

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of:	)	
	)	
Auctions Of Upper Microwave Flexible Use	)	AU Docket No. 18-85
Licenses For Next-Generation Wireless Services	)	
	)	
Comment Sought On Competitive Bidding	)	
Procedures For Auctions 101 (28 GHz) And 102	)	
(24 GHz)	)	

**REPLY COMMENTS OF AT&T SERVICES, INC.**

AT&T Services, Inc. (“AT&T”), on behalf of the subsidiaries and affiliates of AT&T Inc. (collectively, “AT&T”), hereby submits the following reply to comments in response to the Federal Communications Commission’s (“FCC’s” or “Commission’s”) *Public Notice* in the above-captioned proceeding.<sup>1</sup> The *Public Notice* sought comment on the FCC’s proposed auction procedures for spectrum in the 24 GHz and 28 GHz bands. As discussed below, the record in this proceeding reflects strong consensus—if not unanimity—on the key issues on which AT&T commented, such as the need to separate the 28 GHz auction and the 24 GHz auction and the need to rapidly bring more Upper Microwave Flexible Use Service (“UMFUS”) spectrum to auction. AT&T accordingly urges the FCC to act consistent with the comments in the proceeding when adopting final bidding procedures for Auction Nos. 101 and 102.

**I. COMMENTS**

In its comments in this docket, AT&T commended the Commission on its regulatory pace in pursuing allocations for millimeter wave (“mmW”) services. It also urged the

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<sup>1</sup> “Auctions of Upper Microwave Flexible Use Licenses for Next-Generation Wireless Services; Comment Sought On Competitive Bidding Procedures for Auctions 101 (28 GHz) and 102 (24 GHz),” *Public Notice*, AU Docket No. 18-85, FCC 18-43 (Apr. 17, 2018) (“*Public Notice*”).

Commission to expedite the auction of all UMFUS spectrum, auctioning the 28 GHz band first as Auction 101 and then combining the 24 GHz, 37.6-40.0 GHz, and 47 GHz bands in a subsequent Auction 102 closely following, but separate from, Auction 101. These key points were echoed by nearly all, if not all, of the commenters in the docket. All commenters, in fact, urged the FCC to keep Auctions 101 and 102 as distinct events, not enforcing a continuous anti-collusion period and allowing bidders to digest the results of Auction 101 before applying to participate in Auction 102.<sup>2</sup> Among other things, commenters noted the need for carriers to absorb the results of Auction 101 in their business planning prior to entering a new auction<sup>3</sup> and

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<sup>2</sup> Comments of the Blooston Rural Carriers, AU Docket No. 18-85 at 1 (filed May 9, 2018) (“Rural Carrier Comments”) (FCC should “avoid scheduling these two proceedings in a manner that results in the filing window for the 24 GHz auction (Auction 102) occurring prior to the close of bidding in the 28 GHz auction (Auction 101)”); Comments of Cambridge Communication Systems, AU Docket No. 18-85 at 4 (filed May 9, 2018) (“CCS Comments”) (FCC should “commence bidding in Auction 102 for 24 GHz band licenses subsequent to the close of bidding in Auction 101”); Comments of Charter Communications, Inc., AU Docket No. 18-85 at 1 (filed May 9, 2018) (“Charter Comments”) (FCC should “wait to open the application window for the 24 GHz band auction (‘Auction 102’) until after the close of bidding in the 28 GHz band auction (‘Auction 101’)”); Comments of Competitive Carriers Association, AU Docket No. 18-85 at 5 (filed May 9, 2018) (“CCA Comments”) (FCC “should clarify that Auction 102 will commence after the conclusion of Auction 101”); Comments of CTIA, AU Docket No. 18-85 at 8 (filed May 9, 2018) (“CTIA Comments”) (“The Commission should schedule the Auction 102 application window to occur after the close of bidding in Auction 101”); Comments of T-Mobile USA, Inc., AU Docket No. 18-85 at 4 (filed May 9, 2018) (“T-Mobile Comments”) (“Allowing sufficient time between Auctions 101 and 102 is necessary to comply with the law, maximize auction participation, and promote the broad availability of millimeter wave spectrum”); Comments of United States Cellular Corporation, AU Docket No. 18-85 at 2 (filed May 9, 2018) (“USCC Comments”) (FCC should “wait to open the application window for Auction 102 until after Auction 101 concludes, and . . . apply the limited information procedures and prohibited communications rule separately to each auction”); Comments of Verizon, AU Docket No. 18-85 at 2-3 (filed May 9, 2018) (“Verizon Comments”) (FCC should “schedule the deadline for filing short-form applications to participate in Auction 102 (which triggers the prohibited communications rule for Auction 102) to occur after the down payment deadline for winning bidders in Auction 101 (when the quiet period for Auction 101 will end)”).

<sup>3</sup> Comments of T-Mobile at 4-5 (“Following the close of Auction 101, . . . participants will require time to reevaluate their spectrum holdings, conduct the necessary economic and engineering analysis, structure the appropriate commercial arrangements, and formulate bidding strategies in advance of Auction 102’s short-form deadline”).

the practical difficulties extended auction quiet periods impose on business in the ordinary course.<sup>4</sup> Commenters also noted the lack of substitutability of products in the two auctions, and therefore the absence of any realistic prospect for harmful collusive activity across the two auctions, which was the original intent of the prohibited communications rules.<sup>5</sup>

Commenters also broadly supported the need to auction as much mmW spectrum as possible, as soon as possible. CTIA, for example, “urges the Commission to accelerate the process for auctioning additional millimeter wave spectrum licenses,” suggesting that “the Commission should include the 37/39 GHz and 47 GHz bands along with the 24 GHz band in Auction 102, to the extent that doing so would not cause substantial delay.”<sup>6</sup> The bands “are complementary and should be assigned during the same auction process, as auctioning additional bands together would increase the efficiency of the auction, for both the agency and auction participants.”<sup>7</sup> Indeed, conducting the auctions together would be beneficial and permit bidders to minimize externalities and maximize auction efficiency—allowing the spectrum to more precisely reach its optimal market value. AT&T, in fact, has submitted an auction design to the Commission outlining a method for auctioning the 37.6-40 GHz band in a way that provides equitable access to both incumbents and new entrants—a design easily extended to other bands, including 24 GHz and 47 GHz.

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<sup>4</sup> CTIA Comments at 9 (noting FCC’s prohibited communications rules, “longer application of the rules could have a chilling effect on the wireless industry’s ability to conduct non-auction related business negotiations”); Rural Carrier Comments at 3; USCC Comments at 7-8; Verizon Comments at 5.

<sup>5</sup> USCC Comments at 4; Verizon Comments at 3.

<sup>6</sup> CTIA Comments at 7.

<sup>7</sup> *Id.* at 8.

To the extent, however, that the FCC's reticence to auction the mmW spectrum together is based on more practical problems—for example, if the FCC's current auction bidding software could not support a multi-band auction—AT&T urges the FCC to continue to work diligently to get all mmW bands to auction quickly. As such, it would be worthwhile to invest in software upgrades or consulting support to enable a simultaneous auction, if this can be done on a timely basis. At a minimum, the FCC should announce a schedule for the 37.6-40 GHz and then the 47 GHz auctions as soon as possible after Auction 102 and conduct the series of auctions as rapidly as possible (but without overlap).

## **II. CONCLUSION**

AT&T commends the Commission for its continued efforts to release mmW spectrum into the commercial market and allow U.S. carriers to accelerate the deployment of 5G services. The Commission has been focused, and should remain focused,<sup>8</sup> on market-based mechanisms that create a regulatory environment in which 5G services will flourish. To that end, AT&T supports a rapid auction of 28 GHz spectrum, followed as soon as possible thereafter with as few

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<sup>8</sup> In particular, the FCC should avoid entanglements, such as CCA's attempt to raise its specious and meritless Applications for Review of decisions involving AT&T and FiberTower Corporation, into this context. *See* CCA Comments at 10.

discrete follow-on auctions as are necessary to get spectrum in the 24 GHz, 37.6-40.0 GHz, and 47 GHz bands working for the American public.

Respectfully submitted,

*/s/ Michael P. Goggin*

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Dated: May 23, 2018