Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Service Rules for Advanced Wireless Services in the 1915-1920 MHz, 1995-2000 MHz, 2020-2025 MHz and 2175-2180 MHz Bands	)	WT Docket No. 04-356
	)	
Service Rules for Advanced Wireless Services in the 1.7 GHz and 2.1 GHz Bands	)	WT Docket No. 02-353

Comments of United States Cellular Corporation

United States Cellular Corporation on behalf of itself and its subsidiaries (collectively "U.S. Cellular"), by its attorneys, submits its comments in response to the Commission's Notice of Proposed Rulemaking (FCC 04-218) released September 24, 2004 ("Notice").

Introduction

U. S. Cellular supports adoption of the Commission's proposals for flexible use of 1915-1920 MHz paired with 1995-2000 MHz ("H-Block") and 2020-2025 MHz paired with 2175-2180 MHz ("J-Block") for Advanced Wireless Services ("AWS"), provided technical restrictions are imposed to protect incumbent PCS operations from potential harmful interference. We confine our comments to two issues, the potential harmful interference and geographic service area size issues in the Commission's Notice in consideration of the importance of assuring interference-free incumbent PCS operations and promoting the competitive development of AWS in all areas of the country.

We propose that the Commission foster the continued development and operation of competitive wireless networks and the expansion of wireless services in rural and underserved areas by protecting incumbent PCS operations from harmful interference and by adopting service area sizes which permit this new AWS spectrum to be integrated easily with existing PCS and cellular operations. The Commission should continue to select service area sizes on a service-by-service basis in ways which balance the competing needs of national, regional and local providers.

We support adoption of technical conditions for H-Block spectrum to protect incumbent A and F Block PCS operations from harmful interference and adoption of Economic Area ("EA") or Metropolitan Statistical Area/Rural Service Area ("MSA/RSA") market sizes for either the H-Block or the J-Block spectrum to promote economic opportunity for a variety of applicants. We strongly oppose the adoption of nationwide licenses for any of this spectrum.

Discussion

1. The Commission Should Adopt Technical Conditions for H-Block Spectrum to Protect Incumbent PCS Operations from Potential Harmful Interference.

U.S. Cellular supports the implementation of H-Block spectrum provided that adequate technical conditions can be put in place to protect incumbent PCS operations on A and F Block PCS spectrum from harmful interference. We support the Commission's goal in this proceeding "...to develop technical rules that will enable [H-Block and J-Block spectrum] to be implemented..., while at the same time ensuring that the transmissions in these bands do not create harmful interference into adjacent band operations."[1] As the licensee of A and F Block PCS spectrum, we share the concerns previously expressed by T-Mobile, Verizon and Sprint.[2] The Commission should examine carefully the potential for three types of interference from H-Block operations, i.e. excessive out-of-band emissions, overload interference and intermodulation distortion, and adopt adequate protection in its technical rules for existing A and F Block handset operations.

[1] Notice, Para. 82.

[2] See the following ex parte submissions in ET Docket No. 00-258: Wireless/Spectrum Policy, Verizon Wireless, dated September 2, 2004; Letter of Louisa L. Lancetti, Vice President, Wireless Regulatory Affairs, Sprint, dated September 2, 2004; and Letter of Thomas J. Sugrue, Vice President, Government Affairs, T-Mobile USA, Inc., dated August 20, 2004.

2. The Commission Should Continue to Adopt Geographic Service Area Sizes on a Service-by-Service Basis for All New Licensed Wireless Services to Provide Licensing Opportunities For the Regional, Rural and Local Providers.

The selection of small geographic service areas preserves opportunities for regional/local carriers to provide an important source of competition, variety and diversity in rural and less densely populated areas. As the Commission stated in its AWS Report and Order,

> "...while some carriers may desire regional or nationwide service territories, others are interested in localized service areas. Our band plan meets this need by including licensing areas based on MSAs and RSAs. These local service areas will be optimal for incumbent operators who may need spectrum capacity only in limited areas. These local service areas also favor smaller entities, such as rural telephone companies and small service providers, with localized business plans and no interest in providing large-area service. As RCA observes, MSAs and RSAs permit entities who are only interested in serving rural areas to acquire spectrum licenses for these areas alone and avoid acquiring spectrum licenses with high population densities that make purchase of license rights too expensive for these types of entities. These types of service providers could acquire a RSA and create a new service area or they could expand an existing service territory or supplement the spectrum they are licensed to operate in by adding a RSA. They could also combine a few MSAs and RSAs to create a larger but localized service territory. MSAs and RSAs allow entities to mix and match rural and urban areas according to their business plans. By being smaller, these types of geographic service areas provide entry opportunities for smaller carriers, new entrants, and rural telephone companies. Their inclusion in our band plan will foster service to rural areas and tribal lands and thereby bring the benefits of advanced services to these areas."[3]

We agree with this analysis of the benefits of a balanced approach to geographic service selection as an appropriate means to foster services in rural as well as non-rural markets.

One of the important issues before the Commission is how to encourage licensing opportunities which promote, through market-based approaches, the competitive development of advanced technologies in all areas of the country. The Commission should recognize in its spectrum policies, as it did in its AWS Report and Order, the importance of adopting service area sizes appropriate for regional/local providers to provide them adequate spectrum for service and geographic entry and expansion. By affording realistic bidding opportunities to a variety of applicants, the adoption of small

[3] Service Rules for Advanced Wireless Services in the 1.7 GHz and 2.1 GHz Bands, WT Docket No. 02-353, Report and Order, FCC 03-251, released November 25, 2003, ¶ 35.

service area sizes, such as EA or MSA/RSA areas, will enhance competition and promote early deployment of advanced technologies consistent with the objectives of Section309(j) of the Act.

3. The Commission Should Adopt Geographic Service Areas Which Reflect the Business Plans of Regional and Numerous Smaller Operators.

U.S. Cellular is one of a number of wireless carriers which compete on a regional and local basis. For these carriers, the EA or MSA/RSA service area sizes proposed here provide a desirable and efficient scale which fits their business plans to develop and expand AWS capabilities.

From a technical standpoint, this expanded AWS spectrum band comprising of 20 MHz of spectrum is well suited either to expand the footprints or to increase the capacity of established regional and local carriers, such as U.S. Cellular. It has propagation and other technical characteristics which enhance its value for this purpose. For example, there are significant cost efficiencies from using such spectrum at existing PCS base station sites to develop and expand AWS and other advanced services.

Incumbent providers like U.S. Cellular and others need realistic opportunities to bid for new AWS licenses so that they can expand the technologies and services available to consumers in the regions they serve. Adoption of EA or MSA/RSA service areas for the AWS bands will help promote, through market-based approaches, competitive deployment of advanced technologies in all areas of the U.S. by giving these important incumbent wireless providers a fair opportunity to compete for necessary spectrum resources.

4. Use of Nationwide Service Areas for the New AWS Spectrum Will Not Maximize the Opportunity to Provide the Widest Array of Services and Business Plans.

The Commission requests comment regarding the "...extent to which nationwide licenses maximize the opportunity to provide the widest array of services and business plans."[4] U.S. Cellular strongly opposes use of nationwide licenses for the new AWS spectrum. Nationwide licensing is not necessary for large national firms who intend to use the new AWS spectrum to supplement their capacity to offer AWS services in certain regions or to offer localized versions of such services. If any such national firm possibly might need nationwide coverage, it can meet these needs by bidding for a

[4] Notice, ¶ 30.

combination of co-channel super-regional licenses when this AWS spectrum is auctioned. Nor is there any reasonable basis to conclude that new technologies or services will be deployed more rapidly or widely under nationwide licensing than under EA or MSA/RSA licensing.

If the Commission chooses to license this new AWS spectrum with service areas larger than EAs, regional and local carriers will be unable to participate and the Commission will have essentially prejudged the issue of whether or not their participation would have been efficient and in the public interest. On this basis, the Commission should reasonably conclude that nationwide licensing is not inherently more valuable than uses of combinations of regional and local service areas for AWS licensing.

Conclusion

The Commission's Notice acknowledges the technical issues which we raise here regarding the protection of incumbent PCS operations from harmful interference. We request that the Commission work closely with the PCS industry to develop technical criteria which fully protect the legitimate expectations of incumbent PCS licensees that their operations will not be degraded, obstructed or interrupted by interference from H-Block operations.

Also, among the most important issues before the Commission in this proceeding is how to create licensing opportunities on the new AWS spectrum which promote, through market-based approaches, the competitive development of advanced technologies in all areas of the country. We propose the adoption of EA or MSA/RSA service areas for either of the H-Block or J-Block spectrum covered in this Notice. This is an appropriate and fair compromise of the needs of nationwide and regional/local carriers to meet the spectrum needs of each group. Adoption of EA or MSA/RSA service areas will establish comparable opportunities to acquire spectrum at auction for regional/local carriers

without depriving national carriers of a fair opportunity to aggregate spectrum rights to deploy systems over larger areas.

Respectfully submitted,

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December 8, 2004

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