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

In the Matter of	)	
	)	**RM No. 11510**
Petition for Rulemaking Regarding the Transition of Part 22 Cellular Services to Geographic Area Licensing	)	

Reply Comments of
United States Cellular Corporation

United States Cellular Corporation ("USCC") hereby files its Reply Comments in the above-captioned proceeding. In our Comments, USCC agreed with CTIA that the FCC should initiate a rulemaking proceeding which would amend the FCC's cellular rules to license cellular systems by market, rather than by individual cell sites. As a concomitant of establishing geographic borders, the FCC should establish limits on cellular signal "field strength" at such borders. However, we also argued that in states or partitioned service areas in which there are now unserved area as well as "incumbent" licensees, i.e. those licensees originally granted the authorization for the market (or their successors), such unserved area licensees should not be denied the right to expand their systems in the future on a basis equal to the incumbents.

USCC also maintained that the FCC has to resolve the issue of system "boundaries," where Cellular Geographic Service Areas ("CGSAs") now extend beyond geographic borders, and where unserved area CGSAs are adjacent to those of incumbents, and cannot leave the border determination issue to cellular licensees and/or the FCC to adjudicate in the absence of standards for resolving such disputes. The comments filed provide substantial support for those positions.

I. The FCC Must Adopt A Market Based Cellular Licensing System But Should Take Account of Existing Unserved Area Licenses.

The FCC's cellular licensing system must be revised, as cellular service areas are presently defined by borders determined by obsolete analog signal contours. This central flaw is acknowledged by most commenters, but only a few support altering this archaic regulatory structure. Verizon Wireless, for example, notes the small number of unserved area applications now filed by non-incumbents, the needless time and expense involved in processing Phase II applications by incumbents, and the FCC's current preference for market-based licensing in other CMRS services.[1] AT&T also notes the problem of Phase II administrative delay, and emphasizes that the current licensing rules require licensees to file and the FCC to review information which does not portray the current actual digital coverage of cellular systems, thus resulting in wasted effort.[2]

However, many commenters still object to CTIA's proposed solution to the problem, precisely because it does not take into account the interests of unserved area licensees.[3] GCI, for example, cites its provision of service to certain communities in rural Alaska in recent years through the unserved area filing process.[4] Even if the FCC approves CTIA's petition GCI proposes a one year filing period for additional unserved area filing applications followed by a two year buildout period. MetroPCS would go further and require the holding of an auction for all unserved areas before the FCC could adopt geographic area licensing, noting that such

[1] See Comments of Verizon Wireless, pp. 1-4.
[2] Comments of AT&T, Inc., pp. 2-5.
[3] See, e.g., Comments of Rural Independent Competitive Alliance ("RICA"), pp. 1-4; Rural Telecommunications Group, Inc. ("RTG"), pp. 3-7; Commnet Wireless, LLC ("Commnet"), pp. 1-9; MetroPCS Communications, Inc. ("MetroPCS"); GCI Communications Group ("GCI"), pp. 1-9; and National Telecommunications Cooperative ("NCTA"), pp. 2-3.
[4] GCI Comments, pp. 1-3.

auctions generally have preceded shifts from site-based to geographic licensing and that Section 309(j) of the Act generally requires auctions for newly licensed spectrum.[5]

USCC would submit that our proposal to retain unserved area licensing, but only in CMAs which already have unserved area licenses, would satisfy the legitimate objectives of commenters on both sides of the debate. There is really no need to retain an unserved area licensing process in CMAs on frequency blocks where the incumbent licensee's CGSA encompasses virtually the entire market or in CMAs where, for whatever reason, no one but the incumbent licensee has sought and obtained an unserved area license during the eighteen years such licenses have been available. In such instances service to the public will be provided far more efficiently by allowing system expansion to take place as it now does under the PCS rules.

However, in those markets in which there already is one or more unserved area licensee, which is an indicator of the viability if such systems in that CMA, we believe that the unserved area licensing process has to be retained. Pursuant to Sections 22.949(b)(2) and 22.131 of the FCC's Rules, mutually exclusive unserved area applications are already subject to auction requirements. Thus, there would be no need for an elaborate and time consuming national auction procedure. We would also note in this connection that auctions have seldom proven necessary in the cellular unserved area licensing process.

The cellular service has a unique and complex licensing history, dating back to the early eighties. Analogies drawn from other wireless services are often misleading and fail to take into account the fact that cellular systems are largely built out, and that there is not a great deal of potentially viable unserved territory left to serve. There may be some left, and our proposal provides a reasonable means to serve it. But for cellular systems, the crucial regulatory task is

[5] MetroPCS Comments, pp. 1-9.

no longer granting licenses to applicants, but rather establishing the boundaries between neighboring systems.

II. The FCC Must Resolve Cellular System Boundary Issues

In our Comments (pp. 2-4), USCC reviewed the FCC's current system for determining Cellular Geographic Service Area ("CGSA") boundaries, based on analog coverage, and why it no longer corresponds to the realities of today's digital cellular signal propagation. It is therefore urgently necessary now that the FCC act to resolve two related issues. First, assuming that some CMAs will now have boundaries determined by state or county lines or other geographic delineations, the FCC must define the maximum permissible cellular signal field strength at those borders, unless the neighboring carriers on the same frequency block can agree on a different signal strength. Second, in situations where prior CGSA extensions into neighboring CMAs or the presence of unserved area CGSAs will make it impossible to determine cellular system boundaries by geographic borders, the FCC must determine system boundaries by means of digital signal contours.

Because most commenters in this proceeding either support abolition of all unserved area licensing or support its continuation under present rules, those field strength and boundary issues did not get much attention in the comments. However, establishment of appropriate field strength limits and contour defined boundaries will be essential if the FCC adopts rules which allow for both geographic and signal contour boundaries.

Verizon Wireless supports use of a 40 dBu V/m medium field strength as an appropriate limit at the market boundary for interference protection purposes.[6] USCC tentatively believes that that field strength may be reasonable but believes that additional research concerning the possible limit will be essential for interference protection at geographic borders. Such research

[6] Verizon Wireless Comments, pp. 4-5.

may also be vital to establish system boundaries based on reliable service when such boundaries cannot follow geographic lines. In such cases, the incompatibility of the prior cellular licensing rules with current digital service contours may mean that present CGSA boundaries may have to be adjusted to arrive at boundaries which better reflect current digital service. The FCC must take the lead in establishing technical criteria for fixing such boundaries.

However, once system boundaries are established, carriers, the FCC, and the public will reap benefits from a licensing structure which will permit system expansion with a minimum of required paperwork while protecting the rights of existing unserved area licensees.

Conclusion

CTIA has performed a public service in filing its Petition, as have commenters in raising legitimate questions concerning it. However, there can be no doubt that the present system for determining cellular system boundaries must be replaced. We have tried to sketch an alternative approach which offers a viable way forward. A rulemaking proceeding dealing with these issues in detail is now necessary and we urge the Commission to adopt the necessary Notice of Proposed Rulemaking this year.

Respectfully submitted,

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