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March 26, 2015

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**VIA ELECTRONIC FILING**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

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

Dear Ms. Dortch:

On March 24, 2015, in connection with the above-referenced proceeding, Dr. J. Michel Guité, President of Vermont Telephone Company, Inc. and VTel Wireless, Inc. (collectively, "VTel") and the undersigned with Wiley Rein LLP met with Renee Gregory, the Chairman's Legal Advisor for Engineering and Technology, Wireless, and Incentive Auction.

During the meeting, VTel explained its efforts to provide broadband in rural areas of Vermont, including the deployment of its state-of-the art, GigE fiber network that delivers up to 1,000 Mbps download and upload speeds and its greenfield 4G/LTE wireless network. VTel outlined the challenges that the company has faced in this regard, and Dr. Guité expressed concern about the Commission's efforts to facilitate rural broadband deployment.

We also discussed the importance of spectrum to VTel's broadband deployment initiatives. VTel explained that it has been an active participant in nearly every spectrum auction conducted by the Commission and has almost always been successful in obtaining spectrum in those auctions in which it has participated. As a small business, VTel emphasized the importance of the bidding credits authorized by the Commission's designated entity rules. However, VTel expressed concern about the potential misuse of designated entities by very large companies such as DISH to the detriment of legitimate small businesses such as VTel.

In particular, VTel explained its experience in Auction 97 and its efforts to secure the license for the A1 block in Burlington, Vermont. Based on information obtained after the conclusion of the auction, it appears that DISH and two designated entities established by DISH and in which DISH owns an 85 percent financial interest – Northstar Wireless LLC ("Northstar") and SNR Wireless LLC ("SNR") – coordinated their bidding activities to the detriment of VTel.

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Specifically, despite being the winner at the end of round 16, VTel was topped by DISH and Northstar in subsequent rounds. But, VTel bid back and was the high bidder in round 20. However, in round 21, DISH, Northstar, and SNR all placed bids, which created the impression that VTel faced increased competition from three different bidders for the spectrum, even though that was not actually the case. Nonetheless, in light of the perceived increased interest in the spectrum by multiple bidders that would drive up the price to levels that it could not afford, VTel did something it has rarely done in past auctions – it dropped out. As a result, SNR was the winning bidder.

VTel urged the Commission to scrutinize carefully the conduct of DISH and its designated entities in Auction 97 and to take appropriate action to ensure that large companies such as DISH do not abuse the Commission's designated entity rules or otherwise undermine the integrity of the spectrum auction process.

Pursuant to 47 C.F.R. § 1.1206, please include this ex parte filing in the above-referenced docket.

Sincerely,

A handwritten signature in black ink, appearing to read "Bennett L. Ross", with a long horizontal flourish extending to the right.

Bennett L. Ross

BLR:rw

cc: Renee Gregory