



Competitive Carriers Association
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April 11, 2014

Via ECFS

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: EX PARTE PRESENTATION

GN Docket No. 12-268: *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*

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

Dear Ms. Dortch:

During a recent meeting with FCC staff,¹ CCA provided some initial examples of how Verizon Wireless's ("Verizon") licensing proposal to cluster together the Office of Management and Budget's 2013 Metropolitan Statistical Areas ("MSAs") into 216 territories² would be detrimental to many of its members. To provide further proof of the harm Verizon's proposal would cause, and in addition to the examples contemporaneously provided by the Blooston Rural Carriers,³ below is a sampling of ways in which the Verizon proposal would diminish competitive carrier participation in the 600 MHz auction⁴:

NTELOS Holdings Corp. (D.C., Maryland, Virginia)

In its Cluster 14, Verizon proposes combining more rural markets, such as Martinsburg and Winchester, into the same license area as Washington, D.C. and Baltimore, MD. This sort of combination could effectively price NTELOS out of an auction for that spectrum. A similar problem

¹ See *Ex Parte* Letter from Rebecca Murphy Thompson, General Counsel, Competitive Carriers Association, *et al.* to Marlene H. Dortch, Secretary, FCC, GN Docket Nos. 12-268, 13-185 (filed Apr. 10, 2014).

² See *Ex Parte* Letter from Tamara Preiss, Vice President Federal Regulatory Affairs, Verizon Wireless to Marlene H. Dortch, Secretary, FCC, GN Docket Nos. 12-268, 13-185 (filed Mar. 20, 2014); *Ex Parte* Letter from Tamara Preiss, Vice President Federal Regulatory Affairs, Verizon Wireless to Marlene H. Dortch, Secretary, FCC, GN Docket Nos. 12-268, 13-185 (filed Mar. 25, 2014).

³ See *Ex Parte* Letter from D. Cary Mitchell and John A. Prendergast, counsel to the Blooston Rural Carriers to Marlene H. Dortch, Secretary, FCC, GN Docket Nos. 12-268, 13-185 (filed Apr. 10, 2014).

⁴ This list is only illustrative, and is not meant to be exhaustive.

occurs in Cluster 17, which combines Charlottesville, VA and Richmond, VA. In the compromise proposal offered by CCA, NTCA – The Rural Broadband Association, the Rural Wireless Association and the Blooston Rural Carriers (collectively the “Competitive Industry”), the counties forming Cluster 17 are divided primarily into three PEAs (though Caroline County, VA falls into a fourth PEA). Similar problems are also caused by Cluster 19, which combines, Blacksburg, Roanoke and Lynchburg, VA.

Bluegrass Cellular, Inc. (Kentucky)

Cluster 126, which combines Elizabethtown and Louisville, KY, is particularly problematic for Bluegrass Cellular. Bluegrass Cellular is based in Elizabethtown, KY, and has previously noted in the record that forcing it to bid on the Louisville area to obtain a license for Elizabethtown and surrounding rural areas would effectively eliminate Bluegrass from participating in the auction.⁵ In the compromise proposal offered by the Competitive Industry, the counties forming Cluster 126 are divided into two separate PEAs.

Public Service Wireless, Inc. (Georgia)

Under the Verizon proposal, parts of Public Service Wireless, Inc.’s current service territories are included in the Atlanta, GA MSA cluster (Cluster 39) and Macon, GA MSA cluster (Cluster 40). This is opposed to the Competitive Industry proposal, through which Public Service Wireless could obtain spectrum covering its desired service area by purchasing four, relatively sparsely populated PEAs. Were the FCC to adopt the Verizon proposal, Public Service Wireless would likely be foreclosed from participating in the incentive auction.

FTC Management Group (South Carolina)

In addition to one PCS license FTC Management Group (“FTC”) holds in the Charlotte Major Trading Area (“MTA”), FTC holds AWS-1 and 700 MHz licenses in two CMAs. The Columbia, SC MSA cluster (Cluster 34) combines highly-populated Richland and Lexington Counties with the less densely populated Sumter County that is part of FTC’s current CMA-based service footprint. Were the FCC to adopt Verizon’s approach, it would make it significantly less likely that FTC would participate in the incentive auction.

New-Cell Inc. d/b/a Cellcom (Wisconsin)

Verizon’s Cluster 132 presents significant problems for Cellcom, the nation’s ninth largest provider. Cluster 132 combines the Racine, Sheboygan and Fond du Lac, WI MSAs together with the Milwaukee-Waukesha-West Allis, WI MSA. This cluster contains a population of almost two million POPs. A significant portion of the smaller MSAs within the cluster are a part of Cellcom’s service territory. But Cellcom would be deterred from bidding on these areas if it was also forced to bid on the larger Milwaukee area as well.

MTPCS, LLC d/b/a Cellular One (Texas)

Cellular One is adversely impacted by Verizon’s Cluster 87. While Cluster 87, Tyler and Longview, TX, consists of counties totaling almost 500,000 POPs, included in that cluster is Rusk County, Texas, having a population of approximately 50,000 people. In the Competitive Industry’s PEA proposal, Rusk County is part of a much smaller PEA consisting of approximately 125,000 POPs. MTPCS would thus be negatively impacted by the Verizon proposal.

⁵ *Ex Parte* Letter from Ron Smith, President, Bluegrass Cellular, Inc. to Marlene H. Dortch, Secretary, FCC, GN Docket No. 12-268, at 1 (filed July 10, 2013).

U.S. Cellular Corp. (multiple states)

Perhaps no one is harmed more by Verizon's proposal than U.S. Cellular—the nation's fifth largest service provider. In a significant number of markets where U.S. Cellular holds spectrum the aggregated MSAs would make it more difficult for U.S. Cellular to participate in the auction. U.S. Cellular has repeatedly advocated to the Commission for the use of smaller geographic license sizes, such as CMAs,⁶ and Verizon's proposal does nothing to promote competitive carriers' (like U.S. Cellular) participation in the auction.

For the foregoing reasons, CCA respectfully requests that the Commission adopt the Competitive Industry's PEA compromise as proposed.

Pursuant to Section 1.1206 of the Commission's Rules, this *ex parte* presentation is being filed electronically with the Office of the Secretary.

Sincerely,

/s/ Rebecca Murphy Thompson

Rebecca Murphy Thompson
C. Sean Spivey

cc (via email): John Leibovitz
Chris Helzer
Blaise Scinto
Paul Malmud
Ben Freeman

⁶ See, e.g., U.S. Cellular *Ex Parte* Presentation at 9, *attached to Ex Parte* Letter from Leighton T. Brown, Counsel to United States Cellular Corp. to Marlene H. Dortch, Secretary, FCC, GN Docket No. 12-268 (filed July 15, 2013); Comments of United States Cellular Corp., GN Docket Nos. 12-268, 13-185 (filed Jan. 9, 2014); Reply Comments of United States Cellular Corp., GN Docket Nos. 12-268, 13-185 (filed Jan. 23, 2014).