

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Amendment of the Commission's Rules with)	GN Docket No. 12-354
Regard to Commercial Operations in the 3550-)	
3650 MHz Band)	

**REPLY COMMENTS OF CANTOR TELECOM SERVICES, L.P.
IN RESPONSE TO PETITIONS FOR RULEMAKING**

Cantor Telecom Services, L.P. (“Cantor Telecom”) hereby submits these brief remarks in response to the Petitions for Rulemaking filed by CTIA¹ and by T-Mobile USA, Inc. (“T-Mobile”)² (collectively, the “Petitioners”) and the recent comments filed in response thereto. Cantor Telecom agrees with industry stakeholders that the Petitioners’ proposed changes to the Citizens Broadband Radio Service (“CBRS”) licensing scheme should be rejected in favor of the existing rules, which encourage widespread innovation and access to flexible, fungible spectrum in the 3.5 GHz Band and encouraging efficient use of this valuable resource.

I. INTRODUCTION

To facilitate “greater certainty and investment in the 3.5 GHz band,” CTIA and T-Mobile filed petitions for rulemaking primarily arguing that: (a) Priority Access Licenses (“PALs”) should be granted ten-year license terms with an expectation of renewal, instead of three-year terms subject to regular auctions to retain access to PALs; and (b) PALs should be granted on a larger partial economic area (“PEA”) basis instead of a census tract basis as originally adopted,

¹ See CTIA Petition for Rulemaking, GN Docket No. 12-354 (filed June 16, 2017) (“CTIA Petition”).

² See T-Mobile Petition for Rulemaking, GN Docket No. 12-354 (filed June 19, 2017) (“T-Mobile Petition”).

reducing the number of geographic areas envisioned by the licensing framework from 74,000 census tracts to only 416 PEAs.³ As noted by comments in response to the petitions for rulemaking, the proposed changes to the 3.5 GHz rules, if adopted, would serve to inhibit entry into the market and would impede the development of a robust secondary market which would promote efficient use of scarce spectrum resources.

Cantor Telecom is actively working with Spectrum Access System (“SAS”) providers to develop a spectrum exchange that would facilitate secondary market transactions of CBRS PAL spectrum. The adoption and use of a spectrum exchange through which PAL users could trade and acquire spectrum based upon their needs at any given time would provide significant benefits and efficiencies, including enhanced price discovery, transparency, and paperwork and cost efficiencies, improving access to available spectrum and significantly increasing the liquidity of the spectrum. Shorter license terms and census tract-based geographic areas, along with a robust secondary market and accessible spectrum exchange, promote greater flexibility and motivate users not to allow valuable spectrum resources to lie fallow.

II. DISCUSSION

A. The Commission Should Not Adopt 10-Year License Terms with an Expectation of Renewal

Cantor Telecom agrees with commenters urging the Commission to maintain the existing initial CBRS license term of up to six years.⁴ As the Rural Wireless Association points out, the existing framework is a deliberate departure from the traditional exclusive licensing regime and

³ See generally CTIA Petition and T-Mobile Petition.

⁴ See, e.g., Comments of Google Inc. and Alphabet Access in Response to Petitions for Rulemaking, at 17 (filed July 24, 2017) (“Google Comments”); Comments of The Wireless Internet Service Providers Association, at 17 (filed July 24, 2017) (“WISPA Comments”); Joint Comments of the Rural Wireless Association, Inc. and NTCA-The Rural Broadband Association, at 7 (filed July 24, 2017) (“RWA Comments”).

aims “to promote deployments by a wide range of service providers and low costs of entry.”⁵ Cantor Telecom shares the Commission’s view that “the current rules will effectively incentivize network investment”⁶ given the “differences in the nature and scope of service”⁷ in the CBRS band. A renewable 10-year license would, indeed, become yet another speculative asset, as WISPA opines,⁸ and would encourage warehousing in lieu of active and innovative use of PAL spectrum. As discussed in prior filings, Cantor Telecom maintains that shorter license terms would also “promote flexibility, fungibility and liquidity in the secondary market.”⁹

B. The Commission Should Retain Census Tracts as the Appropriate Geographic Area for PALs

Cantor Telecom agrees that retaining census tracts as the appropriate geographic unit for a PALs Geographic Unit would promote greater access to the licenses and reduce the risk of warehousing rights to protected spectrum.¹⁰ The increase in cost of larger license areas would have the negative effect of reducing the number of competitors in the market and stifling innovation by pricing smaller scale industry participants out of the market.¹¹

Census tracts offer certain benefits such as geographic sizes varying by population densities which would allow PAL applicants to target specific areas that they intend to serve.¹² As RWA states, census tract-based PAL license areas “allow flexible and targeted network

⁵ RWA Comments at 7.

⁶ *Amendment of the Commission’s Rules with Regard to Commercial Operations in the 3550-3650 MHz Band*, Order on Reconsideration and Second Report and Order, FCC 16-55, at ¶ 44(rel. May 2, 2016) (“3.5 GHz Reconsideration Order”).

⁷ 3.5 GHz Reconsideration Order at ¶ 45.

⁸ See WISPA Comments at 17.

⁹ Comments of Cantor Telecom Services, L.P., at 3 (filed July 14, 2014) (“2014 Cantor Telecom Comments”).

¹⁰ See Google Comments at 22.

¹¹ See WISPA Comments at 20.

¹² See 2014 Cantor Telecom Comments at 3.

deployments, to promote efficient use of the spectrum, and to allow easy aggregation to accommodate larger network footprints.”¹³

Moreover, census tracts do not pose an issue with respect to secondary market transactions on a spectrum exchange. Spectrum exchange participants will enjoy the ability to view all available PAL licenses in the applicable census tracts along with system-determined pricing information, permitting the applicant to acquire immediate PAL use rights upon transfer of funds and completion of a trade. Given the tremendous number of PAL licenses potentially available over more than 74,000 census tracts, the adopted streamlined precertification process permitting rapid trades in the secondary market without triggering additional Commission review¹⁴ will facilitate rapid access to PAL use rights by qualified applicants seeking near-term, small cell deployments in the 3.5 GHz Band.¹⁵ More sophisticated technology (e.g., geolocation database administration) coupled with the spectrum exchange will make the CBRS band less cumbersome to manage than a larger, traditional cellular band.

* * *

¹³ RWA Comments at 4 (citing *Amendment of the Commission’s Rules with Regard to Commercial Operations in the 3550-3650 MHz Band*, Report and Order and Second Further Notice of Proposed Rulemaking, FCC 15-47, ¶¶94-101 (rel. April 21, 2015)).

¹⁴ 3.5 GHz Reconsideration Order at ¶ 212.

¹⁵ See Comments of Cantor Telecom Services, L.P., at 13-14 (filed July 15, 2015).

IV. CONCLUSION

Cantor Telecom looks forward to the resolution of any remaining uncertainty in this proceeding and is enthusiastic about its role in facilitating a robust secondary market for CBRS spectrum.

/s/ _____
John Zuckerman
Managing Director
Cantor Telecom Services, L.P.
499 Park Avenue
New York, NY 10022
Tel. (212) 610-2361
John.Zuckerman@Cantor.com

Dated: August 8, 2017