Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC

GN Docket No. 12-354

In the Matter of

Amendment of the Commission’s Rules with Regard to
Commercial Operations in the 3550-3650 MHz Band

Petition for Reconsideration
On Auction Rules for Priority Access Licenses

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I hereby petition for reconsideration of the Report and Order of April 21, 2015 in the matter of Amendment of the Commission’s Rules with Regard to Commercial Operations in the 3550-3650 MHz Band [1]. This petition is part of a broader comment I submitted [2], which discusses several closely related issues and overall motivation.

The rules state that “when there is only one applicant for one or more PALs in a given census tract, we will neither proceed to an auction nor assign any PAL for that license area” (Paragraph 134, [1]). This makes no sense. Perhaps there is a rural hospital that needs a wireless system with guaranteed quality of service for medical applications, but this guarantee is needed infrequently, and only in an area smaller than a census tract. This need could easily be met with a PAL, but under the rules in [1], the hospital’s needs could not be met in the 3.5 GHz band. Alternatively, perhaps there is only one wireless Internet service provider (WISP) serving a tract, the WISP it could serve its customers better if it had a PAL or two, while leaving the rest for GAA. Under the rules in [1], this WISP would not be able to do so. If there is benefit to PALs, then why should any region be denied that benefit just because there is only one bidder? It is like saying that because we prefer competition among providers of broadband service, the FCC should make sure no one can bring broadband to an unserved geographic area unless a competitor is willing to do the same.

The PAL approach is most likely to provide value if PALs are available everywhere in the US, perhaps even laying the groundwork for a dynamic secondary market for entire PALs or for portions of PALs [3, 4], as is also discussed in [2]. Thus, the FCC should grant PALs in every market where there is demand, even if there is only one bidder.

The FCC has the authority to do this. The Communications Act authorizes the FCC to use auctions when “mutually exclusive applications are accepted for any initial license.” (Paragraph 130, [1]) If \(k\) applications are received for PALs, and the FCC chooses to issue \(k-1\) licenses, then the FCC has authority to use auctions even if all applications were received from the same source. Dropping the requirement
that bids must come from two or more bidders would allow regions with only one interested provider to have PALs, and would be consistent with the law. It is also worth noting the atypical aspects of sharing in the 3.5 GHz band. GAA use is licensed by rule in the same band as PALs, and simultaneous PAL and GAA use of spectrum is mutually exclusive, so PAL bidders are always competing with other mutually exclusive uses regardless of the number of bids or the number of bidders.

Author Qualifications

Jon Peha is a Professor at Carnegie Mellon University, with experience in industry, government, and academia. In government, he served at the FCC as Chief Technologist, in the White House as Assistant Director of OSTP, in the House Energy & Commerce Committee, and at USAID for the Telecommunications Leadership Program. In industry, he has been Chief Technical Officer for three high-tech companies, and member of technical staff at SRI International, AT&T Bell Labs, and Microsoft. At Carnegie Mellon, he is a Professor in the Dept. of Electrical & Computer Engineering and the Dept. of Engineering & Public Policy, and former Associate Director of the Center for Wireless & Broadband Networking. Dr. Peha holds a PhD in electrical engineering from Stanford. He is an IEEE Fellow and an AAAS Fellow, and was selected by AAAS as one of 40 Featured Science and Technology Policy Fellows of the last 40 years ("40@40"). Dr. Peha has received the FCC's "Excellence in Engineering Award," the IEEE Communications Society TCCN Publication Award for career contributions, and the Brown Engineering Medal. He consults on a wide range of technical and policy issues related to information and communications technology.
Disclaimer

In writing this comment, Dr. Peha represents no one but himself.

References


www.ece.cmu.edu/~peha/papers.html