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CONFERENCE**

**"Internet Providers and Platforms:
Getting Law and Policy Right"**

**March 26, 2019
National Press Club
Washington, DC**

"Conversation with FCC Commissioner Michael O'Rielly and Tom Tauke"

MODERATOR:

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PARTICIPANT:

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* This transcript has been edited for purposes of correcting obvious syntax, grammar, and punctuation errors, and eliminating redundancy in order to make it more easily readable. None of the meaning was changed in doing so.

P R O C E E D I N G S

MR. TAUKE: Well, thank you very much, Randy. It is a real pleasure for me to serve on the Board of the Free State Foundation because of the great work that Randy and the team do. And it is a great pleasure to have Commissioner O'Rielly here today. Welcome and thank you for joining us.

COMMISSIONER O'RIELLY: Absolutely. Thank you so much for having me.

MR. TAUKE: I think all of you know about the Commissioner and the details of his resume are in the program. But I think it is important to note that he is an outstanding individual for two important reasons. The first is that his first boss in the Senate was an Iowan, Senator Jon Kyl. Now, some of you may know I'm from Iowa. And although Senator Kyl represented Arizona, his father was a congressman from Iowa and Senator Kyl was born in Iowa, so we claim him.

The second reason that he is such a great commissioner is because he served on the House Energy and Commerce Committee staff. So although he worked in the Senate, he's really a man of the House and that makes him

grounded, and so that's why he's doing such a great job at the commission.

So, Commissioner, there used to be bipartisan consensus in the telecommunications policy arena that the more competition there was in the communications industry, the less regulation was needed. I don't think there is a bipartisan consensus on that anymore but I wonder if you think it is a relevant principle and if it's one you adhere to?

COMMISSIONER O'RIELLY: Well, bipartisanship? Boy, you don't hear that that often these days.

I think generally, yes. Generally, competition solves a lot of ills and brings enormous benefits to consumers and makes my job less relevant. Not all markets are there fully to what people would like but it is an important principle, it solves a lot of issues. And the more competition the better, in my mind.

MR. TAUKE: So if that's the case, what is your view of the state of competition in the industry today? Let's start with the broadband industry.

COMMISSIONER O'RIELLY: I don't think you can just throw it out there and say this industry versus that. It depends on the circumstances on how you're defining

everything. You know, for instance, on broadband. You know, if people define broadband to be "I have to have fiber to my home no matter where I live," then competition for that is probably lacking in a lot of places. In others, there is competition, you have multiple players.

If you're asking about broadband in a broader sense and you're willing to concede, as I have, that mobile broadband certainly, or at least fixed wireless broadband is a competitor, then you can find a very competitive marketplace and a very dynamic marketplace. So to me, it's all about the definitions of how broadly the market is defined.

MR. TAUKE: So when you look at it from a consumer perspective, would you expect that or do you perceive today that, let's say, wireless broadband is competitive to wireline? And as we move to 5G, will that change?

COMMISSIONER O'RIELLY: I do believe that for many consumers, and I've said this. I don't think everyone but I do think many consumers believe that their mobile broadband experience is one that they not only use but, in many instances, favor over their wireline scenario. Yes, it doesn't meet all the same speed and latency capabilities as a wireline network. But it does meet the one thing that

they really like, which is mobility. And so they will trade some of those. I think back over the days on dial tone for basic telephone service. You had much better service on the wireline telephone network that was attached or basically stuck on the side of your kitchen wall or in your den than you do off your mobile device.

But if you look at the experience from consumers and what they're willing to trade off, they traded the quality of service on a mobile device for that mobility and the benefits that can come from it. So I believe the two are competitors, I believe they are substitutes and I've said as much. Not in all circumstances. But in many they are, and they should be recognized as such.

MR. TAUKE: So given that, what's your sense of the need for really significant reform of our policies in the various telecommunications industries? Let's start with the cable industry.

COMMISSIONER O'RIELLY: Oh, I talked about this not too long ago and said I believe that we have to define the marketplace, and that's how I started this conversation. How you define the marketplace is so important. In the video space, it's not just cable or broadcast or satellite offering video services. It's

everyone fighting for the same marketplace. And you have to add in many of the new high-tech companies. The FAANGs [Facebook, Amazon, Apple, Netflix, Google] are fighting for those. It's who wants the eyeballs or the ears and the advertising dollars and everyone is fighting for that same space. And we have to treat that and recognize that.

And the silos that we have lived with so long no longer apply, in my opinion. And we, as regulators, need to respect that. And we also have to take that message to the legislature and let them know that things need to change. And I have. I have talked openly about that, how Title VI no longer makes any sense, in my mind. And that would be where I would start if I were doing a rewrite of the Communications Act.

MR. TAUKE: So it sounds like you are saying that some of what was discussed in the last panel in a little different context, that the differentiation among services and among platforms and among different technologies, it's all kind of breaking down?

COMMISSIONER O'RIELLY: It's all going away, and to the benefit of consumers. There are different flavors and there are different things. You can get different features and functions, depending on the technology. But

in terms of what experience, they don't really care if it's a wireline, satellite, fixed. They're willing to have the technology, not to find their experience. They want the experience for whatever they want and they really want it to be when they want it and as much as they want.

MR. TAUKE: Yet you're working under a statute which differentiates among all these things.

COMMISSIONER O'RIELLY: Very much so. And we live with a structure, the different bureaus, that does the same. And I have argued we need to change that.

So I fully believe the statute needs to be rewritten and our structure internally at the Commission needs to change to modernize with the current times.

MR. TAUKE: Okay, changing topics a little bit, just generally, what are your priorities for the next year or two at the Commission?

COMMISSIONER O'RIELLY: Well, I don't know the life of a commissioner. For the next couple years, assuming that I'm there doing good work, top of my priorities are going to be getting as much spectrum in the marketplace as I possibly can. I have been an active voice on a number of different things, including CBRS, the 3.5 to 3.7. I hope to make that operational as soon as possible.

The General Authorized Access or the unlicensed piece, I'd like to see by June, I think I've talked about that. And then the licenses, the Priority Access Licenses, I'd like to see those auctioned as soon as possible. It looks like it is going to be early next year. But I'd like to believe that we could sneak it in, but we'll have to see. I've been active on the 3.7 to 4.2 gigahertz auction. I made a number of deals to add a millimeter wave auction spectrum with Tom Wheeler, and we have made a full plate there. And it's going to be C-band. I've been talking about C-band for quite a while.

And I think people look at me and they say, "Oh, you've been pushing a particular side." And I say, "Well, I haven't endorsed anything." But I've advocated for speed on C-band, you know, C-band conversation. But I think that I've done the heavy lifting, right? Which is, I've spent two years convincing everyone that C-band was the right place to be for a 5G mid-band play and now everyone pretty much agrees. The debate is not: Should the C-band be reallocated? It's really: What are the parameters of that reallocation? How much spectrum? How fast? What's the mechanism?

And so, from my perspective, I feel like I've won.

It took me two years to get to here. But I've done the heavy lifting and now we've got the last couple of components to solve.

MR. TAUKE: Well, congratulations on the victory.

(Laughter.)

COMMISSIONER O'RIELLY: I have to be careful, you don't want to be Central Florida and celebrate a victory that doesn't quite happen.

(Laughter.)

MR. TAUKE: Duke was very, very lucky.

They're good, too. Rob, they're good, too.

The C-Band Alliance has been pushing for 200 megahertz for 5G and do you think that's enough?

COMMISSIONER O'RIELLY: Many, many months ago, I outlined four points that I think are important that would be my measurement of whether success at the end stage was appropriate. I've said it's between 200 and 300. I would certainly like it to be 400 or 500. Five hundred seems a heavy, heavy lift. There are incumbents in the band that need to be taken care of. And I don't know that in the time frame we are going to get the full 500. I think there's a real possibility between 200 and 300 can be made available in a short time frame.

And that's why I've said nice things about the CBA proposal because it has a speed component that is really important. It's not just about getting it to market and getting it into use. It's also we're competing globally. And this is spectrum that matches up nicely with other bands that are being used. And that means equipment harmonization, it means spectrum harmonization. There are efficiencies from having done so and doing so. So that's why I think it's the key mid-band play and that's why I've said nice things about it.

But we have some particulars to decide. And how much spectrum is one of those as well.

MR. TAUKE: Yes, so from your perspective, is it fair to say that it's a little bit of a "how much" versus "how quickly"?

COMMISSIONER O'RIELLY: Well, it's kind of a "how" versus a "how quickly." Right now, the mechanism is just as important for people as is the how much and the other components.

MR. TAUKE: But it would take longer to do 400, let's say, than 250?

COMMISSIONER O'RIELLY: Yes. But it also depends on whether it's going to be the C-Band Alliance proposal

versus a full-blown incentive auction at the FCC, which will take much longer. There are tradeoffs to making those public policy decisions and we have to think through those.

MR. TAUKE: So one of the assertions that has been made is that, with some of the C-band proposals, some foreign entities who own some of that spectrum could be enriched, and that this would be a problem. Do you see this as a problem?

COMMISSIONER O'RIELLY: We think it is a prime location for 5G services, so whoever was there, whether they be a home-grown American company or, in this case, a satellite company that happens to be a foreign company. I remember these satellite companies when they were intergovernmental communications organizations, the old International Telecommunications Satellite Organization situation. So the fact that they've turned into this scenario and now people are like, "Oh, look, it's a foreign company." In the '90s, I was working to privatize them. We privatized them, and now we're mad that they're located in a different place and we want to penalize them. It's interesting to see 20 years or 25 years of policies do a full circle.

MR. TAUKE: It happens.

COMMISSIONER O'RIELLY: It does happen, certainly in the communications space.

MR. TAUKE: That is true.

COMMISSIONER O'RIELLY: It is still funny, though.

MR. TAUKE: So in the mid-band, just one more question on spectrum. In the mid-band, what's your perspective on licensed versus unlicensed?

COMMISSIONER O'RIELLY: So in the mid-band, if we're talking about the C-band downlink, the 3.7 to 4.2 gigahertz band, I think that's going to be licensed. And I think where the place to have a license, and I am a huge proponent to have a license, is going to be what we're able to do at 6 gigahertz. I don't believe you can do one without the other. Therefore, I think they go hand in glove. And that's where I have been able to work with the Chairman and he was gracious enough to move forward on a 6 gigahertz unlicensed plan. There are definitely some issues to work through there but I think they can be worked through, and that's where I think you get both in this scenario. It's having both as a package. Whether they move at the same date or not is for the Chairman to decide, beside me.

MR. TAUKE: Okay, let's adjourn for a moment to

5G. A general question. If you read the popular media these days, there is a lot of discussion about whether the U.S. or China will have the lead, who is in the lead now and who will be the dominant player in 5G. Do you have any perspective on this?

COMMISSIONER O'RIELLY: Well, I'm not an expert on where China is at the exact moment. A number of studies have been put forward to say the U.S. is ahead, the U.S. is behind.

I do know we're in a global race to 5G with a number of countries, China being one of them. It does so happen that that country has unlimited resources because they have a government system that takes all their money from consumers and all its people and puts it towards whatever the government determines to spend it on. And here, they have determined that cornering the market on 5G services going forward is both in their economic interests and also their national security interests.

I have said the same thing about the United States. Having a strong 5G play is important for both the economic and national security of the United States. And so I think there is a global race. I think all of my fellow colleagues have agreed with that. There is a global

race to 5G and I intend to make sure that there aren't barriers to U.S. providers offering 5G services to the American people through a private communications system versus a government system.

MR. TAUKE: So last fall, I guess it was, the FCC adopted the Infrastructure Order relating to 5G. It has received generally good marks for that order. But if you listen to the discussions today, you certainly get the impression that more should be done. Do you think the FCC did enough?

COMMISSIONER O'RIELLY: Well, Commissioner Carr has taken the lead on some of these things. I have pushed as hard as possible. I think more needs to be done.

We need to do more on macro towers. We've got a couple of things. We've got twilight towers that have been sitting out there for way too long. These are towers where the question was ambiguous from the FCC. It was unclear to providers whether they could set up towers in certain locations and where the process was for getting them approved and now they're stuck in no man's land and they can't have anyone co-locate. That would be an enormous benefit. I think at the last count, there were like 4,000 of these towers. So this is something that has been

important to me. There is more work that needs to be done in this space, and I think the Commission is up to the task to address the barriers to offering 5G services.

MR. TAUKE: Is that something we could expect in the near term, in your view?

COMMISSIONER O'RIELLY: Well, it all depends on what you define as near term.

MR. TAUKE: Let's say 2019.

COMMISSIONER O'RIELLY: I like to believe there will be new items this year, absolutely. I believe that we should move new items this year to deal with a number of different fronts in the wireless space. You know, definitional. A number of things I have talked about with providers in the space that would make it easier to offer services and meet consumer demand.

MR. TAUKE: So as a market-oriented, Republican-oriented guy, do you feel squeamish about preempting the state and local entities on this issue?

COMMISSIONER O'RIELLY: Absolutely not. I have given multiple speeches on this. I believe that the Internet is something that does not respect political boundaries. It is something that, by its very nature, is interstate. It's actually global. And you can't stop it

because someone decided in 1800 or 1700 that this river was the reason why this state ended or that boundary is designed because of that tree that went there. The wireless spectrum does not respect those boundaries. It is interstate in terms of the other parts of the components.

So I am fully comfortable defending my position and respecting state rights on so many different fronts. But here, where I believe that the Internet and the basis for future communications is interstate in nature, I am fully willing to preempt those bad actors and state and local governments that believe that they're going to step in and regulate interstate service.

MR. TAUKE: So another issue related to 5G that's been getting a lot of attention lately relates to Huawei and, to a lesser extent, ZTE. From a practical standpoint, it seems like Ericsson and Nokia are the only other real players in this marketplace. If Huawei and ZTE are, in a sense, blocked in the U.S. and among our allies, or among the allied nations of the U.S., do Ericsson and Nokia have sufficient capacity to meet the deployment needs of the U.S. and our allied countries?

COMMISSIONER O'RIELLY: And this is not critical of your question, but there are a bunch of assumptions in

the first part that aren't reflective of my job.

MR. TAUKE: Okay. I know it's not really your job.

COMMISSIONER O'RIELLY: There will be some people who make some decisions on whether they should be or shouldn't be allowed to serve the U.S. market or our relationships with our allies, globally. But if I take the assumption of your point, do I think that the private sector, capitalist equipment manufacturers, are capable of meeting demand? I think they can ramp up demand.

I mean, you have to put in mind that there's a reason why our U.S. manufacturing or global manufacturing has shrunk so much. It's because these two companies that we mentioned or have been referenced have eaten market share and squished their existence to now to have basically one, when there used to be a plate of U.S. manufacturers and global manufacturers. They are one of the reasons why we have so few and why capacity is at such a state.

Do I think that they can rise to meet demand? Absolutely. But I don't have the data to give you to prove my case up front.

But in my conversations with them, they believe they can ramp up as necessary. I don't know what scale

will be needed, depending on how global such a ban may apply or relations would go.

MR. TAUKE: So one last question then on this front. So the FCC is attempting to, through the Universal Service Fund, discourage those who are recipients of that money from using Huawei. Is that the extent of what the FCC can do, in your view?

COMMISSIONER O'RIELLY: We've gotten comments and people have come in and talked about those different issues and talked about what the impact would be for embedded network components.

Could there be other things that we would do? You know, there may be. You would have to trigger some pretty extraordinary provisions in the statute to probably get to more than that. That's obviously the most direct situation we have. But you probably can do some more if you're being incredibly aggressive. But I don't know that it's necessary, since it can be solved or addressed through other government agencies that may have a say in that.

I don't want to get ahead of myself. But it may not require us to answer all of those questions. But I think there are probably more tools, if it had to come to that.

MR. TAUKE: Yes, I know you aren't going to do the heavy lifting in this case.

Okay, cybersecurity. So it seems like we've been talking about cybersecurity for a long time. From just looking at it from a nonprofessional perspective, it doesn't seem as if a lot of progress has been made. The incidences of cybersecurity breaches seem to be growing all the time. Yet when we see 5G services coming aboard, at least as I look at it, as you look at all these new services from everything from health care to non-driver vehicles on the roadway, it seems as if that the danger of cybersecurity escalates as these new technologies are deployed.

So what's your perspective on where we are with cybersecurity and what can be done?

COMMISSIONER O'RIELLY: Well, in fairness, the Congress hasn't really made that our role. They've given the Homeland Security Department specific authority to look at many of these different issues. So I try and not get too far afield from what I've been asked to do here. There are a number of statutes where they've been specific on whose job it is.

But to your point, the larger point, do I think

that cybersecurity is increasing or cybersecurity events or incidents are increasing? It's twofold. One, yes, there are more incidents. And also, we're more aware of them and companies are becoming more forthright on them. They have insurance issues, they have board of director issues. So it is becoming more prevalent in terms of knowledge base. So both parts, more incidents and more knowledge.

What to do about that in the 5G world, I do think it's incredibly important. A number of things are being built into the standards themselves that we can do technologically, solutions on that side of the equation.

The second part is that consumers are not going to sign up for some of these new whiz-bang technologies without having more comfort with where the data may or may not be and how it may be abused. There's only so much I'm willing to use on my own self and my family, in terms of health care data, until I know exactly what I'm trusting. It's been a number of years and now I'm comfortable with our doctor's health care portal and we share information on that. But it wasn't something I would have done 10 years ago and maybe not five years ago. So it takes a little bit of time and also requires a comfort level and a consistency from the provider, whoever it may be, health care, car,

technology, ag, name the sector. It requires an investment and a trust factor that is something that may not be something the government can solve. It has to be the provider themselves having invested the time, the money, the energy and the knowledge base.

MR. TAUKE: One of the issues that doesn't go away is the net neutrality issue, which Randy has alluded to several times today. And although it seems that everything has been said on the topic, I guess we will delve into it just a little bit.

It seems as if the D.C. Circuit is likely to act on the case this summer. So there are so many possible outcomes, I'm not really sure what to ask you on the topic.

But from a practical standpoint, will the outcome of the court challenge make any noticeable difference to consumers?

COMMISSIONER O'RIELLY: Not in immediate, day-to-day activity. I was watching the House markup before I came over. It was an interesting conversation. It reminded me of previous markups and previous conversations, as you reference.

I don't believe the court case will have a dramatic impact on consumers on a day-to-day basis, for the

reason that I don't think providers are interested in doing the bad activities that have been highlighted that they are supposedly going to do. They haven't done them in the past. I have gone through why the handful of examples that people always highlight as the boogiemen were not true but they still bring those back out. Every couple of years, they bring the same cases out and say, oh, don't forget Madison River, don't forget this Comcast scenario. And you're like, that didn't apply.

So you go through all of that scenario.

Notwithstanding all of that, I don't believe that the bad activities are beneficial for providers to proceed forward. And therefore, I think that the experience is only going to be changed over a longer time period.

For instance, if the court were to strike our new rules and reinstate the old rules, and there was a ban on paid prioritization, there may not be the benefits of what positive paid prioritization experiences may happen.

Providers may never build those relationships, they may never offer the features and functions from that. And therefore, consumers may lose. They may not know what they're losing, but they will lose the opportunity that goes with that.

So there are definitely consequences from this activity and consequences from the court decision, consequences from everything that we do on the space. But it's not going to be a day-to-day basis, in my opinion.

MR. TAUKE: Not something they feel immediately?

COMMISSIONER O'RIELLY: No. Depending on who they are, it's not something they are going to feel immediately. It's a longer-term game.

MR. TAUKE: So the other thing that's happening is that we're seeing action in the states. In the FCC's order, you attempted to preempt the states. Did you do that well or could more have been done or could more still be done.

COMMISSIONER O'RIELLY: Well, look, I led the charge on it. I think we did as much as we possibly could. I would have probably added a little bit more. We've got to work with my colleagues to make sure everything is copacetic to get everyone on board. But I fully believe in the principles. As I highlighted earlier in the conversation, I fully believe with preempting state and local governments. We can't have 50, we can't have 1,000 different statutes on net neutrality. It is an interstate service.

This is something that is always lost in the conversation. States will say, as they've filed in many instances, "Oh, the FCC has abdicated its responsibility and left the playing field and therefore we can jump in." We did nothing of the sort. We did not abdicate the issue over to someone else. We said we're going to have a light-touch regulatory model. We still have some role over the equation. And we have an opportunity to come back if we necessarily need to, or have a conversation with Congress in terms of asking for more authority. That is something that is our purview. We are not giving it or ceding it to a state or local government to regulate it. And all the state statutes that are in the works today, we should be aggressively punting out of existence.

MR. TAUKE: So let's move to another topic quickly, broadband deployment to all Americans. I know this is something you have been particularly interested in. What's your grade on how we're doing?

COMMISSIONER O'RIELLY: Well, all the Commission is, it's not just me. I think the Commission is fully committed to this. Chairman Pai has talked about this as one of his top priorities if not the top priority. I know he's been traveling around, talking about the benefits and

what the lack of broadband could be in just the last couple of days.

The grade or where we are as a nation, overall, is pretty positive, compared by how far we've come, how fast. But if you're judging it based on the last man or the last woman in terms of access, then we've got problems. Because if you look at our last report that's public, not the one they're working on now but the last one, just by that measurement, there are 9 million locations who do not have 10/1 today, do not have 10/1 speeds. And people would acknowledge, and I do, too, that our measuring is terrible at the Commission.

So if you are in that universe, there are parts of Iowa and other places that do not have 10/1 today. That's incredibly problematic. And those are the ones that, if you say what keeps you up at night, those are the ones. Because they're the hardest to serve. We really don't have a ton of money to try and figure out the solutions.

In many instances, you see fights over different technology. A number of people criticize me any time I use the word "satellite" as being a solution and bring it forward. But we're trying to figure out, how do we serve these people that live in really difficult-to-serve areas?

How do we bring service to you, and the government being the enticer to bring a provider there? And sometimes it's going to be satellite, sometimes it's going to be fixed wireless, sometimes it may be fiber. And we'll just have to see. We're working really hard to make that happen.

We've done some really innovative work, with Commissioner McDowell at the FCC, and things I did in my past life on the Hill, to get the reverse auction. I've been working on that for 15 years at least. I am so excited that we were able to get the CAF Phase II auction in place. And I think we'll continue to use the reverse auction going forward. And that is something that was really hard to do and now, in retrospect, looks like why didn't they do this earlier.

MR. TAUKE: Right.

COMMISSIONER O'RIELLY: So if I had to give a grade, it's incomplete. It's incomplete until everyone has service.

The argument has been like, well, if we make a decision that things are in a positive way based on how we do the latest broadband report, for instance, which is before us, then therefore somehow if we made a positive decision, we're going to stop, right? Made a positive

decision, all done, we're good, we've closed up shop. When former Commissioner Clyburn was at the Commission, she said we make a decision based on the current statute and based on the standard, and the next day I'll be right back at it, trying to figure out how do I get service to those 9 million locations that don't have it today.

MR. TAUKE: From a practical perspective, can the private sector do it?

COMMISSIONER O'RIELLY: By themselves, without the enticement, I don't think so. I think that's why the government spends almost \$5 billion in terms of investment from just the FCC. Congress has allocated new funding in both a pilot program of \$600 million, and also new money in the Farm Bill.

My job, if you've listened to me for the last many months, is to make sure these different pots of money don't fund competition in an area rather than spending the money on those areas that aren't served.

MR. TAUKE: Do you think the overbuilding is a problem?

COMMISSIONER O'RIELLY: It's a huge problem.

MR. TAUKE: And is it deterring the private sector.

COMMISSIONER O'RIELLY: A lot of these programs are just getting up and started. So I don't say that they are the problem yet. It's just our past experience. Many of us lived through the economic stimulus of the Obama administration and know that those dollars, in many instances, did go to overbuild. I also have visited where the government has invested dollars to overbuild. Arlington, Virginia, has built a middle mile network that has no customers or very few. I was in Kentucky and they have a middle mile network that has very little, when the private sector had a full-blown network that they would have been happy to offer for service for anchor institutions. Everyone wants to figure out, how do we do anchor institutions? Well, we have private sector providers that want to offer those because they see the benefit of serving those institutions. But we have people who are building special networks rather than using private providers today and that's incredibly problematic.

We only have so many dollars. I've got 10 bucks. I'm trying to figure out, how do I stretch that as far as possible to get everyone to have a basic level of service? If we're spending six of those dollars on places that already have service and saying, well, it would be better

if they had two or three or four or five competitors in that area, it sure would. And it would be great if everyone had a gig to their home or a gig to the igloo or a gig to wherever they want. That would be great. But it's not in the cards right now and it's not the dollars that we're able to spend. And we're able to stretch them only so far. So I really care about that person, that location that doesn't have service today.

MR. TAUKE: So I think I have time for one question from the audience, if there is a question.

Oh, we do have one. Yes. Yes, sir.

QUESTION: Thanks. Paul Kirby with *TR Daily*.

So, Commissioner, you have been critical on a number of occasions about the status of the 3450 to 3550 megahertz spectrum band. I asked David Redl about that earlier today.

I just wanted to see if you could elaborate what your frustrations are right now with that, with where things are or are not with that and why you have been so vocal.

COMMISSIONER O'RIELLY: Well, why I am so critical is because we were led to believe, on multiple layers, that the 3450 to 3550 megahertz spectrum band was something that

was going to be converted for commercial purposes from federal government use. It's part of a much broader spectrum band, and parts of that wouldn't be applicable and therefore would be more problematic to convert. But this is 100 megahertz that we thought and were told was going to be coming over.

And at the last couple moments, in terms of timing, the message was, oh, no, we're now going to do a feasibility study about sharing in that, notwithstanding that that was supposed to be the clean portion and the other part was going to be open for sharing.

And so I feel, and I think I've said, I used the words, "the rug being pulled from underneath my feet," because we were expecting it to come over. And when you're looking at mid-band spectrum, if you take 100 megahertz off the table, then that makes C-band even more important, and it makes CBRS even more important, and it makes the 70 megahertz that you have for PALs that much more important, and it makes the 40 megahertz cap look even more ridiculous.

When you talk to providers, they're trying to figure out how they can get big blocks of mid-band spectrum, and here's 100 megahertz that we were led to

believe was going to come across and be part of the three-pronged offering and now we're down to two as a do whatever, on a study that we'll see sometime.

MR. TAUKE: Commissioner, thank you very much for joining us. And most important, thank you for your service to the country.

COMMISSIONER O'RIELLY: Very kind. Thank you.

(Applause.)

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