

April 23, 2014

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

**Re: *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auction, GN Docket No. 12-268; Policies Regarding Mobile Spectrum Holdings, WT Docket No. 12-269***

Dear Ms. Dortch:

The Rural Broadband Policy Group (“RBPG”) and the undersigned organizations, believe the Federal Communications Commission (“Commission”) should adopt spectrum aggregation limits, thus ensuring that the largest carriers do not control the majority of spectrum and that rural providers are able to serve rural communities.

Today, people can take advantage of everyday activities available online such as submit a job application, set up a doctor’s appointment, take online classes, launch a business, connect with loved ones, and apply for social services – if they have Internet access. However, according to the Federal Communications Commission’s 8th Broadband Progress Report, released in August of 2012, fixed broadband networks do not reach 19 million Americans. Of those unserved, 14.5 million live in rural areas and nearly a third in Tribal lands.<sup>1</sup> These statistics reveal a persistent digital divide that keeps rural communities from better education, health care, economic development, and full participation in our culture and democracy.

### **Need for Competition in the Rural Wireless Marketplace**

Consolidation in the wireless marketplace has led to only four nationwide providers, severely limiting choice for rural residents. And, in spite of AT&T and Verizon controlling more than a combined 70% of the U.S. wireless market, rural would-be consumers remain unserved.

Rural areas are by definition geographically dispersed, making deployment challenging and expensive. The largest telecommunications carriers frequently argue insufficient demand and profitability prevents them from deploying broadband in rural areas, thus focusing their investment in more populated areas. This strategy makes sense for providers whose main priority is maximizing profits, but does not advance our nation’s commitment to universal service.

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<sup>1</sup> *Eight Broadband Progress Report*, Federal Communications Commission. August 24, 2012

Rural providers, on the other hand, have a different bottom line guiding them: serving rural America. Yet, rural providers struggle to serve residents with limited spectrum and financial resources. Lack of access to spectrum is a major obstacle that sets rural providers at a disadvantage to enter the marketplace. This barrier to entry results in diminished competition and higher prices, which hurt rural populations. This barrier can be overcome by ensuring that carriers that prioritize serving rural areas can obtain licenses.

As the incentive auction nears, we respectfully encourage the Commission to consider the following recommendations on how to allocate spectrum “in a manner that promotes actual and potential competition and that incentives are maintained for innovation and efficiency in the mobile services marketplace.”<sup>2</sup>

### **1. Spectrum Aggregation Limits Improve Competition in Rural Areas**

Limits on the amount of spectrum, and especially low band spectrum, that any wireless carrier can control is necessary to promoting competition, lower prices, better service and more coverage in rural areas. Limits ensure that no carrier amasses the majority of spectrum and effectively pushes competition out. Spectrum aggregation limits secure a playing field where providers contribute to competition, not be tempted to undermine it. The more providers are able to enter the market, the more choice rural residents will have in affordability and quality of service.

### **2. Commission Must Ensure Largest Carriers Don't Control Majority of Spectrum**

The Commission must take steps to ensure that the two largest wireless carriers don't control the vast majority of spectrum, especially low band spectrum. The Commission should consider the actions of AT&T and Verizon before allowing them to control more spectrum.

To the detriment of our nation's digital leadership, these companies have engaged in several practices that perpetuate the digital divide in rural areas. AT&T and Verizon have pushed state laws that retire basic, affordable, telephone service; pursued mergers that further decrease competition and increase prices; and rejected millions of dollars in Connect America Fund support that would connect rural areas. Given AT&T and Verizon's history of divestment and neglect in rural areas, awarding them more spectrum would be harmful to rural communities.

The Commission must take steps to ensure that these carriers do not control the majority of the spectrum, hold their current spectrum hostage from use, and push smaller providers out of rural areas. Small rural providers cannot compete against the deep pockets of large wireless companies for access to spectrum. When a rural provider steps up to close the digital divide, lack of access to spectrum should not prevent it from competing. Similarly, a rural resident should not be deterred from adopting digital services simply because new players cannot enter the market.

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<sup>2</sup> *Policies Regarding Mobile Spectrum Holdings*, WT Docket No. 12-269, Notice of Proposed Rulemaking, FCC 12-119. September 28, 2012

### **3. Commission Must Protect Unlicensed White Spaces**

Instead of depending on big corporations to serve rural communities, the Commission should allocate and protect unlicensed White Spaces. Allocation of unlicensed spectrum for local community networks, public use, and rural providers presents an opportunity to connect rural and remote areas. Unlicensed spectrum allows new providers to enter the market, increase competition and consumer choice for affordable quality service.

This strategy also has the benefit of revitalizing rural economies by encouraging investment through local ownership of communications infrastructure, which creates jobs. Furthermore, communities that own their communications future are more likely to see universal broadband access as an important component of their sustainable future.

The Rural Broadband Policy Group is a national coalition of rural advocates with two goals: 1) to articulate national telecommunications policies that allow rural communities to participate fully in our nation's culture, economy, and democracy, and 2) to encourage collaboration among rural advocates for expanding fast, affordable, and reliable Internet.

We look forward to discussing more ideas with the Commission about how to allocate spectrum in ways that increase competition, investment and innovation in rural areas, and close the digital divide. We respectfully encourage you to adopt the recommendations in this letter and help us support the digital goals of rural communities.

Sincerely,

**Rural Broadband Policy Group**, Whitesburg, KY  
**Access Humboldt**, Eureka, CA  
**Access Sonoma Broadband**, Santa Rosa, CA  
**Akaku: Maui Community Television**, Kahului, HI  
**Appalshop**, Whitesburg, KY  
**Broadband Alliance of Mendocino County**, Ukiah, CA  
**California Center for Rural Policy**, Arcata, CA  
**Carlson Wireless Technologies**, Arcata, CA  
**Center for Media Justice**, Oakland, CA  
**Center for Rural Strategies**, Whitesburg, KY  
**Housing Assistance Council**, Washington, DC  
**Institute for Local Self Reliance**, Minneapolis, MN  
**Kentucky Municipal Utilities Association**, Frankfort, KY  
**Kentucky Resources Council**, Frankfort, KY  
**Llano Grande Center**, Edcouch, TX  
**Media Literacy Project**, Albuquerque, NM  
**Mountain Area Information Network**, Asheville, NC  
**National Consumers Law Center**, on behalf of its low-income consumers

**National Rural Education Association**, West Lafayette, IN  
**North Coast Internet**, Ukiah, CA  
**Partnership for African American Churches**, Institute, WV  
**People, Inc.**, Abingdon, VA  
**Peoples Press Project**, Moorhead, MN  
**Red Coast Rural Action**, Arcata CA  
**Rural Action**, The Plains, OH  
**The Utility Reform Network**, San Francisco, CA  
**Virginia Rural Health Association**, Blacksburg, VA  
**YouthBuild USA**, Sommerville, MA

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