



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

November 12, 2019

The Honorable Gary Peters
United States Senate
724 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Peters:

Thank you for your letter regarding the Federal Communications Commission's recent rulemaking proceeding modernizing the 2.5 GHz band, specifically addressing the Educational Broadband Service (EBS) portion of that band. Closing the digital divide is the FCC's top priority. The Commission recently adopted a Report and Order aiming to maximize the potential of the 2.5 GHz band to bring advanced wireless services to those who for too long have been on the wrong side of that divide.

The spectrum made available in this Report and Order is the single largest contiguous swath of mid-band spectrum below 3 gigahertz in the nation, with a combination of coverage and capacity that presents a great opportunity for 5G. But today, this valuable public resource is dramatically underused—especially west of the Mississippi River. While technological advances have rendered the 2.5 GHz band's original intended uses outdated, arcane rules have also hampered providers from putting the spectrum to its highest-valued use.

At long last, at our July meeting, we removed the burdensome restrictions on this band. The rule changes in the Report and Order afford incumbents greater flexibility in their use of the spectrum and introduce a spectrum auction that will ensure that this public resource finally is devoted to its highest-valued use. These groundbreaking reforms will result in more efficient and effective use of these airwaves and represent the latest step in advancing U.S. leadership in 5G.

We also gave federally recognized American Indian Tribes and Alaska Native Villages an exclusive window to obtain this spectrum to serve Rural Tribal Lands. Here's why. As I've seen for myself—from the Rosebud Sioux Reservation in South Dakota to the Navajo Nation in Arizona, from the Coeur D'Alene Reservation in Idaho to the Jemez and Zia Pueblos in New Mexico—the digital divide is most keenly felt in Indian Country. I want to make sure that those committed to connecting Tribal members in rural areas are given a strong opportunity to succeed. A Tribal priority filing window will help the most marginalized communities in the country gain access to services using this transformative spectrum band.

Following the Tribal priority window, we will offer overlay licenses for commercial use of the remaining 2.5 GHz band through a spectrum auction. Accordingly, we declined to adopt priority windows for non-incumbent educational institutions or incumbent licensees. Here's why. Experience suggests that the past is highly likely to be prologue. An overwhelming

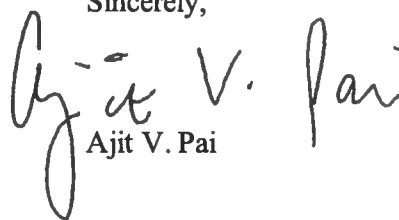
number of today's EBS licensees lease their EBS spectrum to wireless companies. They don't use it for educational purposes. Indeed, the current license-holders for over 95% of our 2,195 EBS licenses today lease much of this spectrum to non-educators. This longstanding arbitrage has been unhelpful to consumers for many years, and extending this middleman model even further makes no sense.

Our approach serves the public interest. We adopted an overlay auction with county-size licenses and a band plan that benefits all operators. We also adopted bidding credits for small entities. This approach will encourage small companies to participate—companies like Midco, Carolina West Wireless, Pioneer Cellular, Viaero Wireless, AST Telecom, Wave Wireless, and Paladin Wireless. These are the foot soldiers of the digital revolution in rural and low-income America. These are the providers that will use this public resource to benefit the entire public. And these are the companies that support our approach as set forth in the Report and Order.

I agree with you that the work of Northern Michigan University to build out its own network to bring advanced wireless services to the people of the Michigan's Upper Peninsula stands out from the crowd. I heard about that forward-thinking work myself when I visited with their team in Michigan last year. That's why the Wireless Telecommunications Bureau granted a waiver on July 22, 2019 so that the university could obtain additional 2.5 GHz licenses and expand its network to the Lower Peninsula of northern Michigan. Today, Northern Michigan University is authorized to operate in Marquette, Michigan, where it serves approximately 9,000 students and over 1,100 faculty and staff, and across the Upper Peninsula (and northern Lower Peninsula as well) to support distance learning and to provide broadband access to school and community college students.

Thank you once again for your letter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink that reads "Ajit V. Pai". The signature is fluid and cursive, with the first name "Ajit" being the most prominent part. Below the signature, the name "Ajit V. Pai" is printed in a standard, sans-serif font.

Ajit V. Pai