

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of

Amendment of Parts 1, 21, 73, 74 and 101 of
the Commission's Rules to Facilitate the
Provision of Fixed and Mobile Broadband
Access, Educational and Other Advanced
Services in the 2150-2162 and 2500-2690
MHz Bands

Transforming the 2.5 GHz Band

WT Docket No. 18-120

COMMENTS

SELECT SPECTRUM

Select Spectrum LLC participates in the secondary market for spectrum which has been endorsed by the FCC in a series of decisions including in its 2003 Secondary Market Order. The company provides spectrum brokerage services, a web search capability for spectrum licenses available to sale and lease on the <https://selectspectrum.com/> website and also provides consulting services related to licensed spectrum. The company was founded in 2010 to help FCC spectrum rights holders obtain fair value when selling or leasing their licenses and to help companies efficiently acquire spectrum rights. To date, Select Spectrum management has led or supported 196 license transactions for a variety of commercial and educational clients in spectrum bands including 220, 700 and 900 MHz and also 1.9, 2.5 and 3.65 GHz. The company has served scores of educational and commercial clients throughout the United States.

Select Spectrum conducts a semi-annual 2.5 GHz Spectrum Lease Auction which is advantageous to both rural internet service providers and educational institutions, as the Auction

serves as a platform for rural educators and operators to connect for the betterment of rural communities in the U.S., ultimately with a goal of providing rural areas with much needed wireless coverage. The Auction has led to successful leases or lease transfers for more than 100 EBS licenses since the first such Auction held in 2014.

The great majority of the licenses included in the Auction are held by educational institutions. The Auction brings together educational institutions that do not have the infrastructure or budget to build broadband systems and wireless operators that wish to expand their coverage or to provide customers with higher data speeds by leasing excess capacity on the educators' channels. Wireless internet service providers submitted the majority of the bids. These companies operate networks that deliver broadband services to homes and small businesses – primarily in rural areas where residents would otherwise have difficulty finding high-quality affordable internet access. Larger operators also use the same frequencies for mobile broadband networks supporting smartphones and similar devices.

Select Spectrum's 2.5 GHz Spectrum Lease Auction is unlike an FCC auction predominantly because Select Spectrum is facilitating lease agreements rather than outright license purchases. The lease structure set up for EBS by the FCC makes acquiring licensed spectrum use rights achievable for small operators, which would be likely impossible for the operator to secure if participating in an FCC auction. Local operators generally do not have access to the financing of a large (by rural small operator standards) purchase price or the expertise necessary to acquire licensed spectrum through an FCC-run auction with many detailed rules and procedures. Select Spectrum has developed a simple process that schools, colleges and operators big or small understand. This simple approach leads to successful lease agreements between the license holder and operator. The respective process has resulted in many successful

partnerships between educators and local rural internet service providers that have brought many rural areas of the country higher quality wireless internet coverage.

As a member of the Educators and Broadband Providers for American Rural Communities, “EBPARC”, Select Spectrum has participated in the development of EBPARC’s comments filed in the FCC’s EFCS system on 8/7/18. We fully support the those comments in their entirety. The comments below represent our additional perspective on some of the more technical points in the FCC’s preceding.

I. The FCC Should Retain Existing Channel Block Sizes.

Existing EBS 22.5 MHz channel block sizes and channel layout – A, B, C, D and G – should remain unchanged. A 22.5 MHz channel block in the current band plan is satisfactory for a basic broadband wireless network. Combination with additional channel blocks provides the option and flexibility for higher speed/greater capacity networks to be constructed. The current channel block size is a proven success – allowing over 70 different operators of varying sizes to use the band successfully in different parts of the country.

If for any reason the FCC does decide to change the channel block structure, Select Spectrum recommends that the five groups of “1, 2 and 3” channels (i.e. A123, B123, C123, D123 and G123) be kept together, and a single new license composed of whichever channels of A4, B4, C4, D4 and G4 that are not currently being utilized be made available for application also. This approach would maximize the utility of the midband, but at the cost of making each of the other licenses slightly less useful.

II. If Any Portion of the EBS Band is Ultimately Auctioned, then the FCC Should Maximize the Ability of Small Rural Operators to Win Licenses Compared to Larger Operators that Primarily Serve Cities.

The FCC should first attempt to offer EBS licenses to educational entities. If after the window for educational entities that do not have existing licenses closes there are still EBS licenses available, the FCC should open the application process to educational nonprofits and to educational entities that already hold EBS licenses. If at the end of the educational application process there are still EBS Band areas that have not been licensed through the application process, then the Commission should proceed with an auction and commercial entities should be allowed to participate. If the Commission holds an auction for such remaining EBS licenses, then the rules that the FCC set should create a simple auction process that can be easily understood by small commercial operators that have not previously participated in Commission auctions. For any such auction, the Commission should use the designated entity rules that have been successful in attracting smaller companies to bid and win in past auctions including the 700 MHz Auction and the 600 MHz Auction. The Commission has invested significant time, money and thought in developing designated entity rules that encourage participation by the types of companies that are best suited to serve rural areas. We cannot imagine why the Commission would abandon the Designated Entity approach in an auction that will feature a predominance of rural areas that are attractive to the very type of companies that are most likely to construct. For such an Auction, deposits should be minimized, and licenses should be auctioned by channel group (A, B, C, D and G) and county. To encourage new competition for rural wireless services, any party that already holds or leases > 40 percent of the existing spectrum in the 2.5 GHz band (which includes BRS and EBS) in a given county should be excluded from bidding in any auction for new 2.5 GHz licenses in that county. Similarly, any entity that exceeds the FCC's overall spectrum screen

should be prohibited from bidding for any EBS license that would take them above the spectrum screen in the above-the-screen county.

III. The FCC Should not Modify EBS in the Spectrum Screen.

We do not believe that any change to the spectrum screen is warranted in this proceeding which should primarily be focused on making spectrum available in unserved or underserved areas of the nation to educational institutions. We are confident that no educational institution will exceed the spectrum screen. We see no reason to modify the screen as it relates to commercial operators. If more parties are encouraged to use the band, the results will be positive for educational entities, students, faculty, new commercial operators and residential and business customers of commercial operators.

IV. No Special Holding Periods, Performance Standards or Renewal Standards Should Be Required for New EBS Licenses, and No Changes to Existing Rules are Needed.

As explained in the EBPARC comments and herein, under existing successful FCC rules, EBS licenses all must provide educational benefits, and many are also providing benefits to commercial operators including in those rural areas where EBS licenses currently exist. Other than the fact that the issuance of new licenses has been frozen by the FCC since 1995, the EBS licensing system is working well. In general, EBS licensees have either constructed their own networks or leased their excess capacity to commercial operators that have built out wireless networks in an expedient and efficient fashion. The networks and regulations are both functioning to deliver benefits to the American public, and there is no need to treat new licenses differently than existing licenses. Indeed, treating old and new licenses differently would create confusion and complexity that could make the band less efficient! The best approach for license holding

periods, performance standards and renewal standards is to follow existing FCC EBS rules which provide for a wide range of uses.

- **License Assignments:** The prohibition on transferring licenses to any non-educational entity has limited the number of license transfers to a modest amount. It should be maintained, and no special treatment for new versus old licenses should be required to complete a license assignment.
- **The renewal standards for EBS licenses are working fine.** In 2011, EBS licenses that had not been constructed and put to educational use were cancelled, and since then licenses have been required to meet FCC standards for use and renewal.
- **Performance standards:** EBS licensees must use their licenses to deliver educational benefits. We support the current FCC performance requirements and standards for 2.5 GHz license holders. The current regime is a proven approach that provides for a satisfactory balance between incentivizing network buildout and imposing an undue burden on small or start-up operators and educational institutions' private networks. No revision is needed.

V. Conclusion.

For many years the existing EBS rules have worked well. The educational spectrum has provided benefits and continues to provide benefits to schools, students, faculty and many commercial operators and a variety of their customers. Flexible use rules have already been established and have resulted in successful deployment in areas of the country where EBS is already licensed. If new licenses are issued to eligible schools and colleges in the rest of the country at the earliest possible date, this will allow the rapid development of networks serving

schools, students, faculty and others in areas where internet access is now unavailable or where access provider selection is very limited which includes many rural areas nationwide.

“EBPARC”, and Select Spectrum comments, if implemented, provide the FCC with a clear and expedient path to close the digital divide and supply a bridge to the homework gap. The cost of this solution will be financed by schools and small private operators, with a near-zero federal cost. The EBS band was intended for education and has served education well, especially since the FCC’s decision in 2005 to allow flexible use of the band including for internet access. The Commission should consider how crucial it is to preserve the educational nature of the spectrum when revising rules governing use of the band.

Respectfully submitted,

Select Spectrum LLC

By: 

Andreas Bitzarakis
Director of Broadband,
Select Spectrum
820 Great Cumberland Road
McLean, VA 22102
571 287 8723
andreas@selectspectrum.com

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