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November 15, 2019

Via ECFS

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

Re: *Notice of Oral Ex Parte Notification*

GN Docket No. 18-122, *Expanding Flexible Use of the 3.7 GHz to 4.2 GHz Band*
AU Docket No. 19-244, *Auction of Priority Access Licenses for the 3550-360 MHz Band*
GN Docket No. 17-258, *Promoting Investment in the 3550-3700 MHz Band*

Dear Ms. Dortch:

On November 13, John Hunter of T-Mobile USA, Inc. (“T-Mobile”),^{1/} Russell Fox of Mintz, and I met with Will Adams, Legal Advisor to Commissioner Carr. On November 14, we met with Erin McGrath, Legal Advisor to Commissioner O’Rielly; Umair Javed, Legal Advisor to Commissioner Rosenworcel; and William Davenport, Chief of Staff and Senior Legal Advisor to Commissioner Starks. In each case, we discussed the above-referenced proceedings.

C-Band

T-Mobile applauds Chairman Pai’s goal of acting to make the 3.7-4.2 GHz band (the “C-band”) available for Fifth Generation (“5G”) services.^{2/} As the Commission proceeds, it should be focused on three goals. First, to repurpose sufficient spectrum for mobile broadband. Second, to ensure that there is a fair, open, and transparent process by which licenses are issued for mobile broadband use and that promotes competition by applying an aggregation limit to ensure that multiple providers have access to spectrum. And finally, to return some of the proceeds from the purchase of the spectrum by mobile broadband providers to taxpayers.

^{1/} T-Mobile USA, Inc. is a wholly owned subsidiary of T-Mobile US, Inc., a publicly-traded company.

^{2/} See FCC Chairman Ajit Pai, Remarks at the 8th Annual Americas Spectrum Management Conference, National Press Club (Sept. 24, 2019), <https://docs.fcc.gov/public/attachments/DOC-359818A1.pdf>.

While conducting a public auction, with most of the current C-band traffic transitioned to fiber, represents the best way to realize these goals, it is important that the Commission achieve them as part of any outcome in this proceeding. T-Mobile is encouraged that multiple parties have now endorsed a common set of guidelines which, while silent on whether an auction would be public or private, generally address most of these issues, including the need for a fair and transparent auction process based on the Commission's procedures in many important respects.^{3/} However, while the Joint Principles present a broad outline of how to resolve some key matters at a high level, details remain lacking and must be further developed for the Commission to make C-band spectrum available for mobile broadband.

For instance, while the Joint Principles rely on the C-Band Alliance's ("CBA") commitment to clear 300 megahertz of spectrum in order to make 280 megahertz available for mobile broadband, the CBA has not provided the details necessary to fully evaluate the process by which that will occur or how existing C-band users will be accommodated. Likewise, the Joint Principles include high-level principles for auctioning C-band spectrum, but the details of the auction process and mechanics of bidding in an auction not conducted by the Commission are missing. However, for an auction to be successful and meet the Commission's obligation to promote competition, companies need certainty about the assets they are attempting to acquire, time to fully prepare to participate in an auction, including arranging financing, and confidence in the process – including, clearing spectrum, the licensing process, and how proceeds are handled. This type of certainty is only achievable through a process that provides full transparency and opportunity for comment. Finally, while there is general support for returning some portion of the auction proceeds to the government, there is no detail on the amount to be returned or the timing of the contribution.^{4/}

The Joint Principles Represent Meaningful Progress

T-Mobile agrees with many of the fundamental concepts expressed in the Joint Principles. For example, the Joint Principles state that *at least* 280 megahertz of spectrum should be made available for mobile broadband licensing. The proposed 280 megahertz is a material improvement over the 180 megahertz initially contemplated by the CBA.^{5/} Similarly, while T-

^{3/} See Letter from Hank Hultquist, Vice President of Federal Regulatory, AT&T Services, Inc., *et al.*, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 18-122 (filed Oct. 29, 2019) ("Joint Principles").

^{4/} While the CBA has recently announced a structure for its proposed voluntary contribution, many of these same details – timing of the contribution and an estimate of costs that would be subtracted to arrive at net proceeds, for example, and endorsement by other Joint Principle participants – are still missing. Additionally, while the CBA says that it is working on a plan for the Government to fund an open 5G network, it provides no specifics on critical details such as what spectrum would be used or where it would come from. See Letter from Bill Tolpegin, Chief Executive Officer, C-Band Alliance, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 18-122 (filed Nov. 15, 2019).

^{5/} See Comments of the C-Band Alliance, GN Docket No. 18-122, *et al.*, at 10-11 (filed Oct. 29, 2018).

Mobile continues to support a public auction^{6/} – a position that has drawn increasing support of members of Congress^{7/} – if licensees are selected using a legally defensible private auction overseen by the Commission, the guidelines identified by the Joint Principles, once fully developed, will help ensure that the private auction will at least incorporate many of the important procedural mechanisms that the Commission has employed (and if there is a Commission-conducted public auction, the Commission should adhere to those guidelines to the extent they are not already required by the rules).^{8/}

The Auction Process Guidelines Require Further Development Before They Are Applied

While many of the guidelines contained in the Joint Principles are sound, they will require further development to ensure a fully transparent process – the precise process the Commission itself is required to follow prior to an auction – after the Commission adopts a Report and Order in this proceeding.^{9/} For example, the Joint Principles state that an auction should “use a multi-round ascending clock auction format” that “should be followed by a traditional assignment phase.”^{10/} It also contemplates that a reserve price will be set. And, the Joint Principles state that all applicants must be bound by the FCC’s prohibited communications rule. But even for the Commission, which has conducted over 100 auctions, merely stating those guidelines is not sufficient. In each of those cases and others, in advance of an auction, the Commission, as required by the Communications Act, seeks comment on and adopts precise auction procedures.^{11/} Only then is the Commission prepared to announce how an auction will be

^{6/} T-Mobile has consistently underscored the importance of a process that takes advantage of the Commission’s decades-long experience with conducting spectrum auctions. *See, e.g.*, Letter from Steve B. Sharkey, Vice President, Government Affairs, Technology and Engineering Policy, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 18-122, at 2 (filed Oct. 21, 2019) (“T-Mobile Oct. 21 *Ex Parte* Letter”); Comments of T-Mobile USA, Inc., GN Docket No. 18-122, *et al.*, at 13-14 (filed Aug. 7, 2019); Reply Comments of T-Mobile USA, Inc., GN Docket No. 18-122, at 4 (filed Aug. 14, 2019).

^{7/} *See, e.g.*, Letter from Sen. John Kennedy to The Honorable Ajit Pai, Chairman, FCC (dated Mar. 14, 2019); Letter from Rep. Doris Matsui to The Honorable Ajit Pai, Chairman, FCC (dated Oct. 16, 2019); Letter from Rep. Greg Gianforte and Sen. Steve Daines, to The Honorable Ajit Pai, Chairman, FCC (dated July 25, 2019).

^{8/} Nevertheless, as AT&T has recently recognized, using a private auction to assign rights that satellite operators do not currently hold is legally unsound. *See* Letter from Michael P. Goggin, Assistant Vice President – Senior Legal Counsel, AT&T, to Ms. Marlene H. Dortch, Secretary, FCC, GN Docket No. 18-122 (filed Nov. 1, 2019) (“AT&T Nov. 1 *Ex Parte* Letter”).

^{9/} The Communications Act requires the Commission to ensure that an adequate period is allowed before the issuance of bidding rules to permit notice and comment on proposed auction procedures. *See* 47 U.S.C. § 309(j)(3)(E)(i). While the Commission must adhere to this requirement for a public auction, it should insist on the same process for a private auction.

^{10/} Joint Principles at Attachment at 1.

^{11/} For example, the Commission routinely seeks comment on and adopts procedures regarding the auction format (*e.g.*, clock auction, simultaneous multiple-round, etc.), agreement and ownership disclosures, reserve price and minimum opening bid amounts, limited information procedures, and prohibited communications. *See, e.g.*, *Auctions of Upper Microwave Flexible Use License for Next-Generation Wireless Services; Comment Sought on Competitive Bidding Procedures for Auctions 101* (28

conducted. Indeed, the Commission’s typical process after it adopts service rules but before bidding begins in an auction includes the following steps:

- Releasing a Public Notice seeking comment on the auction procedures, including application requirements, upfront payments, bidding procedures, and post-auction processes.
- Issuing a Public Notice adopting the procedures for the auction.
- Conducting pre-auction workshops and releasing educational materials for bidders, including tutorials, technical guides, and filings formats.
- Requiring the submission of short-form applications – triggering the quiet period for applicants – and the potential re-submission of short-form applications and conducting a review of those applications.
- Releasing Public Notices announcing the status of applications and ultimately the qualified bidders.
- Conducting mock auctions and providing technical support to bidders throughout the process.

Prior to an auction of C-band spectrum, the same process should occur, regardless of whether the auction is conducted privately or publicly by the Commission. The public development of auction procedures and the implementation of the steps above are required for public auctions and are the only way that the Commission can ensure that any auction is open, transparent, and effective. The pre-auction Public Notice process is even more important if the Commission determines that the auction will not be conducted by the Commission itself. In addition to the issues that pre-auction procedures Public Notices generally address for a public auction, such as those identified above, a pre-auction procedures Public Notice would be required to solicit input on, among others, the following matters raised by the Joint Principles that would be unique to a private auction with Commission oversight:

- How the “experienced and qualified auctioneer” that the Joint Principles envision^{12/} will be selected, including the qualifications that the auctioneer must demonstrate.
- How Commission oversight will be implemented and enforced.
- The process for submitting “applications” for participating in a private auction, including the information required to be contained in those applications, the review and potential re-submission process, the information about other applicants that will be made public, and other disclosure matters.
- How round-by-round data will be processed and made publicly available.
- The Commission’s ability to enforce prohibited communications, bidder defaults, and other procedures established by the private auction party.
- Payment issues, including the entity that will hold upfront payments, if any.

GHz) and 102 (24 GHz); Bidding in Auction 101 Scheduled to Begin November 14, 2018, Public Notice, 33 FCC Rcd 4103 (2018); Incentive Auction of Upper Microwave Flexible Use Service Licenses in the Upper 37 GHz, 39 GHz, and 47 GHz Bands for Next-Generation Wireless Services; Comment Sought on Competitive Bidding Procedures for Auction 103, Public Notice, 34 FCC Rcd 2656 (2019); 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, Public Notice, FCC 19-96 (rel. Sept. 27, 2019) (“Auction 105 Procedures Comment Public Notice”).

^{12/} Joint Principles at Attachment at 1.

- The interplay between post-auction processes conducted by the private entity and the Commission, which must issue licenses based on the outcome of the private auction.

AT&T also recognizes that, in order to “put the reallocation process on the surest possible legal footing,” these and other issues must be resolved.^{13/} It suggests that “it is important for the Commission to be closely involved in developing and supervising the auction. Specifically, the Commission should, through notice and comment, adopt auction procedures that, for example, comport with the policy directives of Section 309(j)”^{14/}

Moreover, the Joint Principles do not address matters that are now well-established, based on the Commission’s long experience with auctions, such as how bidding software will operate, application review, bid processing, and technical support. Before there can be any private spectrum auction that satisfies Commission requirements for openness and transparency, information about those issues and others must be made public, with an opportunity for public comment.

Resolution of These Issues Will Help Ensure a Successful C-Band Auction

T-Mobile concurs with Chairman Pai and others that one of the central requirements of this proceeding is to make spectrum available quickly.^{15/} But, instead of delaying access to mid-band spectrum, establishing, with the opportunity for comment, the appropriate process by which a spectrum auction is conducted – whether public or private as overseen by the Commission – will produce better long-term results. As AT&T has pointed out, the Commission must not sacrifice a perceived speed advantage and risk a legal challenge to the adopted process.^{16/}

Conversely, a rush to auction spectrum without developing appropriate processes will potentially compromise other important spectrum auctions. The Commission is about to initiate an auction

^{13/} AT&T Nov. 1 *Ex Parte* Letter at 2.

^{14/} *Id.* at 3 (citations omitted).

^{15/} See, e.g., Letter from Ajit V. Pai, Chairman, FCC, to the Hon. Greg Gianforte, U.S. House of Representatives, at 1 (dated Oct. 15, 2019) (explaining that one of the goals in this proceeding is “to make C-band spectrum available for 5G quickly”); Michael O’Rielly, Commissioner, FCC, Remarks of FCC Commissioner Michael O’Rielly Before the Mobile World Congress Americas 2019, Everything Policy Track, at 1 (Oct. 23, 2019), <https://docs.fcc.gov/public/attachments/DOC-360382A1.pdf> (“To be clear, our primary objective should be to ensure that the spectrum gets into the hands of those who can put it to use as quickly as possible in order to compete not just domestically but internationally as well.”); Brendan Carr, Commissioner, FCC, Keynote Address of FCC Commissioner Brendan Carr at Mobile World Congress-Los Angeles “The Year of 5G and Beyond,” Los Angeles, California, at 1 (Oct. 22, 2019), <https://docs.fcc.gov/public/attachments/DOC-360365A1.pdf> (pushing for at least 300 megahertz of C-band spectrum “to be cleared promptly for mobile use”).

^{16/} See AT&T Nov. 1 *Ex Parte* Letter at 2. Nor, as T-Mobile has pointed out, should the Commission sacrifice speed and simply make less spectrum available. See T-Mobile Oct. 21 *Ex Parte* Letter at 4-6.

of additional millimeter wave spectrum.^{17/} It has announced plans to conduct an auction of the 3550-3650 MHz band (the “3.5 GHz band”) beginning on June 25, 2020.^{18/} It would be contrary to the public interest to rush to conduct a C-band auction that would overlap with a 3.5 GHz band auction. Both represent important opportunities for providers to secure use of critical mid-band spectrum. In order for the Commission to conduct a successful 3.5 GHz band spectrum auction, it should not require providers to divide their personnel or other resources to participate in multiple mid-band spectrum auctions simultaneously. The Commission has spent nearly 10 years working with NTIA on the use of and developing rules governing the 3.5 GHz band. It should not threaten the future use of the band by requiring providers to focus on two mid-band auctions at the same time. Moreover, conducting a C-band auction after the 3.5 GHz band auction is complete will permit 3.5 GHz band auction participants to re-engage with capital markets to secure funding for a second auction.

Congress directed that the Commission allow adequate time after the issuance of bidding rules “to ensure that interested parties have sufficient time to develop business plans, assess market conditions, and evaluate the availability of equipment for the relevant services.”^{19/} For example, in deciding to postpone Auction 31, the Commission concluded that conducting the auction when scheduled “would not satisfy our obligation under Section 309(j)(3)(E)(ii) that in scheduling an auction we must provide bidders with sufficient time to develop business plans and assess market conditions.”^{20/} While the Commission must adhere to this requirement for a public auction, the same rationale applies to a private auction.

While soliciting comment on a C-band auction will help ensure the twin benefits of producing a fair and open auction and avoiding an overlap with the 3.5 GHz band auction, it need not unreasonably delay making C-band spectrum available to providers. The Commission can act quickly after adopting service rules to begin the process of initiating the related auction. For instance, for both the AWS-3 and AWS-1 spectrum auctions, the Public Notice adopting auction procedures was released only four months before bidding was scheduled to start.^{21/} And for the

^{17/} See *Use of Spectrum Bands Above 24 GHz for Mobile Radio Services*, Report and Order, 33 FCC Rcd 12168 (2018); *Incentive Auction of Upper Microwave Flexible Use Service Licenses in the Upper 37, 39, and 47 GHz Bands for Next-Generation Wireless Services; Procedures for Auction 103*, Public Notice, 34 FCC Rcd 5532, ¶ 10 (2019).

^{18/} See *Auction 105 Procedures Comment Public Notice* ¶ 1.

^{19/} See 47 U.S.C. § 309(j)(3)(E)(ii).

^{20/} *Cellular Telecommunications Industry Association, et al.*, Memorandum Opinion, 15 FCC Rcd 17406, ¶ 9 (2000).

^{21/} See *Auction of Advanced Wireless Services (AWS-3) Licenses Scheduled for November 13, 2014; Notice and Filing Requirements, Reserve Prices, Minimum Opening Bids, Upfront Payments and other Procedures for Auction 97*, Public Notice, 29 FCC Rcd 8386 (2014) (announcing the adoption of auction procedures in July 2014 and the start of bidding in November 2014); *Auction of Advanced Wireless Services Licenses Scheduled for June 29, 2006; Notice and Filing Requirements, Minimum Opening bids, Upfront Payments and Other Procedures for Auction No. 66*, Public Notice, 21 FCC Rcd 4562 (2006) (announcing the adoption of auction procedures in April 2016 and the start of bidding in June 2006 – only two months later); *Auction of Advanced Wireless Services Licenses Rescheduled for August 9, 2006*;

700 MHz band and recent 28 GHz band auctions, the time period between adoption of auction procedures and the start of bidding was only three months.^{22/} Accordingly, if the Commission moves to adopt a Report and Order in this proceeding, it can still issue a pre-auction procedures Public Notice (whether for a public or private auction) and conduct an auction (or oversee an auction conducted by a third party) in 2020, well before the spectrum is likely to be cleared in any case.^{23/}

The Joint Principles Require Further Development of Key Issues

While the Joint Principles are potentially a significant step toward resolution of several key issues, they do not address other important matters that will affect parties' bidding strategies and behavior that the Commission must consider in the context of a Report and Order (and not merely in an Auction Procedures Public Notice that can follow a Report and Order), such as the following:

- *Spectrum Aggregation* – While the Joint Principles state that at least 280 megahertz of spectrum should be made available in 20-megahertz blocks based on Partial Economic Areas (“PEAs”), they do not address the amount of spectrum that any one entity can acquire through the auction process. The service rules that the Commission generally adopts regarding spectrum aggregation must apply in the context of a private auction.
- *Disposition of Auction Revenues* – Even if there are no upfront payments in a private auction, one or more private parties will hold proceeds post-auction. Under the Joint Principles, funds will be required to, among other obligations, reimburse relocation expenses and pay a portion of the proceeds to the Treasury. The Commission must ensure that those funds remain available for those purposes while the CBA “lives up to its commitments.”
- *Incumbent Accommodation* – While the CBA has presented plans for how earth station users may continue to use a segment of the C-band,^{24/} many important details are missing. As an initial matter, the Commission must address the entity that will hold and disburse funds necessary to modify, if required, earth stations. To avoid litigation, the

Revised Schedule, Filing Requirements and Supplemental Procedures for Auction No. 66, Public Notice, 21 FCC Rcd 5598 (2006) (pushing back the start of bidding to August 2006).

^{22/} See *Auctions of Upper Microwave Flexible Use License for Next Generation Wireless Services; Notice and Filing Requirements, Minimum Opening Bids, Upfront Payments, and Other Procedures for Auctions 101 (28 GHz) and 102 (24 GHz); Bidding in Auction 101 Scheduled to Begin November 14, 2018*, Public Notice, 33 FCC Rcd 7575 (2018) (announcing the adoption of auction procedures in August 2018 and the start of bidding in November 2018); *Auction of 700 MHz Band Licenses Scheduled for January 24, 2008; Notice and Filing Requirements, Minimum Opening bids, Reserve Prices, Upfront Payments, and Other Procedures for Auctions 73 and 76*, Public Notice, 22 FCC Rcd 18141 (2008) (adopting auction procedures in October 2007 and announcing the start of bidding in January 2008).

^{23/} See Joint Principles at Attachment at 1-2; Letter from Bill Tolpegin, Chief Executive Officer, C-Band Alliance, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 18-122, at 1-2 (filed Oct. 28, 2019) (“CBA Oct. 28 *Ex Parte* Letter”).

^{24/} Letter from Bill Tolpegin, Chief Executive Officer, C-Band Alliance, to Ms. Marlene H. Dortch, Secretary, FCC, GN Docket No. 18-122 (filed Nov. 8, 2019) (discussing the CBA’s revised Transition Implementation Process).

Commission must ensure that, among other things, all satellite operators agree to the same methods and reimbursable earth station user expenses.

- *Amount of Spectrum* – The Joint Principles call for an auction of at least 280 megahertz, while the CBA proposes that amount of spectrum as an upper limit. The Commission should determine whether more spectrum can be made available, particularly in view of the CBA plan’s apparent exclusion of fiber as an alternative to C-band satellite use (and the significant benefits that additional fiber deployment will bring).

Payments to Incumbents in a Public Auction

While the Joint Principles take no position on whether a C-band auction should be public or private, several of its key members continue to assert that the Commission should conduct a private auction, in part so that there is legal justification for incumbent licensees retaining a portion of the proceeds from the sale of the C-band for mobile broadband.^{25/} But the Commission need not employ a private auction in order to provide compensation to incumbent licensees. T-Mobile has proposed that the Commission use an incentive auction in which incumbent licensees can be compensated.^{26/} Alternatively, the Commission could require successful bidders to compensate incumbents pursuant to its authority under Title III of the Communications Act (the “Act”),^{27/} which broadly allows the Commission to “[m]ake such rules and regulations and prescribe such restrictions and conditions, not inconsistent with law, as may be necessary” to carry out its duties.^{28/} Charter has asserted that a payment required under this Section of the Act could take the form of a “reserve charge” calculated as a percentage of auction revenues. It has explained that the Commission has authority to require such payments because a licensee takes its license subject to the conditions imposed on its use. A compensation requirement would also be consistent with the Commission’s obligation to promote the development and rapid deployment of new technologies, products, and services. The Commission has used its Title III authority to allow additional payments in the context of the 700 MHz band auction.^{29/} Under this plan, the Commission would be required to decide the entities that would be entitled to receive payments, the gross percentage of the proceeds, and the percentage that each payee would receive.

^{25/} See AT&T Nov. 1 *Ex Parte* Letter; Letter from William H. Johnson, Senior Vice President, AGC – Regulatory Affairs, Verizon, to Marlene H. Dortch, Secretary, FCC (filed Nov. 1, 2019).

^{26/} See Letter from Steve B. Sharkey, Vice President, Government Affairs, Technology and Engineering Policy, T-Mobile USA, Inc., to Marlene H. Dortch, Secretary, FCC, GN Docket No. 18-122 (filed July 12, 2019); Letter from Steve B. Sharkey, Vice President, Government Affairs, Technology and Engineering Policy, T-Mobile USA, Inc., to Marlene H. Dortch, Secretary, FCC, GN Docket No. 18-122 (filed Feb. 15, 2019).

^{27/} See, e.g., Letter from Elizabeth Andron, Senior Vice President, Regulatory Affairs, Charter Communications, to Ms. Marlene H. Dortch, Secretary, FCC, GN Docket No. 18-122, *et al.* (filed Feb. 22, 2019) (“Charter Feb. 22 *Ex Parte* Letter”).

^{28/} 47 U.S.C. § 303(r).

^{29/} See Charter Feb. 22 *Ex Parte* Letter at 6; Comments of Charter, GN Docket No. 18-122, *et al.*, at 10 (filed July 3, 2019).

Spectrum Aggregation Limits

The Joint Principles also take no position on limits on the amount of spectrum that interested parties should be permitted to obtain through the initial licensing process. But recent proposals contemplate that not all C-band spectrum will be made available at once.^{30/} The Commission should consider limits on the amount of C-band spectrum that any one entity can obtain in a spectrum auction, however conducted. A spectrum aggregation limit will ensure that interested parties have a fair opportunity to obtain this critical asset. Allowing a single provider to obtain all or most of this spectrum, especially when the initial amount to be made available will be limited, will significantly harm, or even eliminate, the ability of other providers to offer competitive services, to the detriment of consumers. And without a limit on the amount of spectrum that can be obtained through the initial licensing process, interested parties will certainly be dissuaded from participating in that process, knowing that they can be out-bid for all available spectrum. In contrast, a spectrum aggregation limit will provide assurance that all interested parties have an opportunity to acquire spectrum, which will result in more parties participating in the auction. An initial aggregation limit is consistent with both Commission precedent and with a free market approach.^{31/} The Commission can and should review spectrum aggregation that occurs through secondary market transactions. An auction-specific spectrum aggregation limit would at least ensure that the initial distribution of spectrum can be broadly available to multiple competitors.

Auction 105

T-Mobile appreciates the Commission's efforts to make the 3550-3650 MHz band available for commercial wireless use through the upcoming auction of Priority Access Licenses ("PALs"). However, the Commission should not allow bidding for PALs at the Cellular Market Area ("CMA") level *and* at the county level in the same geographic areas. Not only would permitting a mix of CMA-level bidding and county-level bidding in the same geographic areas perpetuate the interference protection problems identified by the Commission and complicate adjacent-channel coordination, but it would also likely result in unsold licenses.

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Pursuant to Section 1.106 of the Commission's rules, a copy of this letter has been submitted in the records of the above referenced proceedings and copies have been sent to the members of the Commission's staff with whom we met. If there are any questions regarding the foregoing, please contact the undersigned.

^{30/} See CBA Oct. 28 *Ex Parte* Letter at 1.

^{31/} See 47 C.F.R. § 96.31(a).

Respectfully submitted,

/s/ Steve B. Sharkey

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cc: Will Adams
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