

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Comment Sought on Competitive Bidding Procedures for Broadcast Incentive Auction 1000, Including Auctions 1001 and 1002)	AU Docket No. 14-252
)	
Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions)	GN Docket No. 12-268
)	
Policies Regarding Mobile Spectrum Holdings Competitive Bidding Procedures for Broadcast Incentive Auction 1000, Including Auction 1001 and 1002)	WT Docket No. 12-269
)	

**REPLY COMMENTS OF
NTCA–THE RURAL BROADBAND ASSOCIATION**

I. INTRODUCTION & SUMMARY

NTCA–The Rural Broadband Association (“NTCA”) hereby submits these Reply Comments in support of the November 30, 2015 Petition for Reconsideration filed by PBP Group, LLC, Bulloch Cellular, Inc, Pineland Cellular, Inc and Planters Rural Cellular, Inc (the “PBP Petitioners”). NTCA is a national association of more than 900 members. All of NTCA’s members are rural incumbent local exchange carriers (“RLECs”), many of whom also provide video, wireless and broadband services to their rural communities.

The PBP Petitioners request that the Federal Communications Commission (the “Commission”) reconsider its Application Procedures for Broadcast Incentive Auction Public Notice, insofar as it limits eligibility for the Rural Service Provider Bidding Credit to applicants that are “service provider[s] . . . in the business of providing commercial communications

service” and excludes a non-service provider that is wholly owned by rural service providers.¹

The Commission should use the opportunity provided by this petition to clarify that an applicant entity seeking eligibility for the Rural Service Provider Bidding Credit does not itself need to be in the business of providing commercial communications services, so long as its owners are providers of commercial communications services and the applicant otherwise meets the credit eligibility criteria.²

NTCA agrees with the Blooston Rural Carriers that the Commission’s rules are broad enough and were intended to allow rural service providers to participate in an auction through a subsidiary or related entity.³ However, on its face, the Public Notice prevents a LLC comprised of rural service providers that provide commercial communications services and have a combined total of less than 250,000 subscribers from being eligible for a Rural Service Provider Bidding Credit if the LLC itself does not provide communications services and does not have its own subscribers.⁴ This interpretation is antithetical to the Commission’s intent when creating the Rural Service Provider Bidding Credit, for which the Commission went to great lengths to “enable rural service providers to compete for spectrum licenses at auction and speed the availability of wireless voice and broadband services to rural areas . . . “⁵ Such an interpretation

¹ Application Procedures for Broadcast Incentive Auction Scheduled to Begin on March 29, 2016; Technical Formulas for Competitive Bidding, AU Docket No. 14-252, GN Docket No. 12-268, WT Docket No. 12-269, Public Notice, DA 15-1183, ¶ 123. (rel Oct. 15) (“Public Notice”).

² It is worth noting that no party filed in opposition of the PBP Petition and the Blooston Rural Carriers supported it.

³ Comments of the Blooston Rural Carriers, p. 2.

⁴ While the Commission’s rules provide Rural Service Provider Bidding Credit eligibility to those who chose to form a bidding consortium, a bidding consortium is not a desirable option for all rural telephone companies seeking to participate in the auction. The consortium is not an ongoing legal entity and must partition any license won at auction. Many rural providers have found that the best option for operating a successful wireless service is to keep the license intact to achieve economies of scale by jointly operating the venture.

⁵ *In the Matter of Updating Part 1 Competitive Bidding Rules, et. al.*, WT Docket Nos. 14-170; 05-211; GN Docket No. 12-269, RM 11395, Report and Order, FCC 15-80 (rel. July 21, 2015).

also frustrates, rather than furthers, the achievement of operating efficiencies by and among small businesses. The Commission intended to facilitate rural service providers to come together to bid, recognizing that they may need to do so in order to raise the necessary capital to bid in the subject auction.

NTCA agrees with the PBP Petitioners that the Commission should more explicitly clarify that the Rural Service Provider Bidding Credit will be available if owners of a bidding entity are rural service providers and: 1) the applicant together with its controlling interests, affiliates, and the affiliates of its controlling interests has fewer than 250,000 combined wireless, wireline, broadband and cable subscribers; and 2) these entities serve predominantly rural areas, defined as counties with a population density of 100 or fewer persons per square mile.⁶

For the above stated reasons, the Commission should grant the Petition for Reconsideration of PBP Group, LLC, Bulloch Cellular, Inc, Pineland Cellular, Inc, and Planters Rural Cellular, Inc.

Respectfully submitted,



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⁶ See also, Comments of the Blooston Rural Carriers, p. 2.