



June 4, 2007

The Honorable Kevin J. Martin  
The Honorable Michael J. Copps  
The Honorable Jonathan S. Adelstein  
The Honorable Deborah Taylor Tate  
The Honorable Robert M. McDowell  
Federal Communications Commission  
445 – 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

*Re: Service Rules for the 700 MHz Band  
WT Docket Nos. 06-150, 06-169 and 96-86; PS Docket No. 06-229*

Dear Chairman and Commissioners:

The 700 MHz band has tremendous potential as a home for new and innovative wireless services, including broadband services that can provide needed Internet access services to areas of the country that are not being served by DSL or cable modem service. I am the founder and majority owner of Stelera Wireless, LLC (“Stelera”), a start-up company formed in 2006 to participate in the Commission’s AWS-1 Auction (Auction 66). Stelera succeeded in winning 42 licenses in Auction 66 (mostly in rural markets) at a total cost of \$7.4 million, and is currently investing additional capital to build out a network that will employ AWS spectrum to offer new broadband services. Our experience in actually deploying a new broadband service gives us a valuable perspective on some of the policy choices which the Commission must make in the coming weeks as it decides on service rules for the commercial 700 MHz spectrum.

In short, the Commission should continue to rely on market forces instead of prescriptive regulation to determine how new wireless services are deployed in the 700 MHz band. In our experience, the Commission’s existing auction process smoothly and efficiently selects the bidders whose business plans have the best use for the spectrum. Though Stelera is a relatively small enterprise, we were able to execute on our business strategy in Auction 66 and are responding to marketplace demands that soon will enable us to initiate new wireless services in areas where they have previously been lacking. No amount of prescriptive regulation can work better than market forces at identifying marketplace needs and facilitating the flow of investment capital to meet those needs.

The Commission is now considering proposals that have the potential to undermine the market-based orientation that has succeeded in putting companies like

The Honorable Kevin J. Martin  
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The Honorable Robert M. McDowell  
June 4, 2007  
Page 2

ours into business: mandates regarding the provision of wholesale services; “open access” proposals; and imposition of geographic build-out obligations. I urge you to reject these “command-and-control” regulatory proposals and allow a pure market-oriented process to play out for the commercial 700 MHz spectrum. Only in this way can companies like ours compete in an fair, open auction and the Commission best nurture the evolution of the types of broadband services, especially in the areas most in need.

*Wholesale-Only Business Models.* Under proposals like those made by Frontline Wireless, the Commission would endorse – or indeed dictate – a particular business model for at least some of the 700 MHz commercial spectrum. Setting aside the question of whether a wholesale-only business model could succeed – about which there could be no guarantees – the Commission should, as a matter of standard practice, refrain from dictating licensees’ business plans. If the wholesale business model has merit, surely some enterprising bidder will emerge to win the licenses needed to put it into effect. But the marketplace mechanism that the auction represents, and not Commission rules, should decide whether this occurs.

*Open Access Proposals.* Imposing any kind of “open access” regime on 700 MHz licensees threatens their ability to configure their own networks to best respond to consumer demands and to make changes that will address changes in the marketplace. In addition, open access regimes are dangerous because they expose wireless networks to the prospect that devices and/or applications could create harmful interference, degrade network performance, prevent carrier compliance with important social policy obligations, and open networks to greater security threats. I urge you to once again place your faith in the tried-and-true market-oriented, flexible use policies that have succeeded in fostering today’s highly competitive wireless industry. The Commission should decline to substitute its judgment for the marketplace’s and should allow licensees to determine for themselves how best to configure their networks.

*Geographic Build-out.* While I share a desire to see wireless broadband services deployed widely in rural areas, imposition of a geographic build-out mandate will do little if anything to achieve this goal. In fact, such a mandate may actually harm smaller companies like Stelera, whose mission is precisely in line with the goal, by subjecting it to ruinous competition from larger carriers who may be forced to extend their networks beyond the scope demanded by the marketplace just to meet the Commission’s mandate.

The Commission must decide numerous open issues regarding the 700 MHz band in a short time frame, and I can appreciate the difficulties inherent in this task. The best policies, however, are not difficult to find. The Commission has developed an efficient

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The Honorable Deborah Taylor Tate  
The Honorable Robert M. McDowell  
June 4, 2007  
Page 3

mechanism for assigning spectrum licenses – one based on allowing marketplace forces to determine the best and highest use of spectrum. There is no need for regulation to address a market failure. Indeed, Stelera's success in acquiring licenses in Auction 66 and its upcoming roll-out of new broadband service are evidence that market forces can be relied upon to achieve the goals you seek. I urge you to allow market-oriented policies to play out in the 700 MHz band as well.

Respectfully,

A handwritten signature in dark ink, appearing to read 'G. Evans', with a long horizontal flourish extending to the right.

G. Edward Evans  
Founder and CEO  
Stelera Wireless, LLC