



# NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).

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FOR IMMEDIATE RELEASE  
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## **FCC PROPOSES AMENDING CURRENT SPECTRUM REGULATIONS IN ORDER TO PROMOTE WIRELESS SERVICES IN RURAL AMERICA**

Washington, D.C. – The Federal Communications Commission today adopted a Notice of Proposed Rulemaking (NPRM) proposing ways to amend its spectrum regulations and policies in order to promote the continued rapid and efficient deployment of quality spectrum-based services in rural America. The adopted NPRM is part of ongoing efforts by the Commission to support competition in the voice and data markets in rural America and to improve access to spectrum in rural markets.

In 2002, the Commission sought input from the public on whether it should modify its policies in order to promote the provision of more spectrum-based services in rural areas. Also last year, the Commission's Spectrum Policy Task Force identified potential changes in spectrum policy that would benefit the public. The Spectrum Policy Task Force recommended that the Commission explore ways of promoting spectrum access and flexibility in rural areas, and in January 2003, the Commission asked for public input on these recommendations. The Commission's action today takes the result of these efforts and turns them into actual proposals to improve wireless services in rural America.

### **Specifics of the Commission's Action**

In the adopted NPRM the Commission considers a number of issues that could be addressed to help improve wireless services in rural America, including:

- seeks input on various questions related to clarifying rules, minimizing regulatory costs, and providing incentives to serve rural markets. Specific questions include: Which areas of the country should be considered rural? What types of rules for wireless network construction best promote rural service? How should any new construction requirements be applied to leased spectrum? Would modifying the rules regarding unused spectrum result in better service to rural America? In particular, should the Commission expand the use of such mechanisms as re-licensing unused spectrum through auctions or, alternatively, advance a process modeled after the cellular unserved area rules, which provides that willing providers may apply to obtain a license to serve areas that are not being used?
- proposes modifying construction requirements by allowing all providers of wireless services licensed on a geographic areas basis to demonstrate "substantial service." The

Commission also proposes a substantial service “safe harbor” for rural areas, which would give providers more certainty that specific types of service would meet construction requirements. The Commission asks for input on whether construction requirements should be imposed in subsequent license terms, and asks whether such requirements likely would result in greater construction within rural areas.

- proposes to remove or modify regulations that may impede rural service, the Commission also discusses measures to increase power level flexibility for licensed services in rural areas. The Commission proposes to allow providers in rural areas to operate at higher power levels so as to cover larger geographic areas with a given amount of equipment. In addition, the Commission proposes to remove the eligibility restrictions on the use of spectrum for Rural Radiotelephone Service (“RRS”) and Basic Exchange Telephone Radio Systems (“BETRS”), thus expanding and promoting the use of these services that are focused on helping rural areas.

- seeks comment on the effect of the use of small versus large geographic licensing areas. In particular, comment is sought on the costs of partitioning license areas post-auction as compared to the costs of aggregating these areas during or after the auction process.

- seeks comment on ways to better promote access to the equipment necessary to provide service in rural markets. In particular, the Commission seeks comment on whether clarifying the Commission’s policy on infrastructure sharing between different providers may promote service in rural markets.

- seeks comment on a tentative conclusion to retain the cellular cross-interest rule in RSAs with three or fewer CMRS competitors, removing the rule as it applies to other RSAs, and eliminating its application to non-controlling investments in all RSA licensees to enhance the ability of cellular licensees in such rural markets to invest in the operations of other licensees in the same market.

- finally, recognizing the important role played by the Rural Utilities Service in promoting critical service in rural America, the Commission seeks comment on what, if any, regulatory or policy changes it should make to complement RUS financing programs, including whether it should allow RUS to take security interests in spectrum licenses of its borrowers.

Action by the Commission September 10, 2003, by Notice of Proposed Rulemaking (FCC 03-222). Chairman Powell, Commissioners Abernathy, Copps, Martin, and Adelstein. Chairman Powell issuing a statement and Commissioners Abernathy, Copps, Martin, and Adelstein issuing separate statements.

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