

**Before the  
Federal Communications Commission  
Washington, DC 20554**

In the Matter of )  
 )  
Auction of Priority Access Licenses for the ) AU Docket No. 19-244  
3550-3650 MHz Band; Comment Sought on )  
Competitive Bidding Procedures for Auction )  
105; Bidding in Auction 105 Scheduled to )  
Begin June 25, 2020

**COMMENTS OF CALIFORNIA INTERNET, L.P. DBA GEOLINKS**

California Internet, L.P. DBA GeoLinks (“GeoLinks” or the “Company”) submits these Comments on the Public Notice seeking public input on procedures to be used for the auction of Priority Access Licenses (“PALs”) in the 3550-3650 MHz band.<sup>1</sup>

**I. INTRODUCTION AND SUMMARY**

GeoLinks is one of the fastest growing Internet and phone providers in America and the #1 fastest growing fixed wireless service provider in California.<sup>2</sup> GeoLinks commends the Commission on its efforts to open the 3550-3650 MHz band and release this valuable spectrum to the market for advanced services. The Company believes that Auction 105 will create new opportunities for small and mid-sized service providers to obtain much-needed spectrum resources. However, as proposed, some of the auction processes may have the unintended consequence of making the majority of the 3550-3650 MHz band (at least in certain markets) only obtainable by large companies with vast amounts of capital. GeoLinks offers the following

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<sup>1</sup> Public Notice, *Auction of Priority Access Licenses for the 3550-3650 MHz Band; Comment Sought on Competitive Bidding Procedures for Auction 105; Bidding in Auction 105 Scheduled to Begin June 25, 2020*, AU Docket 19-244, FCC 19-96 (rel. Sept. 27, 2019) (“Public Notice”).

<sup>2</sup> Inc. Magazine’s 37th Annual List of America’s Fastest-Growing Private Companies—the Inc. 5000 (<https://www.inc.com/inc5000/2019/top-private-companies-2019-inc5000.html>).

suggestions to help ensure that all bidders are put on equal footing during the bidding process in order to ensure that the auction promotes effective use of the spectrum, especially for rural areas.

## **II. DISCUSSION**

### **A. The Commission Should Not Implement CMA-Level Bidding**

In the Public Notice, the Commission seeks comment on proposed procedures that would allow for CMA-level bidding “for blocks in all of the counties comprising certain large CMAs.”<sup>3</sup> The Commission proposes these procedures as a possible way “to give greater bidding flexibility to bidders interested in service areas larger than a county.”<sup>4</sup> While this process may give greater flexibility to larger bidders, it will also disadvantage smaller bidders and create unnecessarily complicated auction procedures. For the following reasons, CMA-level bidding should be rejected.

As an initial matter, CMA-level bidding will disadvantage smaller bidders. The Commission sites as a benefit to CMA-level bidding the ability to obtain “an aggregation of counties, rather than having to bid for the counties separately.”<sup>5</sup> However, the fact is that not all counties within a CMA may be attractive to all bidders. Smaller bidders, for example, may seek only one county within a CMA based on its unique characteristics (e.g. rural vs. urban), the provider’s existing network footprint, etc. If that county is part of a packaged CMA, the smaller provider may be disincentivized from bidding for the desired county because it may potentially have to bid against a larger carrier specifically seeking the entire CMA (and with the means to do so). To truly maximize efficient use of the 3550-3650 MHz band the Commission should create

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<sup>3</sup> Public Notice at para. 29.

<sup>4</sup> Id.

<sup>5</sup> Public Notice at para 29.

policies that encourage all potential bidders to participate including creating auction procedures that require bidding by county.

Second, CMA-level bidding creates an auction process that is unnecessarily complicated. According to the Public Notice, CMA-level bidding would apply “for the 172 CMAs that are classified as Metropolitan Statistical Areas (MSAs) and that incorporate multiple counties” but not for the 133 remaining CMAs that encompass a single county.<sup>6</sup> Further, under the proposal, bidders can elect CMA-Level bidding for all counties within the CMA or elect to bid on the counties individually.<sup>7</sup> Additionally, the Commission proposes a CMA bidding formula process wherein the Commission will attempt to equalize demand across counties in a CMA by creating a “county-specific percentage increment calculated by algorithm” that would be “added to the start-of-round price to determine the clock price for the county.”<sup>8</sup> Meanwhile, for counties that do not fall within a CMA there is a far more straightforward process proposed.<sup>9</sup> The Public Notice’s CMA-level bidding process appears to create two distinct auction processes and two distinct types of bidders but fails to explain why bidding for each county individually would be burdensome or difficult enough to warrant such a complicated bidding process. To reduce burden on both bidders and Commission staff, the Commission should simply implement bidding on a county basis.

Lastly, CMA-level bidding is simply not needed for bidders to obtain PALs across an aggregation of counties. Put simply, if a carrier wishes to obtain PALS in several adjacent counties, it can plan its bids accordingly. While CMA-level bidding may be easier for larger

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<sup>6</sup> *Id.* at para. 30 and FN 68.

<sup>7</sup> *Id.* at para. 30.

<sup>8</sup> *Id.* at paras. 58-61.

<sup>9</sup> *Id.* at para. 57.

carriers, as explained above, the Public Notice fails to explain the need for it. The Commission should not create unnecessary policies that may potentially disadvantage some groups of would-be bidders just to make things a little easier for others.

**B. The Commission Should Not Establish Bidding Credit Caps**

In the Public Notice, the Commission seeks comment on “establishing the caps on the total amount of bidding credits that an eligible small business or rural service provider may be awarded for Auction 105.”<sup>10</sup> The Commission proposes “a \$25 million cap on the total amount of bidding credits that may be awarded to an eligible small business, and a \$10 million cap on the total amount of bidding credits that may be awarded to an eligible rural service provider.”<sup>11</sup> The commission further proposes “a \$10 million small markets cap on the overall amount of bidding credits that any winning small business bidder may apply to licenses won in counties location within any Partial Economic (PEA) with a population of 500,000 or less.”<sup>12</sup> While GeoLinks understands that the Commission has a precedent for establishing bidding credit caps, there is also a history of large companies with large amounts of capital being the predominant victors in past auctions. The reality is that even with bidding credits, smaller companies and rural service providers can be at a disadvantage. If the Commission truly wants to release “flexible-use mid-band spectrum to the market” in order to further “deployment of fifth-generation wireless, the Internet of Things, and other advanced spectrum-based services,” it must

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<sup>10</sup> *Id.* at para. 19

<sup>11</sup> *Id.* at para. 20, citing *Updating Part 1 Competitive Bidding Rules et al.*, WT Docket Nos. 14-170 and 05-211; GN Docket No. 12-268, Report and Order, Order on Reconsideration of the First Report and Order, Third Order on Reconsideration of the Second Report and Order, Third Report and Order, 30 FCC Rcd 7493, at 7541, 7544, paras. 114, 119.

<sup>12</sup> Public Notice at para. 20.

allow the playing field to remain level throughout the entire auction process and eliminate the bidding credit caps it proposes in the Public Notice.<sup>13</sup>

GeoLinks previously advocated for the elimination of bidding credit caps in its comments on the Commission's Public Notice preparing for Auction 103 in the 37 GHz, 39 GHz, and 47 GHz bands.<sup>14</sup> In advocating this position, GeoLinks recognized that to truly create an auction process that promotes the deployment of a broad range of advanced spectrum-based services (and not just 5G), the Commission must account for the financial differences between larger companies and smaller, competitive companies or those focused on serving rural areas. If a small competitive broadband provider or rural service provider were to successfully raise enough capital prior to the auction, it is possible that that company could compete head-to-head with a larger provider for the same block of spectrum within a specific county. In this circumstance, the smaller/ rural service provider should not be hamstrung by a limit on an applicable bidding credit, which could mean the difference between obtaining needed spectrum or not. To promote innovation, these smaller/ rural companies must be given an opportunity to obtain spectrum licenses. Therefore, GeoLinks urges the Commission to refrain from imposing bidding caps on could-be auction winners. If the Commission does determine that bidding credit caps must be implemented, at a minimum, GeoLinks urges the Commission to increase them significantly.

### **III. CONCLUSION**

GeoLinks commends the Commission on its efforts to open the 3550-3650 MHz band and releasing this valuable spectrum to the market for advanced services. The Company believes that in order to further "deployment of fifth-generation wireless, the Internet of Things, and other

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<sup>13</sup> *Id.* at para. 1.

<sup>14</sup> Comments of GeoLinks, AU Docket No. 19-59, FCC 19-35 (filed May 15, 2019) at 3.

advanced spectrum-based services,” the Commission must ensure that Auction 105 creates opportunities for small and mid-sized service providers as well as large providers.<sup>15</sup>

Specifically, to do so, GeoLinks urges the Commission to implement bidding on a county basis and refrain from imposing bidding credit caps. The Company believes that taking these steps will help put would-be bidders on equal footing in order to meet the Commission’s goal of promoting effective use of the spectrum, especially for rural areas.

Respectfully submitted,

**California Internet, L.P. DBA GeoLinks**

/s/ Skyler Ditchfield, Chief Executive Officer

/s/ Melissa Slawson, General Counsel/ V.P of Government  
Affairs and Education

October 28, 2019

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<sup>15</sup> Public Notice at para. 1.