



Competitive Carriers Association
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Competitive Carriers Association
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June 28, 2013

Via ECFS

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: **WT Docket No. 12-69:** *Promoting Interoperability in the 700 MHz Commercial Spectrum*
GN Docket No. 12-268: *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*
WT Docket No. 12-269: *Policies Regarding Mobile Spectrum Holdings*
WC Docket No. 10-90: *Connect America Fund*
WT Docket No. 10-208: *Mobility Fund*

Dear Ms. Dortch:

On June 26, 2013, Competitive Carriers Association (CCA) members listed in the attached Exhibit A met with Ruth Milkman, Chief of the Wireless Telecommunications Bureau; James Schlichting, Senior Deputy Bureau Chief; Jane Jackson, Associate Bureau Chief; John Leibovitz, Deputy Bureau Chief; Maria Kirby, Legal Advisor; Brian Regan, Legal Advisor; Susan Singer, Chief Economist; and Joel Taubenblatt, Spectrum and Competition Policy Division, all of the Wireless Telecommunications Bureau (the Bureau), to discuss specific steps the Commission should take and policies the Commission should consider related to the above-referenced dockets.

Michael Prior, CEO of Atlantic Tele-Network and as CCA's Chairman of the Board, briefed the Bureau on CCA's broad and expansive membership and encouraged the Bureau generally to develop competitive policies for the benefit of the entire wireless industry. He then turned the meeting over to the attending members to discuss issues of importance to each. As the most pressing matter, CCA members encouraged the Commission to immediately restore interoperability to the Lower 700 MHz Band. C Spire Wireless informed the Bureau that it spent \$200 million on 700 MHz spectrum in Auction 73, and that, upon full restoration of a single, unified band specification for all operations in the Lower 700 MHz paired spectrum, C Spire will use this spectrum to offer LTE service to over 2.5 million POPs in its service territory.¹ Like C Spire, Union Wireless (Union) described how the lack of interoperability has forced Union to sideline several millions of dollars of spectrum and network investment until Band Class 12 devices are available for its customers, and has foreclosed any reasonable opportunity for Union to realize a return on its investment in this spectrum and network capability. Once interoperability is restored and devices are available, Union stands ready to immediately provide 4G LTE services to its customers, immediately injecting that sidelined investment into the economy. Union noted how some consumers in rural Wyoming do not have access to even copper facilities, much

¹ See *Ex Parte* Letter from Benjamin M. Moncrief, Director, Government Relations, C Spire Wireless to Marlene H. Dortch, Secretary, Federal Communications Commission, WT Docket No. 12-69 (filed Jan. 14, 2013).

less fiber facilities, and how wireless is helping to provide connectivity to those consumers. US Cellular described its practical struggles in attempting to obtain devices without interoperability. Even as a mid-tier carrier with over 5.1 million subscribers, US Cellular cannot get access to a number of handsets, including a Band Class 12 iPhone. US Cellular stressed that an interoperability order is essential to gaining access to a competitive device portfolio. For instance, US Cellular's ability to expand 700 MHz service beyond the reach of its 850 MHz network in places such as rural West Virginia would be furthered by access to Band Class 12 phones from vendors including Apple and Blackberry. CCA noted an industry solution to the interoperability problem has not occurred, mostly because AT&T has no real incentive to reach a consensus. In fact, AT&T has a strong incentive *not* to incorporate inclusive technology into its devices because excluding Lower A Block from AT&T's devices increases consumer switching costs and reduces the likelihood of costly churn from AT&T's network. CCA noted that the record is complete and there are no legitimate technical or engineering reasons not to immediately restore interoperability to the Lower 700 MHz spectrum.² CCA members asked that the Bureau help restore interoperability to the Lower 700 MHz, for the benefit of competition, investment and job creation, public safety and most importantly, for consumers.

CCA members also spoke with the Bureau about spectrum aggregation and the upcoming incentive auction for repurposed 600 MHz spectrum. CCA expressed support for the FCC's market variation proposal and the benefits that flow from it, including interoperability and maximizing the amount of spectrum made available in the forward auction. CCA members called on the Commission to use its authority under the Communications Act and the authority reaffirmed by provisions in the Middle Class Tax Relief and Job Creation Act of 2012 (the Spectrum Act) to create a pro-competitive auction framework for the upcoming incentive auction of 600 MHz spectrum. Several carrier members stated their need for spectrum below 1 GHz. Sprint highlighted the excellent propagation characteristics of low-band spectrum which is therefore vital to competitive carriers' ability to expand their network coverage and effectively compete. AT&T and Verizon currently control a combined 84% of the MHz-POPs of low-frequency spectrum.³ CCA reiterated its proposed revisions to the Commission's spectrum screen, including a screen for local spectrum holdings below 1 GHz.⁴ CCA members asked that the Commission consider these revisions to the spectrum screen, especially in the context of the upcoming incentive auction.

CCA members also discussed ways to increase participation and therefore maximize revenue in the incentive auction. Bluegrass Cellular explained how use of large geographic licensing areas will effectively exclude rural carriers from participating in the 600 MHz auction, and that smaller geographic license areas, such as Cellular Market Areas (CMAs), would allow Bluegrass to participate in the auction. CCA reminded the Bureau that in Auction 73, as a result of competition from smaller, rural and regional carriers, B Block licenses sold for more on a MHz*POP basis, as opposed to other spectrum blocks auctioned in Economic Areas and Regional Economic Area Groups.⁵

² See Reply Comments of V-Comm, L.L.C., Prepared on behalf of Cavalier Wireless, Continuum 700, King Street Wireless, MetroPCS Communications, Inc., Vulcan Wireless LLC, WT Docket No. 12-69 (July 13, 2012); *Restoring Interoperability to the Lower 700 MHz Band*, attached to letter from Rebecca Murphy Thompson, General Counsel, CCA to Marlene H. Dortch, Secretary, Federal Communications Commission, WT Docket No. 12-69 (filed Jan. 4, 2013).

³ See *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions with Respect to Mobile Wireless, Including Commercial Mobile Services*, WT Docket No. 11-186, Sixteenth Report, 28 FCC Rcd 3700, 3716-17 (rel. Mar. 21, 2013).

⁴ Comments of Competitive Carriers Association, WT Docket No. 12-269 at 9-14, 16-18 (filed Nov. 28, 2012).

⁵ See Testimony of Steven K. Berry, President and CEO, Competitive Carriers Association, "Competition at the Crossroads: Preventing Duopoly in Today's Wireless Marketplace," U.S. Senate Committee on Commerce, Science and Transportation, Subcommittee on Communications, Technology, and the Internet at 8-9 (June 4,

Finally, CCA members discussed the Commission's recent universal service fund (USF) reforms. Atlantic Tele-Network expressed concern that the reforms adopted by the Commission, while necessary, are not technologically neutral to the detriment of wireless carriers. Union Wireless noted consumers' preference for wireless technology, which is not reflected in the Commission's recent reform efforts. MTPCS noted that operating expenses are very material in high cost areas such as rural Texas and Louisiana. MTPCS urged the Commission to ensure that areas designated for one-time construction support (capex) will be eligible for Phase II support of operating expenses, in order to provide continued service to the public and, where applicable, the transition from 3G to 4G.⁶ CCA members asked that the Commission put the universal service fund back on a technologically neutral path and allocate more funding for mobile wireless broadband deployment, consistent with consumers' expressed preferences.

This *ex parte* notification is being filed electronically with your office pursuant to Section 1.1206 of the Commission's Rules.

Sincerely,

/s/

Rebecca Murphy Thompson
General Counsel

cc (via email): Ms. Ruth Milkman
Mr. Jim Schlichting
Ms. Jane Jackson
Mr. John Leibovitz
Ms. Maria Kirby
Mr. Brian Regan
Ms. Susan Singer
Mr. Joel Taubenblatt

2013), available at http://www.commerce.senate.gov/public/?a=Files.Serve&File_id=d9bd6e3c-75c4-4323-afc4-9aa933160118.

⁶ *Ex Parte* Letter from David A. LaFuria and Marc Paul, Counsel to Union Wireless, MTPCS, LLC and Carolina West Wireless, Inc. to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket Nos. 10-90, 05-337 and WT Docket No. 10-208 (filed June 25, 2013).

Exhibit A

<u>Name</u>	<u>Company</u>
Steven Marshall	American Tower
Michael Prior	Chairman, CCA (Atlantic Tele-Network)
Doug Minster	Atlantic Tele-Network
Ron Smith	Bluegrass Cellular
Hu Meena	C Spire Wireless
Ben Moncrief	C Spire Wireless
Steven K. Berry	CCA
Rebecca Murphy Thompson	CCA
Tim Donovan	CCA
C. Sean Spivey	CCA
Thomas Cullen	DISH Network
Jeff Blum	DISH Network
Dan Boyette	GCI
Jonathan Foxman	MTPCS, LLC d/b/a Cellular One
Julia Tanner	MTPCS, LLC d/b/a Cellular One
Linda Martin	Keystone Wireless d/b/a Immix Wireless
Terry Addington	SI Wireless LLC d/b/a MobileNation
Don Horsley	SouthernLINC Wireless
Michael Rosenthal	SouthernLINC Wireless
Larry Krevor	Sprint
John Gockley	U.S. Cellular
Grant Spellmeyer	U.S. Cellular
Eric Woody	Union Wireless