

Before the  
Federal Communications Commission  
Washington, D.C 20554

In the Matter of )  
 )  
Wireless Broadband Access Task Force Seeks ) GN Docket No. 04-163  
Public Comment on Task Force Report )  
 )

**COMMENTS  
OF THE  
NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION**

The National Telecommunications Cooperative Association (NTCA)<sup>1</sup> submits these comments in response to the Wireless Broadband Access Task Force’s (“Task Force’s”) Public Notice of March 8, 2005<sup>2</sup> seeking comment on the Wireless Broadband Access Task Force Report (“Report”).<sup>3</sup>

NTCA commends the Task Force for the hard work that went into the report. At the same time, however, it is important to bring to both the Task Force’s and the Commission’s attention a number of issues that impede NTCA member companies

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<sup>1</sup> NTCA is the premier industry association representing rural telecommunications providers. Established in 1954 by eight rural telephone companies, today NTCA represents more than 560 rural rate-of-return regulated telecommunications providers. All of NTCA’s members are full service incumbent local exchange carriers (ILECs) and many of its members provide wireless, cable, Internet, satellite and long distance services to their communities. Each member is a “rural telephone company” as defined in the Communications Act of 1934, as amended (Act). NTCA’s members are dedicated to providing competitive modern telecommunications services and ensuring the economic future of their rural communities.

<sup>2</sup> “Wireless Broadband Task Force Seeks Public Comment on Task Force Report,” GN Docket 04-163, DA 05-610, March 8, 2005.

<sup>3</sup> “Connected & On the Go: Broadband Goes Wireless,” Report by the Wireless Broadband Access Task Force, Federal Communications Commission, February 2005. (Hereafter cited as “Report.”)

seeking to deploy many of the wireless broadband technologies highlighted within the report.

The report accurately points out that “[w]ireless broadband constitutes a critical component of our nation’s goal of ensuring that reliable and ubiquitous broadband becomes available for all Americans.”<sup>4</sup> It is also true that “wireless broadband plays a critical role in ensuring that broadband reaches rural and underserved areas, where it often is the most efficient means of delivering these services.”<sup>5</sup> Elsewhere, however, the report either overlooks or underestimates the obstacles faced by rural providers seeking to deploy wireless broadband to their customers.

In December 2004 NTCA released its latest survey of its members’ wireless activities.<sup>6</sup> Fifty-nine percent of survey respondents provided wireless services to their customers; of those, 64% (38% of all survey respondents) offered wireless broadband.<sup>7</sup> Sixty-five percent of those respondents not currently offering broadband (27% of all respondents) are considering doing so.<sup>8</sup>

These survey results are certainly promising. They show NTCA member companies doing an excellent job of providing wireless service to their customers. They also show that NTCA member companies understand the importance of wireless, and that many are looking to enter into the wireless business.

However, the survey results also reveal the extent of the barriers that rural carriers must face in deploying wireless. One particularly critical barrier is difficulty in obtaining

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<sup>4</sup> Wireless Broadband Access Task Force Report, at 2.

<sup>5</sup> *Id.*

<sup>6</sup> NTCA 2004 Wireless Survey Report (December 2004), available on NTCA’s Website [www.ntca.org](http://www.ntca.org).

<sup>7</sup> *Id.* at 7.

<sup>8</sup> *Id.* at 8.

access to spectrum, either through auctions or via secondary market activities. Only 10% of survey respondents indicated that they had successfully acquired spectrum in the preceding twelve-month period, while a mere 8% entered into negotiations for the acquisition of spectrum.<sup>9</sup> Twenty-eight percent of survey respondents cited their ability to obtain spectrum at auction as a significant concern for the future.<sup>10</sup>

Difficulty in obtaining licensed spectrum has forced some NTCA members to turn to unlicensed spectrum in order to serve their customers' needs. Though inexpensive and readily available, this is far from an ideal solution: 54% of those survey respondents utilizing unlicensed spectrum indicated they had experienced difficulties with interference.<sup>11</sup> The perceived inferiority of unlicensed spectrum is best evidenced by the fact that survey respondents indicated that they would prefer access to additional licensed spectrum over additional unlicensed spectrum by a 69% to 31% margin.<sup>12</sup>

In its report, the Task Force specifically recommends improving access to licensed spectrum.<sup>13</sup> However, no mention is made of the specific issues facing small rural companies. These companies face unique situations, and do not have the resources at their disposal that larger companies do. It is important that the Commission recognize the specific needs of rural carriers and take the steps necessary to address them.

Elsewhere in the Report, the Task Force addresses the issue of secondary spectrum markets. While statements such as “[through secondary markets] a carrier with a nationwide license can, without significant transactions costs, lease or sell spectrum to

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<sup>9</sup> *Id at 9.*

<sup>10</sup> *Id at 10.*

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> Report at 6.

rural carriers to build networks in rural areas”<sup>14</sup> may be true in theory, in reality NTCA member companies’ experiences have been quite different. In practice, convincing a nationwide carrier to part with spectrum—even on a temporary basis—at a reasonable price has proven tremendously challenging. From NTCA member companies’ perspective, secondary markets—as they currently exist—do not pose a realistic solution to their licensed spectrum needs.

NTCA believes that the FCC could make secondary markets a viable alternative for rural carriers by lessening some of the current regulatory constraints. For example, reducing a potential licensee’s secondary responsibility for operations would encourage spectrum leasing. Similarly, allowing a long-term lessee to retain some rights if the licensee declares bankruptcy would increase the attractiveness of leasing spectrum from the small company’s perspective.

NTCA has also advocated a “keep what you use” approach to spectrum licensing.<sup>15</sup> If the FCC adopts this approach, large spectrum licensees with large licensed territories would be forced to part with spectrum that remains unused after the licensee has had sufficient time to build out the licensed territory. The licensee would have the opportunity to partition the unused licensed territory to another carrier. If it does not do so, the spectrum would revert to the Commission for relicensing. Either way, large

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<sup>14</sup> *Id* at 51.

<sup>15</sup> See Comments of the National Telecommunications Cooperative Association, *In the Matter of Facilitating the Provision of Spectrum-Based Services to Rural Areas and Promoting Opportunities for Rural Telephone Companies to Provide Spectrum-Based Services* (WT Docket No. 02-381), *2000 Biennial Regulatory Review Spectrum Aggregation Limits for Commercial Mobile Radio Services* (WT Docket No. 01-14), *Increasing Flexibility to Promote Access to and the Efficient and Intensive Use of Spectrum and the Widespread Deployment of Wireless Services, and to Facilitate Capital Formation* (WT Docket No. 03-202), filed January 14, 2005, at 4-8.

carriers would be discouraged from warehousing spectrum, and more wireless broadband services would ultimately be made available to the rural consumer.

The Task Force explicitly details recent Commission activities aimed at helping the deployment of wireless services to rural areas.<sup>16</sup> While these initiatives are an excellent start, it is necessary to look at the big picture and ask whether these programs have achieved their intended goal. The bottom line is that wireless broadband deployment in rural America is lagging that in non-rural America, and that that reality will not change without regulatory intervention. It is critically important that the Commission continues to work to create new means of bringing spectrum access to those rural providers who wish to serve their communities.

Wireless broadband will play an important role in fulfilling President Bush's pledge of ubiquitous broadband availability by 2007. In rural areas in particular, wireless broadband technology can be effectively used to overcome some of the inherent difficulties in providing state-of-the-art services to consumers. But without specific efforts designed to put licensed spectrum into the hands of NTCA member companies, they—and their rural customers—will not be able to take full advantage of the potential of wireless broadband.

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<sup>16</sup> Report at 53.

## CONCLUSION

In its recent report, the Wireless Broadband Access Task Force has done an admirable job in highlighting the promise of wireless broadband for rural America. Unless the FCC takes further steps to facilitate rural carriers' efforts to gain access to licensed spectrum, however, this promise will remain largely unkept.

Respectfully submitted,

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April 22, 2005

CERTIFICATE OF SERVICE

I, Gail Malloy, certify that a copy of the foregoing Comments of the National Telecommunications Cooperative Association in GN Docket No. 04-163, DA 05-610 was served on this 22nd day of April 2005 by first-class, U.S. Mail, postage prepaid, or via electronic mail to the following persons.

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