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

In the Matter of
Transforming the 2.5 GHz Band

REPORT AND ORDER

Adopted:  July 10, 2019 Released:  July 11, 2019

By the Commission: Chairman Pai and Commissioners O’Rielly and Carr issuing separate statements; Commissioners Rosenworcel and Starks approving in part, dissenting in part and issuing separate statements.

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I. INTRODUCTION

1. Establishing American leadership in the fifth generation of wireless services, or 5G, is critical to our economy, security, and quality of life. 5G networks will be much faster and carry more data than current wireless networks, enabling numerous potential applications, such as telemedicine, smart transportation, and the Internet of Things (IoT). Fostering the development of these applications, as well as innovations that are yet to be imagined, will be critical to future national competitiveness in a multitude of industries. Indeed, according to one study, 5G has the potential to create three million new
jobs, $275 billion in private investment, and $500 billion in new economic growth.\(^1\) Additionally, 5G applications that are useful in rural areas, such as precision agriculture, may help us to close the digital divide.

2. An essential part of enabling 5G services is making more spectrum available for the commercial marketplace. Spectrum is a critical input for all wireless services, and making additional spectrum available will ensure that wireless providers are able to deploy 5G networks as soon as the technology is ready. With that in mind, the Commission has a comprehensive strategy to make additional high-band,\(^2\) mid-band,\(^3\) and low-band\(^4\) spectrum available. The demand for mid-band spectrum for 5G networks has especially increased in recent years, as more countries have recognized that mid-band spectrum offers favorable characteristics for enabling wireless networks to achieve coverage and capacity.

3. In this Report and Order, we take another step towards implementing the Commission’s strategy by making more mid-band spectrum available. Specifically, we transform the regulatory framework governing the 2.5 GHz band (2496-2690 MHz), which is the single largest band of contiguous spectrum below 3 gigahertz. Too much of this spectrum, which is prime spectrum for next generation mobile operations, including 5G,\(^5\) has lain fallow for more than twenty years. That ends today. In order to move this spectrum into the hands of those who will provide service, including 5G, to Americans across the country, and particularly in rural and Tribal areas, we are replacing an outdated regulatory regime, developed in the days when educational TV was the only use envisioned for this spectrum, with one that not only gives incumbent users more flexibility in how they use the spectrum, but also provides opportunities for additional entities to obtain access to unused 2.5 GHz spectrum. Importantly, the reforms we adopt in this Report and Order will make valuable mid-band spectrum available for the mobile services on which consumers increasingly rely and which is critical to maintaining American leadership in the next generation of wireless connectivity.

II. BACKGROUND

4. The 2.5 GHz band, which extends from 2496 to 2690 MHz, is comprised of 20 channels designated for Educational Broadband Service (EBS),\(^6\) 13 channels designated for commercial Broadband Radio Service (BRS), and a number of small guard band channels.\(^7\) EBS licensees are authorized to

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3 See, e.g., Expanding Flexible Use of the 3.7 to 4.2 GHz Band et al., Notice of Proposed Rulemaking and Order, 33 FCC Rcd 6915 (2018).


5 See Amendment of Parts 1, 21, 73, 74 and 101 of the Commission’s Rules to Facilitate the Provision of Fixed and Mobile Broadband Access, Educational and Other Advanced Services in the 2150-2162 and 2500-2690 MHz Bands; Transforming the 2.5 GHz Band, Notice of Proposed Rulemaking, 33 FCC Rcd 4687, 4687-88, para. 1 (2018) (NPRM).

6 See Amendment of Parts 1, 21, 73, 74 and 101 of the Commission’s Rules to Facilitate the Provision of Fixed and Mobile Broadband Access, Educational and Other Advanced Services in the 2150-2162 and 2500-2690 MHz Bands, Report and Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd 14165, 14169-70, para. 6 (2004) (BRS/EBS R&O or BRS/EBS FNPRM). The Instructional Television Fixed Service (ITFS) was an analog television-like service, while EBS is a broadband service.

7 EBS licensees operate in 112.5 megahertz of the 2.5 GHz band, 73.5 megahertz is assigned to BRS, and eight megahertz is assigned to guard band channels.
operate on the A, B, C, D, and G channel groups, with each group comprised of three 5.5 megahertz-wide channels in the lower or upper band segment and one 6 megahertz-wide channel in the middle band segment. Currently, there are 1,300 EBS licensees holding 2,193 licenses.

5. Only specified entities are eligible to hold an EBS license, specifically (1) accredited public and private educational institutions, (2) governmental organizations engaged in the formal education of enrolled students, and (3) nonprofit organizations whose purpose is educational and include providing educational and instructional television materials to accredited institutions and governmental organizations.

6. Our rules permit EBS licensees to lease their excess capacity to non-educational entities to use for non-educational purposes. And most EBS licensees do so. There are 2,087 active leases of EBS spectrum, compared with 2,193 licenses.

7. There are special requirements applicable to EBS excess capacity leases that do not apply in other services. Because the Commission’s rules require EBS licensees to use their spectrum to further their educational missions, any excess capacity lease entered into by an EBS licensee must reserve a minimum of 5% of its spectrum capacity for the licensee/lessor and the licensee must use that capacity to provide 20 hours of educational usage per channel per week. Under existing rules, the Commission generally prohibits EBS licensees from leasing their facilities for a term longer than 30 years. Also, lessees are required to provide EBS lessors with the opportunity to revisit their lease terms at years 15, 20, and 25 to review their “educational use requirements in light of changes in educational needs, technology, and other relevant factors and to obtain access to such additional services, capacity, support, and/or equipment as the parties shall agree upon in the spectrum leasing arrangement to advance the EBS licensee’s educational mission.” Those rules do not apply to leases that were entered into before

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8 BRS is assigned the E, F, and H channel groups and BRS 1 and BRS 2. Id.

9 47 CFR § 27.5(i). In addition, a few grandfathered ITFS licensees, whose licenses were issued before 1983, are authorized to operate on the E and F channel groups, but these licensees may not apply for major modifications to their licenses. In 1983, the Commission redesignated the E and F channel groups for use by the Multichannel Distribution Service (MDS). Amendment of Parts 2, 21, 74 and 94 of the Commission’s Rules and Regulations in regard to frequency allocation to the Instructional Television Fixed Service, the Multipoint Distribution Service, and the Private Operational Fixed Microwave Service, Report and Order, 94 FCC 2d 1203, 1206-07, para. 4 (1983) (First Leasing Decision). MDS was renamed BRS, and currently the E, F, and H channel groups are assigned to BRS. See BRS/EBS R&O, 19 FCC Rcd at 14183-84, paras. 37-38; see also Amendment of Parts 21, 43, 74, 78, and 94 of the Commission's Rules Governing Use of the Frequencies in the 2.1 and 2.5 GHz Bands Affecting: Private Operational-Fixed Microwave Service, Multipoint Distribution Service, Multichannel Multipoint Distribution Service, Instructional Television Fixed Service, & Cable Television Relay Service, Order on Reconsideration, 6 FCC Rcd 6792, 6794, para. 9 (1991), recon. denied; 7 FCC Rcd 5648 (1992) (OFS Order).

10 These numbers are based on a review of the Universal Licensing System conducted on May 13, 2019.

11 47 CFR § 27.1201(a). The entity also must be “otherwise qualified under the statutory provisions of the Communications Act of 1934, as amended.” Id. EBS licenses are held by state government agencies, state universities and university systems, public community and technical colleges, private universities and colleges, public elementary and secondary school districts, private schools (including Catholic school systems and other religious schools), public television and radio stations, hospitals and hospital associations, and other non-profit educational entities. The listed entities we identified are based on a review of the Universal Licensing System conducted on May 13, 2019.

12 47 CFR § 27.1214.

13 Based on a review of the Universal Licensing System conducted on May 13, 2019. A station may have multiple leases associated with it, so the number of licenses that are leased out is slightly smaller.

14 47 CFR § 27.1203.

15 47 CFR § 27.1214.
January 10, 2005; such leases were grandfathered under the previous ITFS rules, which allowed a term of no more than fifteen years.

8. EBS presents two special challenges which are largely not present in other bands: a long-standing failure to make spectrum available, particularly in rural areas, and an unusual licensing scheme. Incumbent EBS licenses cover only about one half of the geographic area of the United States in any given channel. The 2.5 GHz spectrum remains largely unassigned in much of the rest of the country, especially in rural areas west of the Mississippi River.

9. The Commission suspended the processing of applications for new EBS licenses (and for major changes to existing EBS licenses) in 1993. Since then, the Commission has only opened two filing windows for EBS applications—in 1995, for new construction permits and major changes to existing EBS facilities, and in 1996, to allow for the filing of EBS modification applications and amendments to pending EBS applications proposing to co-locate with an authorized wireless cable facility. Thus, the last regular opportunity to apply for a new EBS license was in 1995.

10. In general, each EBS license is based on a circular Geographic Service Area (GSA) with a 35-mile radius (with an area of approximately 3,850 square miles). Due to a historical license modification process the Commission adopted in 2005, many EBS licenses have much smaller, irregular GSAs. Specifically, many EBS licenses had their 35-mile radius circles reduced when the Commission converted their Protected Service Areas (PSAs) to GSAs through the “splitting-the-football” process.

11. On May 10, 2018, the Commission released the NPRM in this proceeding that explored ways to make this unused spectrum available for more flexible use to facilitate the deployment of next

(Continued from previous page)

16 BRS/EBS R&O, 19 FCC Rcd at 14233-34, paras. 177-181.

17 47 CFR § 27.1214(e). With respect to pre-2005 grandfathered leases, which have a maximum term of 15 years, the Commission has given guidance on how to interpret the 15-year limitation to leases which have a start date after the date the lease is signed. Amendment of Parts 1, 21, 73, 74 and 101 of the Commission’s Rules to Facilitate the Provision of Fixed and Mobile Broadband Access, Educational and Other Advanced Services in the 2150-2162 and 2500-2690 MHz Bands, Fifth Memorandum Opinion and Order and Third Further Notice of Proposed Rulemaking, 24 FCC Rcd 12258, 12259-65 paras. 4-16 (2009) (BRS/EBS Fifth MO&O).

18 This estimate is based on a review of the Universal Licensing System conducted on May 13, 2019.

19 Id.


22 BRS/EBS R&O, 19 FCC Rcd at 14192-94, paras. 60-65. “Splitting-the-football” refers to a process initially used informally by licensees in the MDS and ITFS industry to handle interference issues in GSAs that overlap. Id; 47 CFR § 27.1206(a) (“The area for incumbent site-based licensees that is bounded by a circle having a 35 mile radius and centered at the station’s reference coordinates, which was the previous PSA entitled to incumbent licensees prior to January 10, 2005, and is bounded by the chord(s) drawn between intersection points of the licensee’s previous 35-
generation wireless services, including 5G, to all Americans. The NPRM proposed to rationalize the geographic service areas of EBS licenses and to provide additional flexibility to current EBS licensees in the use of the spectrum. It also sought comment on opening up priority windows for access to the spectrum by certain groups, such as Tribal Nations; and it proposed to assign the remaining white space through geographic area licenses for commercial use subject to competitive bidding; and sought comment on regulatory requirements for new EBS licensees.

12. The Commission received 304 comments (including express comments) and 29 reply comments on the NPRM.24

III. DISCUSSION

13. To further our goal of ensuring that this fallow spectrum is used to provide high-speed broadband service, particularly in rural areas, we move quickly to assign the remaining spectrum in this band to those who will use it to provide service. Specifically, we will hold a Tribal priority window to enable Tribal nations an opportunity to obtain 2.5 GHz licenses to provide service on rural Tribal lands. This window will be followed immediately by a system of competitive bidding for the remaining white spaces. In conjunction with our effort to quickly license the remaining spectrum in this band to entities that will use it, we also will replace the outdated regulatory regime for EBS with one of flexible use, thus making this valuable mid-band spectrum more available for advanced wireless services, including 5G.

A. Rationalizing Incumbent 2.5 GHz Band Holdings

14. We take a series of steps to provide existing EBS licensees with additional flexibility. First, in order to provide EBS licensees with additional flexibility and to facilitate the most efficient use of the EBS spectrum through a market-based mechanism, we adopt the NPRM’s proposal to eliminate the EBS eligibility requirements, including for licenses granted via waiver of the filing freeze. Second, as part of our efforts to remove unnecessary regulatory barriers and align the EBS licenses with the flexible use policies used in similar spectrum bands, we adopt our proposal in the NPRM to eliminate the educational use requirements for EBS licenses. Third, we adopt the NPRM’s proposal to eliminate mile PSA and those of respective adjacent market, co-channel licensees.

(Continued from previous page)

23 NPRM, 33 FCC Rcd. 24 A list of commenters, reply commenters, and ex parte filings in this proceeding is contained in Appendix C. When citing comments, we will use the short name of the commenter contained in Appendix C, followed by the words “Comments” or “Reply.” Similarly, for ex parte filings, we will use the name of the commenter along with the date the ex parte was filed as listed in ECFS (this date may be different from the date on the actual ex parte letter).

25 On May 13, 2019, SHLB, NACEPF, Mobile Beacon, Voqal, National Digital Inclusion Alliance and Public Knowledge filed a request that the Commission seek further comment and delay a decision in this proceeding. See SHLB, NACEPF, Mobile Beacon, Voqal, National Digital Inclusion Alliance and Public Knowledge May 13 Ex Parte, see also Dept. of Ed. June 7 Ex Parte at 8. Further delay in this proceeding is not warranted. All parties have had ample opportunity to provide information through comments, reply comments, and ex parte presentations. Indeed, SHLB and its partners were free to provide economic analysis and information on educational use at the comment or reply comment stage. The actions we take today were clearly identified in the NPRM. Given the critical need to make additional mid-band spectrum available, it is entirely appropriate to act now.

26 NPRM, 33 FCC Rcd at 4694, paras. 20-21.

27 Specifically, we remove section 27.1203 from our rules.
restrictions on EBS leases entered into under our Secondary Markets policies on a going forward basis. We clarify that nothing in our decisions is intended to affect or change the terms of any private contractual arrangement or any provisions in existing leases. Finally, we decline to adopt the NPRM’s proposal to rationalize incumbent licenses to align with pre-existing geographic areas.

1. Eliminating Eligibility Restrictions

15. As noted by commenters that support elimination of the eligibility restrictions, eliminating eligibility restrictions will promote more efficient use of the spectrum, improve the industry’s ability to attract capital, and make this spectrum more appealing for commercial operators to include in their long term service plans. Therefore, once the rules become effective, both incumbent EBS licenses and new EBS licenses once issued will be free of the eligibility restrictions, and EBS licensees may assign or transfer their licenses freely. In taking this step, we better align these licenses with the flexible use licensing policies used in similar spectrum bands, which generally feature open eligibility. Moreover, taking this step is also consistent with the Commission’s historical progression of granting increasing flexibility to EBS licensees, which has been an effective means of promoting more efficient use of the 2.5 GHz band.

16. The circumstances that led to the creation of a dedicated educational service no longer exist. Substantial technological changes over the last 30 years enable any educator with a broadband connection to access a myriad of educational resources—a content distribution model that does not require dedicated educational spectrum licensed to educational institutions. Only a handful of EBS licensees have deployed their own networks or use their EBS licenses in a way that requires dedicated spectrum. Instead, most licensees rely on lessees to deploy and operate broadband networks and use the leases as a source for revenues or devices. Moreover, as noted below, today there are a multiplicity of other sources of educational programming available to institutions with broadband connections. All of these factors support eliminating the eligibility restrictions at this time.

17. We do not believe that eliminating EBS eligibility restrictions will result in negative consequences for the educational community. Despite some claims to the contrary, eliminating

28 Bridge the Divide Comments at 5; CCA Comments at 3; Colville Comments at 3; Gallatin Comments at 4; NTCA Comments at 4; NTTA Comments at 3; R Street Institute Comments at 5; Sprint Comments at 9-10 (with a one-year delay); TPI Comments at 1-2; VIYA Comments at 4; WCAI Comments at 15-16; WISPA Comments at 12-13; AT&T Reply at 4.

29 Bridge the Divide Comments at 5; CCA Comments at 3; Gallatin Reply at 4-6.

30 Bridge the Divide Comments at 5; Gallatin Comments at 5-6; WCAI Comments at 16.

31 Bridge the Divide Reply at 2-3.


33 NPRM, 33 FCC Rcd at 4693, para. 19.

34 Bridge the Divide Reply at 2-3; WCAI Comments at 7-8; WISPA Reply at 3-5.

35 WCAI Comments at 16, n.37; WCAI Reply at 15, n.29.

36 Gallatin Comments at 2-3; Gallatin Reply at 1-3.

37 AASA/AESA Comments at 4-6; Adam Miller Comments at 1; AIHEC Comments at 2; APTS-CPB Comments at 5; CA K-12 HSN Comments at 20-21; Chester County Comments at 1; Digital Wish Comments at 3; EBPARC Comments at 9; EBC Comments at 2; Friday Institute Comments at 7; HITN Comments at 5-7; Lawrence County (continued….)
eligibility requirements will not disrupt existing arrangements. Granting incumbent licensees additional flexibility to transfer or assign their licenses will not affect existing leases because: (1) the decision about whether to lease or transfer or assign a license remains with the EBS licensee, and (2) our actions in this Report and Order do not affect the validity of existing leases and other contractual arrangements. The services currently provided by EBS licensees will continue uninterrupted, including those provided by Mobile Beacon and Mobile Citizen pursuant to their leases with Sprint, unless the parties themselves decide otherwise. We are not persuaded that eliminating the eligibility restrictions will jeopardize the public-private partnerships promoted by the Commission’s leasing rules that have facilitated the construction of networks, which have benefitted both the educational institutions and their network partners. Providing additional flexibility to incumbent EBS licensees by eliminating the eligibility restrictions will help ensure that the licensee retains control of decisions about how the license is to be used, including decisions about whether, under what terms, and to whom to transfer or assign the license. Incumbent EBS licensees that wish to retain their licenses and continue participating in public-private partnerships may do so; incumbent EBS licensees that wish to transfer or assign their licenses will now have greater ability to do so.

18. We therefore reject as speculative and unpersuasive the assertions of some commenters that eliminating eligibility restrictions will lead to existing EBS licensees’ losing negotiating leverage and will give commercial entities the incentive and ability to offer licensees unfavorable sale terms rather than new or renewed leases. For the same reasons, we reject allegations that permitting transfer or assignment of incumbent EBS licensees will hurt education generally, even if it benefits individual licensees. Providing licensees with additional flexibility to transfer or assign their licenses gives them greater power to put the licenses to use in the manner that suits their educational objectives. We expect that incumbent licensees will make decisions about assigning or transferring their licenses based on the best interests of their educational institution.

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38 NEBSA/CTN Reply at 8 (raising concerns that existing leases will be negatively impacted).
39 Sprint Comments at 9; Bridge the Divide Reply at 4.
40 Several educational and non-profit entities filed comments describing the importance of the inexpensive, unlimited broadband services provided by Mobile Citizen and Mobile Beacon to their mission. Mobile Beacon and Mobile Citizen are comprised of various incumbent EBS licensees that lease spectrum to Sprint. As part of their lease agreements, Mobile Beacon and Mobile Citizen obtain low-cost, unlimited broadband service, which they provide to educational institutions and other non-profit entities. NACEPF Comments at 15; Voqal Comments at 7. Braswell Memorial Library in Nash County, North Carolina describes the hotspot lending program that it started with assistance from Mobile Beacon, which now makes broadband access available 24/7 to the library’s patrons. Phillip Whitford, Braswell Memorial Library Comments; see also, e.g., Jamie Brambley, Fulton County Library Comments; Jolene Francisikovich Comments; Enoch Kindseth, Normal Public Library Comments; Barbara Laub, Maplewood Public Library Comments; Samantha Millsap, Roselle Public Library District Comments; Victoria Sandin Comments; Ted Stark, Menomonie Public Library Comments Ann Stovall, Indian Prairie Public Library Comments; Stephanie R. Sullivan, Reddick Public Library Comments; Phillip Whitford, Braswell Memorial Library Comments. Teachers also described their reliance on these services. See, e.g., David Asbury Comments (describing reliance of Gadsden City Schools in Gadsden, Alabama on Mobile Beacon’s service); Akiba Byrd Comments (describing reliance on Mobile Citizen to provide affordable high speed internet to its members); Davida Elsbree Comments (describing the reliance of Pathways Charter School on Mobile Beacon’s service); Louise Lee Comments (continued….)
19. Contrary to the concerns of some commenters, we do not believe that continuing to apply EBS eligibility restrictions is necessary to ensure that commercial entities meet the needs of underserved communities. Appropriate performance requirements, such as those adopted herein, can ensure that licensees actually use their spectrum to offer service. Moreover, nothing in this proceeding affects the ability of commercial entities to provide broadband to entities eligible for E-Rate funding, which is another way to ensure that schools and libraries in underserved communities are provided with broadband access. In addition, those incumbent EBS licensees that retain their licenses can continue to meet the educational and other needs of their communities. Finally, the priority window and competitive bidding mechanisms adopted herein will provide additional opportunities for the deployment of broadband service to rural unserved market areas using 2.5 GHz spectrum.

20. We reject claims that the Commission’s prior decisions to establish ITFS in 1963 and to maintain the eligibility restrictions in 2004 support continuation of the EBS eligibility restriction. When the 2.5 GHz band originally was designated for educational use in 1963, there was a demonstrated need for dedicated spectrum for educational television services. When, in 2004—three years before the introduction of the smartphone—the Commission decided against revising the eligibility restrictions, the 2.5 GHz band was just beginning a major transition, as it moved from an analog television service to a broadband service accompanied by substantial technical changes. In that context, the Commission concluded that it was premature to eliminate the restrictions at that time. In contrast, this band now is used primarily for broadband, and it resembles flexible use bands such as the PCS or AWS bands more than it resembles the ITFS band of old. Indeed, even the current educational use requirements—to retain 5% of capacity for educational use and to use each channel at least 20 hours per week for educational purposes—have little relevance to the way this band is being used today. In the exercise of our spectrum management responsibilities, we believe that it is more appropriate in these circumstances

(Continued from previous page) (describing the reliance of Butte College in Northern California on Mobile Beacon’s service); Rebecca Evans Comments (describing the reliance of Sanislo Elementary School, in Seattle, Washington on Mobile Beacon’s service).

41 NEBSA/CTN Comments at 3-8; CTNI/METL Reply at 7.

42 HITN Comments at 2-3; EBPARC Reply at 12. For example, CTNI asserts that the ability to lease excess capacity was essential to deployment of a 2.5 GHz network covering 4 million people in the Metropolitan Detroit area, as CTNI’s member institutions did not have the wherewithal to deploy the network on their own. According to CTNI, commercial services are being provided across the area on EBS spectrum, and CTNI and its member institutions have been able to bridge the digital divide and the homework gap, providing broadband access to students at home, for thousands of low-income households. CTNI/METL Reply at 7.

43 Bridge the Divide Reply at 4; WISPA Comments at 12-13.

44 We caution incumbent EBS licensees concerning the eligibility and other requirements of our existing EBS rules, including the licensee’s educational purposes, the provision of educational and instructional television material to accredited institutions and government organizations, the reception and use by receive sites of the licensee’s educational usage, the specific additional obligations of nonlocal applicants, and the minimum 5% reservation of channel capacity. 47 CFR §§ 27.1201(a), 27.1214. Based on recent allegations that several national, non-profit licensees have not complied with the Commission’s eligibility and other rules, see, e.g., Letter from Commissioner Brendan Carr to George Bott, President, Rockne Educational TV (July 3, 2019), we direct the Wireless Telecommunications Bureau and the Enforcement Bureau to investigate such allegations and take appropriate action based on their findings.

45 NEBSA/CTN Oct. 5 Ex Parte at 2-3.

46 NEBSA/CTN Comments at 16-18.

47 CoSN Comments at 2-4; NEBSA/CTN Comments at 17; Friday Institute Reply at 14; CA K-12 HSN Reply at 14; EBPARC Reply at 7-8; NEBSA/CTN Oct. 5 Ex Parte at 2-3.

48 Midco Comments at 13-14; WCAI Reply at 18.
to address the critical shortage of flexible use mid-band spectrum necessary to promote the deployment of
wireless broadband devoted to the wide range of 5G uses.

21. Further, we are not persuaded by the economic study submitted on behalf of SHLB in
support of maintaining the eligibility requirements, which we find to be premised on an unrealistic
deployment model.\(^{54}\) The SHLB Economic Study discusses the services offered by Mobile Citizen and
Mobile Beacon pursuant to their agreement with Sprint, as well as those offered by self-deployed EBS
networks, and it constructs a framework to measure the economic benefit of retaining eligibility
restrictions assuming that educational licensees offer broadband service at $15/month.\(^{55}\) However, as
noted previously, most educational licensees have chosen not to deploy their own networks. Indeed, none
of the self-deployed educational networks identified by SHLB offer service on a regular basis to the
general public at $15/month.\(^{56}\) While economic and social benefits would flow from increased broadband
adoption, SHLB has not shown that educators could sustain a broadband system at the $15/month price
point they studied.\(^{57}\) Finally, the study in our view does not adequately address the problem of the digital
divide. Specifically, while Mobile Citizen and Mobile Beacon offer access at $10/month pursuant to their
agreement with Sprint, their associated companies hold EBS spectrum licenses in major and more densely
populated markets. We cannot infer from this that new EBS licenses in rural areas would be able to
negotiate similar agreements with Sprint or another provider, particularly given the higher cost of
deploying mid-band spectrum in rural areas.

22. Further, the SHLB Economic Study claims that the economic and social benefits from
assigning the 2.5 GHz spectrum via an overlay auction are less than if the licenses were assigned to
educational institutions and/or Tribal nations.\(^{58}\) We disagree. We find that auctioning overlay licenses
for remaining white spaces will be a more efficient and effective means of addressing the digital divide,

(Continued from previous page)

\(^{49}\) See, e.g., NACEPF Comments at 7-8; Voqal Reply at 8. Both NACPEF and Voqal cite the 2004 decision, which
is a decade-and-a-half old, in \textit{BRS/EBS R&O} (19 FCC Rcd at 14222, para. 152) as justification to not eliminate the
eligibility requirements now.

\(^{50}\) \textit{MDS R&O}, 39 FCC at 846-847, paras. 1-2.


\(^{52}\) \textit{Id.}

\(^{53}\) AASA/AESA requests that the Commission issue a further notice of proposed rulemaking stating what the
Commission’s EBS policy is and maps showing the unassigned EBS white space. AASA/AESA Comments at 6,7-
8, 13, 15, and 16. The Commission sees no need to take either action. The \textit{NPRM} gave clear notice of our
contemplated actions, and unassigned EBS white space can be determined based on existing information available in
our databases. In addition, no other commenter argues that such additional actions are necessary. Finally, any value
in this (unnecessary) additional administrative process is significantly outweighed by the cost of the resulting delay
in putting this critical mid-band spectrum to use for the benefit of the public.

\(^{54}\) The Economic Benefit of Keeping the “E” in EBS: A Comparison of Licensing Unassigned EBS to Educators and

\(^{55}\) See SHLB Economic Study at 42 (Table 4-5) at 22 (Table 2-3).

\(^{56}\) SHLB identifies seven “infrastructure-based” EBS networks. SHLB Economic Study at 22 (Table 2-3). Two of
the networks (Havasupai Tribal Council and Nisqually Indian Tribe) are tribal networks that are not relevant here.
NMU charges $34.95/month to the general public, $24.95/month for alumni and veterans, and $19.95/month for
students. \textit{See https://www.nmu.edu/ean/}. Kings County charges $30/month for fixed access and $40/month for
mobile access, with 50% discounts for students. \textit{See https://www.kingscoe.org/domain/45} (Internet Fees, Prepaid
Service). Imperial County, California’s network is still in the pilot phase and is seeking donations to support its
operations. \textit{See https://www.icoe.org/about-icoe/borderlink}. It is unclear that the Louisa County, Virginia network
is in fact operating. In its most recent filing concerning its special temporary authority, Louisa County reported that
it was working to construct its system. \textit{See File No. 0008360114, Extension Request (filed Sep. 7, 2018). Finally,
based on press reports, Albemarle County’s system is only available to students. \textit{See Alison DeNisco, High speed
speed

(continued….)
as new EBS licensees will have both the market incentives and flexibility to pursue the most efficient deployment of this spectrum. We note that the Commission for over a quarter-century has successfully assigned spectrum via auction. It has recognized that spectrum auctions allow market forces to determine the highest and best use of scarce spectrum and the highest value user. The SHLB Economic Study not only fails to recognize the efficiency of spectrum auctions, but it also understates the potential benefits of an overlay auction because its commercial deployment model only considers deployment to entire counties, and it precludes deployment to parts of counties, which would greatly expand the potential scope of commercial deployment after an auction.\(^{59}\) The SHLB Economic Study also fails to consider complementarities that EBS spectrum may have with other spectrum bands. As noted above, the Commission has a comprehensive strategy to make additional high-band, mid-band, and low-band spectrum available, and wireless providers can combine these different bands to better achieve the best 5G coverage and capacity possible. Finally, the SHLB Economic Study is mistaken in concluding that there is no “economic surplus” from an overlay auction because it “would not allow commercial carriers to launch more affordable offerings.”\(^{60}\) Additional spectrum may lower network costs for service providers (e.g., by eliminating the need for cell-splitting), thus leading to more affordable plans for American consumers.

23. In addition, to the extent that SHLB suggests that the Commission impose some sort of rate regulation on new EBS licensees, it fails to consider the disincentive that such a requirement would create to using these licenses to provide broadband service, especially in conjunction with similar bands used for broadband.\(^{61}\) That disincentive would be particularly significant given the fact that today’s networks use a mixture of spectrum bands, and the 2.5 GHz band represents key mid-band spectrum for the deployment of 5G. Indeed, while CTN and NEBSA support the existing eligibility requirements, they do not see the proposal around which the SHLB Economic Study is based as workable.\(^{62}\) To be clear, nothing we adopt today prevents existing EBS licensees from pursuing opportunities with commercial service providers to provide broadband to the public; in fact, our action today allows current EBS licensees flexible use of the full amount of spectrum they hold. Finally, the desire of entities such as Mobile Citizen and Mobile Beacon to expand their broadband service offerings to the general public using 2.5 GHz spectrum underscores the importance of making this spectrum available as quickly as possible.

24. There is no reason why those who hold licenses granted pursuant to waiver of the filing freeze should not have the same rights to transfer or assign or lease their licenses as other incumbent EBS

\(^{57}\) We note that the SHLB Economic Study itself questions the nationwide applicability of the $15/month price point. SHLB Economic Study at 37-38. Further, the SHLB Economic Study assumes an educational use requirement of 20%, as well as a local-priority window for educational entities. Id. at 38. We note that the Commission is today eliminating the educational use which further increase the unreliability of the SHLB Economic Study results.

\(^{58}\) See SHLB Economic Study at 8-10.

\(^{59}\) Id. at 32-34. The SHLB Economic Study also precludes any commercial buildout of EBS spectrum in counties with partial coverage, but the SHLB Economic Study itself estimates that these counties have a population of almost 14 million. Id. at 25, Table 3-1.

\(^{60}\) Id. at 9, 51.

\(^{61}\) SHLB Comments at 5.

\(^{62}\) CTN/NEBSA Reply at 8-9.
licensees, and thus we will permit those who hold licenses granted pursuant to waiver to freely assign or transfer their licenses. The existence of the filing freeze justified treating these licenses differently at the time they were granted, including subjecting the licenses to significant conditions such as prompt build-out and a prohibition on leasing. Now that these licenses have been operating and providing service in compliance with these conditions, and the filing freeze is being lifted with the upcoming Tribal priority window and competitive bidding opportunity, we see no reason to continue to apply different rules to them.

25. To effectuate our decision to eliminate the EBS eligibility restriction, we will eliminate existing section 27.1201 of the Commission’s rules. In addition, we will amend our secondary market leasing rules to eliminate the EBS-specific exception to the rule that a lessee must be eligible to hold a license in the service in which it is leasing spectrum. Since EBS will now be a service with open eligibility, the exception will no longer be necessary.

2. Educational Use Requirements

26. We find it in the public interest to give licensees flexibility to put 2.5 GHz spectrum to its most efficient use, rather than maintaining or updating outmoded educational use requirements that have not been changed since 1998. Licensees holding licenses in the 2.5 GHz band, whether obtained before or after the adoption of this Report and Order, will not be required to use these licenses to fulfill an educational mission, although they are still permitted to do so.

27. This decision is consistent with our other decisions in this item to increase flexibility and eliminate outdated EBS requirements. The primary purpose of the educational use requirements was to ensure that educational licensees were using the spectrum for educational purposes, in order to “safeguard[] the primary educational purpose of the ITFS spectrum allocation.” If we are allowing non-educators to hold licenses directly, it makes little sense to retain these restrictions on spectrum use. Furthermore, we believe that eliminating these requirements is the best means of promoting flexibility, which ultimately will promote the deployment of broadband and allow markets to direct spectrum to its most productive use, for the benefit of educational institutions and all Americans.

28. As the Commission stated in the NPRM, the educational use requirements have not been updated since 1998 and were based on the use of analog video. Circumstances have changed radically since the Commission established ITFS. In 1963, there were very limited means of distributing

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63 See, e.g., Colville Comments at 3; Sprint Comments at 9; VIYA Comments at 14. Some Commenters do suggest that licenses granted via waiver should not have the same rights. EBS Comments at 2; Nez Perce Comments at 3. As discussed above, we disagree.

64 Some commenters assert that the EBS application filing freeze, and not EBS eligibility restrictions, is the main cause of the inefficient use of EBS spectrum. CoSN Comments at 2-4; EBPARC Comments at 9-10; NEBSA/CTN Comments at 3-8. Without question, the EBS filing freeze contributed to underuse of the EBS band in some locations. By our actions in this item, including eliminating eligibility restrictions and education use requirements, establishing a priority filing window for new licenses for rural Tribal lands, and determining to assign the remaining unassigned frequencies through competitive bidding, we are providing a path forward to remedy this longstanding situation. However, the fact remains that with limited exception, most EBS licensees lease their spectrum to commercial operators, and meet their educational requirements providing services that do not require dedicated EBS spectrum.


67 See R Street Institute Comments at 5-6.

68 NPRM, 33 FCC Rcd at 4694, para. 22.
educational programming to students, and a dedicated means of distributing such programming made sense. Now, as WCAI notes, “broadband gives all educators—not just those lucky enough to be EBS licensees—the ability to provide access to educational materials to whomever they choose.”

69 The Internet is a far more prevalent and efficient mechanism for distributing content. T-Mobile compares the efficiency of Internet video streaming (for live events) or the downloading of compressed video files (for recorded material) over generic broadband digital connections versus using dedicated video transmissions. 70 Furthermore, educators also use broadband to communicate with peers, collaborate across platforms, and research. 71 Moreover, most current EBS licensees have abandoned use of EBS as a closed, dedicated means of distributing educational content. Today, the educational use of the 2.5 GHz band has become indistinguishable from the commercial broadband service offered by the commercial lessee, 72 with most EBS licensees or their commercial lessees providing digital broadband service, offered 24/7, at the school itself, at home, or anywhere within the licensee’s GSA. 73 Even if there were a rationale for maintaining the educational use requirements in the absence of eligibility restrictions, we see no workable set of requirements in this record. Commenters recommend that the Commission adopt a large and diverse set of potential requirements, ranging from new metrics differentiated by institution size to certification requirements to price mandates. 74

29. But the alternative educational use requirements proposed by commenters would neither facilitate broadband deployment nor be workable for licensees or commercial operators. Requiring a commercial operator to designate a fixed percentage of capacity for educational use is not an appropriate requirement when it is not clear how much capacity future networks will have or how much capacity most educational institutions will need or be able to use. 75 Similarly, imposing rate regulation on new EBS licensees offering broadband service to consumers likely would create a disincentive to providing broadband service and would establish a regulatory requirement that would make it more difficult to use the band in conjunction with similar bands used for broadband. 76 There is a large difference between the voluntary partnership entities such as Mobile Citizen and Mobile Beacon have negotiated to facilitate discounted broadband access and a regulatory mandate that would be a form of price control. We also agree with NEBSA/CTN that it is difficult to see how such a requirement would be defined and enforced. 77

30. We are sensitive to the concerns raised by Sprint and NEBSA/CTN that any changes we make not disrupt any existing leases. We clarify that nothing in our decision to remove the educational use requirement is intended to affect or change the terms of any private contractual arrangement or any provisions in existing leases that may provide a licensee with airtime, equipment, or capacity. In other words, if a lease negotiated under the old rules provides that a licensee shall receive services or equipment from a lessee, our decision does not change or nullify the provisions of that lease.

31. Finally, we disagree with NACEPF that the educational use requirements are one of the

69 WCAI Comments at 8.
70 T-Mobile Comments at 3.
71 Id.
72 WISPA Comments at 13.
73 NPRM, 33 FCC Rcd at 4694, para. 22.
74 See, e.g., HITN Reply at 5-6; Sprint Reply at 7-8; SHLB Comments at 5; NACEPF Comments at 4, 28-34; Voqal Comments at 15; Dept. of Ed. June 7 Ex Parte at 4-5.
75 NACEPF Comments at 4, 28-34; see also Voqal Comments at 16.
76 SHLB Comments at 5.
77 NEBSA/CTN Reply at 9.
There are many other spectrum bands that educators may use if they do not have access to 2.5 GHz spectrum, such as 5 GHz Wi-Fi or General Authorized Access in the 3.5 GHz CBRS band, and as mentioned above, commercial services developed using licensed spectrum are broadly deployed (certainly more so than services relying on current EBS spectrum). In addition, the Commission has for years focused on providing connectivity to millions of students and library patrons through its E-Rate program.

### 3. Eliminating Leasing Restrictions

32. Given our decision to eliminate eligibility requirements, and the fact that broadband is the predominant use of the EBS band, we see no value in maintaining special lease restrictions that only apply to EBS. Eliminating the leasing restrictions that only apply to EBS licenses will make the rules for the 2.5 GHz band consistent with other Wireless Radio Services, incentivize build-out in rural areas and provide additional flexibility to both EBS licensees and lessees to enter into mutually beneficial arrangements.

33. We agree with commenters that argue that these lease restrictions are unique to EBS and that they constrain commercial operations and deter investment, particularly in rural areas. We concur with VIYA that, if eligibility restrictions are eliminated, the restrictions on lease terms serve no purpose.

34. We acknowledge that many educational institutions oppose eliminating restrictions on lease terms, with a split between educational institutions that support the current leasing rules and those that want to impose additional restrictions on leasing. Supporters of the current leasing rules argue that the lease term limitations allow educational institutions to review their leases periodically in light of changing needs and technology. In contrast, Educational Broadband Corp. (EBC) urges the Commission to eliminate lease terms that transfer too much control to the lessee, while Havasupai and Utah would prohibit leasing to commercial providers so that use of the spectrum can be focused on education. We agree with those commenters arguing that our actions should not harm or invalidate existing leases, and we emphasize that nothing in this Report and Order is intended to invalidate existing lease provisions. Leases are a form of contract, and the parties retain the ability to exercise their rights under state contract law. Indeed, there is broad agreement among both educational institutions and commercial providers that the Commission should not take any action to invalidate or harm existing leases. As HITN writes, “[b]oth commercial lessees and educational lessors, have invested in services

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78 NACEPF Comments at 3-4.

79 See WCAI Reply at 19-20. We decline to consider WCAI’s recommendation that we consider ways to reform or clarify rules outside the scope of this proceeding. See WCAI Reply at 18-19.

80 See 47 CFR §§ 1.9020, 1.9030.

81 Colville Comments at 4; Gallatin Comments at 6; Nez Perce Comments at 3 (supports elimination of leasing restrictions only if tied to build-out requirements); Sprint Comments at 8; VIYA Comments at 13; WCAI Comments at 21-22; WISPA Comments at 13; NTTA Reply at 3.

82 WISPA Comments at 13.

83 WCAI Comments at 21-22. See also Gallatin Comments at 5-6 (lease restrictions "restrain or chill the ability of commercial lessees to plan for, develop and implement business plans that depend on long term full availability of the spectrum").

84 VIYA Comments at 13.

85 EBPARC Comments at 6; NEBSA/CTN Comments at 19-20; Voqal Reply at 16-18.

86 EBC Comments at 2.

87 Havasupai Comments at 3; Utah Comments at 9.
and equipment, in substantial reliance on the negotiated terms of their existing leases, and the
Commission should make no rule changes that would interfere with or substantially alter such contractual
rights and obligations." WCAI and Sprint take a similar view. To the extent some argue for additional
restrictions on leasing, we find that such additional restrictions would be inconsistent with our goals of
promoting broadband deployment using EBS spectrum and maximizing flexibility for EBS licensees.

35. We therefore eliminate section 27.1214 of the Commission’s rules, except for subsection (d). In addition, we will eliminate section 1.9047, which is a cross-reference in the secondary market rules to section 27.1214.

4. Modifying Existing License Areas

36. To ensure that the fallow spectrum in this band is made available for use quickly, we have decided to leave existing license boundaries for incumbent 2.5 GHz licenses intact, rather than imposing a complex and protracted rationalization process on incumbents. In the NPRM, the Commission proposed to rationalize the current point-and-radius license areas held by incumbents to a defined geographic area and sought comment on a number of issues related to this proposal. Upon review of the record, however, and in light of the unique circumstances posed by licensing of this 2.5 GHz band as discussed below, we find that engaging in the complex, and potentially confusing process of rationalizing current licenses to a geographic area (such as counties or census tracts) would delay making the white spaces available in this band and would not likely result in the potential benefits explored in the NPRM.

37. With regard to the NPRM’s proposal to modify each existing license to include all of the census tracts covered by each current geographic service area, we are persuaded by opponents’ argument that census tract-based rationalization would not necessarily result in more easily-determined license boundaries and therefore would not facilitate service by either existing licensees or new entrants. As the EBC and other commenters point out, any method of assigning census tracts to incumbents is likely to leave license areas with edges like “saw teeth”—irregular zig-zagging lines with frequent, small protrusions. Given the propagation characteristics of the 2.5 GHz band, it would be difficult to provide services to these areas as a technical matter, and this difficulty may result in significant degradation of service near market boundaries, as each licensee decreased power in order to remain within power limits, resulting in lower signal strength and lower service quality in the area. This issue does not arise to the

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88 HITN Comments at 4. See also NAUF Comments at 8; NEBSA/CTN Reply at 7; NMU Comments at 9-10; South Florida EBS Comments at 8; University of Cincinnati Reply at 1 (expressing concern that rule changes could nullify its lease agreement with Sprint); Voqal Comments at 6; VOL Reply at 1.

89 See WCAI Comments at 30 (“The Commission should very clearly state that leases entered into prior to the effective date of any new rules pursuant to this proceeding should continue to be enforceable in the courts according to their terms for the duration of the lease (including any renewal terms.”); Sprint Reply at 6-7.

90 We will retain current section (d) concerning grandfathering of pre-2005 leases.

91 NPRM, 33 FCC Rcd at 4692, paras. 10-11.

92 Id. at 4692, para. 11.

93 See AASA/AESA Comments at 12-13; Bridge the Divide Comments at 3-4; EBC Comments at 1-2; Havasupai Comments at 4; HITN Comments at 4-5; NCTA Comments at 2-3; South Florida EBS Comments at 9-10; Sprint Comments at 4-5; Voqal Comments at 17-18; WISPA Comments at 8-9; EBPARC Reply at 10-11; WCAI Reply at 10.

94 EBC Comments at 1-2; HITN Comments at 4-5; South Florida EBS Comments at 9-10; Sprint Comments at 4-5; WCAI Reply at 10; WISPA Reply at 8.

95 See AASA/AESA Comments at 9-11; Bridge the Divide Comments at 3-4; Havasupai Comments at 4; WCAI Comments at 13-14; EBPARC Reply at 10-11.

96 See South Florida EBS Comments at 9-10.
same degree with the current license areas, as their smooth, circular contours are more consistent with signal propagation patterns.\textsuperscript{97} In addition, any problems caused by these irregular boundaries necessarily also would affect the white space available for licensing subject to competitive bidding, at the borders between incumbents and new entrants. Because the potential for operational problems far outweighs the small potential for improvement in the regularity of the resulting white space, we therefore decline to adopt a census tract-based rationalization scheme.

38. We also reject the proposal by commenters to expand existing GSAs to include the counties covered by or that intersect the geographic service area, based on a coverage threshold determined by the percentage of the geographic area of the county covered by the licensee.\textsuperscript{98} While the Commission has recognized the benefits of adopting county-based licensing in other bands,\textsuperscript{99} we decline to adopt a county boundary-based rationalization scheme for incumbents in the 2.5 GHz band for several reasons. First, we are concerned about the potential for some licensees to receive a much larger GSA, with no corresponding requirement to provide service in the expanded area. For example, San Bernardino County, the largest county in the United States, covers over 20,000 square miles, compared to the maximum incumbent license area of approximately 3,850 square miles.\textsuperscript{100} Since we are not applying updated performance requirements to existing EBS licenses, there is no guarantee that existing licensees would use the expanded area.\textsuperscript{101} Alternatively, were we to adopt NACEPF’s suggestion to expand incumbents’ licenses to county boundaries subject to additional build-out requirements, incumbents with no interest in serving additional geographic areas, especially in very large counties, could ultimately lose their entire license based on a failure to expand service.\textsuperscript{102}

39. Second, implementing county-based expansion in situations with multiple incumbent licenses in the same county raises complex issues that likely reduce significantly the benefits of county expansion. To handle such situations, several commenters suggest “splitting the football,”\textsuperscript{103} the methodology that the Commission previously employed in this band to address the issue of overlapping circular GSAs\textsuperscript{104} or alternative methods to deal with multiple incumbents expanding into the same

\hspace{1cm} \textsuperscript{97} See AASA/AESA Comments at 12-13.

\hspace{1cm} \textsuperscript{98} APTS-CPB Comments at 5-6; AT&T Comments at 6; Bridge the Divide Comments at 3-4; CA K-12 HSN Comments at 20; CCA Comments at 2-3; Chickasaw Nation Comments at 7; EBC Comments at 1-2; Gallatin Comments at 3-4; HITN Comments at 4-5; Maria Hadden Comments at 1; Mideo Comments at 9; NACEPF Comments at 34-35; NMU Comments at 6; NCTA Comments at 2-3; South Florida EBS Comments at 9-10; Sprint Comments at 4-5; Voqal Comments at 17-18; WCAI Comments at 10; WISPA Comments at 8-9; EBPARC Reply at 8; EBS Parties Reply at 2-3; Friday Institute Reply at 7-8; CTNI/MTEL Reply at 8-9; NEBSA/CTN Reply at 4; NTUA/Mescalero Reply at 3; Views on Learning Reply at 1.


\hspace{1cm} \textsuperscript{100} 2018 U.S. Gazetteer Files, census.gov, last accessed February 28, 2019. The area of a circle with a 35-mile radius, the basis for incumbent GSAs, is approximately 3,848 square miles.

\hspace{1cm} \textsuperscript{101} See part III.D.6 infra.

\hspace{1cm} \textsuperscript{102} See NACEPF April 25, 2019 \textit{Ex Parte} at 15-16. Incumbents would have the option to partition their license and return the undesired portion to the Commission, but this would leave the county with irregular license boundaries, destroying the claimed benefit of county expansion in the first place.

\hspace{1cm} \textsuperscript{103} Bridge the Divide Comments at 3-4; EBC Comments at 1; South Florida EBS Comments at 9-10; WISPA Comments at 9; EBS Parties Reply at 2-3.

\hspace{1cm} \textsuperscript{104} See supra n. 22.
While “splitting the football,” or using a similar method to establish a border between multiple incumbents expanding into the same county, might be equitable for current licensees, it would not result in regular, mappable license areas based on geographic boundaries. The resulting borders would not correspond to any official boundaries or natural features; instead, they could only be calculated by referencing the previous license areas—either the “point” of the point-and-radius GSA, or the edge of the previously-calculated circle—neither of which would be immediately visible after rationalization. All of the problems cited by commenters, including the difficulty of administering these arbitrary license areas in ULS, would persist. CA K-12 HSN’s suggestion of splitting counties by spectrum is also problematic.

Wider channel width is important for many advanced wireless applications, including 5G, and dividing spectrum among multiple incumbents may reduce its usefulness significantly.

Third, using a percentage threshold based on existing geographic area coverage of a county relative to the total area of the county limits the amount of rationalization that actually takes place. Commenters originally proposed a wide array of threshold levels of geographic coverage within a county that an incumbent licensee would be required to meet to qualify for expansion to the county’s boundaries, including 10%, 20%, 30%, 35%, or 80% of the geographic area of the license. Sprint, WISPA, MidCo, WCAI, CTN, NEBSA, Voqal, and NACEPF subsequently agreed on using a 25% threshold. To the extent the Commission adopted any threshold for county-based expansion, however, many incumbent licenses would remain at least partially “un-rationalized,” because if the GSA is in more than one county (as many are), some sections of the license would expand to county borders and some sections of the license would not expand to county borders, but rather would remain bounded by the circle arc. Counties with un-rationalized license sections still would be subject to all the problems and continuing coverage gaps cited in the record. In addition, as WCAI notes, expanding licenses to county boundaries in some cases, while leaving vestigial circle arcs in other counties, would result in “significant confusion as to what areas are white space,” as well as “exacerbating the [current] problem by adding a second, geographic area-based approach.”

Although some commenters point to certain alleged advantages of county-based rationalization, including eliminating coverage gaps between current license areas better aligning

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105 Gallatin suggests setting the border along census tract lines. Gallatin Comments at 3-4. CA K-12 HSN advocates for giving all incumbents the full geographic area of the county but dividing the spectrum. CA K-12 HSN Comments at 20. The Nez Perce proposed dividing overly large counties along natural features, such as rivers (Nez Perce Comments at 7-8), while the Friday Institute advocates capping expansion of any incumbent at 1,0000 square miles to limit windfall situations. Friday Institute Reply at 7-8.

106 See CA K-12 HSN Comments at 20.

107 Gallatin Comments at 3-4; Sprint Comments at 5; NEBSA/CTN Reply at 4-5; Voqal Reply at 23-24.

108 EBPARC Reply at 8.

109 Friday Institute Reply at 7-8.

110 WISPA Comments at 9.

111 Midco Comments at 10.

112 See Sprint/MidCo/WISPA/WCAI/CTN/NEBSA/Voqal/NACEPF/Mobile Beacon June 14 Ex Parte.

113 As an example, the license for Station WND283 covers all or portions of 14 different counties. The GSA completely covers three of those 14 counties. Depending on the threshold established, the GSA could remain as an irregular area in up to nine of the counties.

114 WCAI Reply at 12-13. See also Bridge the Divide Reply at 2.

115 APTS-CPB Comments at 5-6; HITN Comments at 4-5; NMU Comments at 6; WCAI Comments at 12; Voqal Reply at 22.
licenses with typical school districts,\textsuperscript{116} and other claimed advantages,\textsuperscript{117} we conclude that the problems associated with county-based rationalization outlined above outweigh any of these potential benefits. NACEPF also mentions faster 5G deployment in the 2.5 GHz band as a benefit of county expansion, primarily due to the resulting increase in the license areas available to Sprint.\textsuperscript{118} While Sprint supports county-based rationalization,\textsuperscript{119} it does not make any commitments to deploy in expanded license areas.

42. We also reject other alternative rationalization schemes suggested by commenters, such as self-defined GSAs,\textsuperscript{120} GSAs based on granular population data,\textsuperscript{121} or GSAs that vary from state to state based on local school district size.\textsuperscript{122} Those methods of rationalizing licenses would be both unpredictable and difficult to implement. We also reject rationalization of existing EBS licenses to “correspond with the geographic areas where existing licensees currently provide service,”\textsuperscript{123} because such an approach: (1) would take years to implement, as it would require an extensive analysis of where service was being provided, (2) would be prone to litigation, and (3) would be inconsistent with the goal of quickly getting unused spectrum into the hands of those who will provide service, including 5G, to Americans across the country.

43. Similarly, any of the rationalization schemes described in the NPRM or suggested by commenters would require considerable time to implement and would have to be completed before any auction of remaining spectrum could take place. In addition to the necessary changes to the licensing system, the process of resolving whether the required threshold had been met and dealing with situations where multiple incumbents met the threshold would be complex. Adding a complicated and lengthy rationalization process before the auction could delay the deployment of 2.5 GHz services in currently unlicensed areas. In the interest of expeditiously moving this important mid-band spectrum into the hands of those best able to develop it, we conclude that the likelihood of considerable delay for such a limited result is not in the public interest.

44. Given the complications and drawbacks inherent in all the rationalization schemes proposed in the record with respect to licensing of this band, we decline to adopt any of the proposals. Instead, we conclude that the best mechanism of putting unassigned spectrum to use as quickly and efficiently as possible is to offer overlay licenses subject to competitive bidding. Such an overlay license approach also addresses any concerns regarding irregular gaps between license areas, allowing overlay licensees to take existing EBS license contours into account when bidding for such license.\textsuperscript{124}

\textsuperscript{116} Bridge the Divide Comments at 3-4; CA K-12 HSN Comments at 20; South Florida EBS Comments at 9-10; Dept. of Ed. June 7 \textit{Ex Parte} at 5.

\textsuperscript{117} The other claimed advantages include increase the regularity of remaining white space (EBC Comments at 1-2), promoting easier market entry for prospective new licensees (APTS-CPB Comments at 5-6), clarifying coverage areas for consumers (CCA Comments at 2-3; WCAI Comments at 10; Bridge the Divide Reply at 1-2), reducing time to auction and speeding deployment (CCA Comments at 2-3; Maria Hadden Comments at 1; NACEPF Comments at 53), providing consistency with newly auctioned licenses (Midco Comments at 7; NCTA Comments at 2-3; South Florida EBS Comments at 9-10; WCAI Comments at 13-14), and better fitting the technical realities of providing service in the 2.5 GHz band (NCTA Comments at 2-3; WCAI Comments at 13-14; Bridge the Divide Reply at 1-2).

\textsuperscript{118} NACEPF April 25 \textit{Ex Parte} at 6-7, 11, 13.

\textsuperscript{119} Sprint Comments at 4-8; Sprint Reply at 6.

\textsuperscript{120} Havasupai Comments at 4.

\textsuperscript{121} Nez Perce Comments at 2.

\textsuperscript{122} Dept. of Ed. June 7 \textit{Ex Parte} at 5.

\textsuperscript{123} Charter Comments at 2.

\textsuperscript{124} APTS-CPB Comments at 5-6; NMU Comments at 6.
B. Local Priority Filing Windows

45. In the NPRM, the Commission proposed to use geographic area licensing to assign the remaining unassigned portions of the 2.5 GHz band. Envisioning that these geographic licenses would be assigned by auction, the Commission also sought comment on whether it first should open up to three priority filing windows to give Tribal Nations, other non-licensee educational institutions, and existing licensees an opportunity to file applications for 2.5 GHz licenses to serve their local communities, in advance of any auction for these frequencies. The Commission explained that, in each filing window, qualifying applicants would have the opportunity to apply for one or more vacant channels of EBS spectrum in areas where the applicant can demonstrate that it has a local presence.

46. In this Report and Order, we adopt a priority window for Tribal Nations to obtain access to the 2.5 GHz band on rural Tribal lands. The priority window will operate as an overlay license, with Tribal priority window applicants obtaining geographic area licenses subject to protecting incumbent operations within the relevant geographic area. We decline to adopt priority windows for non-incumbent educational institutions or incumbent licensees.

1. Tribal Priority Window

47. We find that adoption of a Tribal priority window for Tribal entities to obtain EBS licenses on Tribal lands that are located in rural areas is in the public interest. Consistent with the Commission’s suggestion in the NPRM, we conclude that opening a priority filing window for rural Tribal Nations will provide Tribal Nations with an opportunity to obtain unassigned EBS spectrum to address the communications needs of their communities and of residents on rural Tribal lands, including the deployment of advanced wireless services to unserved or underserved areas.

48. Our decision to adopt a Tribal priority window finds broad support in the record, including from many Tribal and Tribal-related commenters, who argue that opening a priority filing window for Tribal Nations would provide rural Tribal Nations with a way to obtain spectrum that could

\[\text{\textsuperscript{125}}\text{NPRM, 33 FCC Rcd at 4695, para. 25.}\]
\[\text{\textsuperscript{126}}\text{Id.}\]
\[\text{\textsuperscript{127}}\text{Id.}\]
\[\text{\textsuperscript{128}}\text{Id. at 4696, para. 27.}\]
\[\text{\textsuperscript{129}}\text{See section C.1, infra.}\]
\[\text{\textsuperscript{130}}\text{NPRM, 33 FCC Rcd at 4698, para. 35.}\]
\[\text{\textsuperscript{131}}\text{Id. (citing Improving Communications Services for Tribal Nations by Promoting Greater Utilization of Spectrum over Tribal Lands, Notice of Proposed Rulemaking, 26 FCC Rcd 2623, 2624, para. 1 (2011)); see also Inquiry Concerning Deployment of Advanced Telecommunications Capability to All Americans In a Reasonable and Timely Fashion, 2018 Broadband Deployment Report, 33 FCC Rcd 1660, 1662, 1687-88, paras. 6, 57-58 (2018) (2018 Broadband Deployment Report) (noting that Tribal lands continue to lag behind with respect to broadband deployment).}\]
\[\text{\textsuperscript{132}}\text{Mural Net suggests Tribal licensees will need channels to cover 20 megahertz of contiguous bandwidth. Mural Net Reply at 2. Several Tribal entities express support for making all EBS channels available on Tribal lands available to Tribal applicants. See Ak-Chin Comments at 1; Chemehuevi Comments at 1; Colville Comments at 9; Pueblo de Cochiti Reply at 2; Santa Fe Indian School Reply at 2.}\]
\[\text{\textsuperscript{133}}\text{NPRM, 33 FCC Rcd at 4699, para. 38.}\]
be used to provide needed advanced wireless and broadband services. In addition, those commenters who support local priority filing windows in general also support a Tribal priority window. Even among commenters who oppose local priority windows in general WCAI acknowledges a need for a Tribal priority window. We disagree with MidCo’s assertion that priority windows would “not further any national policy objectives” because, as explained above, a Tribal priority window would facilitate access to high-speed broadband, including 5G, on rural Tribal lands.

49. Eligibility. As proposed in the NPRM, eligibility for the Tribal priority window will be limited to federally-recognized American Indian Tribes and Alaska Native Villages on rural Tribal lands. As of September 24, 2018, there were 573 federally-recognized Indian tribes. Federally-recognized Tribes have a government-to-government relationship with the United States and are eligible to receive certain protections, services, and benefits by virtue of their federally-recognized status. While the Commission’s rules with respect to Tribal eligibility in various contexts vary somewhat, they universally limit eligibility to those Tribes that are “federally-recognized,” so we will do so with respect to the Tribal priority window.

50. We will extend eligibility in the Tribal priority window to communications providers and other entities that provide communications and other services, provided that they are owned and controlled by federally-recognized Tribes or a consortium of such Tribes. To permit these entities to be eligible to hold EBS licenses and use those licenses to provide broadband service on rural Tribal lands, we will permit those entities and others that are owned and controlled by a federally-recognized Tribe or a consortium of federally-recognized Tribes to participate in the Tribal filing window and to hold EBS licenses. AIHEC requests that the 38 Tribal Colleges and Universities (TCUs) be classified as eligible to apply for available EBS spectrum. To the extent TCUs or other educational entities are owned and controlled by a federally-recognized Tribe or a consortium of federally-recognized Tribes as well as the other requirements we establish for participation, they would also qualify as applicants in the Tribal

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134 Bad River Comments at 1 (arguing that the Commission should “ensure that this mechanism will provide Tribes and their members with the meaningful access to spectrum that has long been lacking in Tribal areas, and take steps to facilitate access to 2.5 GHz spectrum for Tribes whose lands are covered, but not served by existing licensees.”); NTTA Reply at 3 (asserting that “the Tribal nation priority window could help certain Tribal Nations obtain access to spectrum for the purposes of serving their members.”).

135 See, e.g., APT-CPB Comments at 6; Bridge the Divide Comments at 7-8; CA K12 HSN Comments at 24; CTNI/METC Comments at 7; EBPARC Comments at 10-11; NTCA Comments at 4, n.7; SHLB Comments at 7; South Florida EBS Comments at 10; University of Cincinnati Comments at 1; NACEPF Reply at 21; Rural EBS Coalition Reply at 7; Voqal Reply at 26-27; NEBSA/CTN Oct. 5 Ex Parte at 2.

136 See MidCo March 5 Ex Parte at 5.

137 WCAI Comments at 18, n.42, 25, n.61 (suggesting limiting Tribal windows to Tribal Nations on Tribal Lands and limiting use to purely non-commercial purposes).

138 MidCo March 5 Ex Parte at 5.

139 NPRM, 33 FCC Rcd at 4695-96, para. 36.


141 Id.

142 See, e.g., 47 CFR § 54.5 (definition of Tribal Lands); id. § 73.7000 (definition of tribe); id.§ 1.2110(f)(3)(i) (definition of Qualifying tribal land).

143 Bad River Comments at 5, n.9; Chickasaw Nation Comments at 2; Coeur D’Alene Tribe Comments at 1; NTUA/Mescalero Reply at 6-7; NTTA Reply at 1.

144 Specifically, the provider must be more than 50% owned by one or more federally recognized Tribal Nations or Tribal consortia and actually controlled by one or more federally recognized Tribal Nations or Tribal consortia.
priority window.

51. Tribal Lands. For purposes of the Tribal filing window, we adopt the broad definition of Tribal lands contained in our Part 54 rules.\(^{147}\) We do so because, in both the Universal Service and EBS contexts, the Commission is assisting Tribes in obtaining necessary communications services. We decline to adopt the part 73 definitions proposed by some commenters\(^{148}\) because broadcast definitions were adopted to permit comparison between non-commercial educators applying for broadcast stations, while the Part 54 definition has a similar purpose to the Tribal priority window, to encourage provision of broadband service on rural lands.

52. We will include in the Tribal priority window Tribal lands on-reservation in all situations and off-reservation lands in certain situations. Consistent with the Commission’s ongoing effort to close the digital divide on rural Tribal lands, the purpose of this filing window is to provide broadband access to Tribal lands that historically have been underserved or unserved. It is important to ensure that entities acquiring spectrum in this window will use it to meet the needs of Tribal members.

53. In the NPRM, the Commission requested comment on the appropriate geographic area for such licenses and whether county-based or census tract based license areas might be appropriate.\(^{149}\) While some commenters support county-based or census tract-based licensing for Tribal entities,\(^{150}\) most Tribal entities favor a geographic license area that tracks reservation boundaries.\(^{151}\) In addition, some Tribal entities have members who don’t reside on a reservation, but live beyond the boundaries of Tribal lands on off-reservation lands.\(^{152}\) In addition, some federally-recognized tribes do not have reservations at all.\(^{153}\) These commenters ask that we include in this priority window licenses that cover “counties bordering the licensees’ reservations”\(^{154}\) or counties in which Tribal lands cover some minimum percentage of a county (such as 10%).\(^{155}\)

54. We agree with commenters that including off-reservation lands in the Tribal priority window can help promote our goal of facilitating access to wireless service to underserved Tribal populations, and that the Commission must define eligible off-reservation lands in a way that promotes this goal. With respect to including off-reservation land in the Tribal priority window, the Havasupai propose that Tribal entities be licensed on an “ad hoc” basis using a variety of criteria such as: the services to be provided, the location of the target recipients, the amount of EBS spectrum that will be used to provide the service, the broadcast or distribution capabilities of the applicant, and the percentage of the target population that will be served by the proposed size of the service area.\(^{156}\) The Chickasaw Nation

(Continued from previous page)

\(^{145}\) AIHEC Comments at 1-2.

\(^{146}\) Ak-Chin Comments at 2; Chemehuevi Comments at 2.

\(^{147}\) See 47 CFR § 54.5.

\(^{148}\) NCAI Comments at 3.

\(^{149}\) NPRM, 33 FCC Rcd at 4699, para. 37.

\(^{150}\) NTUA/Mescalero Comments at 3-4, n.3.

\(^{151}\) Ak-Chin Comments at 1; AIHEC Comments at 2; Chemehuevi Comments at 1; Coeur D’Alene Tribe Comments at 1; Mural Net Comments at 2; Pueblo de Cochiti Reply at 2.

\(^{152}\) Bad River Comments at 6 (describing that many of their Tribal members live in and attend schools in communities outside of the boundaries of the Tribal lands); Colville Comments at 8.

\(^{153}\) Chickasaw Nation/Trace Fiber Networks Oct. 5 Ex Parte at 2 (explaining that the Chickasaw Nation does not have a reservation).

\(^{154}\) Bad River Comments at 6; NTUA/Mescalero Reply at 3-4, n.3; Pueblo de Cochiti Reply at 2.

\(^{155}\) NTUA/Mescalero Reply at 5-6.

\(^{156}\) Havasupai Comments at 4.
suggest that the service area should be based on whether a “portion of the Tribe’s population will be served by licensing that proposed” service area.\textsuperscript{157} Instead of relying on the “ad-hoc” processes proposed by Tribes, we will rely on an existing Commission process and designate off-reservation Tribal lands as eligible for the Tribal priority window if they have already been designated (as of the adoption date of this Report and Order) as Tribal lands pursuant to the designation process contained in section 54.412 of the universal service rules.\textsuperscript{158} We find that using the existing process would be efficient and facilitate prompt processing of Tribal priority applications. We find that limiting eligible off-reservation lands as of the adoption date of this Report and Order will provide certainty to Tribal applicants and facilitate administration of the Tribal priority window.

55. While Midco may be correct that, in some cases, “irregularly shaped” reservation-based Tribal lands will complicate the geographic landscape for EBS licenses awarded through competitive bidding,\textsuperscript{159} we do not see this potential complication as a reason not to make all reservation lands available for the Tribal priority window. EBS licensees that acquire their licenses through competitive bidding will have to protect existing EBS licensees, many of which already have irregularly shaped geographic service areas. More importantly, we find that the need to provide Tribal lands with broadband service outweighs this additional complexity.

56. Rural. To be included in the Tribal priority window, we adopt the proposal from the NPRM that, in addition to being designated as Tribal Lands, an area must also be rural.\textsuperscript{160} We understand that not all Tribes are located in areas that are considered rural and that by limiting eligibility to rural Tribal lands, some tribes may be excluded from the window.\textsuperscript{161} However, as the Commission has previously made clear, bringing broadband access to rural Americans is critical to providing them with the same economic, employment, education and civic opportunities that people in urban areas enjoy.\textsuperscript{162} Because the problem of access to wireless communications services is most acute in rural areas, and because the purpose of the Tribal priority window should be to promote service to areas that are currently unserved or underserved,\textsuperscript{163} we believe that limiting this priority window to rural Tribal lands will provide the most effective and targeted way to achieve the Commission’s goal of closing the digital divide in Tribal lands.

57. First, we are not persuaded by the objections raised to limiting the Tribal priority window to rural areas. For example, we disagree with the assertion that such a limitation is inconsistent with the “federal government’s trust relationship with Indian tribes,” as that relationship is not limited to rural areas.\textsuperscript{164} The Commission is committed to honoring its trust relationship with Tribal Nations through, among other things, policies facilitating broadband deployment on Tribal lands. Individual policies

\textsuperscript{157} Chickasaw Nation Comments at 7. The Chickasaw Nation also suggests that the Commission should not put “unnecessary restrictions” on the definition of Tribal lands and should include lands that are not inhabited by Tribal members or lands held by private citizens. Chickasaw Nation Reply at 2, n.6.

\textsuperscript{158} 47 CFR § 54.412.

\textsuperscript{159} Midco March 5 Ex Parte at 5.

\textsuperscript{160} NPRM, 33 FCC Rcd at 4698-99, para. 36.

\textsuperscript{161} NCAI Comments at 3; NTUA/Mescalero Reply at 4-5; Pueblo de Cochiti Reply at 2; Santa Fe Indian School Reply at 2. While NTUA/Mescalero supports the proposed definition of rural, they do not support limiting eligibility to rural Tribal lands. NTUA/Mescalero Reply at 4-5.


\textsuperscript{163} Havasupai Comments at 3 (suggesting that the window only be “available to tribal governments that are not already served by broadband).

\textsuperscript{164} NCAI Comments at 3; NPM Comments at 2; Pueblo de Cochiti Reply at 2; Santa Fe Indian School Reply at 2.
tailored to specific deployment issues, such as increasing access to spectrum over unserved rural areas, positively contribute to this overall effort. Nor are we persuaded that limiting access to rural areas will reduce flexibility for Tribal Nations to use this spectrum, create definitional uncertainty for Tribal Nations, or create separate classes of Tribal governments, which is inconsistent with the intent of Congress.\textsuperscript{165} Priority window applicants seeking access to 2.5 GHz spectrum on rural Tribal lands will not be limited in how they use the spectrum; rather they will have the same flexibility as other licensees. Since we are adopting an objective definition of what land will be considered rural, Tribes will be able to determine whether the lands for which they seek licenses are eligible for this window and make the appropriate demonstration.

58. We are, however, persuaded that, in establishing what constitutes rural Tribal lands for purposes of a Tribal priority window, we should set a population limit that is higher than the one we proposed in the \textit{NPRM}. Although in the \textit{NPRM} we proposed using the definition of rural Tribal lands from the E-rate and Lifeline programs: \textit{i.e.,} Tribal Lands that are not part of “an urbanized area or urban cluster area with a population equal to or greater than 25,000,”\textsuperscript{166} we note that, as the Chickasaw Nation asserts, some clusters within historically rural Tribal lands have populations very close to or perhaps just over 25,000.\textsuperscript{167} We therefore adopt the proposed definition but modify the population threshold for an urbanized area or urban cluster from 25,000 to 50,000. Therefore, Tribal lands will be considered rural if they are not part of an urbanized area or urban cluster area with a population equal to or greater than 50,000. In this specific instance, we find that using the population threshold of 50,000 will provide certainty to Tribes in \textit{bona fide} rural areas that they can take advantage of the Tribal priority window while ensuring that the Tribal priority window is appropriately targeted and limited. Some commenters suggest other definitions of rural for the Tribal priority window.\textsuperscript{168} We find that by focusing on areas that are not part of urbanized clusters, as the Commission does in the E-rate and Lifeline programs, we will best target those areas that are most difficult to serve and are therefore likely in greatest need of high-speed broadband service. We find that using this population limit is consistent with our goal of targeting underserved and unserved Tribal areas.

59. \textit{Local Presence.} We adopt the \textit{NPRM}’s proposal to require that all applicants for the Tribal priority window have a local presence in any area for which they apply.\textsuperscript{169} We believe Tribal entities with a local presence better understand the needs of their communities and are better able to serve those needs. Further, there is no opposition to this proposal with respect to Tribal entities, and thus, we will require applicants for the Tribal priority window to demonstrate that they have a local presence in the Tribal land area for which they seek licenses.

60. \textit{Timing.} To ensure that federally-recognized Tribes have access to the maximum amount of unassigned EBS spectrum available on rural Tribal lands, we will open the Tribal priority window before we make unassigned EBS spectrum generally available to all entities through competitive bidding.\textsuperscript{170}

61. \textit{Procedures.} While few commenters address the application process for the Tribal

\textsuperscript{165} NCAI Comments at 3; Pueblo de Cochiti Reply at 2; Santa Fe Indian School Reply at 2.

\textsuperscript{166} \textit{NPRM,} 33 FCC Rcd at 4698-99, para. 36; see 47 CFR § 54.505(b)(3).

\textsuperscript{167} Chickasaw Nation March 26 \textit{Ex Parte} at 3-4.

\textsuperscript{168} Havasupai Comments at 3 (arguing that rural places should be defined by their distance from urban centers and not by population density because some Reservation communities are small and densely populated).

\textsuperscript{169} \textit{NPRM,} 33 FCC Rcd at 4696-97, paras. 29-31; \textit{see} section III.C.2, \textit{infra}.

\textsuperscript{170} Ak-Chin Comments at 1; Bad River Comments at 5-6; Chemehuevi Comments at 1; Chickasaw Nation Comments at 5-7; Colville Comments at 4-5; Havasupai Comments at 3; Mural Net Comments at 1; NCAI Comments at 3; Nez Perce Comments at 1; NPM Comments at 1; NTTA Reply at 5; Pueblo de Cochiti Reply at 2; Santa Fe Indian School Reply at 2.
window, several Tribal entities propose a 90-day notice period prior to the opening of the priority filing window with a 60-day window for the filing of applications.\textsuperscript{171} In accordance with the process we use for competitive bidding\textsuperscript{172} and with our notice and comment requirements, we direct the Wireless Telecommunications Bureau to announce procedures for the Tribal priority window through one or more Public Notices and other appropriate outreach to potentially eligible Tribal applicants.

62. We reject Colville’s suggestion that the Commission rank applicants eligible for the Tribal window based on “tribe’s reservation size and location, with the largest, most sparsely populated, and currently least ‘wired’ reservations receiving top priority.”\textsuperscript{173} We do not believe it necessary to rank Tribal eligibility. We find it unlikely that applications filed in the Tribal priority window will be mutually exclusive in light of our criteria requiring that: (1) Tribal applicants be federally-recognized; (2) the area to be licensed be based on a Tribe’s reservation or qualified off-reservation lands; (3) the area be rural; and (4) the Tribe have a local presence. To the extent that we do receive mutually exclusive applications, we are required by statute to subject such applications to competitive bidding.\textsuperscript{174}

63. Other Issues. Because we are eliminating the educational use requirements for EBS spectrum generally,\textsuperscript{175} we find that it would make little sense to apply those requirements to new Tribal licensees. To that end, we will not impose educational use requirements on the EBS spectrum available in the Tribal filing window.

64. Consistent with our general decision to eliminate leasing restrictions generally for EBS licenses, we will not impose such restrictions on Tribal licensees’ ability to lease spectrum to third parties. According to certain Tribal commenters, doing otherwise might “impede the Commission’s goal of timely and efficient build out in rural areas.”\textsuperscript{176} Tribal entities may not have the “know-how or resources to build out a broadband network” and leasing will increase the likelihood that the spectrum is “used for its highest and best use.”\textsuperscript{177} In addition, the Tribes should be able to lease unused spectrum to “bring in much needed revenue.”\textsuperscript{178} Although we are generally eliminating restrictions on assignment and transfer of existing EBS licenses,\textsuperscript{179} we believe it necessary to impose some restrictions on assignment and transfers of licenses acquired in the Tribal priority window.\textsuperscript{180} Because proponents of the Tribal priority window have indicated an urgent need for the spectrum to provide service to underserved tribal

\textsuperscript{171}Ak-Chin Comments at 2; Chemehuevi Indian Tribe Comments at 2; Colville Comments at 10 (also suggesting that notice period be extended for 60 days based upon Tribal request); Mural Net Comments at 4; Nez Perce Comments at 6; Pueblo de Cochiti Reply at 3; Santa Fe Indian School Reply at 3. But see MuralNet May 24 Ex Parte at 2 (proposing a twelve month rolling window).

\textsuperscript{172}See, e.g., Use of Spectrum Bands Above 24 GHz For Mobile Radio Services, Fourth Report and Order, FCC 18-180, at 4, para. 10 (Dec. 12, 2018). “As in the prior broadcast television spectrum incentive auction, and in all Commission auctions, we will develop and detail all the procedures necessary to implement our decisions in a pre-auction process framed by an Auction Comment Public Notice and Auction Procedures Public Notice;” Creation of Interstitial 12.5 Kilohertz Channels in the 800 MHz Band Between 809-817/854-862 MHz, Report and Order, FCC 18-143, at 15, paras. 59-60 (Oct. 22, 2018).

\textsuperscript{173}Colville Comments at 4-5.

\textsuperscript{174}See para. 75, infra.

\textsuperscript{175}See section A.2A.2, supra.

\textsuperscript{176}Chickasaw Nation Comments at 7-8.

\textsuperscript{177}Id. at 8.

\textsuperscript{178}NTTA Reply at 6.

\textsuperscript{179}See section A.3A.3, supra.

\textsuperscript{180}NPRM, 33 FCC Rcd at 4701-02, para. 47 (asking “Should we require the licensee to demonstrate completion of certain buildout requirements before allowing a transfer of control?”).
communities, we believe it is appropriate to limit, and will accordingly restrict, Tribal licensees’ ability to assign or transfer their licenses until after they have met the build-out requirements applicable to these licenses.\textsuperscript{181}\n
65. The Tribal window will include only unassigned EBS spectrum. We reject suggestions from several Tribal commenters that we permit Tribal entities to apply for already-licensed spectrum.\textsuperscript{182} Not only would such an action be beyond the scope of the \textit{NPRM}, but it also would have a substantial effect on existing licenses that are in compliance with our rules. However, since licenses granted to Tribal entities will be overlay licenses, if an incumbent license that covers rural Tribal lands is cancelled or terminated, any spectrum that becomes available over time will revert to the Tribal licensee. Similarly, Tribal licensees are authorized to lease, partition, or disaggregate their spectrum, including in areas in or near rural Tribal lands. We do not require that incumbent licensees do so, but we encourage those who have holdings covering, or adjacent to, rural Tribal lands to work cooperatively with new Tribal licensees to facilitate deployment of needed service to these areas.

2. Educational Institution Priority Windows

66. We decline to establish a priority filing window for educational institutions, either for educational institutions that do not currently hold EBS licenses or for existing licensees.\textsuperscript{183} Adopting a priority window restricted to educational institutions would be at odds with our other decisions to provide greater flexibility for more providers to make use of the 2.5 GHz band to offer high-speed broadband service to the public. Given our experience with service deployment to date in EBS, with the vast majority of licensees leasing their spectrum to commercial providers, we believe that making the unassigned EBS spectrum available for flexible use is the best way of getting broadband service deployed to the public more quickly and extensively. While we understand the desire of certain educational institutions to gain additional access to spectrum, our decision is guided by the goal of facilitating broadband deployment and spectrum use, and perpetuating an outdated regulatory regime in this band will not further this goal.\textsuperscript{184}

67. If we adopted a priority window open to all educational institutions, it is highly likely that the Commission will receive mutually exclusive applications.\textsuperscript{185} Commenters have identified circumstances that raise substantial doubts about the legal authority of certain EBS licensees, particularly public school districts and local governments, to participate in a spectrum auction.\textsuperscript{186} Specifically, commenters claim that a number of states (approximately 36) have adopted Dillon’s Rule,\textsuperscript{187} which

\textsuperscript{181} Nez Perce Comments at 6 (proposing that tribal entities not be permitted to assign their licenses).

\textsuperscript{182} Several Tribal commenters suggest that we should revoke licenses or mandate disaggregation of spectrum from incumbent EBS licensees with spectrum covering Tribal lands, or that we otherwise should force them to provide service to the Tribal lands or give their spectrum to the Tribal entity. Bad River asks us for a clarification that EBS licenses can be disaggregated. Bad River Comments at 7, n.12. As section 27.15 permits disaggregation for EBS licenses, such clarification is not necessary. However, nothing in that rule mandates such disaggregation. Bad River Comments at 6-7; Chickasaw Nation Reply at 3; Mural Net Comments at 4; Nez Perce Comments at 3, 5; Pueblo de Cochiti Reply at 2; Santa Fe Indian School Reply at 2. Colville asks that the Commission reassign incumbent EBS licenses that are not being used by the incumbent licensee and make them available for application during the filing window. Colville Comments at 5.

\textsuperscript{183} Although we refer to educational institutions, in this section, the term can also include other entities that are described in current 47 CFR § 27.1201.

\textsuperscript{184} NEBSA/CTN Comments at 8; EBPARC Comments at 4; NAUF Comments at 3; Voqal Comments at 5; Dept. of Ed. June 7 \textit{Ex Parte} at 6-7.

\textsuperscript{185} NEBSA/CTN Comments at 11-12; WCAI Comments at 27-29.

\textsuperscript{186} See AASA/AESA Comments at 15. \textit{See also} discussion at para. 84, \textit{infra}.

\textsuperscript{187} AASA/AESA Comments at 15; \textit{see also} Comments of AASA, Docket 03-66 at 10 (filed Sep.22, 2008).
provides that a municipality may exercise only those powers expressly conferred by statute, necessarily or fairly implied by the expressed power in the statute, or essential and not merely convenient. Applied to the auction situation, Dillon’s Rule may limit the ability of many municipal educational entities, including counties and school districts that hold EBS licenses, from participating in an auction. We note that no commenter has attempted to show that Dillon’s Rule is not an impediment to auction participation.

68. Those problems become important because, under section 309(j) of the Communications Act of 1934, as amended, if mutually exclusive EBS applications are accepted for filing, we must use competitive bidding to resolve the mutual exclusivity. Educational institutions propose various workarounds to address that issue, including using a first-come, first-served filing system, placing strict limits on the number of channels an applicant can apply for, forcing applicants to form consortia, or basing license grants on the number of enrolled students in a service area. These proposals are inconsistent either with the Communications Act’s requirement that the Commission use competitive bidding to resolve mutually exclusive applications or with the public interest test applicable to alternatives that avoid mutual exclusivity. Placing strict limits on the number of channels for which an educational institution could apply could constrain severely the capacity any individual educational institution could provide. Finally, choosing between mutually exclusive applicants on a basis other than competitive bidding or requiring applicants that have applied individually to form a joint venture or consortium is plainly inconsistent with the requirement to use competitive bidding.

69. Although EBPARC argues that the use of priority filing windows would quickly put EBS spectrum in the hands of schools and local operator partners that are eager and ready to build out, we do not see a way to avoid the receipt of mutually exclusive applications. And even though SETDA touts the ability of certain educational institutions to provide broadband to unserved and underserved areas, these limited identified examples, among the thousands of EBS licensees, do not persuade us to establish a priority window for all educational institutions. Given the time and effort and delay that would be
involved in establishing and running the priority window, and the likelihood that such a window for all educational institutions would result in having to auction the spectrum anyway, we find that moving directly to flexible use and open eligibility would be the most expeditious method of making spectrum available to provide broadband service in rural and underserved areas, consistent with our statutory objective to ensure “the development and rapid deployment of new technologies, products, and services for the benefit of the public, including those residing in rural areas, without administrative or judicial delays. . . .” \(^{199}\) We find that the advantages to the public of making critical mid-band spectrum available for flexible commercial use on a prompt basis far outweigh the detriment to those educational institutions.

70. We recognize that some institutions have a desire to provide broadband service to rural, underserved areas. In establishing a priority window for Tribal entities—sovereign nations seeking to bring broadband service to the members of their Tribal Nations but which historically have not had access to such spectrum—but declining to establish a new priority window for educational institutions, we are exercising our considered judgment about which proposals will most effectively and expeditiously achieve our statutory obligations and objectives.\(^{200}\) We believe the Tribal priority window will be a more focused solution than an educational window, since Tribal entities will have a clear incentive to target areas lacking broadband, and Tribes must already work with providers that want to deploy broadband on rural Tribal lands.

71. The Commission has noted that Tribal lands, in comparison to comparable non-Tribal lands (including in rural areas), frequently have characteristics that increase the cost of entry and reduce the profitability of providing service, including cultural and language barriers, a lack of existing infrastructure, and a predominance of low-income residential customers rather than business subscribers.\(^{201}\) A recent report to Congress on broadband coverage on Tribal lands recognized that there is a considerable gap between Tribal lands and non-Tribal areas in terms of population covered by mobile LTE service.\(^{202}\) Further, the report noted that people residing on Tribal lands currently have access to fewer providers that offer 4G LTE coverage.\(^{203}\) In contrast, the fact that a small fraction of educational institutions might be positioned to provide broadband service in rural areas is not a sufficient basis for establishing a general priority window for all eligible educational institutions.

72. Thus, in the context of the federally-recognized Tribes’ unique status, their relationship of trust with the Commission, and their right to set their own communications policies, as well as the unique and significant obstacles to offering service in Tribal areas and the fact that they have not previously had access to this spectrum, we conclude that they have an interest in obtaining additional 2.5 GHz spectrum that is greater than and distinguishable from the interests of educational entities. Beyond Tribal areas, we believe that auctioning overlay licenses for remaining white spaces will be a more effective means of addressing the digital divide. Specifically, new EBS licensees will have market incentives to provide service and will also be required to meet new performance requirements.

73. We also note most rural Tribal lands areas will likely be associated with a single Tribal entity, whereas many localities have a wide variety of educational institutions that could have a local presence. Accordingly, a Tribal priority window is less likely to trigger mutual exclusivity in a significant number of license areas than a priority window for educational institutions (or a priority window that includes Tribal entities and educational institutions).


\(^{200}\) See, e.g., 47 U.S.C. 309(j)(3).

\(^{201}\) Connect American Fund, Report and Order, WC Docket 10-90, paras. 2-3 (2018);


\(^{203}\) Id.
We also do not adopt a priority window for existing licensees. We decline to open a priority window for existing licensees to expand to county boundaries for many of the same reasons that we decline to expand those licensees’ footprints to census tract or county boundaries; we expect that such a window would be needlessly complicated and delay the deployment of critical mid-band spectrum. Existing licensees have already had the opportunity to avail themselves of the benefits of EBS spectrum. For this reason, we reject the recommendations of Bridge the Divide and EBC to open a window for incumbent EBS licensees.

C. Licensing Areas Containing EBS White Spaces

1. Auction of EBS White Space Licenses

As proposed in the NPRM, any remaining unassigned EBS spectrum will be made available for commercial use via competitive bidding immediately following the completion of the Tribal priority filing window. Section 309(j) generally requires the Commission to employ competitive bidding to award licenses when mutually exclusive applications have been accepted for filing. With the elimination of the eligibility and educational use requirements, the potential for mutually exclusive applications for unassigned EBS spectrum should increase dramatically. While commenters have suggested various ways to avoid mutual exclusivity, in this case, we find that accepting mutually exclusive applications and using competitive bidding to resolve the mutual exclusivity is the best way to assign spectrum quickly and efficiently for its highest-valued use. Commercial operators strongly support competitive bidding for unassigned EBS spectrum.

We are not persuaded by the educational community’s concerns about the use of competitive bidding for unassigned EBS spectrum. First, we reject claims that assigning licenses by auction will lead to the abandonment of educational services and a worsening of the digital divide.

CoSN Comments at 6 (if market forces were sufficient, this connectivity problem would not exist in so many rural and other hard to serve areas”); CTNI/METL Comments at 8 (if the spectrum is auctioned to commercial
the contrary, we believe this approach is far more likely to deliver value to educational institutions and to help close the digital divide than the status quo, in which EBS spectrum either has lain fallow or has generally not been used for the purpose of providing educational services. We find that assigning licenses by auction will not displace or impair existing incumbent licenses or leases, nor will the assignment of overlay licenses impair existing services, since new 2.5 GHz licensees will be required to protect existing incumbent operators from harmful interference. Nothing in this Report and Order requires incumbent licensees to abandon their current educational use or to change how they use their spectrum. Finally, we find that entities that acquire their licenses by auction will have an incentive to provide services to address the digital divide because all new EBS licensees will have to meet the performance requirements that we establish in this Report and Order in markets that they acquire. Licensees, whether incumbent or new, can provide any services the market requires, without limitation.

77. Auction of Overlay Licenses. To make the unlicensed EBS spectrum as attractive as possible to potential entrants, while protecting the rights of incumbent EBS licensees and their lessees, we conclude that offering geographic overlay licenses that are subject to competitive bidding in those markets where white spaces (i.e., spectrum that is not associated with an active license) exist is the best mechanism for assigning this spectrum. With overlay licenses, the licensees obtain the rights to geographic area licenses “overlaid” on top of the existing incumbent licenses. As with an ordinary flexible use license, the overlay licensee may operate anywhere within its geographic area, subject to protecting the licensed areas (i.e., GSAs) of incumbent licensees. If an incumbent licensee in a county cancels or terminates its license, the overlay licensee obtains the rights to operate in the geographic area and on the channel of the cancelled license. An overlay licensee may clear its geographic area by purchasing the incumbent licenses, but it does not have the exclusive right to negotiate with the incumbent licensee for its spectrum rights or to purchase an incumbent license in the geographic area in which it has the overlay rights. An auction of overlay licenses would make the unassigned EBS spectrum available expeditiously to potential bidders and would provide a mechanism for those bidders to acquire additional spectrum usage rights within their geographic area when and if an incumbent licensee desires to make its spectrum available. For these reasons, we believe that assigning overlay licenses for vacant and available EBS spectrum by competitive bidding is the best method for assigning such spectrum, because it will maximize the potential for expansion, without disrupting existing licensees and lessees.

(Continued from previous page) entities, they will not build where service is needed most); NACEPF Comments at 50-51 ( “an incentive auction would also reduce educational use by drawing licenses away from existing educational licensees to commercial users that are less invested in the educational mission”); South Florida EBS Comments at 12 (an “incentive auction would actively promote the abandonment of educational services on this band as well as the bridging of the digital divide achieved from such services”); Voqal Reply at 33.

211 Sprint Comments at 12; see also Amendment of Part 90 of the Commission’s Rules to Facilitate Future Development of SMR Systems in the 800 MHz Frequency Band; Implementation of Sections 3(n) and 322 of the Communications Act Regulatory Treatment of Mobile Services; Implementation of Section 309(j) of the Communications Act – Competitive Bidding, First Report and Order, Eighth Report and Order, and Second Further Notice of Proposed Rulemaking, 11 FCC Rcd 1463, 1469, para. 3 (1995) (giving EA licensees the right to use any spectrum within the EA block that is recovered by the Commission from an incumbent SMR licensee in the event of termination of the incumbent’s license); TPI Comments at 4.

212 TPI Comments at 4.

213 AT&T suggests that the Commission hold two separate auctions for EBS spectrum: an incentive auction for licensed spectrum and a regular auction for unassigned white space licenses; this would allow bidders to “assemble spectrum from the combined pool of assigned and unassigned EBS licenses (via coincident and coordinated regular and incentive auctions), which would induce greater carrier participation and more vigorous bidding.” AT&T Comments at 5-6 (emphasis original). For the reasons discussed in this item, we do not believe that an incentive auction would be a viable alternative for the EBS spectrum.
78. It does not make sense to limit the auction to licenses covering only unlicensed EBS spectrum. Given the large number of existing incumbent EBS geographic service areas, that is 35-mile radius circles, there may not be enough vacant and available EBS spectrum in many markets to encourage competition for those markets in an auction limited to these white space areas. As noted in the NPRM, in many markets all that is available are “small, irregularly shaped areas between GSAs.”\textsuperscript{214} Another factor that may affect interest in licenses that are not overlay licenses, but rather cover vacant and available spectrum only is that, although the total available geographic area of the EBS vacant and available spectrum might be substantial (50%), the percentage of population covered by the vacant and available (slightly over 15%)\textsuperscript{215} may not be.

79. Another distinguishing characteristic of the EBS band is the preponderance of leasing by existing EBS incumbent licensees. While there are 2,193 active, regular EBS licenses, there are 2,046 long-term \textit{de facto} control leases involving EBS licenses.\textsuperscript{216} The majority of those leases are with Sprint, but there are other lessees in the 2.5 GHz band.\textsuperscript{217} These leases are authorized to have terms of up to 30 years\textsuperscript{218} and often contain rights of first refusal or purchase options.\textsuperscript{219} While one commenter appears to suggest that we consider terminating EBS leases to facilitate transition of the band,\textsuperscript{220} we continue to believe that such an action would serve as an undue deterrent to the negotiation of spectrum leasing, in this as well as other bands, “thus creating uncertainty among all parties that have entered into or are contemplating agreements under our Secondary Markets rules and policies.”\textsuperscript{221} Thus, we must consider the impact of those leases on a potential auction.

80. We are not persuaded by the objections raised in the record to offering overlay licenses at auction. For example, there is no evidence in the record supporting the allegation that the winning bidders would be motivated “to undermine existing EBS licenses serving the area, in order to obtain access to that EBS spectrum under the overlay license without having to lease it.”\textsuperscript{222} Moreover, incumbent EBS licensees will retain control over their licenses and the right to protection from interference from the operations of overlay licensees, their lessees, and other successors in interest.

81. Nor are we persuaded by alleged disadvantages of overlay licensees. For example, Voqal asserts that in many, particularly urban and suburban, markets, only slivers of areas are available for new licensing, and that, as a result, there will be “significant technical complexity engineering a network to operate without impacting adjacent licensees.”\textsuperscript{223} The technical complexities that may result from an auction of overlay licenses are a by-product of its most important advantage, namely the protection of the rights and interests of incumbent licensees. As such, potential bidders will need to consider carefully these technical issues as they decide whether to participate in the auction. Voqal further argues that

\textsuperscript{214} NPRM, 33 FCC Rcd at 4689-90, para. 5.
\textsuperscript{215} This information is based on a review of the Universal Licensing System conducted on May 13, 2019.
\textsuperscript{216} This information is based on a review of the Universal Licensing System conducted on May 13, 2019.
\textsuperscript{217} This information is based on a review of the Universal Licensing System conducted on May 13, 2019. Sprint indicates that it has leases covering approximately 1,600 call signs in the 2.5 GHz band. Sprint Comments at 14.
\textsuperscript{218} 47 CFR § 27.1214(e).
\textsuperscript{219} Sprint Comments at 14; WCAI Comments at 33.
\textsuperscript{220} AT&T Comments at 8.
\textsuperscript{221} BRS/EBS Fourth MO&O, 23 FCC Rcd at 6044, para. 137.
\textsuperscript{222} EBS Parties Reply at 3-4; NACEPF Comments at 51-52; South Florida EBS Comments at 11-12 (stating that overlay licenses would likely be purchased by the current lessees giving them an incentive to terminate leases and work toward the failure of educational services on current licenses where they would hold an exclusive right to licensing of the spectrum in the event of such failure).
\textsuperscript{223} Voqal Comments at 26.
“allowing a new buyer to purchase this spectrum would foreclose opportunities for existing providers to cover these areas just outside the current GSAs, and that this could lead to very different levels of service in the two adjacent GSAs, which could include residents of the same county.”

We note that overlay licensees will have an incentive to put to use licenses they acquired at auction and also will be required to provide service in order to meet their performance requirements. Proceeding to auction of the vacant and available EBS spectrum will permit market forces to determine the highest and best use of this spectrum.

82. Incentive Auction. We find that conducting an incentive auction could be particularly challenging for purposes of assigning flexible use licenses for EBS white spaces because: (1) the majority of the licensed EBS spectrum is already leased, (2) incumbent EBS licensees and potential bidders have demonstrated little interest in participating in an incentive auction, and (3) many EBS licensees do not have authorization under state law to participate in any kind of auction. Commenters note that such “[t]wo-sided auctions are complicated, costly to the government as well as to participants, and take a long time to complete,” moreover, any repacking process would be disruptive for incumbent EBS licensees that wish to continue to provide educational services. We therefore conclude that our policy objectives are better served by assigning overlay licenses subject to auction as described above.

83. Most commenters oppose an incentive auction because the vast majority of EBS spectrum is subject to long-term leases that would preclude most EBS licensees from participating in the reverse auction. They note that an incentive auction would not work from a legal or practical perspective because it would require participation from both existing licensees and their lessees. Further, commenters note that even if the terms of leases permitted licensees to participate in an incentive auction to relinquish their spectrum usage rights, and forward auction participants bid on licenses subject to the existing leases, the prevalence of long-term leases could severely limit bidders’ interest in the new licenses offered. Commenters contend that the existence of the leases lessens the likelihood that entities other than the current lessee would bid, and that it would “badly distort a potential forward

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224 Id.


226 An incentive auction is an auction in which an incumbent license holder is encouraged to “relinquish voluntarily some or all of its spectrum usage rights” to permit the assignment of new flexible use licenses and in return to receive a portion of auction proceeds from an FCC-conducted auction. 47 U.S.C. § 309(j)(8)(G). The statute requires that a portion of proceeds to be shared with the incumbent be based on the value of the relinquished spectrum rights, as determined in a reverse auction. Id.

227 HITN Comments at 2; NACEPF Comments at 49-51; Sprint Comments at 13-15; TPI Comments at 4 (“[A]rgument for a two-sided auction is stronger for something like the recent TV band auction, which involved significant repacking and band coordination issues. These issues are less important with the EBS licenses, most of which are already leased for non-educational purposes. This suggests that participation in a reverse auction might be minimal. Participation might also be complicated by the licensee-lessee relationship, which would have to be resolved before a licensee could participate”); Voqal Comments at 25-26; WCAI Comments at 32 (“an incentive auction would be wholly inappropriate in the EBS context”); EBPARC Reply at 4 (“Clearly if a license holder or licensee has constructed its own system and is using it, then they cannot expect to sell the license and keep operating. Additionally, demand from buyers for spectrum that is already leased to Sprint, or another party would also be limited, since the lease would prevent construction of another system by the buyer. Finally, the EBS licensing rules have encouraged an environment where EBS spectrum leases can occur easily, which obviates the need for an incentive auction”).

228 TPI Comments at 4 (“[S]pectrum from the recent TV band incentive auction, proposed in the 2010 National Broadband Plan, will only become available in 2020 and less than 60% of the amount targeted will actually become available”; see also NACEPF Comments at 50; Voqal Comments at 25-26 (describing that the Broadcast Incentive Auction was authorized in 2012, completed in 2018, and that it is likely that the repack will not be completed until 2025).
auction.”

AT&T claims that EBS licensees would be able to participate in an incentive auction, despite existing leases, because they could negotiate a price at which lessees would give up their rights. We expect that it likely would be difficult or impossible for many EBS licensees to pay commercial lessees to break their leases, as most EBS licensees are educational, non-profit entities. Although TechKnowledge suggests that the Commission could invalidate lease provisions that would prevent EBS licensees from participating in an incentive auction, unilaterally modifying contractual provisions agreed to as part of an agreement between a licensee and lessee raises serious questions of fairness and legality. Moreover, even if such lease provisions were invalidated, many EBS licensees may still be unable to participate in an incentive auction because they lack the legal authority under state law to do so.

AT&T contends that the majority of entities opposing incentive auctions “have a powerful self-interest” in doing so because keeping EBS licensees confined to the secondary market prevents interested parties from knowing the value of the licenses, especially after eligibility and use restrictions are eliminated. While AT&T likely is correct that lessors and lessees have an interest in protecting existing leases, we find that such an interest is legitimate where they have relied on those leases to build their networks and where such leases have long been permitted under our rules.

While there is limited support in the record for an incentive auction as a way to “encourage incumbents to relinquish voluntarily some or all of their spectrum usage rights,” we conclude that we can achieve much the same result with less disruption to existing licensees and lessees through an auction of overlay licenses. For example, commenters allege that, if we act on our proposals to eliminate eligibility restrictions and make EBS licenses readily transferable, an incentive auction will not be necessary to promote the transition of the band to commercial use, since the use of the spectrum is not changing. As WCAI notes, EBS licensees that wish to sell their licenses and have the ability to do

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NACEPF Comments at 51; TPI Comments at 4.

Sprint Comments at 14 (an “incentive auction at 2.5 GHz is not feasible from a commercial or regulatory perspective given that most existing EBS spectrum is subject to long-term leases that would legally prohibit licensee participation in the reverse auction. Sprint in particular has long-term lease arrangements involving approximately 1600 call signs in the 2.5 GHz band, which covers over 60% of the current EBS licenses. These licensees cannot return this spectrum to the Commission without implicating Sprint’s contractual rights. Notably, EBS leases typically include provisions such as rights of first refusal on the sale of the license and the lease of the spectrum following expiration of the lease and exclusivity terms, which preclude any negotiations regarding alternative spectrum uses”); Voqal Comments at 26 (noting that “roughly 90% of all EBS licenses are leased to a commercial provider. On average, these lease agreements do not expire for approximately two decades. Were the Commission to pursue an incentive auction, very few licensees would participate because of their contracts with commercial providers”); WCAI Comments at 33 (EBS leases often contain rights of first refusal and other provisions that govern situations when an the EBS licensee wants to assign its license).

EBS Parties Reply at 3.

AT&T Reply at 8-9.

Voqal Comments at 26.

NACEPF Comments at 51; see also Sprint Reply at 10; Voqal Reply at 33; TechKnowledge March 27 Ex Parte, White Paper at 29-30 (noting that, if the Commission does not invalidate lease terms, there would be an impact on the auction process).

AT&T Reply at 8.


See para. 67, supra for a discussion of Dillon’s Rule and the alleged inability of many local government entities to participate in a spectrum auction. See also University of Cincinnati Comments at 1; see also Comments of North
so will be able to sell quickly and efficiently, and without administrative costs, via secondary markets, due to the lifting of the eligibility restrictions. In addition, as WCAI explains, not all EBS spectrum is fungible. In these circumstances, given our decision to eliminate eligibility restrictions, an auction of overlay licenses will quickly assign licenses for EBS white spaces and promote the transition of the band with little disruption to existing users of the spectrum.

87. **Applicability of Part 1 Competitive Bidding Rules.** Substantially consistent with the NPRM, we adopt our proposal to conduct any auction of EBS licenses in conformity with the general competitive bidding rules in part 1, Subpart Q, including any modifications that the Commission may adopt for its part 1 general competitive bidding rules in the future. We believe that the Commission’s general competitive bidding rules are suitable to conduct an auction of EBS licenses. The limited comment we received on these issues generally supports use of the general part 1 competitive bidding rules. We believe our part 1 rules will allow market forces to determine its highest and best use, and thus will enable the Commission to meet its goal of spurring more efficient and effective use of the 2.5 GHz band. These rules have proven successful in numerous spectrum auctions and establish an auction process that promotes “efficient and intensive use” of this spectrum and the “development and rapid deployment of new technologies, products, and services for the benefit of the public, including those residing in rural areas,” and that “recover[s] for the public . . . a portion of the value of the public spectrum resource made available for commercial use.”

88. We will adopt bidding credits for EBS, although the NPRM proposed not to apply any designated entity preferences. Based on our experience with the use of bidding credits in recent spectrum auctions, we now conclude that using bidding credits in competitive bidding for the 2.5 GHz band is an effective tool to achieve our statutory objective of promoting the participation of designated entities in the provision of spectrum-based service. In designing auction rules and procedures, the Commission takes into account both the nature of the service and the nature of the parties most likely to be interested in using the spectrum. Bidding credits have been successful in other auctions, including

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238 AT&T Reply at 7-8.

239 Midco Comments at 17; AT&T Reply at 6-10; TechKnowledge March 27 Ex Parte, White Paper at 15-18. TechKnowledge suggests that licenses not offered in an incentive auction could remain subject to the existing educational use and eligibility restrictions as a way to encourage licensees to participate. TechKnowledge March 27 Ex Parte, White Paper at 20. Maintaining such restrictions would be inconsistent with our goal of increasing the use and flexibility of EBS licenses.

240 While Midco suggests that the Commission consider using auction proceeds to fund programs to close the homework gap, Midco Comments at 17, Voqal correctly notes that the Commission lacks the authority to disburse auction funds in this way. Voqal Comments at 20 n.55. Although we agree that closing the homework gap is a laudable goal, our current auction authority does not permit us to use auction revenues this way. See 47 U.S.C. § 309(j)(8).

241 WCAI contends that an “incentive auction is best utilized where there is a need for the Commission to organize the market and match the demand of buyers with the supply from sellers . . . In the case of EBS spectrum, the market has worked efficiently since the Commission’s 1983 decision permitting leasing . . .” WCAI Comments at 34-35. T-Mobile agrees with WCAI and suggests that an incentive auction works well when the use of spectrum is changing substantially, and that it is unlikely to be the case here-most EBS spectrum is already being used for mobile broadband. T-Mobile Reply at 3-4. According to T-Mobile, incentive auctions are “invaluable to resolve situations where secondary markets do not function well” but that the due to the amount of leasing of EBS spectrum, that is clearly not the case here. T-Mobile Reply at 2.

242 WCAI Comments at 35.
prior auctions of the 2.5 GHz band.\textsuperscript{251} The removal of the eligibility restriction and educational use requirements will attract more commercial operators to the 2.5 GHz band and bidding credits should help to facilitate greater participation in any auction of EBS licenses.\textsuperscript{252} We now conclude that offering bidding credits to designated entities, along with the updates to the 2.5 GHz band that we adopt today, strike the appropriate balance and should improve the ability of small businesses to attract the capital necessary to meaningfully participate in an auction of 2.5 GHz spectrum, best satisfying our congressional objectives.\textsuperscript{253} We therefore agree with the comments we received supporting the use of bidding credits in an EBS auction.\textsuperscript{254}

89. Consistent with our other recent auctions, we will adopt the high two of three thresholds in the Commission’s standardized schedule of bidding credits for auction of spectrum well suited for 5G deployment.\textsuperscript{255} Accordingly, an entity with average annual gross revenues for the preceding five years not exceeding $55 million will qualify as a “small business,” while an entity with average annual gross revenues for the preceding five years not exceeding $20 million will qualify as a “very small business.”\textsuperscript{256} In the \textit{Competitive Bidding Second Memorandum Opinion and Order}, the Commission stated that it would define eligibility requirements for small businesses on a service-specific basis, taking into account the capital requirements and other characteristics of each particular service in establishing the appropriate threshold.\textsuperscript{257} While the capital requirements of the services to be deployed in these bands is not yet known, we believe that using these gross revenue thresholds will enhance the ability of small businesses to acquire and retain capital and thereby complete meaningfully at auction. We also believe that these thresholds are not overly inclusive, and prevent designated entity benefits from flowing to entities for which such credits are not necessary. We will provide qualifying “small businesses” with a bidding credit of 15% and qualifying “very small businesses” with a bidding credit of 25%, consistent with the standardized schedule in Part 1 of our rules.\textsuperscript{258} We reject the proposal for the use of three tiers of small business bidding credits because we believe that this two-tiered approach has been successful in the past,

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We believe the use of the small business definitions and associated bidding credits set forth in the Part 1 bidding credit schedule will provide consistency and predictability for small businesses.

90. The rural service provider bidding credit awards a 15% bidding credit to those servicing predominantly rural areas and that have fewer than 250,000 combined wireless, wireline, broadband and cable subscribers. We will apply the rural service provider bidding credit to auction of EBS licenses in the 2.5 GHz band. We believe that a targeted bidding credit will better enable rural service providers to compete for spectrum licenses at auction and in doing so, will increase the availability of 5G service in rural areas. The comments we received support the use of the rural service provider bidding credit.

91. In the Competitive Bidding Update Report and Order, the Commission adopted a process for establishing a reasonable monetary limit or cap on the amount of bidding credits that an eligible small business or rural service provider may be awarded in any particular auction. It established the parameters to implement a bidding credit cap for future auctions on an auction-by-auction basis. Consistent with the Commission's longstanding approach, we will initiate a public notice process to solicit public input on certain details of auction design and the auction procedures for the auction of EBS licenses. As part of that process, we will solicit public input on the appropriate amount of the bidding credit cap and subsequently establish the cap that will apply for that auction, based on an evaluation of the expected capital requirements presented by the particular spectrum being auctioned and the inventory of licenses to be auctioned.

92. The tribal lands bidding credit program awards a discount to a winning bidder for serving qualifying tribal land that have a wireline telephone subscription rate equal to or less than 85% of the population. We believe that tribal entities involved in the telecommunications industry face unique challenges in participating in spectrum auctions and that the tribal lands bidding credit will promote further deployment and use of spectrum over tribal lands. While we are also adopting a Tribal priority

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window, we believe the priority window and bidding credit can complement each other and help facilitate service on Tribal lands. No commenters oppose the tribal land bidding credit nor suggest that the tribal lands bidding credit is unnecessary. Accordingly, a winning bidder for a market will be eligible to receive a credit for serving qualifying Tribal lands within that market, provided it complies with the applicable competitive bidding rules.  

2. Description of Licenses Being Offered

93. Geographic Area. We adopt counties as the appropriate geographic size for new licenses. We find that a county-based license will afford overlay licensees the flexibility to develop localized services, allow for targeted deployments based on market forces and customer demand, and facilitate access by both smaller and larger providers. As noted by several commenters, counties also “nest” into Basic Trading Areas (BTAs), and thus they are congruent with the current footprint of BRS licensees, creating consistency with the existing BRS licensing framework. As noted by supporters, licensing by county accommodates a wide variety of business models: it enables rural providers to obtain spectrum just in the area that they intend to serve, while allowing larger providers to aggregate spectrum in multiple counties as part of a larger business plan.

94. We reject the alternative of census tracts as the geographic area licensing unit. We agree with commenters opposing the use of census tracts that census tracts are extremely numerous and are dynamic in size and location, which makes them difficult to manage and organize. These commenters contend that “the numerous boundaries make RF containment problematic, a problem that would be exacerbated by the relatively higher field strength limits involved with 2.5 GHz equipment that can operate at hundreds of watts of power.” Because many census tracts would be smaller than the average coverage area of a single 2.5 GHz base station, we conclude that census tracts would be unworkable.

95. We also find Sprint’s proposal to offer large-area licenses, based on either Partial Economic Areas or BTAs, inferior to basing licenses on counties. While Sprint notes that “BTA (Continued from previous page)
licensing in particular has the benefit of consistency with the existing BRS licensing framework,”276 we are not persuaded that consistency with the BRS framework alone warrants adopting a larger license size for EBS spectrum.

96. **Band Plan.** We adopt a band plan that will include three overlay licenses: the first license will include channels A1-A-3, B1-B3, C1-C3 (49.5 megahertz); the second license will include channels D1-D3, the J channels, and channels A4-G4 (50.5 megahertz); and the third license will include channels G1-G3 and the relevant EBS K channels (16.5 megahertz of contiguous spectrum and 1 megahertz of the K channels associated with the G channel group). A group of small rural carriers supports this band plan.277 By providing applicants the flexibility to bid on three different licenses we also will provide opportunity for entities of various sizes and spectrum needs to participate in an auction. As commenters note, it is important that wide channel blocks of contiguous spectrum be available because wider blocks are necessary to provide high-speed broadband access.278 By creating two new wider channel blocks of 49.5 megahertz and 50.5 megahertz of contiguous spectrum, respectively, we have done just that. Moreover, by creating two new licenses of almost equal size while keeping channel groups together, we have made it easier for the new overlay licensees to coordinate with the incumbent EBS licensees.279

97. In the NPRM, we asked commenters to address the appropriate channel block size for future licensing and to discuss why such a channel block size would serve the public interest, and we received a variety of proposals in response.280 While some commenters argue that we should license the current middle band segment as a separate license, we conclude that such an approach would be spectrally inefficient.281 The middle band segment was originally designed for legacy video services,282 which have virtually disappeared from the band. Licensing the middle band channels separately creates discontiguity, which is ill-suited for wireless broadband use in general and Time Division Duplexing (TDD)—the predominant use of the band currently—in particular. For this reason, while we agree with WCAI and

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264 *Id.*

265 *Id.* at 7541, para. 114.

266 47 CFR § 1.2110(f)(3).

267 See Midco Mar. 5, 2019 *Ex Parte* at 6 (advocating that the Commission offer robust bidding credits in an EBS auction to “encourage development in Tribal areas.”).

268 *Id.*

269 NTCA Comments at 6; WCAI Comments at 5; T-Mobile Reply at 7-8; TechKnowledge March 27 *Ex Parte*, White Paper at 30.

270 NTCA Comments at 6.

271 *Id.*

272 Midco finds either census tracts or counties acceptable, although it maintains that counties would be easier to administer. Midco Comments at 8-9.

273 T-Mobile Reply at 7-8.

274 *Id.*

275 Sprint Comments at 11.

276 *Id.*

277 Carolina West, *et al.* July 3 *Ex Parte* at 2.

278 Midco Comments at 17-18; Sprint Comments at 11; WCAI Comments at 19-20; WISPA Comments at 20-21.
Sprint that having three different licenses is appropriate, we do not adopt their specific proposed band plans. WCAI suggests licenses for the lower band (A1-3, B1-3, C1-3, D1-3 and the J channels), the middle band (A-G4) and the upper band. (G1-G3 and the K channels), while Sprint proposes three licenses at (1) A1-4 and B1-4, (2) C1-4 and (3) D1-4 and G1-4.\textsuperscript{283} We also reject WISPA’s proposal, supported by US Cellular, for four channel blocks, (1) A1-3 and B1-3, (2) C1-3 and (3) D1-3, A4, B4, C4, D4 and G4 and (4) G1-G3.\textsuperscript{284} By creating separate licenses for the lower and middle parts of the band, these proposals would not maximize the 2.5 GHz band’s potential to be used for high-speed wireless broadband services. The band plan we adopt today will also create two wide channel blocks of almost equal size. We note that WISPA would find the band plan we adopt today acceptable as an alternative,\textsuperscript{285} and we also believe the band plan we adopt today is responsive to U.S. Cellular’s argument that fixed wireless providers generally need 45 megahertz of spectrum to deploy in the 2.5 GHz band.\textsuperscript{286}

98. We further find that the EBS white space discounts from the spectrum screen also should be eliminated. In the NPRM, we sought comment on whether any rule changes adopted here would warrant modification of our treatment of EBS spectrum in the spectrum screen.\textsuperscript{287} Although one commenter, opposing revision of the screen, argues that changes are unnecessary,\textsuperscript{288} several others support revising the spectrum screen.\textsuperscript{289} WCAI, for example, argues that retaining a spectrum screen discount “based on outdated educational use requirements and eligibility would not reflect the new reality that all EBS spectrum can be used for commercial purposes.”\textsuperscript{290} AT&T similarly argues that changing the EBS spectrum rules and repurposing EBS spectrum would require the Commission to revise the spectrum screen to include all EBS spectrum because the changes would make all EBS spectrum “‘used and useful’ for the provision of mobile broadband services.”\textsuperscript{291}

99. Although the Commission previously excluded 16.5% of EBS spectrum from the spectrum screen to account for the fact that commercial providers did not have an opportunity to gain access to EBS white space spectrum, this discount is no longer necessary.\textsuperscript{292} Accordingly, we find that EBS white space spectrum should be considered “available,” for purposes of the spectrum screen.

100. Finally, we conclude that it is no longer necessary to exclude 5% of EBS spectrum from

\textsuperscript{279} The J channels account for an additional 4 megahertz of lower guard band EBS spectrum which will be newly added to the spectrum screen.

\textsuperscript{280} NPRM, 33 FCC Rcd at 4702, para. 50.

\textsuperscript{281} Select Spectrum Comments at 3; WCAI Comments at 18-19; WISPA Comments at 20-21.

\textsuperscript{282} BRS/EBS R&O, 19 FCC Rcd at 14184, para. 39.

\textsuperscript{283} Sprint Comments at 11.

\textsuperscript{284} WISPA Comments at 20-21; see also U.S. Cellular July 1 Ex Parte.

\textsuperscript{285} WISPA July 2 Ex Parte at 2.

\textsuperscript{286} U.S. Cellular July 2 Ex Parte at 2.

\textsuperscript{287} NPRM, 33 FCC Rcd at 4695, para. 24.

\textsuperscript{288} Select Spectrum Comments at 5.

\textsuperscript{289} WCAI Comments at 23-24; Midco Comments at 19, AT&T Comments at 8 n.16.

\textsuperscript{290} WCAI Comments at 23-24.

\textsuperscript{291} AT&T Comments at 8 n.16.

\textsuperscript{292} Nebraska notes that the spectrum screen depends on white space and how it is used. Nebraska Joint Agency Comment at 11; see also AT&T Comments at 8, n.16 (asserting that if the Commission decides to repurpose EBS spectrum, by, among other things, conducting a regular spectrum auction of unlicensed EBS spectrum, it should revise the spectrum screen).
the spectrum screen in light of our decision to eliminate the educational use requirement. While we recognize that some existing EBS spectrum leases may include terms with educational use restrictions, we believe that if there are such aspects of EBS spectrum leases that warrant further consideration, our case-by-case review of secondary market transactions is the best way to assess the impact of such spectrum lease contractual provisions in particular local markets.

3. Requirements for New 2.5 GHz Licensees

101. Performance Requirements. We adopt the performance requirements that the Commission proposed in the NPRM, replacing the existing substantial service regime with a menu of specific performance requirements for EBS licensees that depend on the specific service they are offering. Going forward, EBS licensees that are required to make a build-out showing under these new standards may fulfill their final performance requirements by showing any of the following: (1) 80% population coverage for mobile or point-to-multipoint service (50% interim); (2) 40 links per million persons (one link per 25,000) for fixed point-to-point service (20 links per million interim (one link per 50,000)); or (3) 80% population coverage for broadcast service (50% interim). No other types of showing or levels of coverage will be accepted. These benchmarks will apply to both licenses won at auction and licenses granted through the Tribal priority window.

102. These benchmarks are similar to those for the AWS-3 and WCS bands (which have similar propagation characteristics) but are slightly higher (an additional 5%) to account for the maturity of technologies already developed and deployed in the 2.5 GHz band. Specifically, while the AWS-3 and WCS performance requirements were established before there were extensive operations in those bands, there are currently extensive operations and ample equipment in the 2.5 GHz band. These increased requirements will help to address the concerns of some commenters that current licensees of this spectrum are not deploying to all communities within their license areas. This approach to

293 Mobile Spectrum Holdings Report and Order, 29 FCC Rcd at 6186, para. 123.
294 Several commenters note extensive leasing arrangements in the EBS band and want those leases to be preserved. HITN Comments at 4; NAUF Comments at 8; Voqal Comments at 6, 10. We agree with commenters that our actions should not harm or invalidate existing leases, and we emphasize that nothing in our actions is intended to invalidate existing lease provisions.
296 NPRM, 33 FCC Rcd at 4703-04, para. 54.
297 Currently, licensees in the 2.5 GHz band, including EBS licensees, are subject to a substantial service regime of performance requirements, which were set forth in 2006 as part of the ongoing efforts to transition the band to the new band plan established in 2004. Licensees were required to demonstrate compliance by May 1, 2011. This requirement includes specific safe harbors, including 30% population coverage for mobile or point-to-multipoint use, six permanent links per million for fixed point-to-point services, and an educational safe harbor for EBS licensees specifically, consisting of 20 hours of educational use per channel, per week. See BRS/EBS Second R&O, 21 FCC Rcd at 5719-33, paras. 276-304; see also BRS/EBS FNPRM, 19 FCC Rcd at 14282-84, paras. 321-22.
297 NPRM, 33 FCC Rcd at 4703-04, paras. 54-55.
298 Id. at 4703-04, para. 54.
299 As we discuss below, this does not include existing licensees who have already fulfilled their performance requirements under the previous standards.
300 Licensees may continue to apply for extensions and waivers, per the Commission’s usual policies on such requests.
301 See 47 CFR § 27.14(p), (s). AWS-3 and WCS licensees must provide coverage of 75% of the population in their license areas as a final buildout requirement. Id.
302 See Bad River Comments at 6; Nez Perce Tribe Comments at 7; Friday Institute Institute Reply at 8-9.
performance requirements is supported by several commenters who advocate for robust performance requirements, including the NPRM proposal specifically,\textsuperscript{303} as well as other commenters who generally support build-out requirements without providing specifics.\textsuperscript{304}

103. Some commenters suggest a more relaxed approach to performance requirements, including retaining the current substantial service regime.\textsuperscript{305} Other commenters support adoption of the same performance requirements as those currently applicable to BRS licensees,\textsuperscript{306} which are similar to the current EBS substantial service standard.\textsuperscript{307} We reject retaining the existing substantial service requirement for new EBS licenses, as the existing requirements are inconsistent with the build-out requirements we have adopted for similar bands such as AWS. We agree with WISPA that those substantial service standards are too vague, particularly in the context of a band that has a developed equipment ecosystem.\textsuperscript{308} The existing substantial service requirements were adopted prior to the transition to the new band plan and at a time when there was substantial uncertainty about how the band would be used in the future. Now, the ability to use EBS for broadband is well established. Given the maturity of the ecosystem in this band, and the low thresholds and vague requirements of the previous standards, we decline to continue with the substantial service regime or to adopt any minor modification thereof.\textsuperscript{309} In other bands, the Commission has determined that a substantial service regime, which lacks firm minimum requirements, does not adequately safeguard effective use of the relevant spectrum, and we extend that conclusion to EBS.\textsuperscript{310} The increased requirements we adopt in this Report and Order will address that concern more effectively than the current requirements.

104. A few commenters suggest alternatives to the NPRM proposal beyond retention of substantial service. The Nez Perce Tribe suggests that the “coverage target” should be 100% area coverage, but that the actual benchmark should be determined by each licensee according to the specific terrain and circumstances of each license.\textsuperscript{311} Other commenters propose imposing various standards of service, such as speed or affordability, as part of the performance requirement.\textsuperscript{312} We decline to\textsuperscript{303} EBC Comments at 4 (supporting Commission proposal if limited to commercial licenses); Friday Institute Reply at 6-9 (urging “more robust” requirements); Mideo Comments at 14 (supporting Commission proposal), North Carolina Comments at 6 (suggesting 50% interim area coverage and 95% final); WISPA Comments at 22-23 (supporting Commission proposal).

\textsuperscript{304} CA K-12 HSN Comments at 20 (supporting “a good process to ensure license holders are meeting minimal use requirements”); CCA Comments at 6-7 (suggesting “reasonable” standards); SETDA Comments at 8 (urging adoption of “build-out requirements that lead to timely service delivery for marginalized students”).

\textsuperscript{305} CTN/NESBA Comments at 20 (supporting substantial service); NACEPF Comments at 49 (opposing any requirement more stringent than those in place for commercial operators in other bands, including BRS); R Street Institute Comments at 9-11 (urging use of secondary markets instead), Select Spectrum Comments at 6 (supporting substantial service); Sprint Comments at 12-13 (supporting substantial service); Utah Comments at 2-3 (supporting substantial service); WCAI Comments at 30 -31 (supporting using existing standards for BRS, which provide for 30% population coverage); EBPARC Reply at 5-6 (supporting substantial service).

\textsuperscript{306} Sprint Comments at 12; WCAI Comments at 30.

\textsuperscript{307} See 47 CFR § 27.14(o)(1), (2).

\textsuperscript{308} WISPA Reply at 22.

\textsuperscript{309} For the reasons discussed in this item, we will continue to use the old substantial service requirements for the limited purpose of applying the renewal standard to existing EBS licensees. See para. 112, infra.


\textsuperscript{311} Nez Perce Comments at 7.

\textsuperscript{312} Mideo Comments at 14-15 (minimum speed threshold of 25 Mbps down and 3 Mbps up, no data caps); SHLB Comments at 5-7, n.11 (20% of all customers should have affordable, uncapped wireless broadband service).
incorporate these concepts into the new performance requirements we adopt today. The Nez Perce Tribe’s case-by-case suggestion would result in requirements that would vary across licenses, and that, if based on a licensee’s own analysis, could not be determined prior to auction. The resulting uncertainty would be unfair to auction participants, who could not reasonably anticipate the construction obligation that would accompany their new licenses. This system also would place a significant burden on licensees to justify their particular level of construction as adequate in their circumstances, rather than giving licensees a set benchmark on which to rely. We also decline to incorporate any quality of service measure into the performance requirements. We do not include such a requirement in any other wireless service as a condition of license renewal, and the commenters suggesting it have not provided evidence that EBS as a service is uniquely situated so as to require it.

105. We decline to adopt any educational use metric for performance requirements. The potential for wireless services to support education is clear; nevertheless, this goal will be supported best by adopting stringent build-out requirements that encourage wider deployment of all broadband services, rather than by attempting to define what constitutes acceptable levels or types of educational use specifically. The few comments received on this issue illustrate the difficulty of finding a specific educational metric that encourages deployment without placing an undue regulatory burden on licensees. The robust mobile, fixed, and broadcast metrics we adopt in this Report and Order will promote deployment of wireless services that can be used for all purposes, including education. We recognize that incumbent licensees may have relied on the educational use standard to fulfill their performance requirements in the past. Those licensees may continue to use the substantial service standard in order to make their renewal showing, but the substantial service standard, including the educational safe harbor, will not be available to new licensees in the band.

106. The Commission also sought comment in the NPRM on the appropriate timeline for the interim benchmark, and the appropriate penalty for failure to meet a benchmark. In this regard, we will apply the interim benchmark after four years, and the final benchmark after eight years. The penalty for failure to meet the interim benchmark will be the acceleration of the final benchmark deadline by two years, to six years rather than eight. This timeline is slightly more aggressive than WISPA’s suggestion of a five-year interim and a ten-year final deadline, but the critical role of mid-band spectrum in today’s spectrum environment warrants such an approach. The existing ecosystem of equipment already available in the band, and the success of recipients of waivers and STAs with expeditious deployment, also suggest that a more compressed timeline is appropriate here. This timeline and the two-year acceleration penalty are also largely consistent with our rules in other bands and will help harmonize the regulatory regime of the 2.5 GHz band with other commercial wireless services. Apart from WISPA, no other commenters offer suggestions for the timing of benchmarks or the acceleration penalty.

107. As with other wireless services, a license will automatically terminate if the licensee fails to meet the final construction benchmark. We reject as unnecessary Midco’s suggestion to allow one or

313 See South Florida EBS Comments at 7 (acknowledging that the current hour-based metric is a poor fit for the broadband context but cautioning that any new metric must not overburden licensees); Friday Institute Reply at 6-7 (suggesting that the metric be based on the percentage of K-20 students served, as geographic area is insufficient to describe the educational reach of a deployment).

314 NPRM, 33 FCC Rcd at 4703-04, para. 54.

315 WISPA Comments at 22-23.

316 See para. 106 infra.

317 See 47 CFR § 27.14(q) (AWS-4, interim showing four years after initial license grant, final accelerated from seven to six years if interim not met); (s) (AWS-3, final accelerated by two years if interim not met); (t) (600 MHz, same as AWS-3).

318 See 47 CFR §§ 1.946(c), 1.955(a)(2).
two 90-day cure periods in order to accommodate “difficult conditions” or “other unknown impediments.”

We expect applicants to conduct their due diligence and plan to meet these buildout deadlines. In extraordinary circumstances, the Commission may consider waiver requests to accommodate unanticipated difficulties requiring short-term accommodations.

108. For licenses acquired via the Tribal priority window described above, we adopt a different timeline. These licenses must demonstrate compliance with interim build-out levels after two years, and final build-out levels after five years. The penalty for missing the interim deadline will be an acceleration of the final deadline by one year. This timeline will encourage deployment in underserved areas, while discouraging speculation or application mills. The equipment ecosystem in this band has matured considerably since potential licensees last had a routine opportunity to apply for this spectrum, and the cost and difficulty of deployment have eased significantly. Recent recipients of waivers and STAs in this band have been able to deploy and begin service well within a five-year timeframe. This timeline is also consistent with the recommendation from MuralNet, which developed and deployed the network for the Havasupai Tribe.

109. There are also considerations specific to the Tribal window that support this timeline for those licensees. Because Tribal applicants will be able to specify their own service area, this timeline will encourage those applicants to estimate accurately the level of deployment they will be able to achieve, rather than over-claiming and thereby precluding any other potential licensee. We therefore reject Colville’s suggestion that requirements should not be “more robust” than for other licensees, and Havasupai’s suggestion that Tribes should not be subject to any build-out requirement whatsoever. In addition, a five-year Tribal deployment timeline will enable an auction-based overlay licensee to reclaim unbuilt spectrum before the end of its ten-year overlay license term if a Tribe is unable to build, helping to ensure that the spectrum is put to use.

110. **Renewal Standards.** In 2017, the Commission adopted a unified regulatory framework for the Wireless Radio Services (WRS) that replaced the existing patchwork of service-specific rules regarding renewal, comparative renewal, continuity of service, and partitioning and disaggregation, with clear and consistent rules of the road for WRS licensees. We adopt the NPRM’s proposal to apply the

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WRS framework of renewal standards to new EBS licenses, including licenses granted via the Tribal priority window.\textsuperscript{327} With the actions we take today to make EBS more flexible and similar to other bands where the WRS rules apply, we find it is now appropriate to apply the WRS rules to EBS. This change will harmonize the regulatory regime of the 2.5 GHz band with other bands that support commercial wireless services,\textsuperscript{328} and it will give licensees more clarity on their regulatory requirements and options, including the flexibility to partition or disaggregate their licenses. The record supports applying the WRS framework to new EBS licenses.\textsuperscript{329} We believe that updating the renewal standards in this manner will encourage more rapid deployment of next generation wireless services, including 5G.

111. We also apply the WRS framework to existing EBS licensees.\textsuperscript{330} The Commission sought comment on this issue in the NPRM, and several commenters support this idea.\textsuperscript{331} Applying the renewal standard to existing licenses will ensure that the licensees who hold them will continue to provide some level of service and that the frequencies covered by those licenses do not lie fallow. Consistent with our treatment of other incumbent licenses that did not have a prior renewal standard, we will require compliance with the renewal standard for renewal applications filed after January 1, 2023.\textsuperscript{332}

112. In evaluating existing licensees under these new renewal standards, however, we will apply new WRS build-out standards if the Commission promulgates them.\textsuperscript{333} Without prejudging the outcome of that open proceeding, we seek to harmonize the 2.5 GHz band with other bands that support commercial wireless services, recognizing that this Order transitions the band to more flexible use. For clarity, we emphasize that the old, substantial service build-out standard contained in section 27.14(o) of the Commission’s rules will apply to existing EBS license renewals, unless the Commission alters the WRS build-out standards upon renewal. We further clarify that, for purposes of meeting the old renewal

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standard, the educational use safe harbor contained in section 27.14(o)(2) is available only to licensees that meet the old EBS eligibility standard, since that safe harbor was based on service to accredited educational institutions. If such a licensee transfers its license to an entity that does not meet that standard, the new licensee will be required to make future showings using one of the other safe harbor provisions contained in section 27.14(o).

4. Dismissal of Pending Waiver Requests

113. Upon adoption of this Report and Order, we will dismiss, without prejudice, any pending applications for new EBS licenses. A freeze on the filing of new EBS applications was instituted in 2003 in conjunction with the Commission’s proposing new technical rules and band plan for the 2.5 GHz band. The Commission has granted some waiver requests to permit the filing of applications for new EBS licenses while the freeze remained in place. There are a handful of additional requests for waiver of the EBS freeze currently pending that seek new EBS licenses. Since this Report and Order is instituting a new process for the assignment of EBS spectrum, we see no need to grant requests for waiver of the freeze, and therefore we dismiss these pending applications without prejudice. The applicants are free to participate in the license assignment processes adopted herein through the Tribal priority window or competitive bidding, as applicable.

D. Cleaning up the 2.5 GHz Rules

114. Because the transition from the interleaved channel plan under the former ITFS to the new channel plan under BRS and EBS was completed in 2011, the Commission proposed to remove those rule sections that addressed the transition. In light of the fact that the transition has been completed, we find that the rules are obsolete and no longer necessary, and that elimination of the rules is therefore in the public interest. We also received no comments objecting to the removal of these rules. We therefore adopt our proposal to remove sections 27.1230 through 27.1239 of our rules.

115. We also received no comments objecting to the Commission’s proposal to make non-

(Continued from previous page)

333 In 2017, the Commission sought comment “on whether renewal term construction obligations beyond those applicable during a licensee’s initial license term would help achieve our goal of increasing the number of Americans with access to wireless communications services.” See WRS FNPRM, 32 FCC Rcd at 8911, para. 100. The WRS FNPRM remains pending.

334 Monterey Peninsula Unified School District (File Number 0007664266) and Duckwater Shoshone Tribe (File Numbers 0007768145 and 0007768146.


336 See, e.g., Application of The Board of Trustees of Northern Michigan University For a New Educational Broadband Service Station, Memorandum Opinion and Order, 23 FCC Rcd 11832 (WTB 2008); Application of The Nisqually Indian Tribe, Memorandum Opinion and Order, 28 FCC Rcd 15569 (WTB BD 2013); The Board of Trustees of Northern Michigan University, Memorandum Opinion and Order, 28 FCC Rcd 15576 (WTB BD 2013); The Board of Trustees of Northern Michigan University, Memorandum Opinion and Order, 28 FCC Rcd 15583 (WTB BD 2013); Application of The Board of Trustees of Northern Michigan University For a New Educational Broadband Service Station, Memorandum Opinion and Order, 31 FCC Rcd 3371 (WTB BD 2016).

337 See Monterey Peninsula Unified School District, File No. 0007664266; Duckwater Shoshone Tribe, File Nos. 0007768145 and 0007768146.

338 NPRM, 33 FCC Rcd at 4704, para. 56.

339 A few Multichannel Video Programming Distributors (MVPD) have received waivers to opt out of the transition so that they can continue providing service. Should an MVPD operator decide that it wishes to discontinue video service and transition to the new band plan, it can follow the process established by the Wireless
substantive clarifying amendments to section 27.1206 of our rules. In light of our decisions to adopt a Tribal priority window with GSAs based on rural Tribal lands, as well as our decision not to rationalize existing licenses, we will amend section 27.1206 to reflect the decisions we have made. We also reorganize sections 27.1207, 27.1208, and 27.1209 to place similar subjects together, reduce duplication, and incorporate the rule changes we have adopted for EBS. These changes do not result in any substantive changes for existing BRS or EBS licenses.

116. Several commenters have made proposals that are outside of the scope of the subject proceeding or that have been made moot by our changes to the EBS band, and thus, we are not addressing those proposals herein.\footnote{NPRM, 33 FCC Rcd at 4704, para. 57.}

E. Effective Date of Rule Changes

117. In order to provide applicants in the Tribal priority window with a stable licensing environment unaffected by changes to the band, we will defer the effective date of the rule changes we adopt in this proceeding\footnote{For example, EIBASS and NAB request that we make clear that EBS licensees are obligated to protect BAS stations in the 2483.5-2500 MHz band. NAB Comments at 1-2; EIBASS Reply at 2. EBS spectrum starts at 2502 MHz and is not adjacent to BAS spectrum. Nothing in the NPRM proposes changes to the technical or operational rules. Thus, there is nothing in this NPRM that would impact BAS stations and what EIBASS and NAB request is outside the scope of this proceeding. In addition, some commenters request that we make changes to the E-Rate program in ways that would assist educators and students. \textit{See}, e.g., Midco Comments at 13-14; SETDA Comments at 9-10; Utah Comments at 4; WCAI Comments at 18-19. Nothing in the NPRM proposed any changes to the E-Rate program. Other commenters ask that we adopt new rules-such as imposing a local presence requirement on existing EBS licensees, SETDA Comments at 7, or instituting new procedures for renewal or lease approval processes for EBS licensees. Utah Comments at 2-6. With the elimination of the eligibility and educational use requirements, we see no reason to address these requests, as they are now moot. VIYA asks that we automatically provide entities providing service via special temporary authority (STA) with full licenses based on their outlay of resources. VIYA Comments at 9-12. We note that VIYA’s subsidiary Choice Communications has filed an application for permanent authority for the frequencies in question. \textit{See} File No. 0008700428 (filed June 18, 2019). The NPRM did not propose this, and we believe this issue is better addressed in the context of Choice’s pending application. Accordingly, we will not address this issue in the rulemaking.} (other than the rules adopting the Tribal priority window and the construction requirements rule, which will apply to the Tribal priority window) until six months from the date of Federal Register publication of this Report and Order.

IV. PROCEDURAL MATTERS

118. Final Regulatory Flexibility Analysis. The Regulatory Flexibility Act (RFA)\footnote{See 5 U.S.C. §§ 601–612. The RFA has been amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), Pub. L. No. 104-121, Title II, 110 Stat. 857 (1996).} requires that an agency prepare a regulatory flexibility analysis for notice and comment rulemakings, unless the agency certifies that “the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities.” Accordingly, we have prepared a Final Regulatory Flexibility Analysis (FRFA) concerning the possible impact of the rule changes contained in this Report and Order on small entities. The FRFA is set forth in Appendix B.
119. **Paperwork Reduction Act.** This document contains new or modified collection requirements subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. It will be submitted to the Office of Management and Budget (OMB) for review under section 3507(d) of the PRA. OMB, the general public, and other Federal agencies are invited to comment on the new or modified information collection requirements contained in this proceeding. In addition, we note that, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, see 44 U.S.C. 3506(c)(4), we previously sought, but did not receive, specific comment on how the Commission might further reduce the information collection burden for small business concerns with fewer than 25 employees. We describe impacts that might affect small businesses, which includes more businesses with fewer than 25 employees, in the Final Regulatory Flexibility Analysis in Appendix B.


121. **Further Information.** For further information, contact John Schauble of the Wireless Telecommunications Bureau, Broadband Division, at 202-418-0797 or John.Schauble@fcc.gov.

V. **ORDERING CLAUSES**

122. Accordingly, IT IS ORDERED, pursuant to Sections 1, 2, 3, 4, 5, 7, 301, 302, 303, 304, 307, 309, and 310 of the Communications Act of 1934, 47 U.S.C. §§ 151, 152, 153, 154, 155, 157, 301, 302a, 303, 304, 307, 309, and 310, and Section 706 of the Telecommunications Act of 1996, as amended, 47 U.S.C. § 1302, that this Report and Order IS HEREBY ADOPTED.

123. IT IS FURTHER ORDERED that the Commission’s Consumer and Governmental Affairs Bureau, Reference Information Center, SHALL SEND a copy of this Report and Order, including the Final Regulatory Flexibility Analysis, to the Chief Counsel for Advocacy of the Small Business Administration.

124. IT IS FURTHER ORDERED that the rules and requirements adopted herein WILL BECOME EFFECTIVE six months from the date of publication in the Federal Register with the exception of Sections 27.14(u) and 27.1204 of the rules, which contain new or modified information collection requirements that require review by the OMB under the PRA and which WILL BECOME EFFECTIVE after OMB review and approval, on the date specified in a notice that the Commission will publish in the Federal Register announcing such approval and effective date.

125. IT IS FURTHER ORDERED, pursuant to Sections 4(i) and 309 of the Communications Act of 1934, 47 U.S.C. §§ 154(i), 309, and Section 1.934(d)(2) of the Commission’s Rules, 47 CFR § 1.934(d)(2), that the requests for waiver of the freeze on the filing of new EBS applications filed by Monterey Peninsula Unified School District and the Duckwater Shoshone Tribe ARE DENIED, and the applications filed by Monterey Peninsula Unified School District (File No. 0007664266) and Duckwater Shoshone Tribe (File Nos. 0007768145 and 0007768146) ARE DISMISSED WITHOUT PREJUDICE.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary
APPENDIX A

Final Rules

The Federal Communications Commission amends 47 CFR parts 1 and 27 as follows:

PART I – PRACTICE AND PROCEDURE

1. The authority citation for part 1 is revised to read as follows:

   Authority: 47 U.S.C. chs. 2, 5, 9, 13; 28 U.S.C. 2461, unless otherwise noted.

2. Amend § 1.907 by revising the definition for “Covered Geographic Licenses” to read as follows:

   § 1.907 Definitions.

   * * * * *

   Covered Geographic Licenses. Covered geographic licenses consist of the following services: 1.4 GHz Service (part 27, subpart I of this chapter); 1.6 GHz Service (part 27, subpart J); 24 GHz Service and Digital Electronic Message Services (part 101, subpart G); 218-219 MHz Service (part 95, subpart F); 220-222 MHz Service, excluding public safety licenses (part 90, subpart T); 600 MHz Service (part 27, subpart N); 700 MHz Commercial Services (part 27, subparts F and H); 700 MHz Guard Band Service (part 27, subpart G); 800 MHz Specialized Mobile Radio Service (part 90, subpart S); 900 MHz Specialized Mobile Radio Service (part 90, subpart S); Advanced Wireless Services (part 27, subparts K and L); Air-Ground Radiotelephone Service (Commercial Aviation) (part 22, subpart G); Broadband Personal Communications Service (part 24, subpart E); Broadband Radio Service (part 27, subpart M); Cellular Radiotelephone Service (part 22, subpart H); Citizens Broadband Radio Service (part 96, subpart C, of this chapter); Dedicated Short Range Communications Service, excluding public safety licenses (part 90, subpart M); Educational Broadband Service (part 27, subpart M); H Block Service (part 27, subpart K); Local Multipoint Distribution Service (part 101, subpart L); Multichannel Video Distribution and Data Service (part 101, subpart P); Multilateration Location and Monitoring Service (part 90, subpart M); Multiple Address Systems (EAs) (part 101, subpart O); Narrowband Personal Communications Service (part 24, subpart D); Paging and Radiotelephone Service (part 22, subpart E; part 90, subpart P);
VHF Public Coast Stations, including Automated Maritime Telecommunications Systems (part 80, subpart J); Upper Microwave Flexible Use Service (part 30); and Wireless Communications Service (part 27, subpart D).

3. Amend § 1.9020 by revising paragraph (d)(2)(i) to read as follows:

§ 1.9020 Spectrum Manager Leasing Arrangements.

   (d) * * *

   (2) * * *

       (i) The spectrum lessee must meet the same eligibility and qualification requirements that are applicable to the licensee under its license authorization, with the following exceptions. A spectrum lessee entering into a spectrum leasing arrangement involving a licensee in the Public Safety Radio Services (see part 90, subpart B and §90.311(a)(1)(i) of this chapter) is not required to comply with the eligibility requirements pertaining to such a licensee so long as the spectrum lessee is an entity providing communications in support of public safety operations (see §90.523(b) of this chapter). A spectrum lessee entering into a spectrum leasing arrangement involving a licensee in the Mobile Satellite Service with ATC authority (see part 25) is not required to comply with the eligibility requirements pertaining to such a licensee so long as the spectrum lessee meets the other eligibility and qualification requirements of paragraphs (d)(2)(ii) and (d)(2)(iv) of this section.

   * * * *

4. Amend § 1.9030 by revising paragraph (d)(2)(i) to read as follows:

§ 1.9030 Long-term de facto transfer leasing arrangements.

   (d) * * *

   (2) * * *

       (i) The spectrum lessee must meet the same eligibility and qualification
requirements that are applicable to the licensee under its license authorization. A spectrum lessee entering into a spectrum leasing arrangement involving a licensee in the Public Safety Radio Services (see part 90, subpart B and §90.311(a)(1)(i) of this chapter) is not required to comply with the eligibility requirements pertaining to such a licensee so long as the spectrum lessee is an entity providing communications in support of public safety operations (see §90.523(b) of this chapter).

* * * * *

§ 1.9047 [Removed and Reserved]

5. Remove and reserve § 1.9047.

PART 27 – MISCELLANEOUS WIRELESS COMMUNICATIONS SERVICES

6. The authority citation for part 27 continues to read as follows:

Authority: 47 U.S.C. 154, 301, 302a, 303, 307, 309, 332, 336, 337, 1403, 1404, 1451, and 1452, unless otherwise noted.

7. Amend § 27.4 by removing the definition for “Commercial EBS licensee” and revising the definition of “Educational Broadband Service” to read as follows:

§ 27.4 Definitions.

* * * * *

Educational Broadband Service (EBS). A radiocommunication service licensed under this part for the frequency bands specified in Sec. 27.5(i).

* * * * *

8. Amend § 27.5 by removing and reserving paragraph (i)(3).

9. Amend § 27.14 by revising paragraphs (o) introductory language, (o)(2) introductory language, (o)(2)(iii) and (o)(3) adding paragraphs (u) and (v) to read as follows:

§ 27.14 Construction Requirements.

* * * * *

(o) With respect to initial BRS licenses issued on or after November 6, 2009, the licensee must make a showing of substantial service within four years from the date of issue of the license. With respect
to EBS licenses issued after [insert date of publication in the Federal Register], the licensee must comply with paragraph (u) of this section. “Substantial service” is defined as service which is sound, favorable, and substantially above a level of mediocre service which just might minimally warrant renewal. Substantial service for BRS and EBS licensees is satisfied if a licensee meets the requirements of paragraph (o)(1), (o)(2), or (o)(3) of this section. If a licensee has not met the requirements of paragraph (o)(1), (o)(2), or (o)(3) of this section, then demonstration of substantial service shall proceed on a case-by-case basis. Except as provided in paragraphs (o)(4) and (o)(5) of this section, all substantial service determinations will be made on a license-by-license basis. Failure by any licensee to demonstrate substantial service will result in forfeiture of the license and the licensee will be ineligible to regain it.

(1) * * *

(2) An EBS license initially issued prior to [insert date of publication in the Federal Register] has provided “substantial service” when:

* * * * *

(iii) the level of service provided by the EBS licensee meets or exceeds the minimum usage requirements specified in § 27.1214 contained in the edition of 47 CFR parts 20 through 39, revised as of October 1, 2017.

(3) An EBS or BRS licensee may be deemed to provide substantial service through a leasing arrangement if the lessee is providing substantial service under paragraph (o)(1) of this section.

(u) This section enumerates performance requirements for EBS licenses initially issued after [insert date of publication in the Federal Register]. Licensees shall demonstrate compliance with performance requirements by filing a construction notification with the Commission, within 15 days of the expiration of the applicable benchmark, in accordance with the provisions set forth in § 1.946(d) of this chapter.

(1) All EBS licenses initially issued after [insert date of publication in the Federal Register], must demonstrate compliance with the performance requirements described in this paragraph. All equipment used to demonstrate compliance must be in use and actually providing service, either for
internal use or to unaffiliated customers, as of the interim deadline or final deadline, whichever is applicable.

(2) Except for licensees with licenses applied for in the Tribal Priority Window, licensees providing mobile or point-to-multipoint service must demonstrate reliable signal coverage of 50% of the population of the geographic service area within four years of initial license grant, and 80% of the population of the geographic service area within eight years of initial license grant.

(3) Except for licensees with licenses applied for in the Tribal Priority Window, licensees providing fixed point-to-point service must demonstrate operation of one link for each 50,000 persons in the geographic service area within four years of initial license grant, and one link for each 25,000 persons in the geographic service area within eight years of initial license grant.

(4) Licensees with licenses applied for in the Tribal Priority Window must make an interim showing under paragraphs (o)(2) or (o)(3) of this section within two years of initial license grant. Licensees with licenses applied for in the Tribal Priority Window must make a final showing under paragraphs (o)(2) or (o)(3) of this section within five years of initial license grant.

(5) If an EBS licensee (other than the licensee of a license issued pursuant to the Tribal Priority Window) fails to meet interim performance requirements described in paragraphs (o)(2) or (o)(3) of this section, the deadline for that authorization to meet its final performance requirement will be advanced by two years. If an EBS licensee of a license issued pursuant to the Tribal Priority Window fails to meet interim performance requirements described in paragraphs (o)(2) or (o)(3) of this section, the deadline for that authorization to meet its final performance requirement will be advanced by one year. If an EBS licensee fails to meet its final performance requirement, its license shall automatically terminate without specific Commission action.

(v) Paragraph (u) of this section contains new or modified information-collection and recordkeeping requirements. Compliance with these information-collection and recordkeeping requirements will not be required until after approval by the Office of Management and Budget. The
Commission will publish a document in the Federal Register announcing that compliance date and revising this paragraph accordingly.

§ 27.1201 [Removed and Reserved]

10. Remove and reserve § 27.1203.

§ 27.1203 [Removed and Reserved]

11. Remove and reserve § 27.1203.

12. Add § 27.1204 to read as follows:

§ 27.1204 EBS Tribal Priority Filing Window

(a) The Commission will specify by Public Notice a window filing period for applications for new EBS stations on rural Tribal Lands. EBS applications for new facilities will be accepted only during this window. Applications submitted prior to the window opening date identified in the Public Notice will be returned as premature. Applications submitted after the deadline will be dismissed with prejudice as untimely.

(b) Applicants in the Tribal Priority Filing Window must demonstrate that they are eligible to file in that window. To be considered eligible for the Tribal Priority Window, an applicant must be:

(1) a federally recognized American Indian tribe or Alaska Native Village; or an entity that is owned and controlled by a federally-recognized Tribe or a consortium of federally-recognized Tribes;

(2) requesting a license on Tribal land, which is defined to be any federally recognized Indian tribe's reservation, pueblo or colony, including former reservations in Oklahoma, Alaska Native regions established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688) and Indian Allotments, see §54.400(e), as well as Hawaiian Home Lands—areas held in trust for native Hawaiians by the state of Hawaii, pursuant to the Hawaiian Homes Commission Act, 1920, July 9, 1921, 42 Stat 108, et seq., as amended; and any lands designated as Tribal lands pursuant to the designation process contained in Section 54.412 of our rules prior to July 10, 2019;
(3) requesting a GSA in a rural area, which is defined to be lands that are not part of an urbanized area or urban cluster area with a population equal to or greater than 50,000; and

(4) have a local presence on the Tribal land for which they are applying.

(c) Following the close of the Tribal Priority window, the Commission will issue a Public Notice of acceptance for filing of applications submitted pursuant to paragraph (b) of this section that meet technical and legal requirements and that are not in conflict with any other application filed during the window. Petitions to deny such applications may be filed within 30 days of such public notice. A copy of any petition to deny must be served on the applicant.

(d) If applications are filed in the Tribal Priority window that are mutually exclusive, the Commission will use competitive bidding to resolve the mutual exclusivity. Two or more pending applications are mutually exclusive if the grant of one application would effectively preclude the grant of one or more of the others under Commission rules.

(e) For non-mutually exclusive applications, the applications will be processed in accordance with procedures to be specified by the Wireless Telecommunications Bureau.

(f) This section contains new or modified information-collection and recordkeeping requirements. Compliance with these information-collection and recordkeeping requirements will not be required until after approval by the Office of Management and Budget. The Commission will publish a document in the Federal Register announcing that compliance date and revising this paragraph accordingly.

13. Add § 27.1205 to read as follows:

§ 27.1205 EBS Renewal Standard.

In applying the renewal standard contained in § 1.949 of this chapter to EBS, for licenses initially issued after [insert date of publication in the Federal Register], the applicable safe harbors are the buildout standards contained in § 27.14(u) of this part. For licenses initially issued before [insert date of publication in the Federal Register], the applicable safe harbors are the buildout standards contained in § 27.14(o) of this part; provided, however, that the educational use safe harbor contained in § 27.14(o)(2)
may only be used by a licensee that meets the eligibility requirements to hold an EBS license pursuant to the provisions of § 27.1201(a) contained in the edition of 47 CFR parts 20 through 39, revised as of October 1, 2017.

14. Revise § 27.1206 to read as follows:

§ 27.1206 Geographic Service Area.

(a) BRS:

(1) For BRS incumbent licenses granted before September 15, 1995, the geographic service area (GSA) is the area that is bounded by a circle having a 35 mile radius and centered at the station's reference coordinates, which was the previous PSA entitled to incumbent licensees prior to January 10, 2005, and is bounded by the chord(s) drawn between intersection points of the licensee's previous 35 mile PSA and those of respective adjacent market, co-channel licensees;

(2) For BRS BTA authorization holders, the GSA for a channel is the BTA, subject to the exclusion of overlapping, co-channel incumbent GSAs created on January 10, 2005.

(3) If an incumbent BRS license is cancelled or is forfeited, the GSA area of the incumbent station shall dissolve and the right to operate in that area automatically reverts to the GSA licensee that held the corresponding BTA.

(b) EBS:

(1) Existing EBS licensees.

(i) The GSA of EBS licenses on the E and F channel groups is defined in § 27.1216 of this part. EBS licensees on the E and F channel groups are prohibited from expanding their GSAs.

(ii) For incumbent EBS licenses not in the E and F channel groups in effect as of [insert date of publication in the Federal Register], the geographic service area (GSA) is the area that is bounded by a circle having a 35 mile radius and centered at the station's reference coordinates, which was the previous PSA entitled to incumbent licensees prior to January 10, 2005, and is bounded by the chord(s) drawn between intersection points of the licensee's previous 35 mile PSA and those of respective adjacent market, co-channel licensees.
(2) New initial EBS licenses.

(i) For EBS licenses issued in the Tribal Priority Window, the GSA consists of the rural Tribal land (as defined in § 27.1201(b)(2)) specified in the application.

(ii) For all other new initial licenses issued after [insert date six months after publication in the Federal Register], the GSA is the county for which the license is issued, subject to the exclusion of overlapping, co-channel incumbent GSAs.

15. Revise § 27.1207 to read as follows:

§ 27.1207 Service Areas and Authorizations.

(a) Initial authorizations for BRS granted after January 1, 2008, shall be blanket licenses for all BRS frequencies identified in § 27.5(i)(2). Except for incumbent BRS licenses, BRS service areas are Basic Trading Areas (BTAs) or additional service areas similar to BTAs adopted by the Commission. BTAs are based on the Rand McNally 1992 Commercial Atlas & Marketing Guide, 123rd Edition, at pages 38-39. The following are additional BRS service areas in places where Rand McNally has not defined BTAs: American Samoa; Guam; Gulf of Mexico Zone A; Gulf of Mexico Zone B; Gulf of Mexico Zone C; Northern Mariana Islands; Mayaguez/Aguadilla-Ponce, Puerto Rico; San Juan, Puerto Rico; and the United States Virgin Islands. The boundaries of Gulf of Mexico Zone A are from an area twelve nautical miles from the shoreline at mean high tide on the north and east, to the limit of the Outer Continental Shelf to the south, and to longitude 91°00’ to the west. The boundaries of Gulf of Mexico Zone B are from an area twelve nautical miles from the shoreline at mean high tide on the north, to the limit of the Outer Continental Shelf to the south, to longitude 91°00’ to the east, and to longitude 94°00’ to the west. The boundaries of Gulf of Mexico Zone C are from an area twelve nautical miles from the shoreline at mean high tide on the north and west, to longitude 94°00’ to the east, and to a line 281 kilometers from the reference point at Linares, N.L., Mexico on the southwest. The Mayaguez/Aguadilla-Ponce, PR, service area consists of the following municipios: Adjuntas, Aguada, Aguadilla, Anasco, Arroyo, Cabo Rojo, Coamo, Guanica, Guayama, Guayanilla, Hormigueros, Isabela, Jayuya, Juana Diaz, Lajas, Las Marias, Maricao, Maunabo, Mayaguez, Moca, Patillas, Penuelas, Ponce,
Quebradillas, Rincón, Sabana Grande, Salinas, San German, Santa Isabel, Villalba and Yauco. The San Juan service area consists of all other municipios in Puerto Rico.

(b) For EBS initial licenses issued after [insert date of publication in the Federal Register], except for licenses issued in the Tribal Priority Window, the GSA is the county for which the license is issued, subject to the exclusion of overlapping, co-channel incumbent GSAs. For purposes of this subpart, counties are defined using the United States Census Bureau's data reflecting county legal boundaries and names valid through January 1, 2017. Except for licenses issued in the Tribal Priority Window, there shall be three initial authorizations issued in each county: one authorization for channels A1, A2, A3, B1, B2, B3, C1, C2, and C3; the second authorization for channels D1, D2, D3, JA1, JA2, JA3, JB1, JB2, JB3, JC1, JC2, JC3, JD1, JD2, JD3, A4, B4, C4, D4, and G4; the third authorization for channels G1, G2, G3, KG1, KG2, and KG3.

16. Revise § 27.1208 to read as follows:

§ 27.1208 Geographic Area Licensing.

(a) All BRS and EBS licenses are geographic area licenses. Blanket licenses cover all mobile and response stations. Pursuant to that geographic area license, incumbent licensees may modify their systems provided the modified system complies with the applicable rules. The blanket license covers all fixed stations anywhere within the authorized service area, except a station must be individually licensed if:

(1) International agreements require coordination;

(2) Submission of an Environmental Assessment is required under § 1.1307 of this chapter;

(3) The station would affect the radio quiet zones under § 1.924 of this chapter.

(b) Any antenna structure that requires notification to the Federal Aviation Administration (FAA) must be registered with the Commission prior to construction under § 17.4 of this chapter.

17. Revise § 27.1209 to read as follows:

§ 27.1209 Reversion and Overlay Rights.

(a) The frequencies associated with BRS incumbent authorizations that have cancelled automatically or otherwise recovered by the Commission automatically revert to the applicable BRS BTA licensee.
(b) The frequencies associated with EBS incumbent authorizations with a geographic service area that have cancelled automatically or otherwise recovered by the Commission automatically revert to a co-channel EBS county-based licensee, except that if the area in question is Tribal Land as defined in § 27.1201(b)(2) and is contiguous to the GSA of a co-channel authorization issued in the Tribal Priority Window, the area consisting of Tribal Land reverts to the co-channel license issued in the Tribal Priority Window.

(c) The frequencies associated with EBS authorizations issued in the Tribal Priority Window with a geographic service area that have cancelled automatically or otherwise recovered by the Commission automatically revert to a co-channel EBS county-based authorization.

18. Revise § 27.1214 to read as follows:

§ 27.1214 EBS grandfathered leases.

All leases of current EBS spectrum entered into prior to January 10, 2005 and in compliance with leasing rules formerly contained in part 74 of this chapter may continue in force and effect, notwithstanding any inconsistency between such leases and the rules applicable to spectrum leasing arrangements set forth in this chapter. Such leases entered into pursuant to the former part 74 rules of this chapter may be renewed and assigned in accordance with the terms of such lease. All spectrum leasing arrangements leases entered into after January 10, 2005, under the rules set forth in part 1 and part 27 of this chapter, must comply with the rules in those parts.

19. Revise § 27.1217 to read as follows:

§ 27.1217 Competitive bidding procedures for the Broadband Radio Service and the Educational Broadband Service.

(a) Mutually exclusive initial applications for BRS and EBS licenses are subject to competitive bidding. For BRS auctions, the designated entity provisions of § 27.1218 of this part apply. For EBS auctions, the designated entity provisions of § 27.1219 of this part apply. The general competitive bidding procedures set forth in part 1, subpart Q of this chapter apply unless otherwise provided in this subpart.
20. Amend § 27.1218 by revising the section heading to read as follows:


* * * * *

21. Add § 27.129 to Read as follows:

§ 27.1219  Educational Broadband Service Designated Entity Provisions.

(a) Eligibility for small business provisions.

(1) A small business is an entity that, together with its affiliates, its controlling interests and the affiliates of its controlling interests, have average gross revenues that are not more than $55 million for the preceding five (5) years.

(2) A very small business is an entity that, together with its affiliates, its controlling interests and the affiliates of its controlling interests, has average gross revenues that are not more than $20 million for the preceding five (5) years.

(b) Bidding credits. A winning bidder that qualifies as a small business, as defined in this section, or a consortium of small businesses may use a bidding credit of 15 percent, as specified in § 1.2110(f)(2)(i)(C) of this chapter. A winning bidder that qualifies as a very small business, as defined in this section, or a consortium of very small businesses may use a bidding credit of 25 percent, as specified in § 1.2110(f)(2)(i)(B) of this chapter.

(c) A rural service provider, as defined in § 1.2110(f)(4) of this chapter, who has not claimed a small business bidding credit may use a bidding credit of 15 percent bidding credit, as specified in § 1.2110(f)(4)(i) of this chapter.

22. Remove §§ 27.1230 through 27.1239.
APPENDIX B

Final Regulatory Flexibility Analysis

1. As required by the Regulatory Flexibility Act of 1980, as amended (RFA), an Initial Regulatory Flexibility Analysis (IRFA) was incorporated in the Notice of Proposed Rulemaking (NPRM) released in May 2018 in this proceeding. The Commission sought written public comment on the proposals in the NPRM, including comments on the IRFA. No comments were filed addressing the IRFA. This present Final Regulatory Flexibility Analysis (FRFA) conforms to the RFA.

A. Need for, and Objectives of, the Report and Order

2. In the Report and Order, the Commission takes steps to permit more flexible use of the 2496-2690 MHz (2.5 GHz) band by current Educational Broadband Service (EBS) licensees and to provide new opportunities for EBS eligible entities, Tribal Nations, and commercial entities to obtain unused 2.5 GHz spectrum to facilitate improved access to next generation wireless broadband, including 5G, for both educational and commercial uses. EBS spectrum currently is assigned in geographic areas of various sizes and shapes and is subject to unique use and transfer restrictions. Consistent with the Commission's goal of making additional spectrum available for flexible use, and to promote use of EBS frequencies that have been unassigned for far too long, we take steps to encourage and facilitate more efficient use of the 2.5 GHz band. These steps are not intended to curtail the spectrum usage rights of existing EBS licensees, nor to annul or disturb existing agreements between such licensees and commercial operators. Additionally, since the process for transitioning Broadband Radio Service (BRS) and EBS licensees to the new band plan was completed in 2011, we eliminate the BRS/EBS transition rules. We believe it is in the public interest to eliminate these regulations that are out of date and no longer necessary.

B. Summary of Significant Issues Raised by Public Comments in Response to the IRFA

3. There were no comments filed that specifically addressed the proposed rules and policies presented in the IRFA.

C. Response to Comments by the Chief Counsel for Advocacy of the Small Business Administration

4. Pursuant to the Small Business Jobs Act of 2010, which amended the RFA, the Commission is required to respond to any comments filed by the Chief Counsel for Advocacy of the Small Business Administration (SBA), and to provide a detailed statement of any change made to the proposed rules as a result of those comments.

5. The Chief Counsel did not file comments in response to the proposed rules in this proceeding.

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2 See Amendment of Parts 1, 21, 73, 74 and 101 of the Commission’s Rules to Facilitate the Provision of Fixed and Mobile Broadband Access, Educational and Other Advanced Services in the 2150-2162 and 2500-2690 MHz Bands; Transforming the 2.5 GHz Band, Notice of Proposed Rulemaking, 33 FCC Rcd 4687 (2018) (NPRM).


D. Description and Estimate of the Number of Small Entities To Which the Proposed Rules Will Apply

6. The RFA directs agencies to provide a description of and, where feasible, an estimate of the number of small entities that may be affected by the rules adopted herein. The RFA generally defines the term “small entity” as having the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction.” In addition, the term “small business” has the same meaning as the term “small business concern” under the Small Business Act. A “small business concern” is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA.

7. Small Businesses, Small Organizations, Small Governmental Jurisdictions. Our actions, over time, may affect small entities that are not easily categorized at present. We therefore describe here, at the outset, three broad groups of small entities that could be directly affected herein. First, while there are industry specific size standards for small businesses that are used in the regulatory flexibility analysis, according to data from the SBA’s Office of Advocacy, in general a small business is an independent business having fewer than 500 employees. These types of small businesses represent 99.9% of all businesses in the United States which translates to 28.8 million businesses.

8. Next, the type of small entity described as a “small organization” is generally “any not-for-profit enterprise which is independently owned and operated and is not dominant in its field.” Nationwide, as of August 2016, there were approximately 356,494 small organizations based on registration and tax data filed by nonprofits with the Internal Revenue Service (IRS).

9. Finally, the small entity described as a “small governmental jurisdiction” is defined generally as “governments of cities, counties, towns, townships, villages, school districts, or special districts, with a population of less than fifty thousand.” U.S. Census Bureau data from the 2012 Census of Governments indicate that there were 90,056 local governmental jurisdictions consisting of general...
purpose governments and special purpose governments in the United States. Of this number there were 37,132 General purpose governments (county, municipal and town or township) with populations of less than 50,000 and 12,184 Special purpose governments (independent school districts and special districts) with populations of less than 50,000. The 2012 U.S. Census Bureau data for most types of governments in the local government category show that the majority of these governments have populations of less than 50,000. Based on this data we estimate that at least 49,316 local government jurisdictions fall in the category of “small governmental jurisdictions.”

10. Wireless Telecommunications Carriers (except Satellite). This industry comprises establishments engaged in operating and maintaining switching and transmission facilities to provide communications via the airwaves. Establishments in this industry have spectrum licenses and provide services using that spectrum, such as cellular services, paging services, wireless internet access, and wireless video services. The appropriate size standard under SBA rules is that such a business is small if it has 1,500 or fewer employees. For this industry, U.S. Census Bureau data for 2012 show that there were 967 firms that operated for the entire year. Of this total, 955 firms had employment of 999 or fewer employees and 12 had employment of 1,000 employees or more. Thus, under this category and the associated size standard, the Commission estimates that the majority of wireless telecommunications carriers (except satellite) are small entities.

11. Broadband Radio Service and Educational Broadband Service. Broadband Radio Service (BRS) systems, previously referred to as Multipoint Distribution Service (MDS) and Multichannel Multipoint Distribution Service (MMDS) systems, and “wireless cable,” transmit video programming to subscribers and provide two-way high-speed data operations using the microwave frequencies of the BRS and Educational Broadband Service (EBS) (previously referred to as the Instructional Television Fixed Service (ITFS)).

12. BRS. In connection with the 1996 BRS auction, the Commission established a small (Continued from previous page)

using the NCCS online database indicated that as of August 2016 there were 356,494 registered nonprofits with total revenues of less than $100,000. Of this number, 326,897 entities filed tax returns with 65,113 registered nonprofits reporting total revenues of $50,000 or less on the IRS Form 990-N for Small Exempt Organizations and 261,784 nonprofits reporting total revenues of $100,000 or less on some other version of the IRS Form 990 within 24 months of the August 2016 data release date. See http://nccs.urban.org/sites/all/nccs-archive/html/tablewiz/tw.php where the report showing this data can be generated by selecting the following data fields: Report: “The Number and Finances of All Registered 501(c) Nonprofits”; Show: “Registered Nonprofits”; By: “Total Revenue Level (years 1995, Aug to 2016, Aug)”; and For: “2016, Aug” then selecting “Show Results”.


15 See 13 U.S.C. § 161. The Census of Government is conducted every five (5) years compiling data for years ending with “2” and “7”. See also Program Description Census of Government https://factfinder.census.gov/faces/affhelp/jsf/pages/metadata.xhtml?lang=en&type=program&id=program.en.COG#.

16 See U.S. Census Bureau, 2012 Census of Governments, Local Governments by Type and State: 2012 - United States-States. https://factfinder.census.gov/bkmk/table/1.0/en/COG/2012/ORG02.US01. Local governmental jurisdictions are classified in two categories - General purpose governments (county, municipal and town or township) and Special purpose governments (special districts and independent school districts).

17 See U.S. Census Bureau, 2012 Census of Governments, County Governments by Population-Size Group and State: 2012 - United States-States. https://factfinder.census.gov/bkmk/table/1.0/en/COG/2012/ORG06.US01. There were 2,114 county governments with populations less than 50,000.

business size standard as an entity that had annual average gross revenues of no more than $40 million in the previous three calendar years. The BRS auctions resulted in 67 successful bidders obtaining licensing opportunities for 493 Basic Trading Areas (BTAs). Of the 67 auction winners, 61 met the definition of a small business. BRS also includes licensees of stations authorized prior to the auction. At this time, we estimate that of the 61 small business BRS auction winners, 48 remain small business licensees. In addition to the 48 small businesses that hold BTA authorizations, there are approximately 86 incumbent BRS licensees that are considered small entities (18 incumbent BRS licensees do not meet the small business size standard). After adding the number of small business auction licensees to the number of incumbent licensees not already counted, there are currently approximately 133 BRS licensees that are defined as small businesses under either the SBA or the Commission’s rules.

13. In 2009, the Commission conducted Auction 86, the sale of 78 licenses in the BRS areas. The Commission offered three levels of bidding credits: (i) a bidder with attributed average annual gross revenues that exceed $15 million and do not exceed $40 million for the preceding three years (small business) received a 15% discount on its winning bid; (ii) a bidder with attributed average annual gross revenues that exceed $3 million and do not exceed $15 million for the preceding three years (very small business) received a 25% discount on its winning bid; and (iii) a bidder with attributed average annual gross revenues that do not exceed $3 million for the preceding three years (entrepreneur) received a 35% discount on its winning bid. Auction 86 concluded in 2009 with the sale of 61 licenses. Of the ten winning bidders, two bidders that claimed small business status won 4 licenses; one bidder that claimed very small business status won three licenses; and two bidders that claimed entrepreneur status won six licenses.

14. EBS. Educational Broadband Service has been included within the broad economic census category and SBA size standard for Wired Telecommunications Carriers since 2007. Wired Telecommunications Carriers are comprised of establishments primarily engaged in operating and/or

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21 See U.S. Census Bureau, 2012 Census of Governments, County Governments by Population-Size Group and State: 2012 - United States-States - https://factfinder.census.gov/bkmk/table/1.0/en/COG/2012/ORG06.US01; Subcounty General-Purpose Governments by Population-Size Group and State: 2012 - United States–States - https://factfinder.census.gov/bkmk/table/1.0/en/COG/2012/ORG07.US01; and Elementary and Secondary School Systems by Enrollment-Size Group and State: 2012 - United States-States. https://factfinder.census.gov/bkmk/table/1.0/en/COG/2012/ORG11.US01. While U.S. Census Bureau data did not provide a population breakout for special district governments, if the population of less than 50,000 for this category of local government is consistent with the other types of local governments the majority of the 38, 266 special district governments have populations of less than 50,000.

22 Id.


24 13 CFR § 121.201, NAICS code 517210.

providing access to transmission facilities and infrastructure that they own and/or lease for the
transmission of voice, data, text, sound, and video using wired telecommunications networks.
Transmission facilities may be based on a single technology or a combination of technologies.”
33 The SBA’s small business size standard for this category is all such firms having 1,500 or fewer employees. 34 
U.S. Census Bureau data for 2012 show that there were 3,117 firms that operated that year. 35 Of this 
total, 3,083 operated with fewer than 1,000 employees. 36 Thus, under this size standard, the majority of 
firms in this industry can be considered small.

15. In addition to U.S. Census Bureau data, the Commission’s Universal Licensing System 
indicates that as of March 2019 there are 1,300 licensees holding over 2,190 active EBS licenses. The 
Commission estimates that of these 2,190 licenses, the majority are held by non-profit educational 
institutions and school districts, which are by statute defined as small businesses. 37

E. Description of Projected Reporting, Recordkeeping, and Other Compliance 
Requirements

16. We expect the rules adopted in the Report and Order will impose new or additional 
reporting or recordkeeping and/or other compliance obligations on small entities as well as other 
applicants and licensees. The Commission is not in a position to determine whether the adopted rule 
changes will require small entities to hire attorneys, engineers, consultants, or other professionals, and

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cannot quantify the cost of compliance with these rule changes. We do not believe however, that the costs of compliance or the administrative requirements associated with any of the rule changes will unduly burden small entities. We note that several of the rule changes are consistent with and mirror existing policies and requirements used in similar spectrum bands. Therefore, small entities with existing licenses may already be familiar with such policies and requirements and have the processes and procedures in place to facilitate compliance resulting in minimal incremental costs to comply with the Report and Order.

F. Steps Taken to Minimize the Significant Economic Impact on Small Entities, and Significant Alternatives Considered

17. The RFA requires an agency to describe any significant, specifically small business, alternatives that it has considered in reaching its approach, which may include the following four alternatives (among others): (1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance or reporting requirements under the rule for small entities; (3) the use of performance, rather than design, standards; and (4) an exemption from coverage of the rule, or any part thereof, for small entities.\(^{38}\)

18. The Commission does not believe that the rule changes adopted in the Report and Order will have a significant economic impact on small entities. The proposed changes expanding the use of the 2.5 GHz band will benefit small entities as well as entities of other sizes by reducing unnecessary regulatory burdens on licensees, promoting greater spectrum efficiency, and facilitating the full use of EBS spectrum to provide advanced mobile broadband services, particularly in rural areas where this spectrum currently sits idle. Moreover, the adopted reforms will permit more flexible use of this spectrum by small and other sized entities that currently hold EBS licenses and will provide new opportunities for EBS eligible entities, Tribal Nations, and commercial entities to obtain unused 2.5 GHz spectrum to facilitate improved access to next generation wireless broadband, including 5G, for both educational and commercial uses. We discuss the alternatives considered to the rules adopted below.

19. **Rationalizing the GSAs of incumbent EBS Licensees.** In the NPRM, the Commission proposed to rationalize the current point-and-radius license areas held by incumbents to a defined geographic area. There was both support for this approach and alternatives proposed by commenters. The alternatives considered by the Commission included expansion to county borders, using self-defined GSAs, GSAs based on granular population data, and rationalization but not any expansion of geographic area coverage. Finding the benefits the Commission believed would result from its NPRM proposals are unlikely to materialize to any significant degree, and the process of rationalizing licenses is likely to be complex, time-consuming, and potentially confusing to incumbent and future licensees, the Commission declined to adopt any rationalization scheme for incumbent EBS licenses and left the existing license boundaries intact.

20. **Additional Flexibility for EBS Licensees.** The Commission adopted the NPRM’s proposal to eliminate the EBS eligibility requirements contained in section 27.1201 of the rules for incumbent EBS licenses, including licenses granted via waiver instead of maintaining the current requirements. This alternative allows the Commission to bring these licenses into better alignment with the flexible use licensing policies used in similar spectrum bands, which feature open eligibility absent a compelling showing that regulatory intervention to exclude potential participants is necessary and has been an effective means of promoting more efficient and better use of the 2.5 GHz band. Small entities should benefit from this increased flexibility to assign or transfer control of their licenses to entities that are not EBS-eligible. We believe that, at this point in time, licensees are in the best position to determine how to use their licenses, or, alternatively, whether to transfer their licenses to a third party in the secondary market.

\(^{38}\) 5 U.S.C. § 603(c)(1)-(4).
21. The Commission also eliminated the educational use requirement contained in section 27.1203 of the rules as proposed in the NPRM after considering alternative proposals to revise and/or update the requirements to reflect the current broadband use of the spectrum. In doing so the Commission did not find that any these alternatives would facilitate broadband deployment or be workable for licensees or commercial operators. Additionally, after considering alternative proposals to maintain and increase restriction on lease terms, the Commission adopted the NPRM’s proposal to eliminate restrictions on EBS leases entered into under its secondary markets policies on a going forward basis which will make the rules for the 2.5 GHz band consistent with other Part 27 services, incentivize build-out in rural areas, and provide additional flexibility to both EBS licensees and lessees.

22. Local Priority Filing Window. The Commission adopted a Tribal priority window for Tribal entities to obtain 2.5 GHz licenses on Tribal lands that are located in rural areas as proposed in the NPRM, enabling these entities to acquire all available EBS spectrum on their Tribal lands. This window will allow Tribal entities to address the educational and communication needs of their communities and provide much needed services such advanced wireless services, in areas that are devoid of such services. Conversely, after considering the priority filing window option for existing EBS licensees and for educational institutions that do not currently hold any EBS licenses, the Commission declined to adopt these windows based on a belief that windows for these entities are not the best way to achieve rapid expansion and deployment of broadband in the band.

23. Licensing of White Spaces. As proposed in the NPRM, the Commission will use competitive bidding to resolve mutually exclusive applications for the unassigned EBS spectrum after the completion of the rural Tribal priority window, finding the competitive bidding alternative is consistent with the other changes made in the Report and Order to align EBS licenses more closely with flexible use service rules. An overlay auction was determined to be the best mechanism for assigning EBS spectrum due to, among other things, the costly nature of an incentive auction to government and other participants. Thus, the overlay auction should help minimize participation costs for small entities.

24. The procedures we have adopted contain provisions to assist small entities in competitive bidding.\(^{39}\) The Commission will employ the Part 1 rules governing competitive bidding design, designated entity preferences, unjust enrichment, application and payment procedures, reporting requirements, and the prohibition on certain communications between auction applicants. Furthermore, qualifying “small businesses” – those with gross revenues for the preceding five years not exceeding $55 million – will be provided with a bidding credit of 15%, and “very small businesses” – those with average annual gross revenues for the preceding five years not exceeding $20 million – with a bidding credit of 25%. Providing small businesses and very small businesses with bidding credits will provide an economic benefit to small entities by making it easier for small entities to acquire spectrum or access to spectrum in these bands.

25. Geographic Area and the Band Plan for New Licenses. The band plan adopted in the Report and Order will include three overlay licenses - the first license will include channels A1-A-3, B1-B3, C1-C3 (49.5 MHz); the second license will include channels D1-D3, the J channels, and channels A4-G4 (50.5 MHZ); and the third license channels G1-G3 and the relevant EBS K channels (16.5 megahertz of contiguous spectrum and 1 megahertz of the K channel associated with the G channel group). This arrangement will give applicants two wide blocks and one small block from which to choose, providing opportunity for small entities participate as well as medium and large entities with different needs.

26. Requirements for New 2.5 GHz Licenses. Regarding performance requirements, the alternatives considered by the Commission were broadly speaking, robust requirements (including the Commission’s proposal), relaxed requirements (including the current substantial service standard), or the general concept of a build-out requirement without specifics. The Commission adopted the robust mobile, fixed and broadcast performance requirement metrics from the NPRM for new licensees in the

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\(^{39}\) See Report and Order, paras. 213-214.
band, which will promote the deployment of wireless services for multiple purposes including education. With respect to the timeline for evaluating build-out, the Commission required that the interim benchmark be applied after four years, and that the penalty for failure to make this showing be the acceleration of the final benchmark deadline to six years, rather than eight years. This approach is largely consistent with our rules for other bands and will help harmonize the regulatory regime of the 2.5 GHz band with other commercial wireless services. Additionally, the Commission will apply the Wireless Radio Services (WRS) framework of renewal standards to both new and existing EBS licensees. The Commission anticipates that updating the performance requirements in this manner will encourage rapid deployment of next generation wireless services, including 5G, which will benefit small entities and the industry as a whole.

27. Pending Waiver Requests and Cleaning Up the 2.5 GHz Rules. Small entities should benefit from the Commission’s removal of the filing freeze for new EBS licenses, which will provide them greater opportunity to obtain EBS spectrum to meet the needs of their communities. In conjunction with removing the filing freeze, the Commission will dismiss three pending requests to waive the freeze for new EBS licenses. Small entities should also benefit from the Commission’s clean-up of the 2.5 GHz rules by eliminating the BRS/EBS transition rules which were completed in 2011 and making non-substantive, clarifying amendments to Section 27.1206, making it is easier to understand.

Report to Congress

28. The Commission will send a copy of the Report and Order, including this FRFA, in a report to Congress pursuant to the Congressional Review Act.40 In addition, the Commission will send a copy of the Report and Order, including this FRFA, to the Chief Counsel for Advocacy of the SBA. A copy of the Report and Order, and FRFA (or summaries thereof) will also be published in the Federal Register.41

41 See 5 U.S.C. § 604(b).
APPENDIX C

List of Commenters to NPRM

Comments

Adam Miller
Ak-Chin Indian Community (Ak-Chin)
American Indiana Higher Education Consortium (AIHEC)
Amelia Academy
American Petroleum Institute (API)
American’s Public Television Stations and Corporation for Public Broadcasting (APTS-CPB)
AT&T
Bad River Band of the Lake Superior Tribe of Chippewa Indians (Bad River)
Bridge the Divide Foundation, Inc. and Rocky Mountain Broadband, LLC (Bridge the Divide)
Competitive Carriers Association (CCA)
Charter Communications, Inc.
Chemehuevi Indian Tribe (Chemehuevi)
Chester County Interlink
Chickasaw Nation
Coeur D’Alene Tribe
Confederated Tribes of the Colville Reservation (Colville)
Consortium for School Networking (CoSN)
Digital Wish
Educators and Broadband Providers for American Rural Communities (EBPARC)
Educational Broadband Corp. (EBC)
Gallatin Wireless Internet, LLC (Gallatin)
Hackett School District
Happy House Daycare
Havasupai Tribal Council (Havasupai)
Hispanic Information and Telecommunications Network, Inc. (HITN)
Hopkins Public Schools
Imperial County Office of Educational/California K-12 High Speed Network (CA K-12 HSN)
Kings County Superintendent of Schools (Kings County)
King George County Schools
Kristen Perry
Nebraska Department of Education, Nebraska Educational Television, and State of Nebraska Office of the Chief Information Officer (Nebraska)
Lawrence County School System
Love Covenant Christian School
Maria Hadden
Midcontinent Communications (Midco)
Mural Net
Northern Arizona University Foundation (NAUF)
National Association of Broadcasters (NAB)
National EBS Association and Catholic Technology Network (NEBSA/CTN)
National Congress of American Indians (NCAI)
National Digital Inclusion Alliance (NDIA)
Native Public Media (NPM)
Nez Perce Tribe (Nez Perce)
North American Catholic Educational Programming Foundation and Mobile Beacon (NACEPF)
North Carolina Department of Information Technology, Broadband Infrastructure Office (North Carolina)
Northern Michigan University (NMU)
NTCA-The Rural Broadband Association (NTCA)
PCs for People
R Street Institute
Rural EBS Coalition: Adams Telephone Co-Op, Cass Cable TV, Central Texas Communications, Coleman County Telephone Coop, Colorado Valley Communications, Etex Communications, Mahaska Communication Group, Mark Twain Communications Company, Public Service Wireless, Texas RSA 7B3 LLC dba Peoples Wireless (Rural EBS Coalition)
Schools, Health & Libraries Broadband Coalition (SHLB)
School Superintendents Association and Association of Educational Service Agencies (AASA/AESA)
Select Spectrum LLC (Select Spectrum)
South Florida EBS Licensees: School Board of Miami-Dade County, School Board of Broward County, School Board of Palm Beach County, Florida Atlantic University, Florida Gateway College (South Florida EBS)
Sprint Corporation (Sprint)
State Educational Technology Directors Association (SETDA)
Technology Policy Institute (TPI)
TechSoup Global
T-Mobile USA, Inc. (T-Mobile)
Torstrick Ministries, Inc.
Utah Education and Telehealth Network (Utah)
Verizon
Virgin Islands Telephone Corp. (VIYA)
Voqal
Wireless Communications Association, International (WCAI)
Wireless Internet Service Providers Association (WISPA)

Reply Comments

AT&T
Bridge the Divide
Chickasaw Nation
Community Telecommunications Network, Inc. and Michigan Educational Technology Leaders (CTNI/METL)
EBPARC
EBS Parties
Friday Institute for Educational Innovation at North Carolina State University (Friday Institute)
Gallatin
HITN
Midco
Mural Net
NEBSA/CTN
NACEPF
National Tribal Telecommunications Association (NTTA)
Northern Arizona University Foundation (NAUF)
NTCA
Pueblo de Cochiti
Rural EBS Coalition
Santa Fe Indian School
Select Spectrum
Source for Learning, Inc. (SFL)
Sprint
T-Mobile
Tribe-owned and Tribally-Controlled Rural Telecom Entities: NTUA Wireless, LLC and Mescalero Apache Telecom, Inc. (NTUA/Mescalero)
University of Cincinnati
Views on Learning, Inc. (VOL)
Voqal
WCAI
WISPA

Ex Parte Comments

A Better Wireless
American Library Association (ALA)
API
APTS
APTS, Vegas PBS, South Carolina Educational Television Commission, Detroit Public Television
AT&T
BeamSpeed, LLC, Evertek, Inc., Redzone Wireless, Rise Broadband, SiouxLan Communications, Watch Communications
Carolina West Wireless, Cellular Network Partnership d/b/a Pioneer Cellular, Viaero Wireless, AST Telecom, Inc. d/b/a BlueSky
Chickasaw Nation/Trace Fiber Networks
CoSN, SETDA, SHLB, ALA, National Digital Inclusion Alliance, EBPARC
Countrymen Communications, Inc.
CTNI/METL
United States Department of Education, Office of Planning, Evaluation, and Policy Development (Dept. of Ed.)
EBPARC
Etex Communications, L.P.
Intel Corporation
Mark Twain Communications
Midco
MuralNet
MuralNet, Northern Arizona University, Office of Native American Initiatives, Southern California Tribal Chairmen's Association Tribal Digital Village
NACEPF
National Association of State Boards of Education/Council of Chief State School Officers
National Collaborative for Digital Equality
NCAI
Nebraska
NEBSA/CTN
NTCA
NTTA, Mescalero Apache Telecom, Cheyenne River Sioux Tribe Telephone Authority, Tohono O’odham Utility Authority, Gila River Telecommunications, Saddleback Communications, Sovereign Council of Hawaiian Homestead Association, Alexico
NMU
ONE Media 3.0, LLC
PCs for People
Robert Kramer
Rural EBS Coalition
“Save EBS Sign on Letter”
SETRA
SETDA and CoSN
SHLB, Nebraska, Virginia Department of Education
SHLB, NACEPF, Mobile Beacon, Voqal, National Digital Inclusion Alliance and Public Knowledge
Sprint
Sprint/MidCo/WISPA/WCAI/CTN/NEBSA/Voqal/NACEPF/Mobile Beacon
Tech Knowledge
U.S. Cellular Corp.
Verizon
VIYA
Voqal
Wayne State University, CTNI and NEBSA
Wayne State University, NMU, Newaygo County (MI) Regional Educational Service Agency, Mecosta-Osceola (MI) Intermediate School District
WCAI
WISPA
WISPA, JAB Wireless

Express Comments
Aaron Read, Rhode Island Public Radio
Aaron Velky
Ahren Sievers, Elmwood Park Public Library
Akiba Byrd
Alan Gibbons-Cache County School District
Aleph Bet Jewish Day School
Allan Schneider
Amanda Lange
Amy Baker, Pyper Powell, Shyra Merial, Ben Paz, Jim Saxon, Pam Dean, Scott Kenyon, Amanda Chaloux, Meghan McKee, Clatsop Behavioral Healthcare
Amy Sieving, Wilkinson Public Library
Amy Smift
Andrew Moore
Andrew Wallace
Andy Boell
Andy Coleman
Ann Stovall, Indian Prairie Public Library
Annmarie Lehner, Rochester City School District
April Leese
April Soltis
Arlene Pique
Ashley from Moline, IL
Barbara Haeffner
Barbara K Iverson, Chicago Instructional Technology Foundation
Barbara Laub, Maplewood Memorial Library
Becky Rohr Head, Lucius Beebe Memorial Library
Becky Schott
Beth Franke, John Stark Regional HS
Beverly Horner
Bill Heimann
Bo Thomas
Brad Ecret
Brian Tobin
Carolyn Primeau
Cassie Bair
Cathy Laliberte, Tina Swarr, Mary Gomez
Center for the Advancement for Healthcare Education and Delivery
Chantall Manahan
Charles Marr, PRETC
Charles Meyers, Secret Expressions, Inc
Chillicothe Public Library
Chris Kauffman, Wayfinders Churches
Cindy Bingham
Closing The Digital Gap (501c3 Non Profit)
Coby Culbertson, Dubuque Community School District
Coffee County Schools
Cole Ferrier
Colin Webb, Oklahoma Technology Association
Courtney Hayden, Alliance for Innovation,
Craig Chatterton
Craig Liggett
Creighton Community Foundation, Inc., Jeff Boles
Custom Collaborative
Cynthia Farrell
Damien Bertwell
Dan Ellsworth
Daniel Matthews
Daniel X. O’Neil, Chicago Instructional Technology Foundation
David Asbury, Gadsden City Schools
David Camara
David Fringer
David Hartz, University of Cincinnati Blue Ash College
David L. Charles, Colorado Computer Museum
David Liss
David Long
David McGearry
David Powell
David Vincent, U.S. Crisis Care
David Wu
Davida Elsbree Pathways Charter School
Debbie Werbrouck, Patchwork Dance Company
Deborah Ketringer, Copper Country Intermediate School District
Denise Blok
Denise Robinson, Brownsburg Public Library
Diane Johnson
Don Ringelstein West Aurora School District 128
Doug Brubaker
Douglas H. Hawley, AHA Board of Directors
Douglas Kiang
Dr John Vandewalle
Dr Rich Contartesi
Dr. Michael Christianson, M. Esq., JUD
Dr. Susan M. Clair, Bobby F. Keener, Jr., Virginia Department of Education
Edward Garcia, Cranston Public Library
Emily Faulkner
Emmanuel Zapata, Top of Form Foundation Communities
Enoch Kindseth, Normal Public Library
ERHAN SAYGIN
Eric Lochtefeld
Erika Verplanck
Family Bridges
Francisco Zavala
George C. Avent, Jr.
Giuseppina Azzolini
Grover Dailey
Hays County Food Bank,
Hearts for Hearing Foundation
International Cancer Advocacy Network (satellite office)
J. Todd Watkins, Huntsville City Schools
Jackie Icenhower
James Martin
James Traynor, Instructional Telecommunications Foundation
Jamie Brambley, Fulton County Library
Jane Lenser, Cherry Valley Public Library District
Jared Hardy
Jason Eyre
Jason Genovese
Jason Karabulut, Ali Cingilli, Sonoran Science Academy - Phoenix campus
Jazz@STJ
Jeff Hauser, Hands In Motion
Jeff Osborn, Windermere Ranch Middle School
Jennifer Rowan
Jered Weber
Jerome Browning
Jill McConnell, Community Library Association
Jim Hoerricks, Towcester Abbey
Joe Dusenbery
Joe McGrath
Joe Saponare
John Petersen
John Riner
Jolene Franciskovich, Coal City Public Library District
Joon Kim, Brentwood School
Josh Claseman, Pineview Park BMX
Josh Snow, Chickasaw Nation
Joshua Luckhaupt
Julia Delpino
Julie O'Neill, Mercer Veterinary Clinic for Pets of the Homeless
Karen Dini, Addison Public Library
Karen Marchese, Be Proud Foundation
Karen Nave
Kate Tranquada
Keely Gilliland, UnifiEd
Kelly Dumont,
Kelly May, Vollmar
Kent County, MD, Kent County Government
Kevin Slusher
Kim Browning
Kris Hagel
Kurt Bernhardt
Kyle Gunning, Center for Head Injury Services
Lane Education Service District
Laura Kindsvater
Lauren Jenkins
LeRoy Rose, Jr., Campus Safety & Security at the Providence Campus of Johnson & Wales University
Linda Conn, Cary Area Public Library
Lois Neustadt, Elyssa's Mission
Louise Lee, Butte College
Luann Hughes
Lynn Dennis, Roselle Public Library District
M. Jill Davis, Hope Distributed Community Development Corp
Madeira Historical Society
Maine Educational Technology Directors Association
Margie Padilla
Marty Mosley, Legacy Christian Academy
Mary Klimack, Sand Lake Town Library
Matthew Tavianini, Boxtales Theatre Company
Megan Juenemann
Michael Wagman
Michelle R Mears
Miranda Lee, Word of Grace Chinese School
Mitch Randall
Mitchell Owens
Molly Fohn
Nancy Rose
Natalie DeJarlais
Nayat M'hamed
Neal Gosman
Nick Claypool
Nick Ziegler, PhD
Nicole Steeves, Fox River Grove Library
Nicole Trimble University of Cincinnati Blue Ash College
Open Access Connections
Pamela Leffler, Morton Grove Public Library
Patricia Castillo
Patricia Hall, The North Carolina Music Educators Association
Patrick Babcock
Peggy Ganong, The New Milford Public Library
Penny Nixon, Etta Projects
Phil Carolan, Lenawee/Monroe Technology Consortium
Phillip Whitford, Braswell Memorial Library
Portland Community College
Randall Wood
Rayna Freedman, MassCUE
Rebecca Evans, Sanislo Elementary School
Richard J. Muller
Richard White, Central Berkshire Regional School District
Robbie Smith, Safe Harbor Haven Inc
Robin Adkins, Edward Chipman Public Library
Rod Carnill
Rodney Fielding, Virginia Search & Rescue
Rodney Rowland, Dunn Police Athletic & Activities League, Inc.
Ronald E. Pleasant
Ronald L. Cone
Ryan McDowell
Samantha Millsap, Roselle Public Library District
Samuel Jordan, Alaska Department of Education and Early Development
Sarah Loudermilk, Houston Youth Symphony
Scott Pierce
Shane Alexander, Bloomfield Community Schools
Sheila Ailes
Someone in Grand Prairie, TX
St. Charles Borromeo Catholic School
St. Michaels Academy
Stan Freed
Stan Schulman, Our Bedford Riding Lanes Association
Stefan Peierls
Stefanie R Sullivan, Reddick Public Library
Stephen Jacobs
Steve Hargis, City of Moreno Valley, California, Public Library
Stuart Long
SunCoast School
Susan Moore
Suz Rice
Suzanne Banas, Ph.D
Ted Stark, Menomonie Public Library
Telecommunications Users Group
Terrance McCreary and Brandie Abraham-McCreary
The Learning Accelerator
The River Line Historic Area, Inc.
The S.A.V.E Program
Thom Hartmann, Portland Regional Educational Telecommunications Corporation
Tim Fears
Tim Lucas, Lewiston Consolidated School District #69
Timothy Allchin
Tom Ingram
Tracy Oster
Vedic Cultural Center of San Diego
Vic Spain, Tidewater Oyster Gardeners Association
Vicki Bates
Victoria Sandin, Technology Librarian Rodgers Memorial Library
Wayne Beasley
Wayne Wiens
Wilhelmina Bandler

Informal Comments filed after the deadline

David Foemmel
Krista Gromalski, Coal Cracker Kids
Opera MODO
Ron Taylor, Patterson Historical Society
Rutland Northeast Supervisory Union
STATEMENT OF
CHAIRMAN AJIT PAI

Re: Transforming the 2.5 GHz Band, WT Docket No. 18-120

In 1963, a band from Liverpool released their debut studio album, Please Please Me, hoping to revolutionize the music industry.\(^1\) That same year, the FCC fell in love with a different band—the 2.5 GHz band—and decided to establish rules to allocate that band for educational television services. Over half a century later, one band continues to occupy the airwaves, while in large part, the other is nowhere to be found. If you need a hint as to which band is which, I’ll just say, sadly, that the FCC doesn’t have jurisdiction over the Beatles.

But we do have control over the 2.5 GHz band. This is the single largest contiguous swath of mid-band spectrum below 3 gigahertz in the nation. And given its combination of coverage and capacity, it presents a big opportunity for 5G. But today, this valuable public resource is dramatically underused—especially west of the Mississippi River. That’s partly because technological advances have rendered the original intended uses outdated, and partly because arcane rules have hampered providers from putting the spectrum to its highest-valued use.

Just as making available high-band spectrum for commercial use is critical to the development and deployment of 5G in the United States, so too is opening up mid-band spectrum. As Commissioner Rosenworcel has noted, “[f]or the United States to have secure 5G service available to everyone, everywhere, . . . [w]e need to make it a priority to auction mid-band airwaves right now.”\(^2\) I agree. She has advocated for this agency to “explore innovative opportunities for making more efficient use of the 2.5 GHz band.”\(^3\) I agree. And she has observed that the 2.5 GHz band “is the spectrum that can make 5G happen in our rural communities,” and that it “is a really big piece of the puzzle for 5G.”\(^4\) I agree.

So today, the Commission majority takes a major step toward freeing up critical mid-band spectrum for 5G. At long last, we remove the burdensome restrictions on this band, allowing incumbents greater flexibility in their use of the spectrum, and introduce a spectrum auction that will ensure that this public resource is finally devoted to its highest-valued use. These groundbreaking reforms will result in more efficient and effective use of these airwaves and represent the latest step in advancing U.S. leadership in 5G.

We also give rural Indian tribes an exclusive window to obtain this spectrum to serve Tribal lands. Here’s why. As I’ve seen for myself—from the Rosebud Sioux Reservation in South Dakota to the Navajo Nation in Arizona, from the Coeur D’Alene Reservation in Idaho to the Jemez and Zia Pueblos in New Mexico—the digital divide is most keenly felt in Indian Country. I want to make sure that those committed to connecting Tribal members in rural areas are given a strong opportunity to

\(^1\) The Beatles, Please Please Me (EMI Studios 1963).
\(^2\) Jessica Rosenworcel, Choosing the Wrong Lane in the Race to 5G, WIRED (June 10, 2019), https://www.wired.com/story/choosing-the-wrong-lane-in-the-race-to-5g/.
\(^4\) Monica Alleven, Rosenworcel: 2.5 GHz spectrum key for 5G in rural areas, FIERCEWIRELESS (Jan. 23, 2019), https://www.fiercewireless.com/wireless/rosenworcel-2-5-ghz-spectrum-key-for-5g-rural-areas.
succeed. A Tribal priority filing window will help the most marginalized communities in the country gain access to services using this transformative spectrum band. In particular, I want to thank the Governor of Chickasaw Nation, Bill Anoatubby, and his team for sharing their perspectives on the importance of a Tribal window for 2.5 GHz spectrum during my recent visit to rural Oklahoma. Their insights, and those of Tribal leaders across the country, helped guide my thinking on this issue.

Following the Tribal priority window, the remaining unassigned 2.5 GHz spectrum will be made available for commercial use through a spectrum auction. The 2.5 GHz auction, which the FCC intends to hold next year, will put this spectrum to its most valuable use for the American people.

Accordingly, we decline to adopt priority windows for non-incumbent educational institutions or incumbent licensees. Here’s why. Experience suggests that the past is highly likely to be prologue. And today, an overwhelming number of today’s EBS licensees lease an overwhelming amount of EBS spectrum out to wireless companies. They don’t use it for educational purposes. Indeed, over 95% of current license-holders for our 2,193 EBS licenses today lease much of this spectrum to non-educators. The FCC abiding this longstanding arbitrage has been unhelpful to consumers for many years. Given today’s imperative of 5G leadership and consumer demand for advanced wireless services, the FCC extending this middleman model even further would be nonsensical. And as Commissioner Carr’s recent inquiries have suggested, the FCC would be foolish, if not derelict in its duty, to allow entities to monetize this spectrum nationwide for purposes that have little to nothing to do with educating children. That would exacerbate rather than close the homework gap.

One other point. It’s been 427 days—fourteen months to the day—since we started the 2.5 GHz proceeding. One of my colleagues suggested—yesterday—that we hold an incentive auction in this band with no details offered whatsoever on how to do so. Of the many problems with that suggestion, one stands out. It would delay an auction of this key mid-band spectrum by several years, according to our career staff, thus substantially slowing down progress on 5G. I believe that we need to make it a priority to auction mid-band airwaves right now—not in several years’ time—and accordingly, I am not willing to support such a delay.

Moreover, it is important to remember the significant public interest benefits that follow from the approach we take today. We adopt an overlay auction with county-size licenses. We adopt a band plan that benefits small and large entities alike. And we also adopt bidding credits for small entities. This approach would encourage small companies to participate—companies like Midco, Carolina West Wireless, Pioneer Cellular, Viaero Wireless, AST Telecom, Waive Wireless, and Paladin Wireless. You may not have heard or some or any of these providers. And that’s kind of the point. These are the foot soldiers of the digital revolution in rural and low-income America. These are the entities that will use this public resource to benefit the entire public. These are the companies that support the approach we’re taking today.

Of course, today’s milestone in mid-band spectrum does not stand alone. Later this summer, we aim to approve initial commercial deployments in the 3.5 GHz band, and we intend to hold an auction in the 3.5 GHz band next year. Moreover, thanks to the reforms we adopted last year, carriers that win licenses in that auction will be able to efficiently deploy 5G in the band. We’re also working on the complicated task of freeing up spectrum for 5G in the 3.7-4.2 GHz band, commonly called the C-band. I’m optimistic that we will have results to show on this front this fall. And of course, our work on low- and high-band spectrum opportunities continues apace.

My thanks to those staffers working to help make the 5G digital revolution a reality. Today’s important steps would not be possible without the help of Erin Boone, Stephen Buenzow, Jonathan Campbell, Melvin Del Rosario, Diane Dupert, Garnet Hanly, Tim Hilfiger, Chris Miller, Darrel Pae,
Matthew Pearl, John Schauble, Catherine Schroeder, Becky Schwartz, Blaise Scinto, Christiaan Segura, Dana Shaffer, Nadja Sodos-Wallace, Cecilia Sulhoff, and Nancy Zaczek from the Wireless Telecommunications Bureau; Catherine Matraves, Jonathan McCormack, Giulia McHenry, Patrick Sun, Emily Talaga, and Margaret Wiener from the Office of Economics and Analytics; Matthew Duchesne, Barbara Esbin, and Sayuri Rajapakse from the Consumer and Governmental Affairs Bureau; Chana Wilkerson from the Office of Communications Business Opportunities; and David Horowitz, Keith McCrickard, and Bill Richardson from the Office of General Counsel.
STATEMENT OF
COMMISSIONER MICHAEL O’RIELLY

Re: Transforming the 2.5 GHz Band, WT Docket No. 18-120

In many areas of the U.S., the Educational Broadband Service (EBS) band never lived up to expectations. After a protracted history of wishful thinking that included educational broadcasting and then broadband opportunities for schools and non-profit institutions, we are mostly left with an inefficient system of commercial broadband leases, continuous licensing freezes, and underutilized spectrum. I recognize that certain educational institutions took advantage of their licenses and constructed networks, but they are few and far between. This situation warrants a new approach, one that moves the pendulum towards the Commission’s well-established flexible use policies.

Today’s item takes such a step by removing the educational restrictions on these licenses, fostering a more vibrant secondary market, and dusting off the bandwidth sitting in the FCC inventory by ordering an overlay auction where there is currently unlicensed spectrum. As such, the item generally moves in the right direction, and I applaud the Chairman for his leadership, even if I may have opted for tribal bidding credits rather than a tribal priority window. However, I certainly appreciate that the Chairman added stringent buildout requirements for licenses obtained in this set-aside. Every tribal EBS licensee should be on notice: if you don’t build, the license will be cancelled.

On a broader note, it is fair to say no one can truly predict who will be interested in participating in this auction, and there is unlikely to be a mad rush for these licenses. While a winning bidder would obtain an overlay license, the only guarantee is the right and obligation to serve 80 percent of the white space population, not a larger area such as the unserved portion of a market. This may ultimately discourage some of our largest providers from participating in the auction.

Moreover, this proceeding is fundamentally about making slivers of spectrum available in those areas where it is not licensed. While additional spectrum opportunities in rural – or non-urban – markets are important, the lack of available spectrum in the largest markets makes it hard to characterize this as a true mid-band play for 5G or next-generation services. Accordingly, I certainly welcome and appreciate the Chairman’s statements from last week indicating that the 3.5 GHz auction will occur in the first half of 2020; that there is likely to be a C-band item this fall; and that progress is being made on commercial use in the entire 3.1 to 3.55 GHz band. These are issues I have been working on for years to effectuate, and this is very welcome news for America’s 5G outlook. I look forward to engaging further on these matters and reviewing the forthcoming items.

On this item, I approve.
STATEMENT OF
COMMISSIONER BRENDAN CARR

Re: Transforming the 2.5 GHz Band, WT Docket No. 18-120

Today’s vote brings more good news for U.S. leadership in 5G.

The Order before us helps clear a massive amount of prime, mid-band spectrum for 5G—200 MHz in total. This spectrum is an important input to a successful 5G deployment because it has capacity and coverage characteristics that make it well-suited for next-gen connectivity. In fact, one nationwide carrier is using parts of this very spectrum today for 5G. It’s providing uninterrupted coverage to people traveling across a city, with continuous streams of hundreds of megabits per second on the go.

Of course, mid-band spectrum is not the only necessary input for a successful 5G build in the U.S., even though you might think that based on the latest D.C. talking points. Here’s the reality. For the U.S. to win the race to 5G—to see not only the full range of next-gen services but to see them in communities across the country—we need a strategy that opens up high-, mid-, and low-band spectrum. And that’s why this FCC has executed on an all-of-the-above approach.

Take our efforts on high-band spectrum. Several carriers have already gone live with 5G offerings using this spectrum. They’re hitting peak speeds of two gigabits per second to customers’ phones. And they’re providing many families with their first taste of competition for in-home broadband. Bringing this new competition to home broadband is wildly popular with everyday Americans. And this 5G service works best with high-band spectrum. Carriers are not hitting multi-gig, fiber-like speeds in these markets on mid-band spectrum.

Low-band spectrum, in turn, is one key to making sure rural America is not left behind in our upgrade to 5G. One carrier alone has committed to covering 90 percent of rural households with 5G using its low-band holdings. This will mean at least 50 megabits per second for farms and ranches that today don’t have a single option for broadband. Bringing 5G to these sparsely populated communities is not a mid- or high-band play alone.

And that brings me to today’s decision, which complements all these efforts. A lot of work went into opening up this 200 MHz of mid-band spectrum. And that work didn’t even start until 2018 when this FCC launched this rulemaking. Prior FCCs probably put off this effort because the path forward presented challenges. A lot of that has to do with the history of this band. It’s a history that tracks the evolution of the FCC, from an agency that placed too much weight on its own predictive judgments to one that prefers flexibility and bottom-up experimentation.

These 2.5 GHz licenses were created in 1963 for schools to transmit video programming. The idea was that a school district might have instructional videos that it wanted to beam from a central office to a neighborhood school. Educators, on tight budgets, weren’t likely to have the capacity or know-how to self-provision a niche technology. And so the original service, called ITFS, stagnated. Over the next 55 years, companies figured out ways to make use of the band often in spite of our rules, first for commercial video networks, and later for mobile broadband.

Creative entrepreneurs deserve credit for stitching together this spectrum. They have layered narrow bands of circular-shaped licenses—which reflected the band’s original purpose, television transmission—to create wider channels for broadband. Yet because of the FCC’s decades-old history in the band, it’s still saddled with ribbons of white spaces and rules that encumber its most valuable uses. Indeed, about half of the U.S. is not even covered by a 2.5 GHz license today.
The Order frees the spectrum from the misguided choices of FCCs past. It makes the licenses flexible-use, which technology and the market show us will power 5G. It modernizes the licenses’ shapes by auctioning the white spaces and encouraging geographic consolidation. And it relies on market forces—rather than a protracted or reticulated FCC process—to quickly and fully rationalize the spectrum for 5G. This means mid-band for 5G today.

Now, some will tell you that we shouldn’t take these steps to free up mid-band spectrum. They say this spectrum is for kids and schools. They pit winning the race to 5G against education, creating the illusion of a binary choice. But when you scratch the surface of their claim and see what’s underneath it, I can tell you it’s not the kids.

The original 2.5 GHz licenses were given only to accredited educational institutions and government entities engaged in the formal education of enrolled students. The FCC later opened a small window of license eligibility but only for nonprofits and only if their purposes were educational and they produced instructional video content. The idea was that valuable spectrum should be given away only to entities that need it to educate kids.

In the course of examining the 2.5 GHz licenses at issue in this order, I discovered that many of these national organizations are using this valuable public spectrum that they got for free for activities far removed from kids and schools. They are not laser-focused on closing any homework gap. They are not devoting all of their energy to kids still stuck on the wrong side of the digital divide. It turns out, they’re liquidating the spectrum and spending cash on pet projects. Political campaigns. Buying a non-GMO farm. Even pocketing millions of this tax-free money for themselves. These practices may not only violate FCC rules, but, in some cases, federal tax law as well.

So last week, I started an inquiry by sending letters to some of these national organizations. We need to get to the bottom of their shady practices. And we need to hold them accountable for any wrongdoing.

To further my efforts, I am glad my colleagues agreed to include language in today’s decision that directs the Enforcement Bureau and the Wireless Telecommunications Bureau to review these existing license holders for compliance with our rules and other applicable laws. Strong enforcement is especially important now because this Order allows national nonprofits and all other 2.5 GHz holders to sell their licenses, potentially at great profit. Those resources should go to kids and schools, not shady middlemen, not rent-seekers, and not scam artists.

I also think the FCC should demand much more from these and other EBS license holders than we’ve been getting. The current 30 percent buildout obligation is out of step with the performance requirements we impose on other wireless licensees. I proposed that we increase buildout on existing EBS licensees to 80 percent, and although we do not take that step in this Order, the Order now creates the procedural path to accomplishing that in a pending rulemaking.

With these changes in place, a vote for this item is a vote to return the focus to kids and schools. It’s a vote for 5G. And a vote for the next item up on our agenda is another vote for more 5G. Together, these two items put up for auction more spectrum than at any time in the FCC’s history, and they enable the clearing of prime 5G spectrum to rival any country in the world.

I am proud of the work this FCC has done on spectrum and infrastructure to secure U.S. leadership in 5G. I am glad to vote in favor of more mid-band spectrum for 5G today. I want to thank the Wireless Bureau for its work on this item. It has my support.
Re: Transforming the 2.5 GHz Band, WT Docket No. 18-120

In 1960, when Senator John F. Kennedy was roaming the country, campaigning for the highest office in the land, he described television as having “the potential to teach more things to more people in less time than anything yet devised.” I’m struck by those words about the educational power of television. That’s because they sound so much like the ones we use today to describe the power of broadband for our schools and students.

His enthusiasm for educational television did not end with the presidential campaign. In 1962, President Kennedy signed the Educational Television Facilities Act, which provided the first funds to noncommercial broadcasting. At the signing ceremony, he was accompanied by Newton Minow, his hand-picked chairman of the Federal Communications Commission. Of course, Newton Minow famously had his doubts. A year before the passage of this law he called television “a vast wasteland.” But a year after passage, Chairman Minow set out to make educational television a reality. Under his leadership, in fact, this agency introduced Instructional Fixed Television Service, or ITFS.

ITFS made its home in the 2.5 GHz band. Licenses were distributed to educational institutions committed to delivering instructional television services to schools. It was a grand idea. Use the power of broadcasting to teach. Remake education. But history shows that even with all this enthusiasm for instructional television, many ITFS licensees had difficulty making full use of their spectrum. So over time the FCC permitted educational licensees to use these airwaves in another way and lease excess capacity for commercial use.

Fast forward to 2004. The FCC took another look at ITFS. It renamed it the Educational Broadband Service, or EBS. But it did more than just rebrand these airwaves, it sought to reimagine their possibilities by encouraging their use not just for instructional television, but for educational broadband. Some truly promising efforts to ensure online access for students followed, in communities as diverse as Albermarle County, Virginia; Marquette, Michigan; and Desert Sands, California. But not every licensee has been able to put this spectrum to the educational use the FCC imagined. So last year, the FCC released yet another rulemaking to address the 2.5 GHz band.

This brings us to the present and this decision. This order turns its back on the schools and educational institutions that have made the 2.5 GHz band their home since 1962. Today the FCC takes the innovative effort to infuse this band with learning opportunities—an initiative that dates back to the Kennedy Administration—and reverts to uninspired and stale commercial spectrum policy.

This is a shame. Instead of using these airwaves in creative ways, we take the 2.5 GHz band, cut education from its mission and collapse this spectrum into an overlay auction system that structurally advantages a single nationwide carrier.

It didn’t have to be this way.

I think the educational history of this band is important. I think it should inform our effort to put this band to greater use for next generation wireless services. I think instead of this uninspired overlay auction we should be doing something bold. We should be doing something creative. We should be doing something that honors the past in this band but takes it firmly into the 5G future.
There’s a way to do this. Let me describe how.

In 2012, Congress gave the FCC the authority to use innovative market mechanisms to nudge more spectrum into commercial wireless markets. We used this authority for the first time in 2016 to do something that had never been tried before. We tested the proposition that existing spectrum licensees might voluntarily relinquish their rights in exchange for a portion of the proceeds of the subsequent reauction of their airwaves for new flexible use. We dubbed this effort—which took place in the 600 MHz band—a voluntary incentive auction.

That auction concluded in 2017. Regulators globally took note. But we didn’t stop there. We didn’t hang up our hats after addressing only the spectrum needs of our private companies. We recognized that we had public problems to solve and that this auction process could help.

So we blazed a trail for another first. With the blessing of Congress, we took the revenues raised from our first-ever incentive auction and used them to connect first responders across the country to a nationwide network for public safety with blazing-fast facilities. This first responder network is helping law enforcement, firefighters, and emergency medical technicians save lives and protect communities across the country.

I don’t think there is any shame in copying a good idea. We should take this model and reimagine it for education in the digital age. While our first incentive auction connected first responders, our next could free mid-band spectrum for 5G and connect students.

Here’s why this is important. Today, seven in ten teachers assign homework that requires access to broadband. But FCC data show that as many as one in three households do not subscribe to broadband service. Where these numbers overlap is what I call the Homework Gap.

The Homework Gap is real. The Associated Press tells us that it affects nearly one in five students in the United States. For students in homes without broadband, just getting nightly schoolwork done is hard. I’ve seen it firsthand in rural areas, urban areas, and everywhere in between. Kids sitting in parking lots late into the evening just to get a signal to do their nightly schoolwork. Students sliding into booths at fast food restaurants every afternoon to do their homework with fizzy drinks and fries. Parents cobbling together connectivity trips to the homes of relatives and libraries with limited hours just to help their children get their assignments done.

It shouldn’t be this hard. We should do something about it—and the 2.5 GHz band presents a perfect place to start.

This is how it would work. The FCC has unused 2.5 GHz licenses in inventory. It has the authority to hold another voluntary incentive auction. Existing EBS licensees could then make a choice, keeping what they have today or returning their airwaves for compensation they could use to get the resources they need for education in the digital age. Doing so would require addressing license size, long-term leasing, and other issues unique to the band. But if we were to combine these two sources of 2.5 GHz spectrum, we would be able to hold a substantial nationwide auction for new, flexible, commercial use of key mid-band airwaves vital to 5G service.

Then, we could take the funds raised in this nationwide auction and solve the educational challenge that affects students all across the country. We could close the Homework Gap. These funds could be used to support connectivity for millions of students who lack broadband at home—through loans of wi-fi hotspots at school libraries and other creative programs—to ensure that no child is left offline.
Here's the kicker. We could do this in short order. Just look at the 37, 39, and 47 GHz bands, where we moved from public notice to a modified incentive auction in just nine months. In fact, the innovative voucher mechanism we adopted for these bands could be used in the 2.5 GHz band as well.

In short, we could honor what President Kennedy and his allies tried to do decades ago when they sought to spark educational use in the 2.5 GHz band. We have an opportunity now to nod to his history but do it in a way that is thoroughly modern and helps make sure every student has the connectivity they need for schoolwork. I regret that we do not do it here. So I dissent.

However, there is one thing I think today’s order gets right and that’s the decision to preserve a filing window for Tribal entities seeking spectrum licenses. For too long those in these communities have lacked meaningful access to modern communications. Native Americans should not be the last Americans with access to broadband. Addressing this problem will take more than what we do here, but it’s an initiative that I support and the lone aspect of today’s decision that I approve.
STATEMENT OF
COMMISSIONER GEOFFREY STARKS
APPROVING IN PART, DISSenting IN PART

Re: Transforming the 2.5 GHz Band, WT Docket No. 18-120

“Today our schools and colleges face a crisis of appalling proportions in terms of deficits in dollars, teachers, classrooms and services. American progress and even our national survival is directly dependent on what we as a nation do now….”

Those words were written in 1960 by President Kennedy, and unfortunately, they still ring true today. Our children’s education is one of the most important investments that we as a society can make. President Kennedy saw the potential of television spectrum, calling it “a device which has the potential to teach more things to more people in less time than anything yet devised.” That insight led the FCC to set aside the 2.5 GHz spectrum to support schools and educational programming in 1963. Meanwhile, ARPANET, the precursor to the modern Internet, was just in its embryonic stages. We had no idea what it would someday become or how our world would soon change in dramatic ways. But what we knew then, and what hasn’t changed since, is that we have a duty to ensure that our communications networks serve our students and our schools. As President Kennedy said, our national survival depends on it.

Today’s Report and Order is a missed opportunity. There’s no question that the EBS program has its flaws and that it doesn’t look quite the way it was envisioned all those years ago. But rather than embracing the positive aspects of the program and improving upon it, we instead set up a regulatory framework that may lead to its ultimate demise. This is a regrettable outcome, and one that could have been avoided.

Like television in the 1960s, the internet today has the potential to teach more things to more people than ever before. Similarly, the EBS program has grown from a program for closed-circuit educational television to a nationwide broadband program for schools and other educational institutions. EBS licensees use 2.5 GHz spectrum to teach online classes and provide hotspots to students. They’re using it to keep students connected while they’re in the hospital or when extreme weather events keep them from attending class. They’re using it to build out their own networks, such as Northern Michigan University’s WiMAX network, which provides broadband access to rural students in the Upper Peninsula. It’s not what we imagined in 1963, but only because before the internet these kinds of programs couldn’t be imagined.

Critics of the EBS program suggest that the educational institution licensees should receive little sympathy for today’s decision. These critics point out that, despite several innovative programs, EBS spectrum remains unused in large parts of the country and is usually leased by licensees to commercial entities. But while these facts are indisputable, they don’t tell the whole story. What they fail to account for is the Commission’s role in the lack of EBS licenses in much of the country. As the item grudgingly acknowledges, the Commission suspended the processing of applications for new EBS licenses in 1993. Back then, the Commission claimed that this suspension would be “for a short period of time” and that the agency would “resume accepting applications expeditiously.”\(^{390}\) The Commission instituted this freeze, not because it believed the spectrum could be put to better use, but to allow it to determine an equitable way to award licenses because the demand for the program was so great. With the exception of

a brief window in 1995, however, it has been about a quarter-century since educational institutions could obtain new EBS licenses. And while the Commission has periodically discussed the EBS program, the agency’s failure to resume issuance of EBS licenses has created a cloud over the program that is no fault of the licensees.

EBS critics also make a great deal of the fact that most EBS licensees lease their spectrum. But those critics fail to acknowledge that it was the Reagan-era FCC that encouraged licensees to lease their spectrum. Back in 1983, the Commission realized that most EBS licensees – educational institutions with little technical expertise or access to capital – lacked the resources to build out their own facilities, and that they needed additional resources for the service to grow. To quote the agency, “when the amount of money available to public schools is being reduced by taxpayers, expenses for educational technologies … are usually among the first to be reduced or eliminated.” The Commission therefore approved the leasing of this spectrum to allow licensees to generate revenue that “would widen [the program’s] base of support and contribute to the service’s ability to withstand a diminution in any one source of funding without being forced to significantly reduce its overall service to the community.”

Indeed, even after the FCC authorized the spectrum for use in wireless broadband, the agency continued to point to the value of lease arrangements in putting the spectrum to use. As the agency stated in its 2004 order: “it is well established that revenue from leasing to commercial interests has, in many instances, effectively funded and financed … buildout and operations. The Commission has always considered the leasing of excess capacity a legitimate source of funding for the educational mission, and has taken numerous steps over the years to facilitate and encourage these secondary market transactions.”

So it was with the Commission’s blessing that most EBS licensees entered into lease arrangements with commercial providers. Nevertheless, a few EBS licensees have built out their own networks and done an outstanding job providing services to their communities. And although most have not built their own networks, many have obtained lease terms that provide benefits for their institutions and communities like those cited earlier.

Thus, the EBS program today may not be what the Commission intended when it first established the program, but it does reflect the broad intent of the agency when it last considered its merits. To quote then-Commissioner Kevin Martin, “Encouraging and supporting education is a crucial value to our society, and that value is reflected in the reservation of spectrum for educational users. While some argue that educational spectrum is currently not being used efficiently, we must remember that this spectrum...”

392 Id. at 1250 para. 117.
393 See Amendment of Parts 1, 21, 73, 74 and 101 of the Commission’s Rules to Facilitate the Provision of Fixed and Mobile Broadband Access, Educational and Other Advanced Services in the 2150-2162 and 2500-2690 MHz Bands, Report and Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd 14165, 14225, para. 157 (2004) (BRS/EBS R&O or BRS/EBS FNPRM). See also id. at 14226 para. 53 (“our … leasing and secondary market rules for spectrum leasing arrangements are sufficiently flexible to allow market forces to push the … spectrum towards its highest valued use, and educators will continue to enjoy considerable flexibility to lease their excess capacity spectrum. Further, educators can enter into partnerships with commercial interests to improve the capacity and efficiency of their systems, which in turn could free up more spectrum for commercial operators to work towards the development of ubiquitous broadband.”).
has been under the cloud of major proposed changes for a number of years.”

Given the Commission’s failure to address the long-standing freeze on new EBS licenses, it’s hard to argue that the cloud was ever fully lifted.

Rather than acknowledging this point, however, the current item dismisses it as ancient history and pushes instead for an approach that will not only result in most of the unassigned spectrum going to commercial providers but also establishes a “one-way ratchet” system by which existing licenses are likely to end up with those same providers.

The Report and Order justifies its approach as necessary to establishing American leadership in 5G and providing service to underserved areas. But this item falls far short of these lofty goals. The order appears likely to result in a windfall of spectrum for current lessors that already control much of the 2.5 GHz spectrum. First, while the item has been revised, the spectrum blocks continue to be sized in a manner that will make it difficult for parties – like educational institutions -- to compete at auction. Moreover, even among such parties, current lessors have a huge advantage because of their superior knowledge of the existing leases, which could significantly affect the valuation of any new overlay licenses. Given the advantage held by current lessors with existing substantial spectrum resources in the 2.5 GHz band, I have doubts that these companies will use any new spectrum for services they weren’t already planning to offer, particularly in rural areas.

As for existing licenses, the item dismisses the EBS community’s concerns about the impact of removing the educational use requirement and allowing non-educational entities to obtain them. The item says that the licensees will retain their licenses and can always reject any unreasonable offers from would-be lessees. But the item ignores the asymmetrical bargaining power of the parties here. For example, as the Commission acknowledged in its 1983 order, educational institutions have limited resources and technological budgets are often the first to be cut. Suggesting that a local school district and a multi-billion-dollar corporation have equal bargaining power, particularly if existing leases restrict a school district’s alternatives through first right of refusal clauses, is simply not credible. Moreover, even those licensees who can theoretically turn down a would-be lessee have limited alternatives. Unfortunately, the situation has not changed much since the 1980s -- most school districts lack access to the resources needed to build out their own networks. And given the existence of long-standing lease arrangements, it’s unlikely that an alternative provider will be willing to pick up an existing lease and build out its own network. In effect, current commercial lessees can simply tell an EBS licensee to “take it or leave it.”

Instead of sunsetting the EBS program, the Commission could have improved it, as the President’s Department of Education recently urged. For example, we could have:
- attached conditions to new licensees for the provision of uncapped low-cost service to educational institutions or students;
- created a Priority Filing Window for educational institutions in rural areas to obtain new licenses where competing applications are unlikely; or
- broken the spectrum blocks into small enough segments that smaller carriers or educational institutions could have had a shot at getting some of this spectrum.

These changes could have encouraged development of 5G and rural services while remaining true

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394 Id., Separate Statement of Commissioner Kevin J. Martin.
to President Kennedy’s call to action all those years ago. Instead, we have a lost opportunity and a program that has been fundamentally undermined.

For now, the EBS program remains in place and I wish the licensees the best. They do incredible work, and they have my support. But this item leaves me with grave concerns about the future of this program.

Finally, while I disagree with much of the approach taken in this item, I support the item’s adoption of a Priority Filing Window for Tribes. I think this is a tremendously beneficial result and should lead to increased broadband availability for this community. I look forward to hearing how these licenses will help address this critical need.

Thanks to WTB for their work on this item.