FCC AWS-3 Plans Get Mixed Reaction

Andrew Berg

The FCC today issued an official report and order that sets rules for the upcoming auction of 65 MHz of spectrum in the AWS-3 band, specifically in the 1695-1710 MHz, 1755-1780 MHz, and 2155-2180 MHz bands.

The report and order establishes a band plan that makes spectrum available in a mix of spectrum block and geographic license area sizes that the commission hopes will please both small and larger carriers.

The FCC has also included a requirement that AWS-3 devices be interoperable within AWS-3 and AWS-1 frequencies.

Of the 65 Mhz of spectrum only 40 MHz will be made available for commercial use. This spectrum will be available on a shared basis with federal incumbents in accordance with detailed plans for these agencies to relocate out of the frequencies or share within the frequencies.

In an emailed statement, T-Mobile Vice President of Regulatory Affairs, Kathleen Ham, applauded the Commission's decision to modify the proposed AWS-3 band plan to create more 5x5 MHz spectrum blocks.

"This pro-competitive decision will provide carriers of all sizes an opportunity to win this valuable spectrum," Ham said. "As we look forward to an auction, T-Mobile encourages the Defense Department and other federal agencies to continue close coordination with all stakeholders to ensure the smooth transition of this spectrum for commercial use.”

In a statement, CTIA called the report and order an important step toward bringing this spectrum to market.

Joan Marsh, AT&T vice president of regulatory, wasn't quite as complimentary of the FCC's choice to deliver more 5X5 MHz blocks of spectrum, saying the decision will ultimately amount to less spectrum being put to use.

Marsh said the smaller blocks would spoil AT&T's plans to do Carrier Aggregation of two 10×10 MHz blocks, which she said can enable peak data rates of 150 Mbps.

“In the AWS-3 order adopted today, the FCC chose a contrary approach," Marsh said. "As we previously argued, the AWS-1 auction results demonstrated clearly that both auction demand and auction revenue flows first and most freely to larger blocks with larger license sizes. For this reason, we supported the band plan as originally proposed by FCC Staff.

Marsh said AT&T was confident that fragmentation driven by the auction design

would be worked out in the secondary market, which she said would be proof that "money was left on the table."

Kathleen Grillo, Verizon's senior vice president of regulatory, was not so critical. Grillo applauded the report and order but didn't comment on specifics of the plan.

In a statement, CCA President & CEO Steven K. Berry, thanked FCC Chairman Tom Wheeler for supporting smaller block modifications.

"While five smaller blocks of spectrum are best, as Commissioner Clyburn proposed, we're pleased the FCC struck a compromise licensing the AWS-3 spectrum in three 5x5 MHz blocks and mandated interoperability in the AWS-1 and AWS-2 bands," Berry said in a statement.

Still, Berry contended that the FCC did not go far enough, saying that the FCC's decision today to license only one paired 5x5 MHz block in smaller Cellular Market Areas (CMAs) was a disappointment to smaller, regional carrier.

"The use of the larger Economic Areas (EAs) will likely curtail participation among smaller carriers, who have neither the resources nor the scale to bid on license areas of that size and could ultimately reduce revenue from the auction," Berry said.

Berry also expressed disappointment that the FCC didn't take the chance to address spectrum aggregation limits in the report & order.

"Outside of this proceeding the FCC should promptly conclude its review of its mobile spectrum holdings rules to reform the spectrum screen and prevent excessive concentration of spectrum holdings," Berry said.

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