



March 27, 2019

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12 Street, SW
Washington, DC 20554

Re: WT Docket No. 18-120, WT Docket No. 18-197

Dear Ms. Dortch:

The attached white paper contains an “FCC roadmap” on how best to transition Educational Broadband Service (EBS) spectrum to commercial wireless use through a voluntary incentive auction that would:

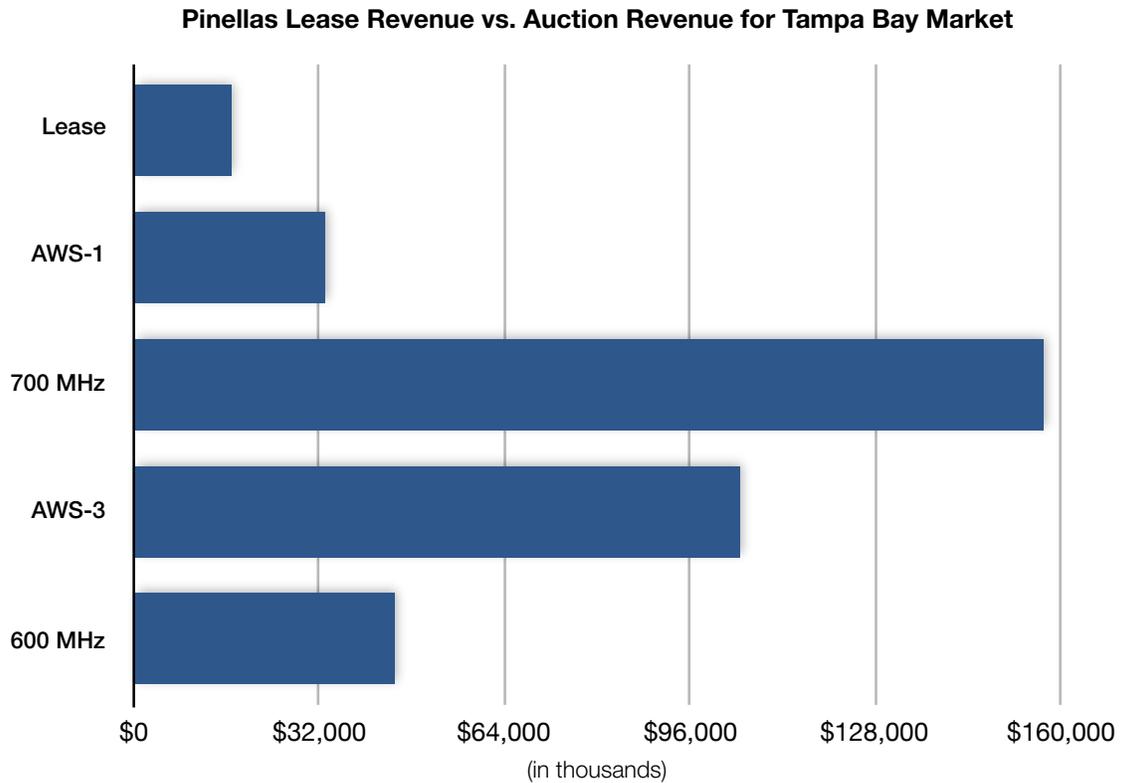
- Maximize the educational value of the EBS spectrum;
- Yield higher revenue for incumbent EBS licensees and higher-quality educational broadband services for K-12 educational institutions to help close the homework gap; and
- Assign new spectrum licenses in this band more efficiently than secondary market transactions.

As discussed in the paper, spectrum in this band was allocated to educational and non-profit entities for the provision of educational television services during the Kennedy Administration. Though the FCC stopped granting new educational TV licenses in the mid-1990s, it later permitted incumbent license-holders to provide wireless broadband services “primarily” for educational use (through the EBS program). Today, however, the vast majority of EBS license-holders lease their spectrum rights to commercial wireless providers (primarily Sprint) and use the lease payments as a general funding source. This scheme gives a limited set of lucky educational entities—i.e., those that applied for a TV license more than twenty-years ago—an implicit federal subsidy by making them a legally-compulsory middleman between the FCC and commercial wireless companies.

This implicit subsidy is (1) not needs-based, (2) largely duplicative of the FCC’s existing E-rate program for subsidizing educational broadband connections, and (3) conducive to waste, fraud, and abuse. At present, more than 20 post-secondary educational institutions holding EBS licenses have endowments worth over \$1 billion—e.g., Emory University, whose \$7.292 billion endowment equates to \$515,165 per student. Subsidizing elite colleges and other well-funded school systems should not come at the expense of an opportunity to close the homework gap for K-12 students in rural and underserved America. Funds raised by an incentive auction could be used to help close the homework gap through an explicit, needs-based subsidy targeted at under-funded K-12 schools, as proposed by FCC Commissioner Jessica Rosenworcel.

In addition to funding needy schools, the paper presents data from the only publicly-available EBS spectrum lease and from past FCC auctions, which show that incumbent EBS licensees would receive substantially more funding from an incentive auction than they do from existing leasing arrangements. Over the 30-year period of an EBS spectrum lease between Sprint and the School Board in Pinellas County, Florida (in the Tampa Bay area), Sprint will pay a gross amount totaling \$16,725,655.08. Based on

the prices paid for spectrum in the Tampa Bay area in the last four major FCC wireless auctions, the School Board's spectrum would sell for 2 to 9.3 times more if it were sold on a commercial basis in an incentive auction.



Finally, the white paper concludes that the FCC should consider conditioning the T-Mobile-Sprint merger on the voluntarily termination of the new company's lease rights with respect to the sale of an EBS license to a third-party.

Sincerely,

/s/ Fred Campbell /s/

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Attachment: *Roadmap for a Voluntary Incentive Auction of Educational Spectrum in the 2.5 GHz Band*