



**Minority Media &
Telecom Council**

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May 8, 2014

Hon. Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street S.W.
Washington, D.C. 20554

RE: Notice of *Ex Parte* Communication, 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)

Dear Chairman Wheeler and Commissioners:

As the agency moves forward with the spectrum incentive auction, the Minority Media and Telecommunications Council (MMTC) strongly urges the Commission to implement the recommendations set forth in the White Paper and discussed in numerous *ex parte* meetings with Commission staff.¹

Specifically, we continue to urge the Commission to eliminate the attributable material relationship rule, increase DE bidding credits, and prioritize diversity and inclusion of DEs in the secondary markets. These recommendations have garnered much support.²

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); MMTC *Ex Parte* Letter re WT Docket No. 05-211 *et al.* (March 14, 2014); MMTC *Ex Parte* Letter re WT Docket No. 05-211 *et al.* (March 17, 2014); MMTC *Ex Parte* Letter re WT Docket No. 05-211 *et al.* (April 3, 2014); MMTC *Ex Parte* Letter re WT Docket No. 05-211 *et al.* (April 25, 2014). See also Comments of the Minority Media and Telecommunications Council, WT Docket No. 05-211 *et al.* (April 25, 2014).

² See Letter from MMTC *et al.* to Tom Wheeler, Chairman, FCC, WT Docket No. 05-211 *et al.* (March 7, 2014) (Letter of support for MMTC's White Paper from twenty organizations).

Increasing the DE bidding credits is critical to meaningful DE participation and has garnered no opposition. We reiterate that increased bidding credits for new entrant DE participation are a necessary component of a successful DE program and will help to fulfill the statutory mandates under 309(j)(3). We remind the Commission that bidding credits are the only remaining incentive for new entrant DEs who will compete against incumbents, large, medium and small. While we continue to believe that a minimum 40% bidding credit is reasonable in light of the significant harm to the DE program caused by the 2006 DE Rules, we recognize that the Commission has indicated that it would prefer to use its current Part I schedule rules.³ Therefore, we would support an increase in bidding credits to the third tier for a 35% bidding credit established under the Part I schedule, 47 C.F.R. 1.12110(f)(2)(i), which is consistent to unopposed comments filed in the administrative record.

We sincerely hope that any DE-specific provisions for the spectrum incentive auction will be adopted with sufficient time for DEs to develop viable business plans, assess market conditions and raise capital at the same time as other potential bidders.⁴

As MMTC has explained in its ex parte meetings and letters, we believe that the Commission has the authority as well as substantial support on the record for the Commission to adopt these proposals.

Respectfully submitted,

David Honig

David Honig
President

³ “Moreover, we continue to believe that use of the small business size standards and credits set forth in the Part I schedule provides consistency and predictability for small businesses....” *Amendment of the Commission’s Rules with Regard to Commercial Operations in the 1695-1710 MHz, 1755-1780 MHz, and 2155-2180 MHz Bands, Report and Order* GN Docket No. 13-185 ¶189 (rel. March 31, 2014).

⁴ See 47 U.S.C. §309(j)(3)(E)(i).