

October 11, 2018

The Hon. Ajit Pai
Chairman
Federal Communications Commission
445 12th St., SW
Washington, D.C. 20554

Re: Promoting Investment In the 3550-3700 MHz Band
GN Docket No. 17-258

Dear Chairman Pai:

The undersigned rural advocacy organizations, rural healthcare providers, rural network operators, and public interest advocates write to urge you to modify the draft Report and Order (“*draft R&O*”) in the above captioned proceeding to include census tract license areas and to require meaningful build out requirements to rural America. As currently written, the *draft R&O* will take valuable spectrum away from providers eager to serve rural areas, and allocate it to national carriers and large cable operators who have consistently refused to provide rural America with real, reliable and affordable broadband access.

As Chairman, you have consistently maintained that getting real, reliable and affordable broadband to rural America and Tribal lands is among your highest priorities. You have travelled across the country and seen how the lack of real, reliable and affordable broadband stunts rural economies and deprives rural Americans of access to vital services and educational opportunities. It is no longer possible to even repair a tractor without reliable broadband access to download necessary software from the manufacturer, let alone operate a modern business. Whether addressing rural communities or before Congressional committees, you have consistently promised to take action that would close this digital divide and bring real, reliable and affordable broadband to rural America and Tribal lands.

Instead, in this proceeding, you are actively taking spectrum that was licensed to allow rural providers eager to serve rural America to acquire licenses and handing that spectrum to large national wireless and cable companies by changing the existing rules for the Citizens Broadband Radio Service (CBRS). Nearly every rural carrier in the record -- as well as every stakeholder other than cellular providers and cable operators -- has explained that expanding license areas to larger than census tracts places the cost of licenses out of reach. Even counties classified as “rural” often have population centers that attract bidders able to outspend the small community-based providers genuinely seeking to serve everyone -- and who rarely build out beyond the areas of highest population density and rate of return. By eliminating any census tract licenses, the *draft R&O* prices everyone who has committed to serve the most rural residents and businesses in America out of the market.

As if effectively shutting out small rural providers were not bad enough, the *draft R&O* changes

the license terms to further diminish any incentive for providers to invest in rural 5G networks. The *draft R&O* changes the license term from three years to 10, creates an expectation of renewal rather than requiring re-auction, and does not require any build out until license renewal at the end of 10 years. Even then, it merely requires service to 50 percent of the population. The Commission has often imposed this or similar “performance obligations,” and they invariably produced the result we have today -- an ever-increasing rural digital divide. Because of the changes to the existing rules proposed by the *draft R&O*, rural communities will once again wait years only to receive service to that part of their population these “absentee landlords” are willing to serve.

Rural bidding credits, permission to “partition” licenses, and encouraging spectrum leasing have likewise been consistently tried by the Commission to offset the harm to rural areas caused by expansive license areas and effectively infinite terms. They do not work. For whatever reason, licensees have proven uninterested in making spectrum available on affordable terms to rural communities. Given the history of how these measures have repeatedly failed rural America, the argument that their inclusion in the *draft R&O* will incentivize rural deployment this time rings hollow. The *draft R&O* also rejects the proposed “use or share” rule, which would enable rural communities to make use of the spectrum if licensees neither use it nor offer access to the spectrum to rural communities on reasonable terms.

Mr. Chairman, you have talked the talk. But the time has come to walk the walk. Every other action you have pointed to as promoting rural deployment, such as deregulation or distribution from the Connect America Fund, has also benefited the large carriers who will benefit from the *draft R&O* at the expense of rural America. It is easy to pay lip service to the importance of rural America when it also fits the agenda of Fortune 500 companies. It is much harder to claim to be the friend of rural Americans when it means choosing between rural needs and agendas of America’s largest carriers and cable companies. If you must change the rules to accommodate these special interests, we ask that you at least preserve some census tract licenses as previously proposed by a large and diverse group of stakeholders.¹ In addition, the *draft R&O* should be modified to include “use or share,” and either reduce the license term or impose stronger build out/performance obligations. Furthermore, the *draft R&O* should impose interim build out/performance obligations to require build out before the license expires.

We urge you and your fellow Commissioners to be genuine heroes for rural America. We beg you to stand up to the efforts of giant corporations to steal spectrum allocated for rural users and then choose not to offer all residents access to broadband. The existing CBRS rules were designed with the input of rural stakeholders to recognize the economic realities of deployment in rural America and on Tribal Lands. The changes in the *draft R&O* once again ignore these realities, and again threaten to leave rural America behind.

¹See [Letter of CBRS Coalition to Marlene Dortch](#), Secretary Federal Communications Commission, filed in GN Docket No. 17-258 (May 9, 2018). See also [Letter of 182 Fixed Wireless Companies](#) to Marlene Dortch, filed in GN Docket No. 17-258 (July 23, 2018); [Letter of Industrial Internet of Things \(IIoT\) Coalition to Marlene Dortch](#), filed in GN Docket No. 17-258 (September 7, 2018).

Sincerely,

Access Humboldt
Akaku Maui Community Media
Benton Foundation
California Center For Rural Policy
Center for Rural Strategies
Citizens Connectivity Committee
Common Cause
Full Color Future
Institute for Local Self-Reliance
Maine Broadband Coalition
Media Access Project
National Consumer Law Center
National Digital Inclusion Alliance
Next Century Cities
Open Technology Institute
Palmetto Care Connections
Public Knowledge
South Carolina Office of Rural Health
South Central Alabama Broadband Cooperative District
Tribal Digital Village Network
X-Lab