

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

In the Matter of	)	
	)	
Amendment of the Commission's Rules with	)	
Regard to Commercial Operations in the	)	GN Docket No. 13-185
1695-1710 MHz, 1755-1780 MHz, and 2155-	)	
2180 MHz Bands	)	
To: The Commission		

Reply Comments of NTCH, Inc.

NTCH, Inc. (NTCH) hereby replies to the Comments filed in the above-referenced Docket. NTCH has consistently taken the position that CMA-based auctions not only make possible but facilitate the participation of smaller carriers in the spectrum bounty which the Commission has to offer. Sections 309(j)(3) and (4) of the Act *requires* the Commission to design its auction procedures so as to avoid excessive concentrations of spectrum, to promote the dissemination of licenses to a variety of applicants, including small businesses, and to promote an equitable distribution of licenses among geographic areas. An auction design which limits bidders to huge EA-sized territories excludes small carriers from the process by (a) making the licenses prohibitively expensive and (b) preventing small carriers from being able to tailor their spectrum acquisitions to their actual spectrum needs. This also indirectly delays the delivery of services over the auctioned spectrum to smaller rural markets because the winners of EA licenses understandably focus their build-out efforts on the most densely populated areas of the EA. If small carriers could acquire just the rural CMAs that they need, they would focus on those areas,

ensuring that the spectrum is put to use much more expeditiously. Accordingly, NTCH supports the numerous commenters who have argued for CMA-sized licenses which can then be assembled by winning bidders into larger license areas to suit their needs, while also leaving the possibility of smaller carriers acquiring some of the spectrum.

The Commission frequently cites the availability of the secondary market to distribute less desirable parts of large geographic units (like EAs) after an auction is over. While this avenue is theoretically available, in practice the larger carriers have rarely been willing to part with portions of their spectrum, especially when they have no obligation to serve the area under population-based build-out rules. The secondary market is simply not a remedy for the very real and growing spectrum chasm between small and large carriers.

Not surprisingly, NTCH opposes those commenters who recommend population-based build-out requirements. Establishing build-out requirements on a population basis rather than by geographic coverage has predictable negative effects. It encourages and permits larger carriers to acquire large geographic areas which they have no desire or intention to cover. As long as they can serve the population centers in the license unit, they can safely ignore more rural areas while meeting the build-out safe harbor. A geographic based build-out requirement would disincent large carries form buying territories that they do not have serious interest in building out, leaving such less desirable areas to smaller carriers for whom the area may be perfectly desirable and even necessary to meet their localized service needs. The Commission needs to think carefully about how the licensing framework it has been using in recent years is subtly and inexorably contributing to the decline and ultimate obsolescence of small regional carriers.

NTCH also supports the comment of U.S. Cellular, which suggests that AWS-3 licenseeship should be conditioned on interoperability in this band. Again, NTCH has

consistently urged the Commission to require interoperability not only across the 700 MHz band but in the AWS bands as well. For carriers without the luxury of holding spectrum in each of the major wireless bands (cellular, PCS, AWS and 700 MHz), it is critical that handsets be capable of operating on each of the bands and across the bands. This will make possible roaming by customers of carriers whose home carriers have only a subset of the available bands, a crucial requirement for rural customers.

Respectfully submitted,

NTCH, Inc.

By: \_\_\_\_\_ /s/  
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