

Carriers, Others Respond to FCC's Spectrum Screen, Incentive Auction Rules

Ben Munson

Following a busy day at the FCC that saw the Commission drafting rules for upcoming spectrum auctions and revising its spectrum screen, carriers weighed in with varying degrees of praise or scorn for the new policies.

The FCC's move to set aside a reserve of 30 MHz in the 600 MHz Incentive Auctions for bidders holding less than one-third of available low-band spectrum licenses per area drew a lukewarm response from T-Mobile.

"T-Mobile appreciates the FCC's vote today moving ahead with the incentive auction and spectrum aggregation proceedings. While we would have preferred the FCC to reserve more spectrum for competitive carriers, we are hopeful the auction rules will enhance competition and benefit consumers," Kathleen Ham, vice president of regulatory affairs at T-Mobile, said in a statement.

Sprint applauded the FCC's spectrum reserve plans for their promise of promoting competition and enhancing the ability of smaller carriers to get their hands on 600 MHz spectrum. But the carrier sounded none too pleased about the revised spectrum screen.

"We are disappointed, however, that in revising its spectrum screen the Commission did not recognize the varying impact of commercial spectrum bands on broadband competition. As a result, the revised spectrum screen will not help the Commission identify transactions that warrant a more detailed competitive analysis," Lawrence Krevor, vice president of government affairs, wrote in a statement.

Krevor added that Sprint will fully review the FCC's decisions to determine the carrier's next steps.

Sprint's displeasure with the FCC's spectrum screen revisions contrasted the glowing praise the new policy drew from Verizon.

"We are pleased that today's order aligns the FCC's spectrum screen with current marketplace realities. For far too long, the screen has been woefully under-inclusive. By counting all providers' broadband spectrum equally, the FCC's decision will help ensure that all carriers have the opportunity to acquire the spectrum necessary to serve their customers," Craig Silliman, vice president of public policy at Verizon, said in a statement.

AT&T joined in chorus of approval for the auction framework and said that the FCC's upcoming airwave sales were on the "path toward success." The carrier even

conceded to the spectrum limitations and reserves put in place by the FCC.

"While we have long opposed auction restrictions and set asides, the compromise framework will give AT&T a fair shot to participate at auction for a meaningful 600 MHz footprint," Jim Cicconi, vice president of legislative affairs, said in a statement.

Smaller carriers like Cellcom, a carrier that operates in Wisconsin and parts of Michigan, applauded the FCC's decision to go with smaller geographic license sizes, reserved spectrum and interoperability assurances.

Here's a sampling of what others from around the industry had to say about yesterday's rulings:

CTIA called the FCC's incentive auction order a "significant step toward implementing a 'win-win' for consumers and the U.S. economy."

Kenneth Meyers, President & CEO of **U.S. Cellular** cited his company's hard for the ability to bid on all the spectrum blocks made available for auction. "Today's vote is a huge step forward towards what we believe will be a highly successful auction and we fully anticipate playing an important role in that auction," Meyers said in a statement. "We expect that there will be vigorous bidding for spectrum across the entire country and the FCC's action today is a win for competition, consumers, and companies of all sizes."

The **Competitive Carriers Association** commended the FCC for adopting geographic license sizes in Partial Economic Areas (PEAs) and for creating a spectrum reserve that should give all carriers a "meaningful opportunity to participate in the auction."

Advocacy group **Public Knowledge** said the FCC set an important precedent by ensuring all carriers get a fair shot at 600 MHz spectrum. But it added that the rules were not "perfect" and that it would have liked to "see even more spectrum dedicated to competition, and improvements to the Commission's overall spectrum holdings policies."

The **Dynamic Spectrum Alliance** said the FCC took important steps toward freeing up more spectrum for Wi-Fi and other uses.

PwC offered analysis praising the incentive auction rules for offering new opportunities for TV broadcasters and presenting information to broadcasters on how to make the most of the "significant payout on the horizon."

The **Wireless Innovation Alliance** said the FCC's 600 MHz band plan demonstrates the Commission's understanding of the "critical role unlicensed spectrum plays in our innovation economy."

NetCompetition said the FCC's auction rules seem "obsessed with denying the sale of much spectrum to likely highest bidders, AT&T and Verizon, which have the

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most consumer demand for the spectrum, and have substantial financial wherewithal to bid for the most valuable spectrum ever auctioned." The pro-competition e-forum said the rules create a "Disincentive Auction."

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