

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of:

Wireless Telecommunications Bureau
seeks comment on requests for waiver
and extension of time to construct
700 MHz A and B block licenses.

WT Docket No.12-332

**REPLY COMMENTS OF
MCBRIDE SPECTRUM PARTNERS, LLC
(A Small Business)**

For the first time in America's long and tragic history of inequality between races and gender, the Federal Government has created an opportunity for small businesses.

700 MHz. Spectrum Auction 73

The Federal Communications Commission's 700 MHz. spectrum Auction 73 ended with total bids of \$19 billion, a world record amount for an auction of any kind. Out of 1090 total licenses, only 13 small businesses were able to place winning bids for 79 "A block" licenses. Four of these 13 small businesses (Cavalier, Continuum, McBride and Triad) bid a total of \$120 million for their A block licenses. In contrast, Verizon bid a total of \$9.3 billion! Verizon won 25 superior A block licenses which can serve 50% of the entire U.S. population.

Lack of Interoperability

Cavalier, Continuum, McBride and Triad are now requesting a waiver of the original build out requirements. The primary reason for this waiver is the glaring lack of “Interoperability” in the 700 MHz. spectrum band.¹ AT&T, and Verizon are building closed networks designed to lock out the competition from offering nationwide roaming. This kind of anti-competitive behavior will crush the competition, making it impossible for any small telecommunications company to stay in business. AT&T, the former telephone monopoly giant who once charged \$3 per minute for a phone call from LA to NY, was dismantled by an antitrust lawsuit in 1984 filed by U.S. Justice Department. AT&T is now trying to put “Humpty Dumpty” together again by denying interoperability. Their nefarious plan is extremely “ anti-consumer oriented.



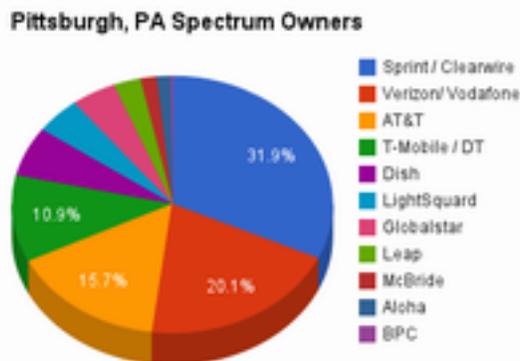
Verizon is also culpable in this conspiracy scheme. Verizon purchased 25 A block licenses in order to serve 17 of the 25 largest metropolitan markets. They are now dumping these licenses in preparation to sink the same A block ship upon which they were previously the captain. Verizon is abandoning this sinking ship, causing the rest

¹ Promoting Interoperability in the 700 MHz. Commercial Spectrum WT Docket No. 12-69.

of the A block licensees to drown with their licenses of remaining minimal value, lacking the important life raft of interoperability. In summary, it makes no financial sense to build-out A block licenses which have no national roaming ability and are thereby crippled in serving only their local market.

Channel 51 Interference

The second reason for waiver of the original build-out requirements is the problem of Channel 51 interference. The uncertainty of clearing the Channel 51 interference and the uncertainty of the future 700 MHz. "Incentive Reverse Auction" make it impossible to complete a viable business plan. Will the broadcasters who now control this spectrum, originally granted to them for free, "play nice," ie cooperate with the FCC and sincerely participate in this auction? Will they vacate their spectrum or will they fight the FCC in court for the next five years? Will the Commission ever be able to clear Channel 51 from interference, so that we can finally serve both our Pittsburgh,PA. market and our customers in rural West Virginia.



Fairness in Competition

Already our small telecommunications carriers are struggling for survival in competing against the existing oligopoly of AT&T and Verizon, which have a combined annual revenue of \$237 billion. A small business building out a greenfield network and trying to compete with them is impossible!²

Market Entry Barriers

What happened to the required congressional mandate of “Elimination of Market Barriers?”³ How can a small business possibly afford to design and build their own specific mobile telecommunications devices and infrastructure? By its very definition, American small businesses are working with millions, not billions. What if everyone’s car could only run on a certain type of gasoline? What if you bought a television set that only worked on Dish Network, or could only receive one channel? How about our land telephones, stoves, and refrigerators? What if our computers were limited to covering only the city limits, instead of the world wide Internet. Does the existing oligopoly, which is trying to limit the consumer’s choice, expect Americans to return to the dark ages?

² Verizon is 49% owned by Vodafone, Sprint is 70% owned by Softbank, and T-Mobile is 100% owned by D.T.

³257. MARKET ENTRY BARRIERS PROCEEDING. (a) ELIMINATION OF BARRIERS. (In) the Telecommunications Act of 1996, the Commission shall complete a proceeding for the purpose of identifying and eliminating, . . . market entry barriers for entrepreneurs and other small businesses . . . in the provision of parts or services to providers of telecommunications services and information services. (b) NATIONAL POLICY. . . the Commission shall seek to promote the policies and purposes of this Act favoring diversity of media voices, vigorous economic competition, technological advancement, and promotion of the public interest, convenience, and necessity. (2) the statutory barriers . . . that the Commission recommends be eliminated, consistent with the public interest, convenience, and necessity.

A Perfect Storm

The perpetual failure of the Commission to mandate interoperability has cause a perfect storm of uncertainty for all A block license holders. These uncertainties have created very real and serious disadvantages to any rational business plan for building a mobile network that can serve both urban and rural customers. Both interoperability and interference from Channel 51 have created barriers which prevent the smaller wireless carriers from being able to compete on a level playing field with AT&T or Verizon. We must be given an equal opportunity to provide the consumer with nationwide roaming at reasonable prices on the same economy of scale which they already enjoy.

Conclusion

Fortunately, there is unanimous support for granting the requested waiver of the original build-out requirements. The Commission should therefore grant this waiver because of the interoperability and interference reasons set forth in the McBride Spectrum Partners comments and for all of the honorable comments given by the other concerned parties.

Respectfully submitted,

Vincent D. McBride
Managing Member,
McBride Spectrum Partners, LLC
4685 Muir Ave.
San Diego, CA. 92107

Tel: 619.288.1753

<https://www.pittsburghmobile.com>

