

October 26, 2017

Chairman Ajit Pai, Commissioner Mignon Clyburn, Commissioner Michael O'Rielly,  
Commissioner Brendan Carr, and Commissioner Jessica Rosenworcel  
Federal Communications Commission  
445 12<sup>th</sup> St SW  
Washington, D.C. 20554

Dear Chairman Pai and Commissioners Clyburn, O'Rielly, Carr, and Rosenworcel,

On August 29<sup>th</sup>, 2017, the United States Court of Appeals for the District of Columbia Circuit determined that plaintiffs in *SNR Wireless vs. Federal Communications Commission* must be given "an opportunity to cure" the Commission's concerns with the business arrangements these designated entities made in connection with the 2015 AWS-3 spectrum auction. One of the plaintiffs, Northstar Wireless, is a subsidiary of Alaska-based and Native-owned Doyon, Limited. The Court directed the matter back to the FCC for further consideration. While we make no recommendation on the specific result the FCC may reach, we strongly believe SNR Wireless and Northstar Wireless are entitled to a fair opportunity to negotiate a cure that address the commission's concerns as they seek to have their Designated Entity status reinstated.

Competition in the wireless sector is critically important. Indeed, the intended purpose of the designated entity program is to boost competition in the marketplace. By that measure, the program has achieved its goals over the last two decades. It has brought new small and/or minority-owned entrants into the marketplace, many of which had strong Native and Tribal involvement. The program spawned now-established carriers such as T-Mobile and LEAP. In an industry with understandably high barriers to entry, the designated entity program creates an avenue for historically disadvantaged entities to compete in a sector that will drive the 21<sup>st</sup> Century economy.


The designated entity program was also a major factor in the success of the AWS-3 auction. The auction finished with a record \$41.7 billion in total bids, far exceeding initial estimates that predicted total bids of less than \$20 billion. Analysts credited the increased competition from designated entities a major factor in the results of the auction. In contrast, while viewed as a success by most, total winning bids in the recent Broadcast Incentive Auction totaled approximately \$20 billion. Clearly, in the case of the AWS-3 Auction, robust competition by designated entities benefited both the taxpayer and the federal treasury.

However, these results won't reach their full benefit if many of these wireless spectrum licenses are not deployed in markets across the country. As you know, Northstar Wireless was forced to return some of the licenses it initially won in the auction after the FCC retroactively revoked the company's 25% bid discount. The company did this to

maintain the original financial commitment it made to the auction. While such a decision was understandable given the billion-dollar additional financial commitment at stake, it also means that these licenses are sitting on the sidelines and unavailable for deployment while demand for wireless continues to increase. The FCC should have every reason to resolve this matter as quickly and equitably as possible.

Thank you for your consideration of this important matter. It helps to ensure that all Americans benefit from a robust and growing wireless sector.

Sincerely,

  
DON YOUNG  
Congressman for All Alaska

  
LISA MURKOWSKI  
United States Senator