



## **MEDIA VENTURE PARTNERS**

**Greg D. Widroe**, *Managing Director*

July 8, 2004

By electronic mail

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

**RE:** AUC-04-58-B (Auction No. 58)

Dear Ms. Dortch:

By this letter, Media Venture Partners comments on the procedures established by the Commission in connection with Broadband PCS Spectrum Auction No. 58, which are discussed in the Public Notice released on June 18, 2004.<sup>1</sup> Specifically, Media Venture Partners is pleased that the Commission has enforced, without further modification, the core rules for designated entity (“DE”) participation in the auction. In our view, maintaining the current DE rules will continue to foster a stable and predictable auction structure for DEs. That in turn will go a long way toward ensuring continued investment in the wireless telecommunications industry by allowing interested bidders to develop long-term business plans, thereby enabling investors and lenders alike to make rational capital commitments to DEs.

Media Venture Partners has worked with many DE companies, including Mercury PCS, which completed its build-out to serve over 10 million people. As a result, Media Venture Partners has been a keen observer of the Commission’s ongoing efforts to restore rational investment incentives in the communications marketplace, in tandem with the President and Congress’s efforts to provide a long-term economic stimulus that would include all areas of the

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<sup>1</sup> *Broadband PCS Spectrum Auction Scheduled for January 12, 2005, Comment Sought on Reserve Prices or Minimum Opening Bids and Other Auction Procedures*, Public Notice, DA 04-1639 (rel. June 18, 2004).

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nation. In our view, the certainty associated with the current DE rules, developed in connection with Auction No. 35 and applicable to subsequent auctions,<sup>2</sup> permits interested small businesses – and their potential investors and lenders – to more easily plan and tailor the financial transactions related to auction participation, thereby minimizing the regulatory costs associated with an auction. Indeed, this settled environment stimulates the natural inclinations of our nation's small business entrepreneurs – innovation, creativity, and willingness to task risks.

Finally, the DE rules, with their critical blending of DE set-asides and bid credits, provide sufficient support for DEs to allow DEs to build successful businesses in the face of the ever-increasing scale of the large national carriers and the ever-increasing consolidation of the industry, as recently evidenced with the Cingular / AT&T Wireless merger. The DE rules, structured as they are, provide a means for DEs to establish successful businesses in the face of these challenges, just as the Commission intended. Looking forward, if it considers any modifications, the Commission should consider further augmenting DE advantages as one response to continued industry consolidation.

For these reasons, Media Venture Partners encourages the Commission to resist any calls to further erode the DE rules. The very successful results of Auction No. 35 demonstrate that DEs will participate, and will have the means to spend billions more dollars on PCS spectrum. Media Venture Partners therefore encourages the Commission to promote greater regulatory certainty by standing by its proven method of protecting diversity and competition in the wireless communications marketplace.

Respectfully submitted,

s/s Greg D. Widroe

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Managing Director

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<sup>2</sup> See 47 C.F.R. §§ 24.229(b), 24.709(a).