

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Reallocation and Service Rules)	GN Docket No. 01-74
For the 698-746 MHz Spectrum Band)	
(Television Channels 52-59))	
)	
Service Rules for the 746-764 and)	WT Docket No. 99-168
776-794 MHz Bands, and)	
Revisions to Part 27 of the)	
Commission's Rules)	

To: The Commission

**PETITION TO INSTITUTE REVIEW AND MODIFICATION OF THE SIZE OF
SERVICE AREAS FOR GEOGRAPHIC LICENSING FOR THE LOWER AND UPPER
BANDS OF 700 MHz SPECTRUM NOT YET AUCTIONED**

Rural Cellular Association (“RCA”)¹, by its attorneys, respectfully submits this petition to request that the Commission reexamine and modify the size of the service areas for geographic licensing of the not-yet-auctioned spectrum in the lower and upper 700 MHz bands. By this petition RCA asks that the FCC make portions of the spectrum that is yet to be auctioned available according to smaller service areas than are presently planned. Such action will facilitate and accelerate the availability of competitive broadband services in rural areas of the country. It will also yield, by all reasonable expectations, increased participation in the auctions and increased revenues for the U.S. Treasury.

Introduction

RCA is an association representing the interests of approximately 100 small and rural

¹ RCA was formed in 1993 to address the distinctive issues facing wireless service providers.

wireless licensees providing commercial services. Member companies offer Commercial Mobile Radio Service in more than 135 rural and small metropolitan markets where more than 14.6 million people reside in the United States. RCA members historically have led the industry in making the investments required to offer wireless services in the most rural areas of the country.

Bandplans Adopted Several Years Ago Provide for Very Large License Areas for All 66 MHz of Spectrum Yet to be Auctioned

In the captioned proceedings the Commission adopted bandplans for the Lower and Upper 700 MHz spectrum to be auctioned for commercial purposes in anticipation of television broadcasters vacating the spectrum when converting from analog to digital services.² The bandplans for reuse of the 700 MHz spectrum are depicted on the charts attached hereto.³

Beginning in 2002 the Commission conducted auctions and has since issued licenses only for Blocks C and D in the Lower Band.⁴ Still to be auctioned in the Lower 700 Band are Blocks A, B and E (12 MHz, 12 MHz and 6 MHz, respectively) with a total of 30 MHz. Each Block is to be auctioned according to Economic Area Groupings (“EAG”) boundaries **which allow for only 6 licenses per block in the nation**. In the Upper Band, all 36 MHz of allocated spectrum for commercial purposes remains to be auctioned, with 30 MHz to be offered according to EAG boundaries and 6 MHz (Guardband blocks) to be offered with Major Economic Area boundaries.

None of the 66 MHz of spectrum yet to be auctioned is slated to be offered with market sizes

2 The bandplan for the Upper 700 MHz spectrum was adopted in the First Report and Order in WT Docket No 99-168 (FCC 00-5), 15 FCC Rcd 476 (2000). The bandplan for the Lower 700 MHz spectrum was adopted by Report and Order in GN Docket No 01-74 (FCC 01-364), 17 FCC Rcd 1022 (2002), Erratum, 17 FCC Rcd 2153 (2002).

3 Source: FCC website: <http://wireless.fcc.gov/auctions/default.htm?job=bandplans>

4 Lower 700 MHz Block C has 12 MHz of bandwidth and was licensed according to MSA/RSA boundaries. There are 734 MSAs and RSAs in the nation. Lower 700 MHz Block D has 6 MHz of bandwidth and was licensed

as small or nearly as small as RSAs and MSAs.

Smaller License Areas Would Open Opportunities to Small Businesses and Expedite Competitive Wireless Broadband Services to Rural Areas

The most effective means by which the FCC can foster the prompt availability of competitive wireless broadband services to rural markets is to make available more licenses in the Upper and Lower 700 MHz bands with service areas no larger than Rural Service Areas (“RSAs”) and Metropolitan Service Areas (“MSAs”). This is because small entities that desire to provide broadband services in rural areas typically cannot afford to compete at auction for licenses that have service areas that combine rural and major metropolitan areas. When rural counties are grouped in license areas with metropolitan areas, as is the case with EAGs, the auction prices for licenses can be expected to soar beyond the means of small entities, at least those that are not owned in part by large companies. However by separating the rural counties from metropolitan license areas, such as by use of RSA/MSA boundaries, entities of all sizes can participate in the auctions and each participant can focus attention on the licenses that best conform to their individual service plans.

Wireless service history shows that large entities that acquire licenses for large geographic areas do not make a priority of bringing the benefits of the latest wireless technologies to the rural portions of their license areas. Partitioning, disaggregation and spectrum leasing do not provide the best solutions because specifications for service are typically dictated by the large company license holder. The effect of excessively large or inefficiently sized geographic license areas is a lost opportunity to allow spectrum to reach an entity that would make best use of it.

The Commission should be attentive to how its decisions that govern each auction may add to the large-company advantage that is inherent in the auction system and impact (i) the opportunities of

according to Economic Area Groupings. There are 6 such markets in the nation.

small entities to acquire spectrum; and (ii) the likelihood that purchased spectrum will be utilized in rural areas. Use of RSAs and MSAs as license areas is the proper balance in market size. It allows all bidders to mix and match rural and urban areas according to their individual business plans and financial capabilities. The availability of RSA licenses, which by definition encompass only counties that are outside of all MSAs, is especially important to small entities, and it does not disadvantage the large entities because large companies can make an independent choice of whether to pursue licenses for rural markets in addition to metropolitan markets.

More Auction Revenues are Predictable if Licenses are Auctioned with Smaller Service Areas

There are more auction participants and activity in bidding for licenses when the service areas are comparatively small, such as RSA/MSA-sized areas. This point is exemplified by the participation and bidding activity in Auction #44 for license Blocks C and D in the Lower 700 MHz Band. Bids for the six EAG licenses in combination were far less than the sum of bids for all of the RSA/MSA licenses, even when the difference in bandwidth between Blocks C and D is considered. The licenses offered according to RSA/MSA boundaries attracted more activity from companies of all sizes. More participation in bidding for licenses yields higher revenues for the federal government, clearly the purpose of conducting auctions to license spectrum.

Conclusion

Five years ago when the Commission adopted a bandplan for the Upper 700 MHz channels it did not anticipate that these channels could effectively be utilized to offer competitive broadband services, and that demand for such services in rural areas of the country would be as compelling as it is today. The same is the case with regard to the Lower 700 MHz bandplan adopted in early 2002. A fresh review of how this spectrum should be auctioned, in terms of market size, is much needed.

RCA submits that a change in the bandplans to make more of the remaining spectrum available according to RSA/MSA sized licenses will accelerate rural broadband deployment which, in turn, will promote educational opportunities and economic development in rural areas.

Respectfully submitted,

RURAL CELLULAR ASSOCIATION

A handwritten signature in black ink, appearing to read "David L. Nace", written over the printed name below.

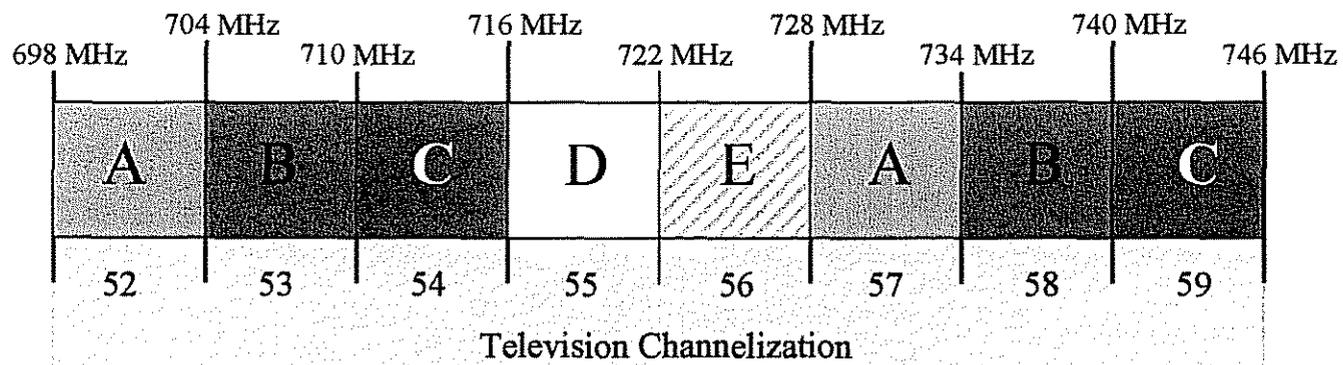
David L. Nace
Pamela L. Gist

Its Attorneys

Lukas, Nace, Gutierrez & Sachs, Chartered
1650 Tysons Boulevard, Suite 1500
McLean, Virginia 22102
(703) 584-8678

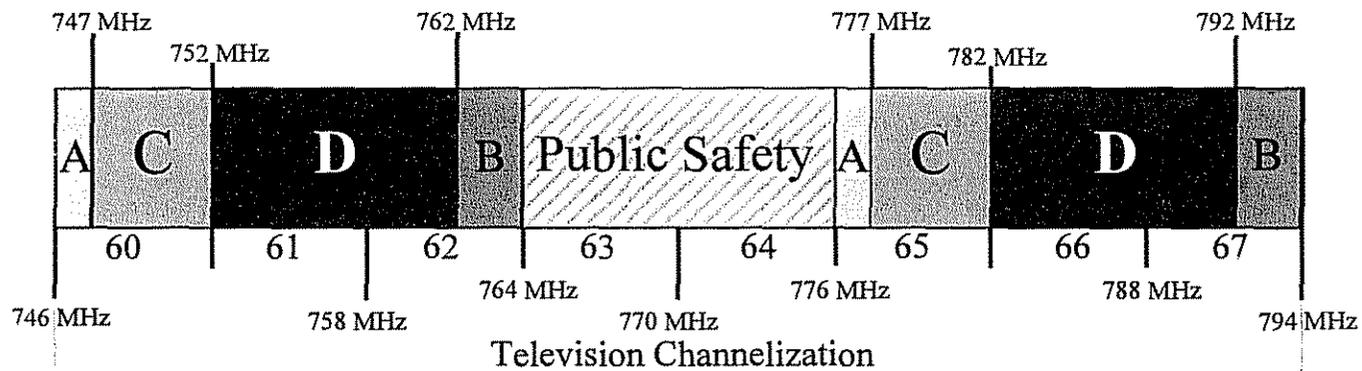
July 29, 2005

Lower 700 MHz Bandplan



<u>Block</u>	<u>Frequencies (MHz)</u>	<u>Bandwidth</u>	<u>Pairing</u>	<u>Geographic Area Type</u>	<u>No. of Licenses</u>
A	698-704, 728-734	12 MHz	2 x 6 MHz	700 MHz EAG	6
B	704-710, 734-740	12 MHz	2 x 6 MHz	700 MHz EAG	6
C	710-716, 740-746	12 MHz	2 x 6 MHz	MSA/RSA	734
D	716-722	6 MHz	unpaired	700 MHz EAG	6
E	722-728	6 MHz	unpaired	700 MHz EAG	6

Upper 700 MHz Bandplan



<u>Block</u>	<u>Frequencies (MHz)</u>	<u>Bandwidth</u>	<u>Pairing</u>	<u>Geographic Area Type</u>	<u>No. of Licenses</u>
A (Guard Band)	746-747, 776-777	2 MHz	2 x 1 MHz	Major Economic Areas	52
B (Guard Band)	762-764, 792-794	4 MHz	2 x 2 MHz	Major Economic Areas	52
C	747-752, 777-782	10 MHz	2 x 5 MHz	700 MHz EAG	6
D	752-762, 782-792	20 MHz	2 x 10 MHz	700 MHz EAG	6