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RURAL TELECOMMUNICATIONS GROUP

advocate of rural wireless telecommunications providers

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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April 22, 2002

The Honorable Michael K. Powell
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: *Auction of 700 MHz Spectrum, Auction No. 44, WT Docket No. 99-168
and GN Docket No. 01-74*

Dear Chairman Powell:

The Rural Telecommunications Group ("RTG") respectfully requests that the referenced auction of licenses in the 700 MHz band be held as planned beginning on June 19, 2002. RTG is a group of rural telecommunications providers who have joined together to speed the delivery of new, efficient, and innovative telecommunications technologies to the populations of remote and underserved regions of the country. Any delay of Auction No. 44 will slow the delivery of spectrum-based services to rural America, contrary to Sections 309(j)(3) and (4) of the Communications Act directing the Federal Communications Commission ("FCC" or "Commission") to ensure that both rural consumers and rural telephone companies have a meaningful chance of using and acquiring spectrum-based services.

Many rural telephone company members are busy preparing their FCC Form 175 filings in anticipation of being able to effectively participate in a spectrum auction for the first time due to the Commission's decision to auction portions of 700 MHz spectrum in Metropolitan Statistical Areas ("MSAs") and Rural Service Areas ("RSAs"). The use of RSAs will enable rural telecommunications carriers, who are committed to building out and serving less densely populated regions, to concentrate their attention on rural regions. RTG members plan to use the 700 MHz spectrum to augment their current cellular systems for 3G capability and/or for wireless broadband applications and are anxious to acquire spectrum.

The Cellular Telecommunications and Internet Association ("CTIA"), representing essentially the larger wireless carriers in this matter, usually characterizes the industry as "spectrum starved," but seeks a delay in the auction of such valuable spectrum, citing complications with broadcast relocation. RTG suspects that the larger carriers' calls for delay stem from financial concerns rather than spectrum clearing concerns. Spectrum clearing was an issue in the PCS auctions where spectrum was successfully cleared and delay will only further hamper clearing efforts in the 700 MHz band. In many areas, particularly in rural areas, the Lower 700 MHz Band is unencumbered. There are over 700 licenses that will be awarded using the MSA/RSA licensing mechanism. Out of those 700 plus licenses, only about 15 percent

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contain TV stations operating on channels 52-59. In the majority of the MSAs and RSAs, entities that acquire Lower 700 MHz Band licenses will be able to develop and deploy new wireless services without having to undertake *any* clearing of the spectrum.

The FCC must comply with Congress's mandate that the licenses be auctioned before September 2002. If the FCC refuses to follow the law, RTG is prepared to challenge the decision in court alongside other parties such as Paxson Communications. Even a slight delay in the auction to give Congress more time to pass legislation delaying the auction makes no sense when there is no clear consensus in Congress for a delay. Last-minute legislation is speculative, so the FCC should proceed as specifically mandated.

In sum, RTG respectfully urges the Commission to proceed with the auctions as planned so that rural telephone companies and small businesses may continue to grow and offer new services in underserved areas.

Sincerely,

/s/

Caressa D. Bennet, General Counsel
Kenneth C. Johnson, Director –
Legislative and Regulatory
Rural Telecommunications Group

cc: The Honorable Kathleen Q. Abernathy
The Honorable Michael J. Copps
The Honorable Kevin J. Martin
Thomas J. Sugrue, Chief, Wireless Telecommunications Bureau
Secretary of the Federal Communications Commission