

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

In the Matter of)	
)	
Service Rules for the 698-746, 747-762 and 777-792 MHz Bands)	WT Docket No. 06-150
)	
Revision of the Commission’s Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems)	CC Docket No. 94-102
)	
Section 68.4(a) of the Commission’s Rules Governing Hearing Aid-Compatible Telephones)	WT Docket No. 01-309
)	
Biennial Regulatory Review – Amendment of Parts 1, 22, 24, 27, and 90 to Streamline and Harmonize Various Rules Affecting Wireless Radio Services)	WT Docket No. 03-264
)	
Former Nextel Communications, Inc. Upper 700 MHz Guard Band Licenses and Revisions to Part 27 of the Commission’s Rules)	WT Docket No. 06-169
)	
Implementing a Nationwide, Broadband, Interoperable Public Safety Network in the 700 MHz Band)	PS Docket No. 06-229
)	
Development of Operational, Technical and Spectrum Requirements for Meeting Federal, State and Local Public Safety Communications Requirements Through the Year 2010)	WT Docket No. 96-86

COMMENTS OF FRONTIER COMMUNICATIONS

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COMMENTS OF FRONTIER COMMUNICATIONS

I. Introduction.

Frontier Communications Solutions (“Frontier”)¹ hereby submits its comments in the above captioned matter pursuant to the Commission’s April 27, 2007 Report and Order and Further Notice of Proposed Rulemaking.² Frontier supports the Commission’s decision to license 12 MHz of spectrum in the Lower 700 MHz band on a CMA basis.³ With respect to the spectrum in the Upper 700 MHz band that will be available for auction, Frontier recommends that the Commission assign one block of spectrum to CMA or smaller license areas. In order to provide additional opportunity for mid-size and small rural service providers like Frontier to access spectrum, Frontier also requests the Commission to establish auction rules that require a nationwide wholesale provider. With respect to the service coverage performance requirements being considered by the Commission Frontier recommends that the Commission extend the proposed three-year deadline for 25% geographic service coverage to five years. Frontier also urges the Commission to reject the proposal for imposing limitations on incumbent local exchange carriers participating in the 700 MHz auction.

II. Frontier Supports the Commission Decision to Assign One License Block in the Lower 700 MHz band on a CMA basis.

In the existing band plan for the Lower 700 MHz Band, the 48 megahertz of spectrum is divided into five blocks: three 12-megahertz paired blocks, each consisting of two 6-megahertz segments (Blocks A, B, and C) and two 6-megahertz unpaired blocks (Blocks D and E). The

¹ Frontier is a mid-size holding company with incumbent local exchange carrier (ILEC) operations in 24 states. As an ILEC, Frontier operates in one of the most competitive (both residential and business) urban markets in the country (Rochester, NY), but the balance of its ILEC operations are located in numerous small, high cost rural markets throughout the United States.

² Report and Order and FNPR, FCC 07-72 (released April 27, 2007).

³ CMAs are comprised of Rural Service Areas and Metropolitan Service Areas, the relatively small geographic areas defined by section 27.6(h)(1) of the Commission’s Rules, 47 C.F.R. § 27.6(h)(1). There are a total of 734 RSAs and MSAs.

spectrum comprising Lower 700 MHz Band Blocks C and D, consisting of 18 of the 48 megahertz in that band, has already been auctioned. The Commission has proposed that the unpaired spectrum in the E Block of the Lower 700 MHz Band continue to be licensed in large regional areas, on an EAG basis.⁴ With respect to the A Block in the Lower 700 MHz Band, the Commission has proposed to adopt EAs as the geographic area for licenses to be auctioned.⁵ With the remaining unauctioned spectrum in the Lower 700 MHz band, the Commission has proposed that CMAs be adopted as the geographic service area for licenses in the B Block of the Lower 700 MHz Band,⁶ which will result in the availability of 734 CMA licenses in this block.

With respect to the Lower Band, the Commission has taken a positive step in deciding to adopt a mix of geographic licensing areas consisting of CMAs, EAs and REAGs which will replace the unauctioned EAG-sized license areas previously established in the lower 700 MHz band. The Commission has appropriately recognized that circumstances have changed significantly since the Commission adopted the original six EAG geographic areas for the licenses for the Upper and Lower 700 MHz bands in 2002 and 2001.

Since 2001 and 2002, rural service providers like Frontier have expressed interest in the 700 MHz spectrum to further deploy wireless services, including broadband, to consumers in remote and underserved areas. In rural areas, availability of digital subscriber line (DSL) service is potentially limited to loops extending less than 15,000 feet from a central office where DSLAMs are deployed. LECs and rural carriers serving rural customers require access to high

⁴ Report and Order and FNPR at ¶ 179.

⁵ Report and Order and FNPR at ¶ 180.

⁶ Report and Order and FNPR at ¶ 181.

quality spectrum, with affordable build-out costs, to deploy more wireless broadband solutions to these areas. The signal propagation characteristics of 700 MHz spectrum, coupled with the extended transmission characteristics, make it well suited for wireless services in rural areas, including the offering of wireless data services.

For mid-sized ILECs like Frontier, making spectrum available at the CMA level or even smaller geographic area provides the only realistic opportunity to directly acquire spectrum in the upcoming 700 MHz auction. CMAs, as opposed to EA or EAGs, enable carriers who are only interested in serving more limited areas to acquire spectrum licenses for rural areas alone and avoid acquiring spectrum licenses with high population densities that make purchase of license rights too expensive for these types of entities. To encourage new entrants, including mid-sized ILECs, and to facilitate deployment of the broadband opportunities provided by this spectrum to rural, high-cost areas the Commission should adopt a proposal that ensures that 12 MHz of bandwidth in the Lower 700 MHz band be auctioned using CMA licenses. By allocating 700 MHz spectrum in license area sizes that are small enough to be attractive to the rural local wireline carrier, and enabling the deployment of high speed Internet access to the most difficult to reach customers, the Commission will be taking steps towards meeting its goal of promoting the availability of broadband for all Americans. Frontier supports the Commission's proposed decision to assign one license block in the Lower 700 MHz band on a CMA basis.

III. The Commission Should Assign One Block of Spectrum in the Upper 700 MHz Band to Smaller License Areas.

Under the existing band plan for the Upper 700 MHz Commercial Services Band, 30 megahertz of spectrum is divided into two blocks: (1) a 10-megahertz paired block consisting of

two 5-megahertz segments (C Block); and (2) a 20-megahertz paired block consisting of two 10-megahertz segments (D Block). The Commission has identified at least five different proposals which would make several changes to the size and location of the spectrum blocks in the band plan currently associated with the Upper 700 MHz Commercial Services Band and the 700 MHz Guard Bands, as well as the geographic area basis on which the various blocks should be licensed.

In the first proposal,⁷ the Commission has proposed to establish a new 22-megahertz C Block (comprised of two 11-megahertz blocks of paired spectrum), and a new 12-megahertz D Block (comprised of two 6-megahertz blocks of paired spectrum). Both the C and D Blocks in the Upper 700 MHz Band would be licensed on a REAG basis.

The second proposed band plan contemplates licensing 34 megahertz of commercial spectrum in the Upper 700 MHz Band using a mix of REAG, EA and CMA geographic licensing areas.⁸ Under this proposal, the Commission would license the C and D Blocks both on an EA basis, or the C Block on a CMA basis and the D Block on an EA basis. The Commission would license the E Block on a REAG basis.

With the third proposal, the Commission would modify the Guard Bands and the configuration of the Upper 700 MHz Band.⁹ The auction would still include 32 megahertz of commercial broadband spectrum; however, the license blocks would be shifted to address potential interference concerns. It is not clear whether the Commission would propose to license the spectrum blocks on an REAG, EA or CMA basis.

⁷ See Report and Order and FNPR at ¶ 190.

⁸ See Report and Order and FNPR at ¶ 192.

⁹ See Report and Order and FNPR at ¶ 195.

The fourth band plan proposes to license the C and D Blocks in the Upper 700 MHz band as two separate 11-megahertz licenses (each composed of two 5.5-megahertz paired blocks) on a REAG basis, with an E Block licensed as a 10-megahertz license (composed of paired 5-megahertz blocks) on an EA basis.¹⁰

The fifth proposal contemplates modifying the guard bands and licensing the C and D blocks as two 11-megahertz licenses (each composed of two 5.5-megahertz paired blocks), with a 10-megahertz E Block (composed of paired 5-megahertz block).¹¹ The C Block would be licensed on a REAG basis, and the D and E Blocks would be licensed on an EA basis.

Each of the five proposals identified and described by the FCC in the FNPR contemplates auctioning spectrum in the Upper 700 MHz band over REAG and EA license areas. Only Proposal # 2 considers assigning spectrum on a CMA license area basis in the upcoming auction and even under this second proposal the Commission suggests an alternative whereby both the C and D blocks could be licensed only an EA basis. For the reasons described below, Frontier urges the Commission to allocate one of the license blocks in the Upper 700 MHz band to CMAs or smaller license areas.

Under proposals #1, 3, 4 and 5 being considered by the Commission, all licenses in the Upper Band will be assigned to large EAG license areas covering multiple states within a region, or EAs covering large geographic areas. These large geographic license areas in the Upper 700 MHz band create a lost opportunity for rural markets to receive additional wireless services. Large companies that can economically afford to acquire spectrum over large EAG or EA license areas traditionally deploy services to the urban and suburban markets with higher populations first, while the less populated and rural areas receive the benefits years later, if ever. In contrast,

¹⁰ See Report and Order and FNPR at ¶ 200.

¹¹ See Report and Order and FNPR at ¶ 205.

with smaller license areas, rural service providers like Frontier that are interested in acquiring the 700 MHz spectrum, will be able to participate in the 700 MHz auction and will be in a better position to quickly target the deployment of wireless broadband services to consumers in remote and underserved areas.

With the REAG and EAs licenses proposed for the Upper 700 MHz band, vast portions of the license areas in the Upper 700 MHz band will greatly exceed the area in which the rural carriers like Frontier will be able to offer wireless data services. Frontier provides telephone service in 24 states and serves approximately 2.5 million access lines. In 17 of these states, Frontier serves less than 100,000 access lines. Each of the proposed EAG license areas, however, contains populations in excess of 25 million people. Based on the recent AWS auction, it is quite likely that the winning bid for each of the EAG licenses in the 700 MHz auction will exceed \$100 million. Similarly, even the smallest EAs contain populations of several hundred thousand people and many EAs include populations greater than 1 million people. The price for the spectrum in these EAs will be based in large part on the total population in the entire EA area even though an incumbent LEC like Frontier may only seek to use spectrum in a more limited geographic area where it already provides service. If it is required to purchase spectrum to serve entire REAGs or EAs, Frontier cannot economically acquire spectrum to provide expanded wireless service in its existing ILEC service territory. The establishment of smaller license service areas will allow rural companies like Frontier to participate in the auction process and selectively bid on licenses and provide wireless services in more-limited geographic areas that correspond with the area that they currently provide other services, including landline basic telephone service.

This phenomenon of the license area greatly exceeding the area where a company desires to provide service and therefore making the license uneconomical may still occur when licenses are apportioned on a CMA level, which is the smallest geographic area over which the Commission has issued licenses to date. In total, Frontier provides landline telephone service in over 125 different CMAs. Frontier's service territory only includes a very limited number of CMAs in which the number of households in Frontier's territory exceeds 50% of the households in the entire CMA.¹² Notwithstanding the Commission's apparent reluctance to assign license to areas smaller than CMAs,¹³ Frontier continues to support the use of license areas even smaller than CMAs in the upcoming 700 MHz auction. By establishing smaller license areas, small and rural carriers would be able to better target their investment and deployment of wireless broadband services in areas to provide expanded services to their existing customers, including customers in rural areas that may otherwise be unable to obtain broadband services. Moreover, the use of smaller license areas will not disadvantage large entities because they can pursue and combine multiple small license areas to create statewide or regional service areas.

Similarly, establishing two or more blocks of spectrum assigned to smaller geographic license areas (one block on a CMA basis in the Lower 700 MHz band and one block for smaller license areas in the Upper 700 MHz band) will make spectrum more affordable and enable multiple smaller and rural carriers to participate in the proposed auction of the 700 MHz spectrum. If two blocks are assigned on a smaller license areas it becomes less likely that one national or regional carrier will be able to purchase all of the spectrum in for the smaller CMA

¹² For example Frontier provides basic telephone service to approximately 1.8 households in CMAs where it provides telephone service. The approximate number of households in these CMAs is approximately 92 million households. Accordingly Frontier landline telephone service area encompasses less than 5% of the households in the CMAs where it provides telephone service. If Frontier were to acquire a license for each of the CMAs where it currently provides landline service, less than 95% of the households in the license area would be outside its landline telephone service area.

¹³ See Report and Order and FNPR at ¶ 46.

areas across the country. Because the use of small license service areas will allow more entities, including entities which are more likely to provide service in rural areas, to participate in the 700 MHz auction, without disadvantaging large national or regional entities, Frontier urges the Commission to make at least one block of spectrum in the Upper 700 MHz Band available in smaller service areas no larger than CMAs.

IV. The Commission Should Establish Rules To Provide For a National Wholesale Provider.

In addition to adopting rules that would provide for multiple CMA or smaller licenses, the Commission should also adopt rules that establish a national license (REAG blocks with combinatorial bidding or a national block) and require the license holder to make spectrum available on a wholesale basis. The Commission should also consider requiring the winning bidder of one national block to complete the build out and network sharing for public safety and commercial spectrum. The nationwide wholesale provider should be required to partner with the smaller, regional license holder for roaming services enabling the regional, rural provider to offer service that is comparable and competitive with the largest national and regional wireless providers.

Wholesale spectrum will provide additional opportunity to offer wireless broadband to consumers in markets where even a CMA license is too large and will not allow an economically viable alternative for midsized and small rural carriers. A pure wholesale-only provider will have incentive to offer wireless network access at competitive prices to midsize and smaller carriers in rural markets. With a national license, which requires the holder to offer wholesale services along with a network sharing/build out requirements for public safety, the Commission will go a long way towards building a competitive wholesale market that will benefit rural customers, public safety and mid-size and small service providers.

V. The Commission Should Not Impose a 3-Year 25% Coverage Performance Requirement on Carriers Acquiring Spectrum.

The Commission previously sought comments on whether the 700 MHz spectrum to be auctioned should be subject to the “substantial service” performance requirements in Section 27.14(a) of the Commission’s rules. These rules require a showing of “substantial service” – i.e., deployment of service that is sound, favorable, and substantially above a level of mediocre service, before the expiration of the initial license term before the licensee can secure the renewal of the license.¹⁴ If a licensee fails to meet this requirement, the license will be forfeited and the license holder will be ineligible to regain it.

In the FNPM, the FCC has proposed to adopt new performance requirements based on geographic benchmarks and a “keep what you use” rule. Specifically, the Commission proposed that each licensee provide coverage of 25 percent of the geographic area of the license within three years of the grant of the initial license, 50 percent of this area within five years, and 75 percent of the area within eight years.¹⁵ The Commission has also sought comment on the potential consequences for licensees that fail to meet the interim requirements to cover a minimum percentage of the geographic area of their license area.¹⁶ For example, licensees that fail to meet these benchmarks could have the length of their license term reduced. Alternatively, licensees that fail to meet the benchmarks could have their license area reduced under a proportionate “keep what you use” approach. Under this “keep what you use” alternative being considered by the Commission, the reduction of the license area would be sufficient to create a

¹⁴ 47 C.F.R. § 27.14.

¹⁵ See Report and Order and FNPR at ¶ 212.

¹⁶ See Report and Order and FNPR at ¶ 214.

resulting license area in which the area currently covered meets the relevant interim benchmark.¹⁷

First, Frontier wants to ensure that the geographic deployment benchmarks proposed by the Commission do not require a company to provide a specific type of service over the spectrum. The benchmark should apply to the core service the company has chosen to use the spectrum for, wireless data or voice, but should not require the offering of both of these services. Some companies may wish to acquire spectrum solely to provide broadband Internet service. A requirement to provide wireless voice to a certain percentage of the geographic area would limit the ability for the company to invest in providing a more robust data offering. A data only offering meeting the geographic benchmark should be deemed as providing sufficient service to the license area.

The Commission has proposed that the three-year time frame for satisfying the initial 25% geographic coverage performance requirement (and subsequent coverage requirements) would commence upon the initial grant of the 700 MHz licenses. While Frontier believes it is appropriate for the Commission to establish performance requirements associated with the 700 MHz spectrum, Frontier recommends that the Commission modify its proposal to extend the three-year – 25% geographic coverage requirement to a minimum of five years.

While the timing of the license grants is uncertain, the licenses could potentially be granted in early to mid 2008. This may be as much as one year before the mandatory DTV transition date in February 2009 and therefore result in a significant period between the license

¹⁷ For example, if a licensee employs a signal level sufficient to provide service to only 20 percent of the geographic area by the three-year benchmark, the licensee would be required to return a portion of the licensee's unserved area to the Commission, so that the covered area equals at least 25 percent of the remaining portion of the license area. A similar process would be used if a licensee fails to meet the five- and eight-year benchmarks. See Report and Order and FNPR at ¶ 217.

grant date and the availability of the 700 MHz spectrum for testing and use. Similarly, it is unclear to what extent equipment vendors will have developed equipment available to provide services using the 700 MHz spectrum. It is quite possible there may be some lag in equipment availability after the completion of the auction. Moreover, small and mid-sized carriers like Frontier may not be given priority access to newly manufactured equipment, which could further delay the deployment of services. Given the uncertainty associated with the ability to use the 700 MHz spectrum immediately following the assignment of licenses, coupled with potential delays in 700 MHz equipment availability, Frontier recommends that the Commission extend any initial geographic coverage standard to five years after the license is granted.

VI. The Commission Should Not Impose any Limitations on the Ability of Incumbent Local Exchange Carriers to Own Spectrum.

The Commission has also sought comment on the proposal presented by Media Access Project and the Ad Hoc Public Interest Spectrum Coalition (PISC)¹⁸ to exclude incumbent local exchange carriers (ILECs), incumbent cable operators, and large wireless carriers from eligibility for licenses in the 700 MHz Band.¹⁹ In short, there is no rationale basis for imposing restrictions on ILEC carriers that do not already own or offer services using licensed wireless spectrum. Each of Frontier's ILECs would be a "new entrant" into wireless spectrum. Frontier and other ILEC carriers should be given the same opportunity to participate in the upcoming auction and to utilize the spectrum to provide service.

Specifically, rural service providers like Frontier have expressed interest in the 700 MHz

¹⁸ See *Ex Parte* Comments of the Ad Hoc Public Interest Spectrum Coalition, PS Docket No. 06-229 and WT Docket Nos. 06-150, 05-211, 96-86, at 9, 18-19 (filed Apr. 3, 2007) ("PISC Apr. 3 *Ex Parte* Comments in PS Docket No. 06-229 and WT Docket Nos. 06-150, 05-211, 96-86"). PISC suggests a prohibition on such incumbents gaining access to the 700 MHz band either by auction or through secondary market transactions.

¹⁹ See Report and Order and FNPR at ¶ 221.

spectrum to further deploy wireless services, including broadband, to consumers in remote and underserved areas where landline services may be difficult to deploy. In rural areas, it can be difficult to deploy landline broadband services to certain remote customer locations. LECs and rural carriers serving these customers seek to use the 700 MHz spectrum to deploy wireless broadband solutions to these areas. As noted above, the signal propagation characteristics of 700 MHz spectrum, coupled with the extended transmission characteristics, make it well suited for wireless services in rural areas. The imposition of any restrictions on incumbent local exchange carriers associated with the 700 MHz spectrum would jeopardize and undermine the ability of carriers like Frontier to expand the availability of wireless service in rural markets across the country.

Mid-sized ILECs, like Frontier, serving largely rural areas that are often underserved or unserved by the wireless industry, recognize the importance of providing innovative wireless broadband services in addition to the existing wireline voice and data products currently provided. The 700 MHz auction is likely the last realistic opportunity for a quality wireless broadband nationwide network that can address both the needs of the entities that desire to service largely rural, underserved or unserved areas. Frontier strongly recommends that the Commission reject the proposal to place any restrictions on small and mid-sized incumbent local exchange carriers in the upcoming 700 MHz auction.

VII. Conclusion.

The Commission should establish small license service areas in both the Lower and Upper 700 MHz band. Excessively large geographic license area creates a lost opportunity for rural markets to receive additional wireless services. If small and rural carriers are able to purchase spectrum in more limited geographic areas, they can target the deployment of wireless

service in rural areas and thereby foster the availability of competitive wireless broadband services in rural markets. Frontier also recommends that the Commission adopt rules for the assignment of a national license to carrier that will make spectrum available on a wholesale basis.

Frontier also respectfully requests that the Commission extend the initial geographic coverage requirements to at least five years and that the Commission reject proposals to impose additional limitations or restrictions on small and mid-sized incumbent local exchange carriers in the 700 MHz auction.

Dated May 23, 2007

Respectfully submitted,



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