

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

In the Matter of)
)
Auctions of Advanced Wireless Services) AU Docket No. 06-30
Licenses in the 1710-1755 MHz and) DA 06-238
2110-2155 MHz Bands

**REPLY COMMENTS
OF THE
NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION**

The National Telecommunications Cooperative Association (NTCA)¹ submits these reply comments in response to the Wireless Telecommunications Bureau's (Bureau's) Public Notice seeking comment on procedures for the auction of advanced wireless services (AWS) licenses.² NTCA files in support of the large number of small and independent telecommunications companies urging the Commission to lower the proposed reserve prices/minimum opening bids for the upcoming auction and to reject the proposal to keep certain information about bidders confidential.³ NTCA also reiterates its plea that the Bureau reject the package bidding format for the AWS spectrum auction.

¹ 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.

² Auction of Advanced Wireless Services Licenses Scheduled for June 29, 2006: Comment Sought on Reserve Prices or Minimum Opening Bids and Other Procedures, Public Notice, AU Docket No. 06-30 (rel. January 31, 2006) (Public Notice).

³ See Comments of 3G Comm, LLC; Advanced Communications Technology; Alpine Communications; Cameron Communications; Cascade Communications; CC Communications; Chibardun Telephone Cooperative, Inc.; Clear Lake Independent Telephone Company; Consolidated Telecom; Copper Valley Wireless; Dubois Telephone Exchange, Inc.; East Buchanan Telephone Cooperative; Emery Telecom; Farmers' and Business Men's Telephone Cooperative; Farmers Mutual Telephone Company; Fidelity

More than 30 small, independent telecommunications carriers serving rural communities filed comments in this proceeding. Each one expressed its concern that the proposed reserve prices/minimum opening bids would serve as “artificial barriers” to small businesses interested in participating in the upcoming AWS auction. NTCA agrees that the proposed formula could result in upfront payments beyond the reach of most small carriers. NTCA’s rural telephone company members are among the entities that Congress sought to help when it mandated in Section 309(j) of the Communications Act that the FCC promote economic opportunity and competition and disseminate licenses among a wide variety of applicants, including small businesses and rural telephone companies. The Commission should consider alternative upfront payment proposals and lower the upfront payments required for the A-block of spectrum to be licensed according to RSAs to encourage small business participation and rural carrier opportunities in the AWS auction.

There was a rare near uniformity of negative opinion in the comments about the Commission’s proposal to make public only the gross amount of high bids after each bidding round and not reveal information about bidder’ short-form license selections and the amount of their upfront payments, the identity of non-provisionally winning bidders and the amounts of their bids, and the identities of the winning bidders at the end of each round. NTCA joins the commenters arguing that the proposed changes will result in bidder confusion and uncertainty. The current bidding procedures and open processes

Communications; Grand Mount Cooperative Telephone Association; Interstate Telecommunication Cooperative, Inc.; Kennebec Telephone Co., Inc.; Lost Nation-Elwood Telephone Company; Marne & Elk Horn Telephone Company; Miles Co-op Telephone Association; Nucla-Naturita Telephone Company; Premier Communications; RT Communications, Inc., South Central Utah Telephone; UBTA-UBET Communications; Van Buren Telephone Co., Inc. Venture Communications ; Webster-Calhoun Cooperative Telephone Association; Winnebago Cooperative Telephone Association; Yadkin Valley Telephone Membership Cooperative.

have worked in dozens of auctions; any perceived dangers of bid signaling have not materialized. In addition, any gains in economic efficiency to be realized from the proposed new procedures are purely speculative. The Commission should not change its bidding procedures for the AWS auction.

Commenters also uniformly agreed that the Commission should not make package bidding available for the AWS auction. As NTCA argued, packaging bidding could deprive rural carriers of meaningful opportunities to participate in AWS and would run counter to the goals of 309(j). Package bidding would permit large carriers to aggregate CMA licenses, effectively turning them into large EAG-like license territories. The Commission has created a viable opportunity for small carriers in the AWS auction by licensing the A-block according to small geographic areas. It should not undo the small carrier opportunity by creating another opportunity for large carriers. If the Commission does move forward with package bidding, it should exempt the A block licenses and make them off limits to package bidders.

CONCLUSION

NTCA urges the Commission to preserve the ability of small carriers to obtain spectrum to provide new, innovate wireless service to rural communities. The Commission should: (1) reduce minimum opening bids/upfront payments for RSA licenses; (2) make the usual bidder and bid information available to all auction

participants; and (3) reject package bidding as an option for the upcoming AWS spectrum auction.

Respectfully submitted,

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February 28, 2006

CERTIFICATE OF SERVICE

I, Gail Malloy, certify that a copy of the foregoing Reply Comments of the National Telecommunications Cooperative Association in AU Docket No. 06-30, DA 06-238 was served on this 28th day of February 2006 by first-class, United States mail, postage prepaid, or via electronic mail to the following persons.

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