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February 14, 2003

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, D.C. 20554

Re: WT Docket No. 02-381

Dear Ms. Dortch:

We are a rural telephone company that wishes to develop wireless services in order to more effectively serve the small communities and scattered residences and businesses for which we are the carrier of last resort. We believe that wireless will play a key role in bringing advanced services such as Internet access and high-speed data to rural Americans. Therefore, we strongly support the comments filed in the Rural Spectrum Notice of Inquiry proceeding by the South Dakota Telecommunications Association (SDTA), the National Telecommunications Cooperative Association (NTCA) and the Organization for Protection and Advancement of Small Telephone Companies (OPASTCO). In particular, we believe that the FCC should take the following steps to help ensure access to wireless services in rural areas:

1. Use the Metropolitan Statistical Area (MSA)-Rural Service Area (RSA) license sizes for at least one block of spectrum in all future spectrum auctions. When larger license sizes are used, the licensee can generally avoid service to rural areas by satisfying its buildout requirement with coverage to only the urban and suburban areas.

2. Create rural telephone bid credits, since small business bid credits have been ineffective in facilitating rural telco participation in auctions. Rural telcos have undertaken an obligation to serve areas that are high cost in nature, and do not have the benefit of serving urban areas as well.

3. Recognize that giant nationwide carriers lack the incentives to serve rural areas, other than "cream skimming" the business centers and major highways. It vital that rural carriers be given the opportunity to bid on small, rural licenses.

4. Revise the partitioning and disaggregation rules to better facilitate such transactions, by providing large licensees with more incentives to negotiate with rural carriers.

5. Allow spectrum leasing on an optional basis, while recognizing that the band manager concept (mandatory leasing) will not be effective in rural areas, since high rural construction costs militate against investing in "borrowed spectrum".

6. Adopt higher permissible power levels for rural licensees, since higher power will allow lower construction costs;

7. Facilitate unlicensed operations in rural areas, while protecting the rights of incumbent licensees operating on the same spectrum.

8. Reexamine the policy of liberally granting ETC status to wireless operations in rural telco service areas, because of the lack of rural benefits and adverse impact on the future of USF.

We appreciate the opportunity to express our views on these very important issues.

Sincerely,

Mark Benton, General Manager

Cc: FCC Commissioners
John B. Muleta, Chief, Wireless Telecommunications Bureau (WTB)
Margaret Wiener, Chief, Auctions and Industry Analysis Division, WTB
Robert Krinsky, WTB