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March 7, 2016

Ms. Marlene Dortch, Esq.
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RE: Notice of *Ex Parte* Communication In the Matters of WT Docket No. 14-170 Updating Part I Competitive Bidding Rules; GN Docket No. 12. 268 Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions; WT Docket No. 05-211 Implementation of the Commercial Spectrum Enhancement Act and Modernization of the Commissions Competitive Bidding Rules and Procedures

Dear Ms. Dortch:

This letter reports on a meeting held on March 3, 2016 with **Sue McNeil**, Chief of Staff/Special Counsel; **Matthew Pearl**, Legal Advisor from the Office of the Bureau Chief, Wireless Telecommunications Bureau; **Margaret Weiner**, Division Chief, Auctions and Spectrum Access Division (ASAD); **Kelly Quinn**, Assistant Chief, Legal, ASAD (by phone) and **Audrey Baskin**, Attorney from ASAD. Representatives from the Multicultural Media, Telecom and Internet Council (“MMTC”) were Vice President and Chief Research & Policy Officer, **Dr. Nicol Turner-Lee**, and **DeVan Hankerson**, Director of Research.

The overarching purpose of the meeting was to discuss MMTC’s Petition for Partial Reconsideration (“Petition”) that included empirical data and proposed incentives to foster ownership of commercial wireless spectrum for minority- and women-owned businesses (MWBes) through secondary market transactions.¹ MMTC also commented on the Section 257

¹ MMTC, PETITION FOR PARTIAL CONSIDERATION, COMMUNICATION IN THE MATTERS OF WT DOCKET NO. 14-170 UPDATING PART I COMPETITIVE BIDDING RULES; GN DOCKET NO. 12. 268 EXPANDING THE ECONOMIC AND INNOVATION OPPORTUNITIES OF SPECTRUM THROUGH INCENTIVE AUCTIONS; WT DOCKET NO. 05-211 IMPLEMENTATION OF THE COMMERCIAL SPECTRUM ENHANCEMENT ACT AND MODERNIZATION OF THE COMMISSIONS COMPETITIVE BIDDING RULES AND PROCEDURES 1–11 (2015), <http://www.mmtconline.org/wp-content/uploads/2015/10/MMTC-Secondary-Markets-Recon-101915.pdf>, (last visited March 5, 2016). *See also*, MMTC, DECLARATION OF COLEMAN BAZELON - PETITION FOR PARTIAL CONSIDERATION, COMMUNICATION IN THE MATTERS OF WT DOCKET NO. 14-170 UPDATING PART I COMPETITIVE BIDDING RULES; GN DOCKET NO. 12. 268 EXPANDING THE ECONOMIC AND INNOVATION OPPORTUNITIES OF SPECTRUM THROUGH INCENTIVE AUCTIONS;

report, that is now overdue by several years and as a result there is limited data on participation rates for MWBE's in telecom industries.

During the meeting, MMTC shared three options included in the Petition for incentivizing incumbent providers to participate on the secondary market. They included: (1) consideration of secondary market transactions as a factor in whether to give a carrier rule waivers relating to ownership, including the mergers and acquisitions ("M&As") context, and possibly attendant to the IP Transition; (2) restoration and refinement of the Tax Certificate so that it would apply to secondary market transactions, enabling the seller to defer payment of the capital gains taxes on the sale upon reinvestment in comparable property; and (3) a bidding credit in wireless auctions, or an opportunity to pay for the spectrum in installments to wireless carriers that engage in secondary market transactions.

Finally, MMTC pointed out that there are a number of opportunities for minority entrepreneurs to develop businesses that do not include becoming facilities-based providers, such as the use of spectrum for tele-health uses. The Commission staff shared alternative strategies for fostering more interest in secondary market transactions between wireless carriers and small businesses.

The meeting concluded with FCC staff and MMTC agreeing to continue the discussion on how to cultivate more opportunities for minority businesses to own spectrum assets.

Sincerely,

Nicol Turner-Lee

Nicol Turner-Lee, Ph.D.
Vice President and Chief Research & Policy
Officer