

September 28, 2017

Ex Parte

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Amendment of the Commission's Rules with Regard to Commercial Operations in the 3550-3650 MHz Band, GN Docket No. 12-354

Dear Ms. Dortch,

On September 27, 2017, Professor Paul Milgrom, Stephen Coran representing the Wireless ISP Association ("WISPA"), and I spoke via telephone with Commissioner Michael O'Rielly and Erin McGrath, his Legal Advisor. Professor Milgrom described his August 7, 2017 filing with the Commission, which provided his recommendations on how the FCC could structure the CBRS PAL auction. As a courtesy to Professor Milgrom, I am summarizing the contents of this joint meeting.

As explained more fully in the filing, he stated that CBRS auctions using the current rules' census-tract-sized licenses can be far simpler than the FCC's recent complex auctions, given the characteristics of CBRS licenses, including the band plan and the likely uses. Simultaneous ascending-clock CBRS auctions would allow the Commission to administer an auction of a large number of licenses, which would be fast to implement and easy for bidders to use. This format would make participation easier, encourage competition, and lead to outcomes that are more efficient. Professor Milgrom noted that complementarity is weaker in the CBRS band, permitting a simpler auction, even with respect to license acquisition by national carriers. A national carrier would not win the auction for a particular PAL only if another bidder had a more economically valuable use for that license, supporting a higher bid. The fact that the nationwide carrier did not bid more for the license in order to overcome that bid would indicate that the license was not worth the cost to the national carrier, possibly because the national carrier determined that it could employ GAA spectrum or another license it already owns in that license area.

Professor Milgrom also expanded on one feature of his paper, stating that the FCC's current three-year CBRS license term, with a mechanism to give incumbent licensees a bidding credit in future auctions, could help enable the twin goals of protecting incumbent value-enhancing investments and providing good opportunities for innovative entrants with valuable uses of the band. Extending the license term to ten years with an expectation of renewal risks blocking new uses and discouraging innovators.

Pursuant to the FCC's rules, we have filed a copy of this notice electronically in the above-referenced docket. If you require any additional information, please contact the undersigned.

Sincerely,



Paul Margie
Counsel to Google Inc.