

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In re)	
)	
Auction of Licenses)	Report No. AUC-02-44-A
698-746 MHz Band)	(Auction No. 44)
)	
Scheduled for June 19, 2002)	

COMMENTS OF UNITED STATES CELLULAR CORPORATION

United States Cellular Corporation on behalf of itself and its subsidiaries (collectively "US Cellular"), by its attorneys, submits its comments in response to the Public Notice of the Wireless Telecommunications Bureau dated January 24, 2002 (DA 02 –200) in the above-captioned matter.

As an active participant in the Commission's proceedings leading up to the adoption of reallocations and service rules for the 698-746 MHz spectrum band, US Cellular supported use of this spectrum for the expansion of the capacities of cellular radio telephone and other land mobile radio services to meet the needs of regional and rural carriers. We applaud the Commission for adopting MSA/RSA service area licensing for at least a portion of this 48 MHz of spectrum.

The opportunities for auction participation by rural telephone companies and small businesses in the auction of the 698-746 MHz band which the Commission created by adopting a flexible band plan with multiple spectrum blocks and small service area sizes should now be enhanced as discussed below.

First, we support a consolidation of the licenses, large and small service areas, for all of the newly reallocated 700 MHz spectrum into a single auction. This will help avoid the effects of the head-start advantage which national or super regional carriers might otherwise obtain if all EAG licenses are auctioned possibly as much as two years before MSA/RSA licenses in this band are auctioned. We oppose the separation of the auction for the 734 MSA/RSA Lower 700 MHz band licenses in Auction No. 44 as fundamentally unfair and inconsistent with the Commission's commendable efforts to create licensing opportunities for rural telephone companies and small businesses.

Second, we strongly support the postponement of the auctions for 700 MHz spectrum along the lines reported recently in trade press accounts of the administration's legislative proposals to delay the start of Auction No. 31. We also support the administration's related efforts to establish a legislative framework to promote bandclearing in the 700 MHz band. We believe that providing an increased level of certainty about when this spectrum could be reclaimed from incumbent television broadcasters and delaying the 700 MHz auctions to a date which is two years of less prior to anticipated reclamation would help promote widespread auction participation and early deployment of this spectrum.

Finally, we strongly support use of simultaneous multiple-round auction methodologies for all MSA/RSA licenses without combinatorial bidding features as currently proposed in the above-referenced public notice. Also, if Auction No. 31 is delayed as proposed here, the Commission should consider testing its combinatorial

bidding procedures in connection with the licensing of spectrum other than 700 MHz or other Advanced Wireless spectrum bands, so that 700 MHz is not the first band in which this new bidding methodology is used. This may permit the Commission to refine or eliminate its combinatorial bidding procedures so as to avoid the so-called "threshold problem," which the Commission itself has identified, and thereby diminish the potential under the Commission's current combinatorial bidding procedures to bias auction results in favor of nationwide or super regional aggregation.

Respectfully submitted,

UNITED STATES CELLULAR
CORPORATION

By /s/ George Y. Wheeler
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