Before the

FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

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Bidding Procedures in Auction 105 ) AU Docket 19-244

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To: The Commission

**Comments of Southern California Edison**

Southern California Edison (SCE), by its attorneys, hereby offers these brief comments addressing the proposed procedures for Auction 105 as set forth in the Commission’s September 27, 2019 Public Notice (FCC 19-96). Specifically, SCE suggests to the Commission that the allowance of CMA bidding in this auction adds unnecessary complexity to the auction design and the conduct of the auction and also causes prices for individual counties to increase artificially in order to accommodate CMA bidding. Some clarification on other matters is also suggested.

1. First, implicit in the CMA bidding process as outline in the Public Notice is the principle that a CMA bidder which does not win the entire CMA will not be deemed the winning bidder on any individual counties in the CMA. That is presumably the purpose of allowing CMA bidding, but that important proviso does not appear to be explicitly set forth anywhere.
2. The CMA bidding process adds significantly to the already complex bidding process of this auction. This is plain from the algorithms detailed in the *Auction 105 Technical Guide* on the FCC website for the auction. The greater the complexity and inscrutability of the auction procedures, the more ordinary citizens are deterred from participating. The original plan for this “Citizens Broadband Radio Service” was to make this spectrum available to smaller users with localized, innovative applications. While the character of the service has changed dramatically from its original conception, the use of CMA bidding will further facilitate larger enterprises in acquiring the lion’s share of the licenses at the expense of more localized applicants. If the Commission wishes to give smaller bidders a fair shot at acquiring licenses, CMA-based bidding election should be dropped.
3. One way CMA bidding adversely affects non-CMA bidders is by forcing up the prices in all of the counties in the CMA by equalizing aggregate demand across the counties in the CMA. See paras. 59 – 62 of the Public Notice. The CMA process, as we understand it, will effectively link the prices for all of counties in the CMA to reflect CMA-wide demand rather than letting prices be set by the value of each individual county standing on its own. Again, this tends to artificially favor larger applicants who desire large territories rather than applicants with individualized local plans for the spectrum in only one or two counties.
4. Finally, the Commission should clarify that the eligibility of applicants seeking to use the rural bidding credit will be determined not only by the rural character of the areas in which such applicants currently provide service but also by reference to the areas for which they may acquire license rights *as a result of* the auction. In other words, an applicant which participates in the auction as a rural bidder expecting a 15% discount might find itself retroactively being deemed *non-rural* by virtue of the licenses it wins. This potential outcome would be a surprise to many applicants and might result in such applicants over-bidding for licenses on the assumption that their rural bidding status was fixed at the outset of the auction.

Respectfully submitted,

Southern California Edison

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