

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)
)
Promoting Investment in the 3550-3700 MHz Band) GN Docket No. 17-258
)

To: The Commission

**JOINT REPLY COMMENTS
OF THE
NATIONAL RURAL TELECOMMUNICATIONS COOPERATIVE
AND THE NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION**

The National Rural Telecommunications Cooperative (“NRTC”) and the National Rural Electric Cooperative Association (“NRECA”) hereby submit Joint Reply Comments in the above-captioned proceeding regarding the Citizens Broadband Radio Service (“CBRS”).¹ As stated in their Comments, NRTC and NRECA support rule changes that encourage innovation in the CBRS band while also incentivizing deployment of CBRS services to rural America. In particular, NRTC and NRECA support smaller geographic areas for Priority Access Licenses (“PALs”) and recommend the Commission adopt a mix of county boundaries for five PALs and census tract boundaries for two PALs.² This approach is consistent with the requirement of Section 309(j)(3)(A) of the Communications Act of 1934, as amended, that spectrum auctions shall be designed to meet the objective of “development and rapid deployment of new

¹ Promoting Investment in the 3550-3700 MHz Band, *Notice of Proposed Rulemaking and Order Terminating Petitions*, GN Docket No. 17-258, FCC 17-134 (Rel. Oct. 24, 2017).

² Although these Reply Comments are focused on PAL license sizes, NRTC and NRECA also strongly agree with that portion of T-Mobile’s comments, which call for reducing the spectrum aggregation limit from 40 MHz to 30 MHz. T-Mobile’s rationale that a 30 MHz limit will better support competition is consistent with NRTC and NRECA’s joint comments in this proceeding.

technologies, products, and services for the benefit of the public, including those residing in rural areas.”³

The record reflects that the vast majority of commenters support smaller geographic area sizes for PALs. Most participants in this proceeding call for the Commission to reject licensing PALs by Partial Economic Areas (“PEAs”) and either retain census tracts for all PALs,⁴ or at least limit PAL licenses to areas no larger than counties.⁵ Predictably, the parties voicing support for PEAs appear to be large wireless carriers and associated entities.⁶

Auctioning PALs by PEAs will not promote service in rural areas. Each PEA includes multiple counties. Some PEAs are comprised of twenty or more counties. PEA licenses limit the pool of auction participants by increasing costs for smaller rural providers, which may seek to cover only portions of PEAs. This favors large carriers, which already have lower band spectrum to use for wide-area coverage and can be expected to use the CBRS band primarily to enhance capacity in more densely populated areas. Smaller providers will be discouraged from participating in the auction, or will find the deck stacked against them when it comes time to bid.

NRTC and NRECA believe that their proposed hybrid approach of auctioning five PALs by county boundaries and two PALs by census tract boundaries strikes an appropriate balance. Retaining at least two census tract PALs helps to ensure that smaller providers have access to at least two PAL channels. This is essential for providers seeking to sectorize their service

³ 47 U.S.C. § 309(j)(3)(A).

⁴ *See e.g.*, Comments of The General Electric Company at 27; Comments of New America’s Open Technology Institute and Public Knowledge at 19; Comments of Utilities Technology Council at 4; Comments of Google LLC at 5; Comments of Motorola Solutions, Inc. at 4.

⁵ *See e.g.*, Comments of NTCA–The Rural Broadband Association at 2; Comments of Charter Communications, Inc. at 1, Comments of The Rural Wireless Association, Inc. at 4; NCTA – The Internet & Television Association at 4.

⁶ *See e.g.*, Comments of T-Mobile USA, Inc. 8; Comments of AT&T Services, Inc. at 5; Comments of Verizon at 8; Comments of CTIA at 8.

offerings on an A/B channel basis. On the other hand, licensing five PALs by county boundaries reduces the amount of border coordination required for those licenses and facilitates manageability, which is a concern raised by the carriers. Counties nest into PEAs and Economic Areas and it should be relatively straight-forward for carriers to assemble their license holdings based on county boundaries. The granular approach of licensing counties individually, instead of aggregated as PEAs, will result in more effective use of spectrum.

NRTC and NRECA respectfully request the Commission adopt rules to issue PALs by a combination of county boundaries and census tract boundaries as described herein.

Respectfully submitted,

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Dated: January 29, 2018