

**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	)	GN Docket No. 13-185
	)	
To: The Commission	)	

**REPLY COMMENTS OF COPPER VALLEY WIRELESS, LLC**

COPPER VALLEY WIRELESS, LLC (“CVW”),<sup>1</sup> hereby files these reply comments in response to comments filed by various parties with regard to the *Public Notice*<sup>2</sup> released by the Wireless Telecommunications Bureau (“Bureau”) of the Federal Communications Commission (“FCC” or “Commission”) seeking comments on the Competitive Carriers Association (“CCA”) proposal<sup>3</sup> to adopt Partial Economic Areas (“PEAs”) to award licenses in the 600 MHz Broadcast Incentive Auction. The *Public Notice* also sought comment on any additional geographic licensing proposals, including the joint proposal submitted by the Rural Wireless

---

<sup>1</sup> Copper Valley Wireless, LLC is a wholly owned subsidiary of Copper Valley Telephone Cooperative serving 15,000 square miles in south central Alaska, including Prince William Sound and the country’s largest national park, Wrangell-St. Elias National Park.

<sup>2</sup> *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, Public Notice, DA 13-2351 (WTB, Dec. 11, 2013) (“*Public Notice*”).

<sup>3</sup> Letter from Rebecca Murphy Thompson, General Counsel, Competitive Carriers Association, to Marlene H. Dortch, Secretary, FCC (Nov. 27, 2013) (“CCA PEA Ex Parte”); *see also* Letter from C. Sean Spivey, Competitive Carriers Association, to Marlene Dortch, Secretary, FCC (Dec. 23, 2013) (“CCA Revised PEA Ex Parte”).

Association, Inc. (“RWA”) and NTCA – The Rural Broadband Association (“NTCA”)<sup>4</sup> to conduct a two-phased Incentive Auction.

CVW is a rural wireless carrier providing service in some of the most remote parts of Alaska, including the nation’s largest national park, Wrangell-St. Elias National Park and Prince William Sound. CVW maintains 33 cell sites, many that require helicopter access. CVW agrees with commenters’ widespread support<sup>5</sup> for the use of Cellular Market Areas (“CMAs”), rather than Economic Areas (“EAs”), as the geographic license area for the Broadcast Incentive Auction. As discussed below, CMAs would provide CVW the most meaningful opportunity to participate in the Incentive Auction. However, in the event that the Commission decides against using CMAs as the auction’s geographic license area, CVW believes that the RWA/NTCA Proposal is the best alternative to encourage robust industry-wide auction participation.<sup>6</sup> As they are currently proposed, PEAs remain too large for many small and rural carriers, like CVW, to effectively compete.

---

<sup>4</sup> Letter from Caressa Bennet, Rural Wireless Association, Inc., and Jill Canfield, NTCA - The Rural Broadband Association to Marlene Dortch, Secretary, FCC (Dec. 6, 2013) (“RWA/NTCA Proposal”).

<sup>5</sup> See, e.g., Joint Association Comments; Supplemental Comments of Competitive Carriers Association, *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions, 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 Nos. 12-268 & 13-185 (filed Jan. 9, 2014) (“CCA Comments”); Comments of the Blooston Rural Carriers, GN Docket Nos. 12-268 & 13-185 (filed Jan. 9, 2014) (“Blooston Comments”); Comments of Peoples Telephone Cooperative, Inc., GN Docket Nos. 12-268 & 13-185 (filed Jan. 9, 2014) (“Peoples Comments”); Comments of King Street Wireless, L.P., GN Docket Nos. 12-268 & 13-185 (filed Jan. 9, 2014); Comments of United States Cellular Corporation, GN Docket Nos. 12-268 & 13-185 (filed Jan. 9, 2014).

<sup>6</sup> Under the RWA/NTCA Proposal, the Commission would conduct the reverse broadcast auction contemporaneously with the initial auction phase. During this phase, forward auction bidders would bid on the basis of EAs, but receive licenses covering only the MSA or MSAs (when there is more than one MSA) located within the relevant EA. After bidding is completed in the initial auction phase, the remaining 428 Rural Service Areas (“RSAs”) would be auctioned in the second auction phase. RWA/NTCA Proposal at p. 2.

**I. SECTION 309(j) OF THE ACT REQUIRES THE COMMISSION TO ADOPT RULES AND PROCEDURES THAT PROMOTE INCENTIVE AUCTION PARTICIPATION OF RURAL CARRIERS.**

CVW agrees with the Comments filed by RWA, NTCA, the Blooston Rural Carriers and others that neither the use of EAs, nor CCA’s PEA approach, would adequately address the Commission’s obligations under Section 309(j) of the Communications Act of 1934, as amended (“the Act”).<sup>7</sup> Section 309(j) requires the Commission to adopt auction and service rules, license sizes, and bandwidth assignments that, among other things, (1) ensure the timely deployment of new services to people residing in rural areas;<sup>8</sup> (2) promote economic opportunity and competition, ensure new technologies are readily available to the public by avoiding the excessive concentration of licenses, and disseminate licenses to a wide variety of applicants, including small businesses and rural telephone companies;<sup>9</sup> (3) prevent stockpiling or warehousing of spectrum;<sup>10</sup> and (4) promote an equitable distribution of licenses among different geographic areas and promote economic opportunities for small businesses and rural carriers.<sup>11</sup> As discussed below, if the Commission was to adopt EAs and (to a lesser extent) PEAs as the Incentive Auction’s geographic license area, many small and rural carriers would be unable to participate. As a result, the Commission would contravene the Section 309(j) requirements put in place to protect provider diversity and encourage rural wireless deployment.

**II. COMMISSION USE OF EAs AS GEOGRAPHIC LICENSE AREAS WOULD PREVENT CVW FROM PARTICIPATING IN THE INCENTIVE AUCTION.**

While CVW supports the Commission’s use of geographic license areas, the use of large geographic license areas such as EAs will prevent CVW from participating in the Incentive

---

<sup>7</sup> See, e.g., Joint Association Comments at pp. 5-6; Blooston Comments at pp. 1, 6.

<sup>8</sup> 47 U.S.C. § 309(j)(3)(A).

<sup>9</sup> 47 U.S.C. § 309(j)(3)(B).

<sup>10</sup> 47 U.S.C. § 309(j)(4)(B).

<sup>11</sup> 47 U.S.C. § 309(j)(4)(C). See also Joint Association Comments at p. 6.

Auction. CVW currently provides service to an area with a population of approximately 9,600 people in Alaska. In order to cover its existing service footprint, CVW would have to bid on spectrum across 1 EA, covering 710,231 people. Realistically, CVW cannot compete under such a scenario. The one EA represents the entire state of Alaska. CVW's licensed service area is approximately 2 percent of the entire area of the State of Alaska's total area and covers approximately 1.3 percent of the population.

CVW is not alone. The Summit Ridge Group, based on an analysis of letters to the FCC, has identified 12 local carriers that will not participate in the auction if an EA structure is used exclusively for licensing 600 MHz spectrum.<sup>12</sup> The NERA Report identified several additional rural carriers for which the use of EA geographic licensing areas would make Incentive Auction participation difficult, if not impossible.<sup>13</sup>

### **III. AS CURRENTLY PROPOSED, PEAs WILL NOT MAXIMIZE AUCTION PARTICIPATION.**

Though PEAs would be a better geographic license area option than EAs, CVW agrees with other commenters that CCA's current PEA proposal does not adequately address the concerns many small and rural carriers have regarding the size of the licenses to be auctioned.<sup>14</sup> As the Blooston Rural Carriers make clear, because PEA boundaries in Midwestern and Western states largely follow current EA boundaries, states such as North Dakota, South Dakota,

---

<sup>12</sup> William Lehr and J. Armand Musey, *Right-sizing Spectrum Auction Licenses: The Case for Smaller Geographic License Areas in the TV Broadcast Incentive Auction*, (Nov. 20, 2013) ("Summit Study"). See also Richard Marsden, Dr. Chantale LaCasse, and Jonathan Pike, *Local and Regional Licensing for the US 600 MHz Band (Incentive Auction)*, at p. 13 (January 2014) ("NERA Report").

<sup>13</sup> NERA Report at pp. 14-15.

<sup>14</sup> See Blooston Comments at pp. 1-2 (noting that the use of PEAs would "offer inadequate improvement over EA licensing for the many Blooston Rural Carriers that provide service in the West and Midwestern states"); see also Peoples Comments at pp. 2-3 (stating that a PEA overlapping portions of its study area is too large, and use of PEA geographic license areas may preclude its participation in the Incentive Auction).

Montana, Wyoming, New Mexico, and Nevada would see little improvement from EAs to PEAs under the current CCA proposal.<sup>15</sup> This is true for Alaska as well. For providers in these states, and several others, use of PEAs would preclude auction participation in much the same way as EAs.

For its part, CVW would have to bid on 1 PEA covering 710,231 people in order to cover its service area. If the Commission were to adopt CMA-based licenses instead, CVW would only have to bid on 1 CMA covering 200,813 people, allowing it to be much more competitive. The State of Alaska has four (4) CMAs, with one of those being the Municipality of Anchorage with 291,826 people or almost half of the State's entire population.

#### **IV. THE RWA/NTCA PROPOSAL WOULD ALLOW FOR ROBUST AUCTION PARTICIPATION BY ALL CARRIERS, INCLUDING CVW.**

In the event the Commission decides against using all 734 CMAs as geographic license areas in a single phase auction, CVW believes that the alternative RWA/NTCA Proposal, as outlined in the NERA Report, will maximize carrier participation and offer the best opportunity for a successful Incentive Auction. The two-phase Incentive Auction framework would allow the Commission to conduct the reverse broadcast auction, spectrum repacking, and a First Phase Forward Auction on the basis of 176 EAs, but award licenses on the basis of MSAs.<sup>16</sup> A Second Phase Forward Auction would auction the remaining 428 RSAs. Although the use of CMAs would best allow CVW and other small and rural carriers to compete for licenses in the Incentive Auction, under the RWA/NTCA Proposal, CVW would be able to participate in the Incentive Auction and reasonably compete for the licenses necessary for it to

---

<sup>15</sup> Blooston Comments at p. 5. PEAs in Texas pose similar issues for at least some carriers. *See* Peoples Comments at pp. 2-3.

<sup>16</sup> *See* Joint Association Comments at p. 10.

timely deploy new services to the people who live, work and travel through CVW's rural service area.

## **V. CONCLUSION.**

CVW strongly encourages the Commission to adopt CMAs when awarding these valuable 600 MHz licenses. In the event that the Commission decides to use an alternative geographic licensing scheme, CVW supports the RWA/NTCA Proposal as outlined in the NERA Report. Only by adopting licensing areas that are sufficiently small to provide small and rural carriers, such as CVW, a meaningful opportunity to participate in the Incentive Auction will the Commission meet the statutory mandate of Section 309(j) of the Act.

Respectfully submitted,

**COPPER VALLEY WIRELESS, LLC**

By: */s/ David Dengel*

---

David Dengel

Copper Valley Wireless, LLC  
P.O. Box 337  
Valdez, Alaska 996868  
907-835-7701

January 23, 2014