

**SEPARATE STATEMENT OF  
COMMISSIONER KEVIN J. MARTIN**

*Re: Amendment of Part 1 of the Commission's Rules – Competitive Bidding Procedures, Second Order on Reconsideration of the Third Report and Order and Order on Reconsideration of the Fifth Report and Order, WT Docket No. 97-82*

I am pleased to support this Order, which facilitates the ability of rural telephone cooperatives to participate in spectrum auctions. Specifically, the Order establishes an exemption from the rules for determining eligibility for small business preferences including bidding credits. Ordinarily, the gross revenues of entities controlled by an applicant's officers and directors are attributed to the applicant for the purpose of determining its eligibility. In this Order, we establish an exemption for rural telephone cooperatives, so that the outside business interests of officers and directors are not attributed to a cooperative. I am hopeful that this will enable greater participation in spectrum auctions by rural cooperatives and will provide greater rural deployment of wireless services.

The Commission has explicit obligations to promote these goals. Section 309 of the Communications Act directs the Commission, in designing systems of licensing through competitive bidding, to promote "the development and rapid deployment of new technologies, products, and services for the benefit of the public, including those residing in rural areas, without administrative or judicial delays." 47 U.S.C. § 309(j)(3)(A). Section 309 also requires the Commission to ensure that "rural telephone companies" "are given the opportunity to participate in the provision of spectrum-based services, and, for such purposes, [to] consider the use of tax certificates, bidding preferences, and other procedures." *Id.* § 309(j)(4)(D).<sup>1</sup>

This Order, by recognizing the unique structure of rural cooperatives, is just one small step in fulfilling these mandates. I hope, however, that it is part of a trend. Promoting the deployment of services to rural America is one of the Commission's most important priorities. We need to continue to identify the impact of our rules on rural carriers and consumers, and tailor them, as necessary, to promote rural participation and deployment.

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<sup>1</sup> That provision requires the Commission to provide the same opportunity to "small businesses" and "businesses owned by members of minority groups and women," which are also important Commission priorities. 47 U.S.C. § 309(j)(4)(D).