

# United States Senate

WASHINGTON, DC 20510

June 17, 2015

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The Honorable Tom Wheeler  
Chairman  
Federal Communications Commission  
445 12th Street S.W.  
Washington, DC 20554

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

Dear Chairman Wheeler:

The broadcast incentive auction scheduled for 2016 promises greater access to wireless broadband services in urban and rural areas throughout America. Diversifying control of low-band spectrum has the potential to encourage expanded wireless broadband deployment in underserved and unserved portions of the country, increasing quality and service, and improving cost competition in rural and urban areas alike.

We strongly support conducting the incentive auction in early 2016 as scheduled, and we want to ensure that the pro-competitive spectrum reserve is large enough in quantity and high-enough in quality to support robust competition throughout the country.

Customers in rural areas deserve as much choice and competition as customers in urban areas. Roughly one-fifth of all Americans live in rural areas where wireless broadband coverage – much less competition – is quite limited. Only 40% of rural Americans enjoy access to four or more mobile broadband providers as compared to 92% of non-rural Americans, and only 9% of rural Americans enjoy access to five or more mobile broadband providers.

We can do better.

The upcoming incentive auction can advance robust competition by ensuring that companies that currently lack sufficient low-band spectrum have an opportunity to acquire the spectrum necessary to compete. As currently structured, however, the FCC's auction design has not reserved sufficient spectrum to promote competition and the auction procedures may delay implementation of the pro-competitive spectrum reserve until it is too late to do competitive providers any good. To promote wireless broadband competition, the FCC should: (1) expand the size of the spectrum reserve from three to at least four blocks; (2) ensure only the highest quality licenses are available in the reserve; and (3) implement the reserve relatively early in the auction to guard against anticompetitive abuse.

Wireless providers that have access to low-band spectrum can serve the same area with far fewer costly base stations because low-band frequencies travel much farther than high-band frequencies. Studies have found that deployment costs using high-band spectrum can be up to 13 times higher compared to deployment costs using low-band spectrum. The increased costs of high-band deployments, as well as the permitting and practical obstacles to building many more

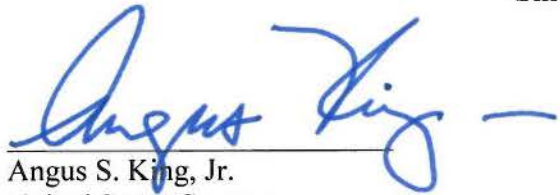
base stations, can mean the difference between having robust competition on service, price or quality and having either no competition or no service at all.

Initial concerns that funding objectives for Congressional priorities established in the Middle Class Tax Relief and Job Creation Act of 2012 might not be met before the date of the incentive auction turned out to be unfounded. The recent AWS-3 auction alone raised \$42 billion for the U.S. Treasury, fully satisfying the funding requirements for FirstNet. With all funding obligations fulfilled, the FCC can focus entirely on ensuring that the incentive auction results in a more competitive mobile broadband market.

Expanding access to wireless broadband is a proven job creator and economic stimulant. The FCC can expand access to wireless broadband by increasing the amount of the spectrum reserve from three to at least four blocks, by ensuring only the highest-quality licenses appear in the reserve, and by triggering the reserve early in the bidding. Expanding access to high-quality, low-band spectrum – together with a robust set of deployment obligations for winning bidders – will ensure that this “once-in-a-lifetime” auction brings greater competition and improved wireless broadband service to all American consumers.

In the interest of expanding consumer choice and accelerating economic growth, we ask that you consider incentive auction rules that increase access to low-band spectrum in the 2016 incentive auction. We appreciate your attention to this important matter and hope you will not hesitate to reach out with any further questions.

Sincerely,



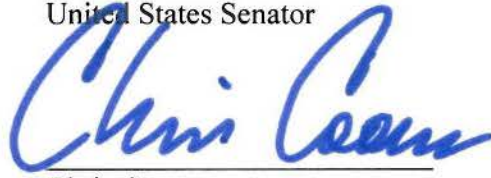
Angus S. King, Jr.  
United States Senator



Mark R. Warner  
United States Senator



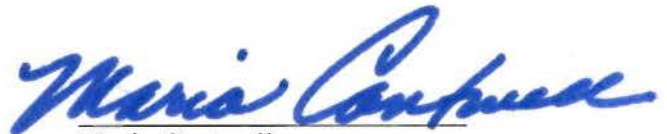
Amy Klobuchar  
United States Senator



Chris Coons  
United States Senator



Patty Murray  
United States Senator



Maria Cantwell  
United States Senator

cc: The Honorable Mignon Clyburn, Commissioner, Federal Communications Commission  
The Honorable Jessica Rosenworcel, Commissioner, Federal Communications Commission  
The Honorable Ajit Pai, Commissioner, Federal Communications Commission  
The Honorable Michael O’Rielly, Commissioner, Federal Communications Commission