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600 MHz incentive auction - Rural Bidding Credit

The upcoming FCC 600MHz may be of interest to many rural companies throughout the United States. The 600MHz block of spectrum, much like the valuable 700MHz spectrum that was auctioned a few years ago, will be highly sought after for its propagation characteristics (it goes through walls and buildings better than spectrum higher in the spectrum range). It could prove to be a valuable asset for those looking to provide some wireless last mile, or some 4G LTE solutions.

The FCC still is in the decision making phase of how this spectrum will be made available. It will be more complicated than previous auctions in that the FCC will ask existing owners of the spectrum to make their spectrum available with some agreed upon minimum value, and then it will be made available to bidders with the existing owners "sharing" in the profits. It is the first time the FCC has done an auction this way.

GVNW Consulting is available to help any interested party understand and then prepare for the auction once the rules have been made available. We anticipate the auction will not happen until sometime in early 2016.

In preparation for this upcoming auction, it is imperative that the rural carriers' interests are represented. Now is the time to make our concerns known while the rules are still being formulated. NTCA has presented the following guidelines that GVNW fully supports:

NTCA–The Rural Broadband Association <http://www.ntca.org/2015-press-releases/ntca-rwa-urge-fcc-to-update-designated-entity-bidding-rules.html> is urging its members to contact their Senators to garner support for a [letter](#) to FCC Chairman Tom Wheeler from Sen. Heidi Heitkamp (D–N.D.) regarding competitive bidding rules for the upcoming 600 MHz incentive auction.

Specifically, the letter recommends that the commission implement a rural bidding credit as part of the auction, consistent with a proposal submitted by NTCA and the Rural Wireless Association (RWA) and supported by the Blooston Rural Carriers. The NTCA/RWA proposal includes a narrowly tailored 25% bidding credit for rural telephone companies that successfully bid in an area where they have eligible telecommunications carrier status. Capped at \$10 million with protections to prevent abuse, this bidding credit would help ensure that rural telcos have a reasonable opportunity to obtain spectrum at auction to serve rural consumers.

To help send a strong message to the commission that a rural bidding credit of this kind is warranted, it is critical that we have support from Congress...

Dear Sen. XX,

Senator Heidi Heitkamp (D–N.D.) is circulating a letter to the FCC urging consideration of bidding rules in the 600 MHz Broadcast Incentive Auction. This letter will help ensure that rural telcos have a reasonable opportunity to obtain spectrum to promote a competitive marketplace and to ensure rural consumers obtain reasonably comparable wireless services to their urban counterparts. The letter also proposes the FCC ensure ineligible entities are not able to again use small businesses as fronts to obtain bidding credits to unfairly compete for spectrum.

We urge the Senator to sign onto the [letter](#) by contacting [Brendon Dorgan@heitkamp.senate.gov](mailto:Brendon_Dorgan@heitkamp.senate.gov) by June 26TH. Thank you.

We encourage all of our clients who may have interest in this spectrum to please write the FCC and your senator, encouraging them to join with Sen. Heidi Heitkamp (D-ND) regarding your support for the bidding credits. This spectrum has the potential to get very expensive and without bidding credits made available, it will be difficult for rural America to compete.

If you have any questions or concerns about this auction, we are here to help. Please contact Randy Trost at rtrost@gvnw.com or at 503-612-4422.