureau has an excellent system in place supporting our administration of spectrum. The three components are: 1) the Universal Licensing System (“ULS”) which has automated numerous licensing tasks and streamlined routine filings; 2) our website; and 3) our staff. The ULS is constantly being refined to handle the dynamic nature of the wireless industry and we are committed to using it to make sure that backlogs continue to be at minimal levels. Similarly, we are also constantly refining both the Bureau’s and the Commission’s websites in order to make sure that our customers can easily navigate through the system and have easy access to critical information. Finally, as Bureau Chief, I am committed to making sure that our staff receives the highest level of support in order to help them respond to the needs of our diverse group of constituents. I want to note that we can help you and the industry if you provide us with filings and other communications that are “information rich and not just advocacy rich.” Only when the staff has access to all of the relevant technical, legal, and economic information can we respond quickly to meet the needs of the spectrum marketplace.

I want to again thank you for inviting me to be with you today and I look forward to working with each of you. I am happy to take questions from the audience now and I have some time after lunch to address your individual comments or questions in person.