



Press Release

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MMTC EXPRESSES STRONG SUPPORT FOR THE WAIVER OF RULES THAT IMPEDE SMALL BUSINESS PARTICIPATION IN FCC SPECTRUM AUCTIONS

Washington, D.C. (July 24, 2014): The Minority Media and Telecommunications Council (MMTC) applauds the Federal Communications Commission’s progress to remove barriers to participation in waiving regulations that discourage small business participation in wireless spectrum auctions in support of the FCC’s Order on Grain Management’s Request for Clarification or Waiver of Section 1.2110(b)(3)(iv)(A) of the Commission’s Rules – an open proceeding that was subject to notice and comment.

This week, the FCC voted to approve a qualified small business (Designated Entity, or DE) waiver of the Attributable Material Relationship (AMR) rule for the upcoming AWS-3 and other auctions. The rule, last considered in 2006, limits small businesses’ ability to lease spectrum to other businesses – even if the spectrum was not acquired through the Designated Entity program.

For the past four years, MMTC, along with a broad coalition of civil rights and small business advocacy groups, has urged the FCC to eliminate the AMR rule in its entirety because it impedes a DE’s ability to create flexible business plans and access the capital necessary to participate in FCC spectrum auctions. With zero Designated Entity participation in the FCC’s recent sale of H-Block licenses, MMTC lauds the Commission for its decision to grant a very timely waiver to Grain Communications and similarly situated companies.

“On Wednesday, the Commission took a step in the right direction by enabling greater, near-term participation by small businesses in the upcoming AWS-3 auction and in the secondary markets,” stated David Honig, MMTC President. “The communications marketplace has changed profoundly, and we hope to see the AMR rule revisited as the Commission undertakes a more formal review of the overall DE program in its upcoming proceeding.”

In line with Congress’s mandate to advance small business participation in wireless auctions, the FCC’s decision to engage Designated Entities in November’s AWS-3 auction will increase their participation in wireless spectrum ownership.

“Fostering competition, economic development, and services should be a critical focus of the nation,” stated Cliff Stearns, former Member of Congress (R-FL) and Co-Chair of MMTC’s New Internet and Telecom Policy Task Force. “The Designated Entity program can significantly

support new entrants to this marketplace, as well as smaller incumbents whose needs for access to capital are more pronounced than their competitors’.”

Criticism of the program by some FCC and congressional leaders is unfortunate. Like others, MMTC provided input on the clarification of the AMR Rule during the public comment and reply periods that closed in April of this year. MMTC asked that the ARM rule be waived for all DEs or reviewed on a case-by-case basis. MMTC also urged the FCC to allow firms to retain their status as Designated Entities when entering into lease, resale, or wholesale agreements – one of the major regulatory impediments facing small businesses.

“As an association that represents a range of tech entrepreneurs and small businesses, we look forward to the FCC’s DE proceeding to better understand how to engage more of our members, especially as wireless becomes the new broadcasting,” stated Dr. Nsenga Burton, Executive Director of the National Association of Multicultural Digital Entrepreneurs (NAMDE). “The DE issue has become very important to us as wireless has become the communications lifeline for many communities.”

MMTC is hopeful that Congress will continue to support the FCC's efforts to promote the innovation economy, and foster small business participation in commercial wireless – one of the nation’s most influential and important industries.

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About MMTC:

The Minority Media and Telecommunications Council (MMTC) is a non-partisan, national nonprofit organization dedicated to promoting and preserving equal opportunity and civil rights in the mass media, telecommunications and broadband industries, and closing the digital divide. MMTC is generally recognized as the nation’s leading advocate for minority advancement in communications.