

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

Amendment of the Commission’s Rules with)	GN Docket No. 13-185
Regard to Commercial Operations in the)	
1695-1710 MHz, 1755-1780 MHz, and 2155-)	FCC 13-102
2180 MHz Bands)	

**REPLY COMMENTS OF
NTCA–THE RURAL BROADBAND ASSOCIATION**

NTCA–the Rural Broadband Association¹ submits these reply comments in response to comments filed on the Notice of Proposed Rulemaking (“NPRM”)² in the above-captioned proceeding. In the NPRM, the Commission proposes rules for spectrum in the 1695-1710 MHz, 1755-1780 MHz, 2020-2025 MHz, and 2155-2180 MHz bands (“AWS-3 band”).

The Commission should license spectrum in the AWS-3 band on the basis of Cellular Market Areas (“CMAs”) to ensure that consumers living in rural areas can enjoy the benefits of increased access to mobile services to the same extent as consumers living in urban areas. As NTCA has repeatedly argued,³ and as commenters in this proceeding agree,⁴ licensing spectrum

¹ NTCA represents nearly 900 rural rate-of-return regulated telecommunications providers. All of NTCA’s members are full service local exchange carriers and broadband providers, and many provide wireless, video, satellite, and competitive local and/or long distance services as well.

² Amendment of the Commission’s Rules with Regard to Commercial Operations in the 1695-1710 MHz, 1755-1780 MHz, and 2155-2180 MHz Bands, GN Docket No. 13-185, Notice of Proposed Rulemaking and Order on Reconsideration, FCC 13-102 (rel. Jul. 23, 2013) (“NPRM”).

³ Comments of NTCA–the Rural Broadband Association, GN Docket No. 12-268 (fil. Jan. 25, 2013), p. 4 (arguing that licensing spectrum in the 600 MHz band on the basis of Economic Areas “all but ensures that no truly small carriers will succeed at auction”); *Ex Parte* Letter from Jill Canfield, NTCA–the Rural Broadband Association to Marlene H. Dortch, Secretary, Federal Communications Commission, GN Docket No. 12-268 (fil. Aug. 2, 2013), p. 2 (discussing the 600 MHz band and “the consumer benefit of CMA licensing in terms of faster service rollout to rural areas and increased competitive offerings available to wireless consumers.”); *Ex Parte* Letter from Jill Canfield, NTCA–the Rural Broadband Association to Marlene H. Dortch, Secretary, Federal Communications Commission ,

on the basis of CMAs is critical to making advanced wireless services available to consumers living in sparsely-populated rural areas. As the NPRM discusses at length, “[d]emand for wireless broadband services and the network capacity associated with those services is surging...[and] the number and type of devices being used by consumers to access content over wireless broadband networks has proliferated.”⁵ Rural consumers, like their urban counterparts, depend on a complementary mix of fixed and mobile wireless services to fulfill their social and business needs. But rural areas often receive subpar or no service by large, nationwide providers, who understandably concentrate their build-out efforts and resources in more profitable, easier to serve, urban areas where there are larger addressable markets. For this reason, rural consumers often depend on smaller, local wireless providers for service in the areas where they live and work. But in order to provide service to rural areas, smaller wireless providers must have access to spectrum.

As RWA states, Economic Area (“EA”)-based licenses are likely to command prices well above that which a small, rural wireless carrier can reasonably expect to afford.⁶ EA-based licensing in the AWS-3 band is therefore likely to result in the award of most, if not all, AWS-3

GN Docket No. 12-268, *et al.* (fil. Mar. 1, 2013) , p. 2 (discussing 600 MHz spectrum and stating that EA “licenses are generally too large to provide a meaningful spectrum opportunity to small, rural telecommunications providers.”) ; Comments of the National Telecommunications Cooperative Association, WT Docket Nos. 07-195 & 04-356 (fil. Jul. 25, 2008), p. 4.

⁴ Comments of the United States Cellular Corporation (“USCC”), GN Docket No. 13-185 (fil. Sep. 18, 2013, pp. 27-36 ; Comments of Rural Wireless Association, Inc. (“RWA”), GN Docket No. 13-185 (fil. Sep. 18, 2013), pp. 3-6; Comments of the Competitive Carriers Association (“CCA”), GN Docket No. 13-185 (fil. Sep. 18, 2013), pp. 7-9.

⁵ NPRM, ¶ 4.

⁶ RWA, pp. 4-5; *See also*, USCC, p.32 (“ Not only do small and regional carriers lack the need for large swaths of territory, they lack the financial resources to compete for nationwide or large regional licenses”); CCA, p. 8.

licenses to larger nationwide carriers that serve predominately urban areas. Although the NPRM proposes to allow EA area AWS-3 licenses to be “partitioned, disaggregated, or leased,” commenters note that “such divestitures have been, and likely will continue to be, the exception rather than the rule.”⁷ Thus, EA licensing would in all likelihood facilitate the consolidation of spectrum in the hands of a handful of nationwide carriers and do little to “unleash the wireless revolution” in rural America.⁸

While EA licensing would all but preclude auction participation by small providers, as commenters acknowledge, CMA-based licensing in the AWS-3 band would permit providers of all sizes – large and small – to meaningfully participate. Indeed, larger carriers interested in regional or nationwide footprints would be free to bid on and aggregate multiple CMAs.⁹

The Commission should also consider what CMA-based licensing in the AWS-3 band could mean for the success of the auction itself. As USSC states, “history also demonstrates that, when spectrum is offered on a CMA basis, there are more participants, increased bidding activity, and higher revenues.”¹⁰

⁷ USSC, p. 33, citing Service Rules for Advanced Wireless Services in the 2155-2175 MHz Band, Notice of Proposed Rulemaking, 22 FCC Rcd 17035, 17090, n. 260 (2007) (“2155-2175 MHz Band NPRM”) (“[S]ome commenters in the rural proceeding ... argued that existing secondary market mechanisms are insufficient to promote access to spectrum.”); FCC, Bringing Broadband to Rural America: Report on a Rural Broadband Strategy, GN Docket No. 09-29, ¶149 (May 22, 2009) (noting that some commenters stressed that the Commission’s “secondary market rules do not always promote spectrum trading and re-use...”).

⁸ Memorandum for the Heads of Executive Departments and Agencies, *Unleashing the Wireless Broadband Revolution* (rel. Jun. 28, 2010), published at 75 Fed. Reg. 38387 (Jul. 1, 2010) (“2010 Presidential Memorandum”).

⁹ RWA, p. 5, USSC, p. 32.

¹⁰ USSC, p. 29; CCA, p. 8.

Finally, as several commenters note,¹¹ CMA-based licensing in the AWS-3 band would promote the availability of advanced wireless services to consumers in rural areas, in keeping with the Section 309(j) directive established by Congress. That provision, which requires the Commission to “avoid[] excessive concentration of licenses,” and to “ensure that small businesses [and} rural telephone companies...are given the opportunity to participate in the provision of spectrum-based services,”¹² can best be met by a CMA-based auction that allows providers of all sizes a meaningful opportunity to participate.

Unleashing the power of the wireless revolution in rural areas requires access to spectrum, the lifeblood of wireless services and a resource that is in short supply. It also means ensuring that those who obtain such spectrum have the incentive and interest to use it, rather than merely treating the rural portion of that spectrum as a “tag-along” to much more desired parts. Useful access to spectrum will be denied or at best severely hampered under policies that benefit only the largest carriers to the exclusion of the small and regional wireless providers that seek to serve consumers that may otherwise be ignored by those larger carriers. Therefore, NTCA respectfully requests that the Commission auction the AWS-3 band according to CMAs.

¹¹ USSC, p. 35; RWA, p. 5.

¹² 47 U.S.C. §§309(3)(B), (4)(C)(ii) and (4)(D).

Respectfully Submitted,



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