

March 7, 2014

Hon. Tom Wheeler
Hon. Mignon Clyburn
Hon. Jessica Rosenworcel
Hon. Ajit Pai
Hon. Michael O’Rielly
Federal Communications Commission
445 12th St. S.W.
Washington, D.C. 20554

RE: WT Docket No. 05-211 (Modernization of Competitive Bidding Rules); WT Docket No. 13-135 (Wireless Competition); GN Docket No. 13-185 (Amending Commercial Operation Rules in 1695-1710 MHz, 1755-1780 MHz, and 2155-2180 MHz Bands); GN Docket No. 12-268 (Incentive Auction); GN Docket No. 09-51 (National Broadband Plan); GN Docket No. 09-191 (Preserving the Open Internet); WC Docket No. 07-52 (Broadband Industry Practices); MB Docket No. 09- 182 (2010 Quadrennial Regulatory Review); MB Docket No. 07-294 (Broadcast Diversity Proceeding)

Dear Chairman Wheeler and Commissioners:

The outlook for minority-owned businesses enterprise (“MBE”) ownership and participation in the communications sector is dismal without significant policy reform. As leading advocates for MBE advancement, we support the recommendations submitted in MMTC’s recently released White Paper.¹ Specifically, we urge the Commission to:

- Eliminate the *Attributable Material Relationship* Rule
- Increase Bidding Credits to at Least 40%
- Reinstigate Select DE-only Closed Spectrum Auctions
- Incorporate Diversity and Inclusion in the Commission’s Public Interest Analysis of M&A and Secondary Market Spectrum Transactions
- Conduct Ongoing Recordkeeping of DE Performance
- Complete the *Adarand* Studies, Updating the Section 257 Studies (2000)
- Regularize Procedural Requirements
- Conduct a Substantive Review of Proposed DE Rules
- Support Increased Funding and Statutory Amendments for TDF

With the grant of authority to conduct spectrum auctions, Congress required the Commission to promote small, MBE, and women-owned business enterprise (WBE) participation as well as rural telephone companies (collectively DEs).² However, despite this statutory mandate, the DE program has been largely ineffective. As the Commission prepares to implement the historic incentive auctions, which are expected to generate billions in revenue, the inclusion of MBEs – as licensees and as facilities-based spectrum owners – is crucial to realizing the promise of innovation, competition, and universal deployment of the advanced communications services that are transforming the nation. These recommended revisions to the DE rules will not only create meaningful opportunities for qualified minority businesses to

¹ See S. Jenell Trigg and Jeneba Jalloh Ghatt, *Digital Déjà Vu: A Road Map for Promoting Minority Ownership in the Wireless Industry* (Feb. 25, 2014).

² See 47 U.S.C. §309(j).

compete, but by increasing competition in the bidding process, these recommendations will result in an increase in auction proceeds.

It is clear that the wireless industry will continue to play an important role in our national economic growth. Having the opportunity to participate in the economy by owning and operating the assets that empower the wireless industry is profoundly important to MBEs, the communities they represent, and as our nation's demographics continue to shift, to the nation as a whole.

We respectfully request the Commission to act immediately to implement the recommendations to advance minority participation.

Sincerely,

Arizona Hispanic Newswire, LLC
Black Entrepreneurs Association, Inc.
Dialogue on Diversity
Faithfone Wireless, Inc.
League of United Latin American Citizens (LULAC)
Media Alliance
Minority Media and Telecommunications Council
NAACP
National Association of Black Owned Broadcasters (NABOB)
National Association of Multicultural Digital Entrepreneurs (NAMDE)
National Coalition on Black Civic Participation (NCBCP)
National Organization for Women (NOW)
National Policy Alliance (NPA)
National Urban League (NUL)
Public Knowledge
RainbowPUSH
U.S. Black Chambers, Inc.
Women's Institute for Freedom of the Press (WIFP)
Steven R. Bradley, Former President and CEO, Integrated Communications Group, Inc.
Anita Stephens Graham, Member, FCC Advisory Committee on Diversity for Communications in the Digital Age and Former Managing Director, Opportunity Capital Partners

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