

**STATEMENT OF
COMMISSIONER JONATHAN S. ADELSTEIN**

Re: Facilitating the Provision of Spectrum-Based Services to Rural Areas and Promoting Opportunities for Rural Telephone Companies to Provide Spectrum-Based Services; WT Docket No. 02-381

At our last open meeting, we shed an important light on the Commission's ongoing efforts to support the deployment of basic and advanced telecommunications services to those Americans living in our Nation's rural communities. At that time I highlighted my goal of implementing policies that provide for and maintain a rural telecommunications system that is second to none. In that light, I am very pleased to support this Notice of Proposed Rule Making (NPRM) because spectrum-based communications can play such an integral part of that telecommunications network.

The NPRM tackles a number of the issues that I believe are so critical to promoting the provision of spectrum-based services in rural areas. Not only do we address the nuts and bolts of how we define "rural," but we also look at some of the more challenging issues such as performance requirements and relaxed power limits for licensed services.

I am particularly supportive of the request for comment on ways the Commission can support the USDA's Rural Utilities Service (RUS) Telecommunications Program. As I mentioned at our last meeting, I had the privilege of working on legislation authorizing and providing funds to the RUS for deployment of broadband services in rural areas when I was a staffer in the Senate as part of last year's Farm Bill. It is so worthwhile to explore how the Commission can support the wireless applications of this program, as I truly believe that spectrum-based services offer great potential to Rural America.

I also am pleased to support our limited question on the ability of the Commission to allow security interests by RUS in FCC licenses. I very much appreciate the efforts of the Wireless Telecommunications Bureau staff to draft a section that presents a balanced discussion of this novel issue. I take very seriously Congress' charge that we manage the nation's airwaves because spectrum is a finite public national resource, with characteristics unlike that of any other. The Commission always must retain the authority and flexibility to regulate the rights and responsibilities of its licensees. RUS, because it also is part of the Federal Government, may be an appropriate holder of a security interest, particularly as it is my understanding that RUS retains the security interests it holds through its rural loan program. I believe that the document as drafted weighs these important considerations in asking the questions of whether or not we should or even can allow RUS to hold security interests in FCC licenses.

Finally, while I do have some concerns with the question of a possible modification to the cellular-cross ownership rule, I am encouraged by the tentative conclusion to retain the rule for those RSA that are served by three or fewer providers. I believe that we have set the bar sufficiently high to changing the rule for those mobile wireless markets that are served by the fewest providers.