



April 22, 2015

WRITTEN EX PARTE

The Hon. Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions, Docket No. 12-268; Policies Regarding Mobile Spectrum Holdings, Docket No. 12-269

Dear Mr. Chairman,

We are non-nationwide wireless carriers who are eligible to bid on reserve spectrum in the upcoming 600 MHz incentive auction. We serve customers in cities, small towns and rural areas throughout the United States. Low-band spectrum is critical to serving consumers in low density, hard to reach areas. The broadcast incentive auction represents our last, best opportunity to gain access to critical low-band spectrum assets. For this reason, we encourage the Federal Communications Commission to conduct the incentive auction in early 2016, as it currently plans.

While the Commission took a good first step by licensing the 600 MHz spectrum in smaller geographic license areas and creating a spectrum reserve, it needs to do more to allow us opportunities to secure the spectrum we need to compete. In fact, Section 309(j) of the

Communications Act directs the Commission to promote a diverse distribution of licenses and the rapid deployment of new technologies and services (such as 4G LTE) to rural areas.¹ One way of following this directive would be for the Commission to expand the maximum size of the reserve to four blocks to protect competition and consumers, while limiting the amount of reserve spectrum that any one bidder can purchase to 20 MHz.

Among other mechanisms, the incentive auction relies on a contingent, three-block “reserve” to protect smaller operators against foreclosure by the nation’s two largest wireless providers. This competitive safeguard was adopted because AT&T and Verizon together control 73% of all low-band resources nationally.² Unfortunately, however, AT&T and Verizon are reserve-eligible in most of the country.³ A three-block reserve is too small to enable competitive carriers to secure sufficient spectrum in this important new frequency band. Increasing the size of the reserve helps fulfill Congressional goals and advances the public interest in promoting wireless broadband deployment.

We know our communities and our customers. Rural consumers want the same thing urban consumers want – robust mobile broadband coverage. If the Commission wants a competitive market for wireless broadband, it must provide smaller carriers opportunities to access sufficient spectrum to compete. The Commission should increase the maximum size of the reserve to 40 megahertz to offer competitors the opportunity to acquire spectrum they need to challenge the largest two carriers, while limiting the amount of reserve spectrum that any one bidder can purchase.

Respectfully submitted,

Atlantic Tele-Network, Inc.	Atlantic Seawinds Communications, LLC dba ATMC Wireless	Buffalo-Lake Erie Wireless Systems Co, LLC dba Blue Wireless
Bluegrass Cellular, Inc.	Carolina West Wireless	Cellcom
Chat Mobility	Flat Wireless, LLC	FTC Communications, LLC
HTC, Inc.	Inland Cellular, LLC	Iowa Wireless Services, LLC dba iWireless
James Valley Telecommunications	LEACO	SI Wireless dba MobileNation

¹ 47 U.S.C. § 309(j)(3).

² See Policies Regarding Mobile Spectrum Holdings, Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions, *Report and Order*, 29 FCC Rcd 6133, 6162 ¶ 58 (2014).

³ AT&T or Verizon are reserve-eligible across markets covering 74% of the United States geography and 40% of the United States population.

Nex-Tech Wireless

Northwest Missouri
Cellular dba NorthwestCell

NTCH, Inc.

Public Service Wireless, Inc.

Southern Communications
Services, Inc. dba
SouthernLINC Wireless

Union Wireless

Viaero Wireless

VTel Wireless

cc: Commissioner Mignon Clyburn
Commissioner Jessica Rosenworcel
Commissioner Ajit Pai
Commissioner Michael O’Rielly
Mr. Roger Sherman
Mr. Gary Epstein
Mr. Howard Symons