

**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

Reply Comments

Select Spectrum LLC

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 for sale and lease on the <https://selectspectrum.com/> website and also provides consulting services related to licensed spectrum. Select Spectrum appreciates the opportunity to submit these reply comments concerning the Federal Communications Commission's Notice of Proposed Rulemaking on WT Docket No. 18-120, with respect to Transforming the 2.5 GHz Band.

Select Spectrum supports the "EBPARC" comments in their entirety and if those proposed comments are implemented they should 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 critical it is to preserve the educational nature of the spectrum when revising rules governing use of the band.

Select Spectrum noted in that many of the commenters in the proceeding indicated that they support allowing the flexibility of license holders to transfer EBS licenses to any party, educational, commercial or otherwise, forsaking the current structure that requires licenses to be held by schools and colleges. We note that the because of the leasing structure established by the FCC, as a percentage of total licenses, and perhaps overall, the secondary market in the 2.5 GHz band has been more vibrant and active than any other wireless spectrum band. Select Spectrum is active in the secondary market overall, and represents licensees holding VHF, UHF, 700 MHz, 800 MHz, 900 MHz, LMS, PCS, BRS and 3.65 GHz licenses, but from the beginning, we have found the EBS band to generate more successful transactions than any other. Since 2010, we have supported more than 200 such leasing transactions. The leasing structure provides licensees with ultimate control of their licenses, educational benefits and often financial benefits. Leases also provide lessees with to access to broadband spectrum to create commercial networks on a pay-over-time basis. Since many of the lessees are smaller commercial operators have difficulty raising investment capital, this leasing structure has been highly advantageous to these small operators.

For more than 20 years, the years the FCC has attempted to encourage smaller operators to acquire licenses directly from the FCC by creating various auction incentives. A review of the various bands shows that the percentage of licenses actually utilized by small commercial operators – primarily those serving rural areas – is greater for EBS than for any other band. As it has turned out, the leasing structure has been a better way of encouraging small operators to create networks than has the incentive structure associated with smaller company FCC auction

discounts/credits. The FCC should continue and expand the existing educational licensing and leasing rules which are indeed accomplishing the FCC's stated goals of encouraging smaller operators, benefitting education, increasing rural access to broadband internet and developing secondary markets for spectrum.

Select Spectrum supports priority windows for educational entities and the existing leasing structure in the secondary market as the best solution, but for any licenses that the FCC ultimately decides to auction, for example for any licenses that do not receive an application during the priority windows, select Spectrum believes that some significant form of FCC auction discount or credit for smaller companies is important. Sprint controls the vast majority of the licenses in the EBS and BRS band through direct holdings or leases, and for whichever licenses the FCC ultimately decides to auction, the FCC should create a structure that allows small companies to bid on and acquire county-sized licenses. This structure should include significant discounts to allow smaller companies to successfully compete against multi-billion dollar national operators.

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 including many rural areas nationwide.

Respectfully submitted,

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