



March 18, 2015

Via ECFS

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

RE: EX PARTE PRESENTATION

WT Docket No. 14-170: *Updating Part 1 Competitive Bidding Rules*

GN Docket No. 12-268: *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*

RM-11395: *Petition of DIRECTV Group, Inc. and EchoStar LLC for Expedited Rulemaking to Amend Section 1.2105(a)(2)(xi) and 1.2106(a) of the Commission's Rules and/or for Interim Conditional Waiver*

WT Docket No. 05-211: *Implementation of the Commercial Spectrum Enhancement Act and Modernization of the Commission's Competitive Bidding Rules and Procedures*

Dear Ms. Dortch,

On March 16, Jill Canfield of NTCA – The Rural Broadband Association (“NTCA”), Erin Fitzgerald of the Rural Wireless Association, Inc. (“RWA”), and John A. Prendergast and Cary Mitchell of the law firm Blooston, Mordkofsky, Dickens, Duffy & Prendergast, LLP (“Blooston Rural Carriers”)¹ (together, “Rural Coalition”) had separate meetings with Commissioner Pai and Brendan Carr, Commissioner O’Rielly and Erin McGrath, Renee Gregory (advisor to Chairman Tom Wheeler), Priscilla Delgado Argeris (advisor to Commissioner Jessica Rosenworcel), and representatives of the Commission’s Wireless Telecommunications Bureau (“WTB”) and Incentive Auction Task Force (“IATF”).²

¹ The Blooston Rural Carriers have previously been identified in the record of these proceedings. *See, e.g.*, Comments of the Blooston Rural Carriers, WT Docket Nos. 14-170, 05-211, GN Docket No. 12-268, and RM-11395 at Attachment A (filed Feb. 20, 2015).

² Wireless Telecommunications Bureau and Incentive Auction Task Force Commission Staff in attendance included: Jean Kiddoo (WTB), Sue McNeil (WTB), Johanna Thomas (WTB), Margaret Wiener (WTB), Kelly Quinn (WTB – via telephone), and A.J. Glusman (IATF).

Consistent with their individual comments and reply comments in these proceedings, members of the Rural Coalition discussed the poor results of Auction 97 for the rural telephone industry, and their proposal for the Commission to offer a rural telephone company bidding credit in the forthcoming 600 MHz Broadcast Incentive Auction.

In particular, more than half of the 70 qualified bidders in the auction were rural telcos or rural telco affiliates, yet only 28.9% of these entities were successful in winning any licenses. Less than half of the rural telcos that were successful bidders were able to qualify under the Commission's DE rules as small businesses, and at the close of the auction rural bidders accounted for just \$871,350 (or 0.024%) of the total \$3.57 billion in bidding credits awarded.

To address these concerns, the Rural Coalition has proposed that the Commission offer a 25% bidding credit – equal to the average credit available to small businesses – to all rural telephone company bidders and their subsidiaries/affiliates. This credit would allow qualified rural telephone companies to take a 25% reduction in the gross winning bid for any geographic license(s) that overlap the rural carrier's wireline or wireless service area. This credit would be independent of any small business bidding credits for which a rural telephone company bidder may be eligible, and the credits should be cumulative.

Pursuant to Section 1.1206 of the Commission's Rules, 47 C.F.R. § 1.1206, this *ex parte* presentation is being filed electronically with the Office of the Secretary.

Sincerely,

/s/ Erin P. Fitzgerald

Erin P. Fitzgerald
Assistant Regulatory Counsel
Rural Wireless Association, Inc.

/s/ Jill Canfield

Jill Canfield
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General Counsel
NTCA – The Rural Broadband Association

/s/ D. Cary Mitchell

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Counsel to Blooston Rural Carriers

Counsel to Blooston Rural Carriers

cc (via email):

Chairman Tom Wheeler
Commissioner Jessica Rosenworcel
Commissioner Ajit Pai
Commissioner Mike O'Rielly
Renee Gregory

Priscilla Delgado Argeris
Brendan Carr
Erin McGrath
Roger Sherman
Jean Kiddoo
Sue McNeil
Johanna Thomas
Margaret Wiener
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