

March 22, 2012

Chairman Julius Genachowski
Commissioner Robert M. McDowell
Commissioner Mignon Clyburn
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Passage of the Middle Class Tax Relief and Job Creation Act
Blueprint for Broadband Spectrum

Dear Chairman and Commissioners:

The February 22nd passage of the Middle Class Tax Relief and Job Creation Act of 2012 (“Spectrum Legislation”) is a legislative landmark with the potential to reshape mobile broadband and create vast benefits for the American public. This new law represents the culmination of more than three years of education and advocacy by CTIA – The Wireless Association® (“CTIA”) and its members. The Federal Communications Commission (“FCC” or “Commission”), Congress, and the Administration deserve congratulations for their efforts to establish this legislation. It will begin the process of helping the wireless industry meet the public’s inexhaustible demand for wireless products and services and stimulate further wireless innovation and investment. To achieve these benefits, however, immediate action by the FCC and the National Telecommunications and Information Administration (“NTIA”) is needed in partnership with stakeholders such as CTIA and its members. In the shadow of the second anniversary of the National Broadband Plan (“NBP”), this letter provides a Blueprint for Broadband Spectrum as it identifies a number of issues the FCC must address if it is to bring the spectrum identified in the legislation to market in the timeframe established in the National Broadband Plan.

While the proposed plan and timelines contained in this letter are aggressive, CTIA believes that the Commission must set an accelerated timeframe if it is to comply with its own goal of bringing 300 MHz of spectrum to market by 2015. That goal was a key element of the National Broadband Plan, and in order to achieve it, the Commission must act quickly and decisively to bring the greatest amount of spectrum to market possible. At the same time, the Commission should work to ensure that its decisions, particularly with regard to the reverse auction process, are simple, easy to understand, and promote broadcaster participation. We understand that this task will not be easy, but we believe that the Commission can fulfill both its statutory duties under the Spectrum Legislation, as well as its commitment under the National Broadband Plan, in a timeframe and manner that will help ensure that the United States’ wireless industry remains the world’s leader in innovation.

As the Commission is aware, the wireless industry, during one of the longest and most prolonged economic downturns in U.S. history, has continued to provide jobs, growth, investment and innovation. As of June 2011, U.S. wireless providers have invested a cumulative total of \$322 billion to build-out and upgrade networks. By 2014, the number of LTE users in the United States will exceed the number of LTE subscribers in Europe and Asia combined. Additionally, at least 32 different companies manufacture more than 630 unique devices for the U.S. wireless



market with prices dropping rapidly even for the most innovative new smartphone devices. As we have consistently stated, the fuel that feeds this engine of growth is spectrum.

It is estimated that making additional spectrum available to the mobile broadband ecosystem will generate infrastructure investments of up to \$53 billion, provide as much as \$151 billion in GDP and create as many as 771,000 jobs by 2016. However, this progress and the U.S.'s leading role in the world will be undermined unless the growing drought of additional spectrum is not quickly remedied. Prompt and effective implementation of the Spectrum Legislation is vital to addressing the looming spectrum crisis that has been long predicted by CTIA and the Federal government.

Blueprint for Broadband Spectrum

With the adoption of Spectrum Legislation, the Commission has a unique opportunity to act boldly to remedy the spectrum shortage. While CTIA recognizes the difficulty in bringing spectrum to market, the majority of the spectrum identified in the National Broadband Plan for reallocation to mobile broadband has yet to make it to market. CTIA urges the Commission to move forward on a "Blueprint for Broadband Spectrum" to provide a concrete, prompt path for achieving the NBP's spectrum goals and the Spectrum Legislation's mandates.

As an initial matter, CTIA and its members continue to call for the pairing of the AWS-3 spectrum, 2155-2180 MHz, with Federal spectrum at 1755-1780 MHz. We urge NTIA to issue the long-awaited report on repurposing the 1755-1850 MHz band – and to swiftly reallocate the 1755-1780 MHz band for mobile broadband service. The Commission is well aware that any other formulation with the AWS-3 spectrum will depress the value and promise of the band. This letter does not address the AWS-3 band (or the AWS-2 spectrum at 1915-1920 MHz and 1995-2000 MHz), even though the Spectrum Legislation mandates that the FCC auction these bands by February 22, 2015. Rather, the Blueprint identifies a roadmap for the new spectrum bands identified in the Spectrum Legislation.

At a minimum, this Blueprint should include:

- Immediate commencement of FCC and NTIA consultations and proceedings to identify the new 15 megahertz of Government spectrum and new 15 megahertz of commercial spectrum required under the Spectrum Legislation (*30 Megahertz Identification and Allocation*);
- The initiation, within 60 days, of FCC proceedings: (1) to examine the band plan and spectrum reallocation options for all spectrum identified by the Spectrum Legislation to be subject to competitive bidding and (2) to permit timely incentive auctions for broadcast television spectrum (*Incentive Auction NPRM and TV Flexibility Order*); and
- A published schedule and deadlines for the FCC to meet or beat the NBP's goal of 300 megahertz by March 2015, including specific proposals for each spectrum block to be identified and made available for commercial mobile broadband use (*Spectrum Allocation Schedule*).

30 Megahertz Identification and Allocation. The Spectrum Legislation requires in Section 6401(a)(3) that the Secretary of Commerce identify 15 megahertz of spectrum between 1675 MHz and 1710 MHz for reallocation from Federal use to non-Federal use by February 22, 2013. Subsequently, the Commission is directed in Section 6401(b)(1) to allocate this spectrum and license it through competitive bidding by February 22, 2015. Additionally, in Section

6401(b)(2)(E), the Commission must find 15 megahertz of contiguous spectrum and allocate and license it through competitive bidding by February 22, 2015.

Given the Congressionally mandated timelines, the Commission and NTIA should immediately begin the process to identify and allocate this initial 30 megahertz of spectrum. Under this proposal, the Commission should consider whether it may be logical to pair the 15 megahertz of Government spectrum with the 15 megahertz of spectrum to be identified by the Commission. CTIA urges the FCC and NTIA to begin immediate consultations and launch the necessary proceedings to jumpstart this required reallocation and licensing process. This new 30 megahertz of spectrum could be added to the spectrum identified in the National Broadband Plan to replace the spectrum previously identified but no longer available.

Incentive Auction NPRM and TV Flexibility Order. The Spectrum Legislation will require a number of matters to be resolved by the Commission, in short order, for an incentive auction process to commence. These issues include, among other things:

- A spectrum band plan for mobile broadband use, including spectrum for guard bands and unlicensed uses;
- Regulations governing mandatory repacking;
- Incentive auction design and mechanics, including policies governing the reverse and forward auctions and the methodology for calculating compensation for incentive auction participants;
- Transborder international interference prevention issues;
- Service rules for new entrants in the newly-allocated UHF mobile broadband spectrum; and
- The adoption of anti-collusion rules for the upcoming auction.

The Commission already has made great strides in advancing the broadcast incentive auction by initiating the broadcast band rulemaking in November of 2010. This Notice of Proposed Rulemaking (“NPRM”) has a fully-developed record, and the Commission should take immediate action to adopt the proposals made therein. These include: (1) the addition of fixed and mobile service allocations in the TV bands, (2) permitting channel sharing among two or more TV stations with full must carry rights, and (3) improving VHF band operations. The comment period for this NPRM has long since closed, and there was very limited opposition to any of these proposals. CTIA therefore urges the Commission to adopt these proposals as soon as possible. Moving forward on these matters is a logical and simple first step toward implementation of the Spectrum Legislation.

The Commission also must move aggressively on proceedings to establish the rules and procedures for the incentive auction, both the reverse and the forward auction. For the reverse auction, the rules should be designed in a manner that is easy for broadcasters to understand so as to facilitate participation.

Spectrum Allocation Schedule. The Spectrum Legislation has outlined several ambitious goals which, if timely implemented, will greatly benefit the wireless ecosystem and the American public. However, for this effort to be successful the Commission needs to establish a clearly defined timeline for implementation of the legislation. The Commission must review its past efforts to allocate and auction spectrum and endeavor to move even more quickly to bring this spectrum to market.

To enable this, the Commission should publish a timeline of all actions that need to be completed to meet or exceed the benchmarks established in the Spectrum Legislation. This effort should establish a schedule and deadlines for the FCC to meet or beat the National Broadband Plan's goal of 300 megahertz by March 2015, including specific proposals for each spectrum block to be identified and made available for commercial mobile broadband use.

To provide the Commission some guidance, CTIA has proposed timelines for the Commission's consideration for the implementation of the forward half of the incentive auction process as well as the identification and auction of the 30 megahertz called for in the legislation. These proposed timelines would enable the completion of auctions (and in the case of the 30 megahertz allocation comply with the Congressionally mandated schedule) and allow spectrum to be brought to market as expeditiously as possible, in a timeframe that allows the Commission to achieve a significant portion of its 300 MHz goal established in the National Broadband Plan. Note that the Commission also must concurrently develop practices and procedures for implementing the reverse auction and repacking provisions of the Act. Both proceedings will require significant focus from FCC staff and input from key stakeholders. CTIA does not comment on those elements of the incentive auction here, but looks forward to participation in the development of those practices and procedures. CTIA recognizes that both of those proceedings may ultimately impact the schedule adopted by the Commission.

The wireless industry is at a critical crossroads – the long warned spectrum shortage is at an inflection point. The Commission has an opportunity to step forward and respond to this looming spectrum crisis in an effective, expeditious manner. The passage of Spectrum Legislation provides the impetus for swift and precise action to enact rules and policies to bring needed spectrum to the market. Only through a carefully crafted Blueprint for Broadband Spectrum can the Commission realize the goals of the National Broadband Plan, the Administration, the Congress and the American people to ensure that the incredible growth, investment and innovation of the wireless industry is sustained and expanded. CTIA and the wireless industry stand ready to join the Commission and NTIA in implementing the ambitious and critical goals of the Spectrum Legislation.

Sincerely,

A handwritten signature in cursive script that reads "Steve Largent".

Steve Largent
President and CEO
CTIA-The Wireless Association

**Proposed Timeline for Broadcast
Forward Incentive Auction**

Public Safety Communications and Electromagnetic Spectrum Auction

Legislation Enacted:

November 2010 NPRM Proposals Adopted:	February 22, 2012
Notice of Proposed Rule Making on Forward Incentive Auction Issues Adopted:	April 9, 2012
Comments due on Forward Incentive Auction Issues:	May 11, 2012
Reply Comments due on Forward Incentive Auction Issues:	July 10, 2012
Report and Order on Forward Incentive Auction Issues Adopted:	August 9, 2012
Report and Order on Forward Incentive Auction Issues in Federal Register:	March 26, 2013
Public Notice on Auction Procedures:	April 9, 2013
Comments due on Auction Procedures:	May 6, 2013
Reply Comments due on Auction Procedures:	July 8, 2013
Final Procedures Public Notice Adopted:	August 7, 2013
Auction Seminar:	September 6, 2013
Short Form (175) Applications Due:	September 27, 2013
Accepted and Rejected Applications Public Notice:	October 4, 2013
Upfront Payments Due:	October 25, 2013
Final Accepted Application Public Notice:	November 1, 2013
Mock Auction:	November 8, 2013
Auction Start:	November 15, 2013
Auction Completes:	November 20, 2013
Close of Auction Public Notice Released:	January 7, 2014
Long Form (601) and Ownership Form (602) Due:	January 8, 2014
Down Payment Due:	January 20, 2014
Final Payment Due:	January 20, 2014
Accepted for Filing Public Notice:	February 3, 2014
Petitions to Deny Due:	February 7, 2014
Oppositions to Petitions to Deny Due:	February 17, 2014
Reply to Oppositions Due:	February 24, 2013
Grant of Licenses:	February 24, 2013
	March 3, 2014
	April/May 2014

**Proposed Timeline for
Auction of 30 MHz of Spectrum Identified in Spectrum Legislation**

Public Safety Communications and Electromagnetic Spectrum Auctions

Enacted:	February 22, 2012
FCC and NTIA initiate weekly discussions on 30 MHz issues:	April 9, 2012
FCC Adopts Notice of Proposed Rule Making To Identify 15 MHz:	May 14, 2012
Comments due on NPRM to Identify 15 MHz:	July 12, 2012
Reply Comments due on NPRM to Identify 15 MHz:	August 14, 2012
Report and Order adopted identifying 15 MHz of spectrum from FCC:	December 20, 2012
Secretary of Commerce identification of 15 MHz of spectrum between 1675 MHz and 1710 MHz for reallocation from Federal use to non-Federal use:	February 22, 2013
FCC adopts NPRM on Service Rules for 30 MHz of spectrum (FCC and NTIA spectrum combined):	April 11, 2013
Comments due on Service Rules NPRM:	June 12, 2013
Reply Comments due on Service Rules NPRM:	July 15, 2013
Report and Order adopted for 30 MHz Service Rules:	November 7, 2013
Public Notice on Auction Procedures Adopted and Released:	January 9, 2014
Comments due on Auction Procedures:	March 10, 2014
Reply Comments due on Auction Procedures:	April 10, 2014
Final Procedures Public Notice Adopted:	May 12, 2014
Auction Seminar:	June 12, 2014
Short Form (175) Applications Due:	June 19, 2014
Accepted and Rejected Applications Public Notice:	July 17, 2014
Upfront Payments Due:	July 24, 2014
Final Accepted Application Public Notice:	July 31, 2014
Mock Auction:	August 7, 2014
Auction Start:	August 14, 2014
Auction Completes:	October 14, 2014
Close of Auction Public Notice Released:	October 15, 2014
Long Form (601) and Ownership Form (602) Due:	October 24, 2014
Down Payment Due:	October 24, 2014
Final Payment Due:	November 3, 2014
Accepted for Filing Public Notice:	November 10, 2014
Petitions to Deny Due:	November 20, 2014
Oppositions to Petitions to Deny Due:	November 25, 2014
Reply to Oppositions Due:	December 1, 2014
	Not later than
Grant of Licenses (to comply with legislation):	February 22, 2015