

July 3, 2019

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Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

Re: WT Docket No. 18-120, Transforming the 2.5 GHz Band
Ex Parte Communication

Dear Ms. Dortch:

Carolina West Wireless, Cellular Network Partnership d/b/a Pioneer Cellular, Viaero Wireless and AST Telecom, Inc. d/b/a BlueSky (the “Small Rural Carriers”), by counsel, applaud the proposals in the draft Report and Order in the above-referenced proceeding to conduct an overlay auction of unassigned Educational Broadband Service (“EBS”) spectrum by county, and to remove eligibility and use restrictions on that spectrum.¹ To ensure participation by small rural providers and to maximize use and accelerate build-out of that spectrum, particularly in unserved and underserved rural areas, the Small Rural Carriers urge the Commission to make two important modifications to the draft Report and Order.

First, it is essential to auction the spectrum in smaller blocks. In its draft Report and Order, the Commission proposes to auction the spectrum in one 100-megahertz block and one 16.5-megahertz block. The Small Rural Carriers submit that the 16.5-megahertz block is too small to be useful on a stand-alone basis in a 5G world. Thus, the Commission proposes to auction only one block of spectrum useful for entities that do not already hold 2.5 GHz band spectrum. A single 100-megahertz block is much larger than many service providers need, and the cost of a such a large block will be prohibitive for many small rural carriers. Auction of a single 100-megahertz block would provide a significant advantage for deep-pocketed national carriers to the detriment of smaller carriers – and to the detriment of competition in smaller, rural markets.

The Small Rural Carriers urge the Commission to divide the 100-megahertz block into at least two, if not three, smaller blocks. In addition to the 16.5-megahertz block (to which no modifications are requested), the Small Carriers recommend:

- Two 33-megahertz blocks (Channels A1-3 and Channels B1-3; and Channels C1-3 and Channels D1-3) and one 34-megahertz block (Channels J, A4, B4, C4, D4, and G4); or

¹ *Transforming the 2.5 GHz Band*, Report and Order, WT Docket No. 18-120, FCC-CIRC1907-XX (June 19, 2019).

- Two roughly equivalent 50-megahertz blocks (Channels A1-3, B1-3, and C1-3 (49.5-megahertz) and Channels D1-3, J, A4, B4, C4, D4 and G4 (50.5-megahertz)

Second, the Small Rural Carriers urge the Commission to adopt small business and rural provider bidding credits as codified in Sections 1.2110(f)(2) and 1.2110(f)(4) of the Commission's rules. These bidding credits are essential to ensure participation by small providers that operate in or near rural areas, where a significant amount of 2.5 GHz spectrum will be available for competitive bidding. The bidding credits are as follows:

- 15% bidding credit for entities with fewer than 250,000 combined wireless, wireline, broadband and cable subscribers, and serving predominantly rural areas (defined as counties with a population density of 100 or fewer persons per square mile)
- 15% bidding credit for entities with an average gross revenue of \$55 million or less for the three years preceding the auction
- 25% bidding credit for entities with an average gross revenue of \$20 million or less for the three years preceding the auction

The Small Rural Carriers urge the Commission to make the two modifications set forth above. These modifications will enable small rural carriers to participate in the 2.5 GHz band EBS auction, will increase competition for the spectrum, and will expedite build-out of the spectrum.

Respectfully submitted,

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