

**Before the  
Federal Communications Commission  
Washington, DC 20554**

In the Matter of )  
 )  
Wireless Telecommunications Bureau Seeks )  
Comment on Request for Waiver and Extension ) WT Docket No. 12-332  
of Time to Construct 700 MHz A- and B-Block )  
Licenses )  
 )

**COMMENTS OF THE  
NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION  
AND REQUEST FOR BLANKET EXTENSION  
OF TIME TO CONSTRUCT 700 MHz A- AND B-BLOCK LICENSES**

The National Telecommunications Cooperative Association (“NTCA”),<sup>1</sup> submits these comments in support of the requests for extension of time and waiver of the June 13, 2013, interim construction deadline filed by ten Lower 700 A-Block and B-Block licensees.<sup>2</sup>

**I. INTRODUCTION**

All of NTCA’s members are independent rural telephone companies. About 250 of them provide fixed or mobile wireless service to the rural communities they serve and several dozen specifically hold 700 MHz wireless licenses. The propagation characteristics of the 700 spectrum make it ideal for serving rural areas and many NTCA members obtained the spectrum

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<sup>1</sup> NTCA is the premier industry association representing rural telecommunications providers. Established in 1954 by eight rural telephone companies, today NTCA represents nearly 600 rural rate-of-return regulated telecommunications providers. All of NTCA’s members are full service local exchange carriers (LECs) 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. NTCA’s members have an interest in the outcome of this proceeding.

<sup>2</sup> Wireless Telecommunications Bureau Seeks Comment on Requests for Waiver and Extension of Time to Construct 700 MHz A- and B-Block Licensees, *Public Notice*, DA 12-1827 (rel. Nov. 13, 2012).

looking forward to providing wireless broadband products to rural consumers who live and work in areas historically unserved or underserved by the country's largest wireless providers.

However, a variety of unforeseen regulatory, financial and other market issues have made it impossible for most small carriers to utilize the spectrum to the degree initially contemplated.

All of the smaller Lower 700 MHz band licensees who intend to use the spectrum to offer a mobile product are similarly situated. The FCC should not compel all license holders to use their limited resources to hire attorneys and consultants and pay substantial filing fees for individual waiver/extension requests that are nearly identical. Therefore, it is appropriate for the Bureau to grant a blanket extension of time for Lower 700 MHz band licensees to meet the interim construction benchmarks.

## **II. THE LACK OF 700 MHz BAND INTEROPERABILITY IS AN UNFORSEEN CIRCUMSTANCE THAT WARRANTS A BLANKET EXTENSION**

All of the Petitioners point out that the lack of 700 MHz band equipment interoperability is slowing down deployment across the 700 MHz band for all except the largest nationwide service providers. The lack of interoperability means that there is little equipment available for 3GPP Band Class 12 mobile operations and no meaningful roaming arrangements. This has stymied the efforts of small providers to offer any sort of mobile product to rural subscribers. Interoperability is necessary to achieve economies of scale and for mobile equipment and consumer devices to be made available at prices affordable for small carriers and new entrants.<sup>3</sup> Interoperability is also necessary before roaming and inter-carrier relationships can be agreed upon to enable devices to operate outside of home market areas. An utter lack of

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<sup>3</sup> See NTCA Comments, *Promoting Interoperability in the 700 MHz Commercial Spectrum*, WT Docket No. 12-69 (filed June 1, 2012).

interoperability was unforeseen by small license holders. To the contrary, historically in the wireless context, carriers have worked together to create an ecosystem that benefits all. This unfortunately did not prove true in the 700 MHz band. Today, the largest wireless carriers have vast networks and seemingly little need or incentive to work with smaller carriers serving rural markets. Moreover, the standards that balkanized the 700 MHz band arose after Auction No. 73 had concluded. At the time the license holders bid on the spectrum, they could not have anticipated that the largest carriers would push and succeed in obtaining “custom” band classes.

The Commission is in the process of addressing this concern in the 700 MHz interoperability docket (WT Docket No 12-69). Providers and manufacturers will have a better understanding of the possibilities for the spectrum once an order is issued and will have the ability to design a business plan around it. If interoperability is ordered, license holders will have the opportunity to use the spectrum consistent with reasonable expectations at auction. If interoperability is not ordered, some license holders will likely be forced to sell the spectrum in an effort to recoup some of their investment, while others may find uses to deploy a fixed product. Either way, license holders should not be forced to deploy uneconomic stop gap measures to protect their licenses pending a final determination on interoperability.

### **III. DESPITE SUBSTANTIAL CHALLENGES, SMALL 700 MHz LICENSEES ARE MAKING EFFORTS TO UTILIZE THEIR SPECTRUM**

In addition to the challenges created by the lack of interoperability, NTCA’s members face unprecedented uncertainty and significant challenges as a result of significant shifts in universal service and intercarrier compensation frameworks.<sup>4</sup> Substantial time, effort and

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<sup>4</sup> *In the Matter of Connection America Fund, et al.*, WC Docket No 10-90, *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17828, ¶ 509 (rel Nov. 18, 2011).

resources are being spent by these small companies to ensure compliance with new rules and to adjust operations to the extent these companies can even discern the effects over several years' time, even as those same rules are being refined, reconsidered, and challenged. The uncertainty arising out of the new rules makes it difficult for companies to obtain financing in already difficult financial times.

Despite such challenges, NTCA's members are seeking various innovative ways to economically utilize the spectrum and design businesses to address the unique needs of their rural communities. Several members are using the spectrum to provide economical fixed wireless broadband products to customers who, for whatever reason, cannot be reached by wire or fiber. One member is using the spectrum to offer a home alarm service. Another is offering a home monitoring service that allows elderly individuals to live in a home without assistance for a longer period of time. The system monitors the activities of the individual to help ensure his or her well-being and will notify a family member or facility if, for example, no doors are opened for a certain number of hours.

The number of companies offering such innovative products to fill a niche is growing, but such markets are in their infancy and equipment is still being developed and can be difficult to find. Even those companies that have successfully deployed these fixed products may be hard pressed to meet the interim construction benchmarks. These innovative companies should be encouraged to share the stories of their successes and failures, thus encouraging others, without the threat of penalties looming.

**IV. THE BUREAU SHOULD GRANT A BLANKET EXTENSION OF TIME OF AT LEAST TWO YEARS BEYOND FINAL RESOLUTION IN THE 700 MHz INTEROPERABILITY PROCEEDING**

Final resolution of the 700 MHz interoperability proceeding is vitally important. Most companies obtained the spectrum with the intent of providing a mobile broadband product. Such companies cannot make definitive plans for full use of the spectrum until it is known whether or not interoperability will be available.

If interoperability is mandated, license holders may continue down their intended paths, but they need sufficient time to obtain equipment and deploy new technologies and services. Manufacturers typically do not offer equipment to small companies or new entrants until after the needs of their large volume purchasers have been met. Therefore if small and rural license holders are successful in their quest for interoperability, the construction deadline should be based on the commercial availability of interoperable 700 Band equipment plus a period of time sufficient to permit network construction.

On the other hand, without interoperability, license holders may need to develop new business plans. They need sufficient time to make such assessments, or in the alternative, to consider whether their spectrum ultimately will need to be sold.

**V. CONCLUSION**

The full promise of the 700 MHz spectrum for rural communities has not been met due to a variety of unforeseen circumstances. Despite many innovative offerings, the lack of interoperability in the 700 MHz Band, the economic downturn and lingering regulatory uncertainty has made it difficult, if not impossible, for most small license holders to meet the

Interim Construction deadlines. Therefore, the Commission should grant a blanket extension to all carriers facing the current interim construction benchmark of June 13, 2013.



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