



July 7, 2004

Via Electronic Mail

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

RE: Public Notice DA 04-1639
Report No. AUC-04-58-A Auction No. 58

Dear Ms. Dortch:

In response to the Wireless Telecommunications Bureau's recent request for comment on the forthcoming broadband PCS Auction No. 58, this letter is sent on behalf of the Arctic Slope Regional Corporation (ASRC) to encourage the Commission to strongly enforce the current rules applicable to Designated Entity (DE) participation. These rules are critical to ASRC's decision process for participating in Auction No. 58. Regulatory certainty aids the efforts of small and minority-owned companies to raise the substantial capital necessary to enter the wireless communications industry. Thus, maintaining the rules in their present form will further this important consideration.

ASRC is one of the twelve regional corporations established by Congress under terms of the Alaska Native Claims Settlement Act of 1971, 43 U.S.C. § 1601 et seq. ASRC is owned by approximately 9,000 shareholders of Inupiat Eskimo descent and a majority of our shareholders still reside in the remote villages on the North Slope of Alaska. Many of these shareholders have incomes at or below the poverty line, live a subsistence lifestyle based on land and sea animals, and rely upon the dividends and other benefits from ASRC and the service institutions we support for their basic needs.

As a controlling shareholder in Alaska Native Wireless, a designated entity, ASRC participated actively in Auction No. 35, emerging as the second largest auction winner with approximately \$2.9 billion of winning bids. Obviously, such meaningful participation by ASRC was only possible because of the DE rules applicable to that auction. ASRC remains keenly interested in actively participating in FCC auctions generally and Auction No. 58 in particular.

ASRC has strongly supported the Commission's longstanding efforts to stimulate participation by companies owned by members of minority groups and women in Commission-regulated businesses. The Commission has consistently found that the lack of access to capital is the dominant barrier to entry in the capital-intensive wireless industry for businesses owned by members of minority groups and women. To address this barrier, the Commission developed spectrum auction bidding credits and set-asides for smaller businesses, and its rules also expressly ensure that entities owned and controlled by Alaska Native Corporations and Indian tribes are also eligible to benefit from these measures.

The DE rules in place for Auction No. 35 most certainly contributed to the overall success of that auction, and to the success of DE participants in particular. As a result, small and minority-owned entities can now point to the triumph of Auction No. 35, *and* to the fact that the Commission will enforce the same DE rules in Auction No. 58, in their efforts to raise the capital necessary to participate in Auction No. 58.

Moreover, the current DE rules are wholly consistent with the Commission's longstanding commitment to provide all people living on tribal lands with access to a broad array of telecommunications services. For instance, the Commission established the Indian Telecommunications Training Initiative (ITTI) to encourage partnerships among Alaska Native Villages and American Indian Tribes for the purpose of improving telecommunications coverage in their communities. Likewise, the tribal lands bidding credit program encourages wireless entities to offer services in tribal areas by discounting the price of spectrum to be used for that purpose.

With this in mind, ASRC urges the Commission to maintain and enforce its current rules, despite the prospect that large wireless carriers may continue to advocate against these rules. We strongly believe that the Commission must move forward with this important auction, mindful of the thoughtful conclusions reached in 2000, maintaining the DE rules in their current form with respect to set-asides, bid credits and other important features.

Respectfully submitted,



Conrad N. Bagne
Chief Operating Officer

