

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions)	GN Docket No. 12- 268
)	
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
)	

**JOINT COMMENTS OF
ATLANTIC TELEPHONE MEMBERSHIP CORPORATION,
FTC MANAGEMENT GROUP, INC.,
HORRY TELEPHONE COOPERATIVE, INC.,
PIEDMONT TELEPHONE COOPERATIVE, INC., AND
SANDHILL TELEPHONE COOPERATIVE, INC.**

Atlantic Telephone Membership Corporation (“ATMC”), FTC Management Group, Inc. (“FTC”), Horry Telephone Cooperative, Inc. (“HTC”), Piedmont Rural Telephone Cooperative, Inc. (“PRTC”), and Sandhill Telephone Cooperative, Inc. (“SHTC”) (collectively, the “Carolina Companies”), by their attorneys, and in response to Public Notice DA 13-2351,¹ hereby support the proposal of the Competitive Carriers Association (“CCA”) to license the 600 MHz band using Partial Economic Areas (“PEAs”) rather than Economic Areas (“EA”) should the Federal Communications Commission (“FCC” or “Commission”) determine – in light of the unique

¹ Public Notice, “Wireless Telecommunications Bureau Seeks Comment on a Proposal To License the 600 MHz Band Using ‘Partial Economic Areas,’” GN Docket Nos. 12-268 and 13-185, DA 13-2351 (rel. Dec. 11, 2013) (“Public Notice”).

characteristics of the broadcast television incentive auction – that the Commission will not license the band on the basis of Cellular Market Areas (“CMAs”).²

ATMC, FTC, HTC, PRTC, and SHTC either directly or through their affiliates, provide a variety of communications services, including wireless, landline local and long distance, Internet, and video services, in rural areas in North and South Carolina. ATMC, FTC, HTC, PRTC, and SHTC desire to participate individually in the auction for 600 MHz band licenses in order to acquire spectrum to deploy innovative broadband wireless services in rural North Carolina or South Carolina.

In the *Incentive Auction NPRM*,³ the Commission proposed issuing 600 MHz band licenses on the basis of EAs. The Carolina Companies, however, agree with the numerous commenters in the rulemaking opposing the use of EAs as “too large for small and rural operators to obtain at auction or deploy.”⁴ The Carolina Companies agree that licensing the band on the basis of EAs will prevent small, rural and regional entities from acquiring spectrum and will effectively prohibit most rural and small entities from participating in the auction at all. As

² See Letter to Marlene H. Dortch, Secretary, Federal Communications Commission, from Rebecca Murphy Thompson, General Counsel, Competitive Carriers Association, *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, GN Docket No. 12-268 (Nov. 27, 2013) (“CCA Nov. 27 Letter”); Letter to Marlene H. Dortch, Secretary, Federal Communications Commission, from C. Sean Spivey, Assistant General Counsel, Competitive Carriers Association, *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, GN Docket No. 12-268 (Dec. 23, 2013) (revising PEA map) (“CCA Dec. 23 Letter”).

³ *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, Notice of Proposed Rulemaking, GN 12-268 (rel. Oct. 2, 2012) (“*Incentive Auction NPRM*”).

⁴ Public Notice at p 1. See also, Letter to Marlene H. Dortch, Secretary, Federal Communications Commission from Gregory W. Whiteaker, Counsel for Atlantic Seawinds Communications, LLC, *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, GN Docket No. 12-268, *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 (Sept. 18, 2013) (“*Atlantic Ex Parte*”).

ATMC, through its subsidiary, previously explained, this result would “confer a windfall on the few large wireless carriers able to participate, delay the deployment of services to rural areas, and likely reduce the amount of spectrum repurposed and revenue generated in the incentive auction.”⁵

The Carolina Companies continue to strongly support licensing the 600 MHz band on the basis of CMAs, and further urge the Commission to award spectrum in all upcoming auctions, including the AWS-3 spectrum, on the basis of CMAs. Numerous commenters have requested that the Commission issue licenses on the basis of CMAs and demonstrated the public interest in doing so. For example, CCA submitted a study demonstrating the “social and economic goals that would be advanced by auctioning reclaimed broadcast spectrum in smaller geographic license sizes, such as CMAs.”⁶ As CCA’s summary of the study highlights, “[s]maller license sizes will increase auction participation, particularly participation by rural and regional operators who are more likely to face financing and other resource constraints if the FCC uses larger license sizes and who will most likely not participate in this auction if the FCC uses larger license sizes,” and “[s]maller geographic areas are better aligned with the long-term direction of spectrum management, including more efficient secondary markets.”⁷ The Carolina Companies agree, “CMAs represent the optimal geographic license size for the forward auction to promote

⁵ *Atlantic Ex Parte* at p. 2.

⁶ See Letter to The Honorable Tom Wheeler, Chairman, Federal Communications Commission, from Steven K. Berry, President & CEO, Competitive Carriers Association, *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, GN Docket No. 12-268 at p. 1 (Nov. 20, 2013) with attached study titled “Right-sizing Spectrum Auction Licenses: The Case for Smaller Geographic License Areas in the TV Broadcast Incentive Auction” (“CCA Nov. 20 Letter”).

⁷ CCA Nov. 20 Letter at p. 2.

competition and the public interest,”⁸ and urge the Commission to award licenses on the basis of CMAs.

Should the Commission determine, however, in light of unique characteristics or constraints of the broadcast television incentive auction, that the Commission will not award 600 MHz band licenses on the basis of CMAs, the Carolina Companies support CCA’s alternative proposal to license the spectrum on the basis of PEAs as a “way to retain at least *some* of the benefits of smaller license areas.”⁹ Although auctioning the 600 MHz band spectrum on the basis of PEAs will not promote opportunity for rural and small entities to the same extent as auctioning the spectrum on the basis of CMAs, the use of PEAs will promote significantly more opportunity, competition, and license dissemination than auctioning the 600 MHz band spectrum on the basis of EAs.¹⁰ Licensing the band using PEAs also will promote deployment to rural areas more rapidly than using EAs. As CCA notes, PEAs “respect CMA boundaries to the extent possible.”¹¹ This facilitates efficient spectrum management and administration. Accordingly, if the Commission declines to auction the 600 MHz band on the basis of CMAs, the Carolina Companies urge the Commission to adopt CCA’s PEA proposal as a preferable alternative to EAs. Were the Commission to auction 600 MHz band licenses on the basis of PEAs, ATMC, FTC, HTC, PRTC, and SHTC anticipate that they would each be able to participate individually in the auction.

⁸ CCA Nov. 27 Letter at p. 2.

⁹ CCA Nov. 27 Letter at p. 2 (emphasis in original). The Carolina Companies do not advocate the use of PEAs for licensing the AWS-3 spectrum, and continue to urge the use of CMAs.

¹⁰ See 47 U.S.C. §§ 309(j)(3) & (4).

¹¹ CCA Nov. 27 Letter at p. 2.

For the foregoing reasons, the Carolina Companies continue to support licensing the 600 MHz band on the basis of CMAs, but support the use PEA's as an alternative if the Commission determines not to use CMAs. The Carolina Companies continue to urge the Commission to issue licenses in other upcoming auctions on a CMA basis in order to promote economic opportunity and competition, avoid excessive concentration of licenses and to promote the rapid deployment of licenses to rural areas.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'D L Herman', with a long horizontal flourish extending to the right.

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