

REMARKS OF MICHAEL D. KENNEDY, MOTOROLA, Inc.

Chairman Kennard, Commissioner Ness, good morning. My name is Mike Kennedy and I am Corporate Vice President and Director, Global Spectrum and Telecom Policy for Motorola. A key aspect of my job is to explore how to utilize spectrum to its utmost efficiency for the benefit of our customers and for the public they serve.

Given that framework, I want to thank you for the opportunity to present Motorola's views on spectrum management. Although I congratulate the Commission for convening this en banc hearing, I must point out that this session is long overdue. Our recollection is that the last time the Commission had a meeting similar to this was approximately three years ago.

Every day the issues involving spectrum management become more complex. Not only are the number of spectrum users growing at a spectacular pace but the types of usages are rapidly increasing as well. It is true that this country is the single largest telecommunications market in the world and it will undoubtedly continue to be so for many years to come. Other global markets, however, are growing at an astonishing rate, and the FCC cannot overlook what the impact of its spectrum management decisions, particularly those regarding allocation, have on U.S. companies who compete in the international marketplace.

So, the first point, perhaps the most significant point I would make is that spectrum management is hard work and, in a real sense, it is never-ending. It requires constant attention. Thus, I hope that this en banc event will signal the beginning of a dedicated effort by the Commission to come to grips with an issue that is absolutely essential to the telecommunications future of the United States.

Motorola believes that the time when domestic and international spectrum decisions could be isolated and treated separately is really over. The United States must begin to work more closely and cooperatively with the international community in shaping global spectrum policy. When this agency was formed in 1934, and for many years thereafter, it could develop U.S. spectrum policy with little attention to the rest of the world, except for border areas. This worked well for years and quite often the world would follow our lead. This is no longer the case.

Let me give an example of the ramifications of a spectrum decision that Motorola was intimately involved in: the FCC auction of PCS spectrum.

That auction was successful but we should not forget its rationale. The Commission, having observed the cellular market, concluded that there should be more competition. That was its allocation decision. That first step, the allocation process, was critical. That action created a whole new industry, benefiting manufacturers, operators and the public alike. In order to expedite PCS service to the public, the FCC chose auctions as the method of assigning or determining who the licensees would be. A domestic success!

Note, however, the limited success of PCS globally. The spectrum we reserved for PCS in the U.S. has by and large been followed in the rest of Region 2. Elsewhere, however, the situation has been not nearly as good. The 1850-1990 MHz band may have been the best domestic choice but it was hardly the best global choice. Much of the rest of the world adopted the spectrum made available at WRC '92.

In fact, with the notable exception of the spectrum made available for satellites, we have enjoyed little success in persuading the world to follow our mobile allocations - without global leadership, the U.S. is becoming increasingly isolated at WRCs. WRC 2000 doesn't look promising.

The reasons for this decline in our spectrum leadership are many. Our domestic use of the spectrum, particularly by the Federal Government, limits our ability to propose and react to dynamic proposals which the rest of the world seems free to discuss. While other Regions are busy identifying new services and spectrum to support them, we also have a propensity to make spectrum available to non-government interests whose usage does not stand the test of time or, at least, not forever.

The important thing is not why U.S. leadership has declined, it is to recognize the consequences of that decline. As I said before, we have been accustomed to having other countries follow our lead, but that is just not happening anymore. I hope that our reaction, your reaction, will be: Let's join the global debate on spectrum, let's integrate it into our process here, let's take it seriously and let's lead from within. We must not allow the U.S. to become isolated.

So what should be done? I suggest starting with a step that the FCC by itself can initiate.

Your first panel had representation from your major bureaus, so I propose the creation of a Spectrum Management Board comprised of your Bureau Chiefs. For these purposes I include OET, OPP and OGC as Bureaus. It could be chaired by you, Mr. Chairman, or by one of your colleagues who would take a special interest in spectrum management, including the impact of domestic and international spectrum allocation issues.

We understand that the FCC already has a spectrum coordinating committee at a staff level. That's fine and it should continue. Plainly I am asking for higher level attention.

Such a Board will help to eliminate situations within the FCC whereby Bureaus have agendas that often are at cross-purposes with other Bureaus. It can also assure that each Bureau understands and appreciates the international ramifications, particularly with regard to spectrum, of its proposals. In conjunction with operators and users, our industry can help the FCC develop cohesive spectrum positions.

The FCC of course, has the duty and obligation to assure that these spectrum positions are valid and are in the public interest. However, the private sector looks to the Commission to champion its cause and to coordinate with NTIA and the State Department to secure their adoption. Out of that process, U.S. positions at international conferences would more genuinely reflect the priorities of the private sector and the publics we represent.

Of course, we would be happy to explore further any of the ideas I have presented today or any specific questions you may have.

Thank you.

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