



May 1, 2002

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street S.W., TW-A325
Washington, D.C. 20554

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

Dear Ms. Dortch:

Pursuant to Section 1.1206 (b) of the rules and regulations of the Federal Communications Commission, enclosed for filing is the written *ex parte* presentation to Chairman Michael K. Powell on Wednesday, May 1, 2002, concerning the above-captioned proceeding. If you have any questions regarding this matter, please communicate with the undersigned.

Sincerely,

/s/ Jill Canfield
Jill Canfield
Regulatory Counsel
Legal & Industry

JC:rhb

Attachment



May 1, 2002

Chairman Michael K. Powell
Federal Communications Commission
445 12th Street, S.W.,
Room 8-B201
Washington, D.C. 20554

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

Dear Chairman Powell:

The National Telecommunications Cooperative Association (NTCA) respectfully requests that the above referenced auction (Lower 700 MHz Auction) begin as scheduled on June 19, 2002. NTCA is a national association representing more than 500 independent rural incumbent local exchange carriers. Several of these small carriers have indicated their desire to participate in the auction and are ready and able to move forward. Any delay in the Lower 700 MHz Auction will slow the delivery of much needed spectrum-based services to rural America.

Rural carriers worked long and hard for the opportunity to compete for spectrum. It was considered a substantial victory when the Commission decided to license a portion of the Lower 700 MHz spectrum according to Metropolitan Statistical Areas (MSAs) and Rural Service Areas (RSAs). The licensing according to RSAs will enable small carriers to concentrate their build-out efforts on the most rural and sparsely populated regions of this country.

The Lower 700 MHz spectrum is particularly well suited for rural deployment. Its propagation characteristics are such that only a few towers may be needed to cover much distance. Other spectrum has proved to be less valuable because it is uneconomical to put up multiple towers to cover vast stretches of empty road between small towns. Rural carriers intend to use the spectrum for both fixed and mobile broadband applications and as an economical way to reach that elusive "last mile."

The forces pushing for an auction delay are loud in voice, but few in number. They cite their inability to make "rational business decisions" because of uncertainty surrounding the broadcast relocation. However, the Commission has been informed that about 85%

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of the more than 700 licenses to be auctioned according to MSAs and RSAs are currently unencumbered. Arguments that manufacturers will not focus on developing equipment for the band until the timing of the availability of the spectrum is clarified are equally unfounded. The manufacturers are unlikely to “focus” on developing equipment for the Lower 700 MHz band until there is a demand for equipment. There will be a demand as soon as the spectrum is auctioned.

The large carriers seem to want the Commission to believe that there is so much speculation that they will not bid if the auction proceeds as scheduled. It is difficult to believe that carriers that claim to be “starved for spectrum” will take the chance that none of their competitors will bid either.

The forces pushing for delay ask the Commission to give Congress time to act to push back the deadline. Congress has had ample time to act and it has not done so. The fact that legislation to delay the auction was recently introduced does not indicate that there is any sort of consensus. It is known that several members of Congress oppose a delay. The Commission should not act based on mere speculation of Congress’s intentions.

The Commission must comply with Congress’s mandate that the licenses be auctioned before September 2002. NTCA urges the Commission to proceed with the auctions on June 19th so that rural telephone companies and other small businesses may begin to offer innovative new wireless services in rural and underserved areas.

Sincerely,

/s/ Michael E. Brunner
Michael E. Brunner
Chief Executive Officer

MEB:jc

cc: Commissioner Kathleen Q. Abernathy, FCC
Commissioner Michael J Copps, FCC
Commissioner Kevin J. Martin, FCC