

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)
)
Reallocation and Services Rules for) **GN Docket No. 01-74**
the 698-746 MHz Spectrum Band)
(Television Channels 52-59))

To: The Commission

**COMMENTS OF
THE RURAL TELECOMMUNICATIONS GROUP**

The Rural Telecommunications Group (“RTG”),¹ by its attorneys, hereby responds to the request for comments in the Federal Communications Commission (“FCC” or “Commission”) *Public Notice*² in the above-captioned proceeding. In its *Lower 700 MHz Report and Order*,³ the FCC wisely elected to license a portion of the so-called “Lower 700 MHz Band” using smaller license areas than those adopted for use in

¹ The Rural Telecommunications Group is a group of rural telecommunications providers who have joined together to speed the delivery of new, efficient, and innovative telecommunications technologies to the populations of remote and underserved sections of the country. RTG’s members provide wireless telecommunications services, such as cellular telephone service, Personal Communications Services (“PCS”), and Multichannel Multipoint Distribution Service (“MMDS”) to their subscribers. Many of RTG’s members also hold Local Multipoint Distribution Service (“LMDS”) licenses and have started to use LMDS to introduce advanced telecommunications services and competition in the local exchange markets in rural areas. Other RTG members seek to acquire spectrum or to be able to utilize the spectrum of others. RTG’s members are all affiliated with rural telephone companies or are small businesses.

² *In re* Auction of Licenses in the 698-746 MHz Band Scheduled for June 19, 2002: Comments Sought on Reserve Prices of Minimum Opening Bids and Other Auction Procedural Issues, *Public Notice*, DA 02-200, Report No. AUC-02-44-A (Auction No. 44) (rel. January 24, 2002).

³ *In re* Reallocation and Service Rules for the 698-746 Spectrum MHz Band (Television Channels 52-59), GN Docket No. 01-74, *Report and Order*, FCC 01-364 (rel. January 18, 2002). (“*Lower 700 MHz Report and Order*”)

recent spectrum auctions. Unlike the Upper 700 MHz band where the Commission created only 12 regional licenses, in the Lower 700 MHz band, the Commission set aside 12 megahertz of spectrum to be licensed in 306 Metropolitan Statistical Areas (MSAs) and 428 Rural Service Areas (RSAs) in order “to disseminate licenses among a wide variety of applicants, including rural telephone companies, small businesses, minorities and women.”⁴ In response to the *Public Notice*, RTG respectfully requests that the Commission continue to pursue the goal of disseminating licenses among a wide variety of applicants by including only the 734 MSA/RSA Lower 700 MHz band licenses in Auction No. 44 and grouping the 24 larger licenses based on 700 MHz economic area groupings (“EAGs”) with the 12 licenses in Auction No. 31.⁵

The use of smaller geographic license areas, especially RSAs, will enable rural telephone companies and small businesses to have a meaningful chance of acquiring spectrum – a statutory obligation the Commission recognized in its *Lower 700 MHz Report and Order* when it explained that “MSAs and RSAs represent areas over which many customers may desire to receive the majority of their wireless or broadcast-type services and thus can be the focus of smaller carriers that do not wish to bid on or provide service to larger regions.”⁶ Consistent with this recognition, the Commission should avoid grouping larger carriers interested in the EAG licenses in the 700 MHz bands with the smaller carriers who are more likely to be interested in serving small and rural areas. Such a grouping may discourage many smaller carriers from participating in Auction No. 44, perhaps leaving many licenses, especially RSAs, unclaimed. Separating the

⁴ *Report and Order* at 40.

⁵ *See Public Notice* at 2.

⁶ *Report and Order* at 40.

MSA/RSA-licenses from the EAG-licenses and grouping the Lower 700 MHz EAG-licenses with the Upper 700 MHz EAG-licenses will avoid confusion and will improve the efficiency of both Auction 31 and Auction 44. For example, as in past auctions, the Commission has proposed using a simultaneous multiple round (“SMR”) auction design with a simultaneous stopping rule. By separating the MSA/RSA-licenses from the EAG-licenses, the auctions of EAG and MSA/RSA-licenses may conclude at different times. In general, separating the MSA/RSA-licenses from the EAG-licenses will improve administrative efficiency and ease of auction participation.

The Commission’s proposal to group the 24 Lower 700 MHz EAG-licenses with the Upper 700 MHz band licenses in Auction 31 is a logical way to differentiate between EAGs meant for regional or nationwide services and MSAs and RSAs meant for more localized services. By making such a distinction between Auction No. 31 and Auction No. 44, the Commission will be encouraging a wide variety of services, both fixed and mobile, in *all* regions of the country. RTG applauds the FCC’s efforts so far to promote the rapid development of new technologies and services in rural areas through the use of smaller geographic license areas in the Lower 700 MHz band. RTG encourages the FCC to continue this trend through a separate MSA/RSA auction.⁷

⁷ See 47 U.S.C. § 309(j)(3)(A).

Respectfully Submitted,

THE RURAL TELECOMMUNICATIONS GROUP

By: _____ /s/ _____

Gregory W. Whiteaker, Senior Counsel
Donald L. Herman Jr., Regulatory Counsel
Kenneth C. Johnson, Director of Regulatory and
Legislative Affairs

Rural Telecommunications Group
Bennet & Bennet, PLLC
1000 Vermont Avenue, NW
Tenth Floor
Washington, DC 20005
202-371-1500

February 6, 2002