



**Competitive Carriers Association**  
Rural • Regional • Nationwide®

**Competitive Carriers Association**  
805 15<sup>th</sup> Street NW, Suite 401  
Washington, DC 20005  
Office: (202) 449 -9866 • Fax: (866) 436 -1080

June 25, 2015

**Via ECFS**

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

**Re: EX PARTE NOTICE**

**GN Docket No. 12-268:** *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions;*  
**WT Docket No. 12-269:** *Policies Regarding Mobile Spectrum Holdings;*  
**AU Docket No. 14-252:** *Comment Sought on Competitive Bidding Procedures for Broadcast Incentive Auction 1000, Including Auctions 1001 and 1002*

Ms. Dortch:

On June 23, 2015, Competitive Carriers Association (“CCA”) and representatives from its member companies met with the Chairman of the Federal Communications Commission (“FCC” or “Commission”) and Commission staff<sup>1</sup> to discuss issues surrounding the upcoming incentive auction. During the meeting, CCA thanked the Chairman and FCC staff for creating a pro-competitive auction framework that included mechanisms such as smaller geographic license sizes and a spectrum reserve, and for continuing to work towards beginning the auction in early 2016. CCA encouraged the Commission to make minor modifications to the proposals contained in its Auction Comments Public Notice<sup>2</sup> to expand the competitive effects of the incentive auction, and pointed to the robust support in the record for these modifications.<sup>3</sup>

---

<sup>1</sup> A complete list of attendees for the meeting is included in Attachment A to this *ex parte* notice.

<sup>2</sup> *Comment Sought on Competitive Bidding Procedures for Broadcast Incentive Auction 1000, Including Auctions 1001 and 1002*, Public Notice, 29 FCC Rcd 15750 (2014).

<sup>3</sup> See *Ex Parte* Letter from Catherine Bohigian, Executive Vice President, Government Affairs, Charter Communications, to Marlene H. Dortch, Secretary, FCC, AU Docket No. 14-252, GN Docket No. 12-268 (filed May 22, 2015); *Ex Parte* Letter from Engine, *et al.*, to Chairman Wheeler, FCC, AU Docket No. 14-252, GN Docket No. 12-268, WT Docket No. 12-269 (filed May 13, 2015); *Ex Parte* Letter from Atlantic Tele-Network, *et al.*, to The Hon. Tom Wheeler, Chairman, FCC, GN Docket No. 12-268, WT Docket No. 12-269 (filed Apr. 22, 2015); *Ex Parte* Letter from Open Technology Institute at New America *et al.*, to the Hon. Tom Wheeler, Chairman, FCC, WT Docket No. 12-269, Docket No. 12-268 (filed Feb. 24, 2015).

Specifically, the Commission should increase the maximum size of the spectrum reserve from 30 MHz to 40 MHz.<sup>4</sup> As CCA has previously noted, despite holding 73% of all available low-band spectrum, AT&T and Verizon are reserve-eligible in Partial Economic Areas (“PEAs”) covering over 70% of the U.S. geography and 40% of the U.S. population.<sup>5</sup> An increased reserve will increase auction participation by all carriers, including AT&T and Verizon, who have acknowledged that two blocks of spectrum represents “table stakes” for cost-effective broadband deployment. In addition, a larger reserve could result in higher auction revenue.<sup>6</sup>

CCA also urged the Commission to hold a revenue-neutral assignment round.<sup>7</sup> Several CCA members expressed concern that the current assignment round proposal would take revenues out of the clock phase of the auction, which in turn could negatively impact broadcaster participation in the reverse auction. Additionally, competitive carriers will likely be priced into the most impaired spectrum in the assignment round. Because AT&T and Verizon will come to the auction with significantly more resources than other auction participants (much in the same way as they did in the recent AWS-3 auction<sup>8</sup>), competitive carriers will be left with the most impaired spectrum absent a revenue-neutral assignment round. As CCA has previously noted, AT&T and Verizon would be the least impacted by winning impaired 600 MHz spectrum, as a result of their current dominant low-band spectrum positions.<sup>9</sup>

Finally, several CCA members also discussed the potential for gaming that can arise from an artificial price component tied to the triggering of the spectrum reserve. The Commission should not tie implementation of the spectrum reserve to the double trigger in the Final Stage Rule. Doing so introduces foreclosure risk and puts the spectrum reserve into jeopardy. Rather, the Commission should initiate the forward auction with the spectrum reserve in place, as Sprint has proposed.<sup>10</sup>

---

<sup>4</sup> Comments of Competitive Carriers Association, AU Docket No. 14-252, GN Docket No. 12-268 at 28-29 (filed Feb. 20, 2015) (“CCA Comments”); Reply Comments of Competitive Carriers Association, AU Docket No. 14-252, GN Docket No. 12-268 at 14-15 (filed Mar. 13, 2015) (“CCA Reply Comments”).

<sup>5</sup> See *Ex Parte* Letter from Rebecca Murphy Thompson, General Counsel, CCA to Marlene H. Dortch, Secretary, FCC, GN Docket No. 12-268, *et al.* at 8 (filed May 14, 2015) (mapping the PEAs in which AT&T or Verizon are reserve-eligible).

<sup>6</sup> See Peter Cramton, *Auction Revenues and Competition Policy in the 600 MHz Auction* (May 2014), attached to *Ex Parte* Letter from Competitive Carriers Association to Marlene H. Dortch, Secretary, FCC, GN Docket No. 12-268, WT Docket No. 12-269 (filed May 8, 2014).

<sup>7</sup> CCA Comments at 34-41; CCA Reply Comments at 15-20.

<sup>8</sup> *Ex Parte* Letter from Neville Ray, Chief Technology Officer, T-Mobile USA, Inc. to the Hon. Tom Wheeler, Chairman, FCC, GN Docket No. 12-268, WT Docket No. 12-269 at 2 (filed June 2, 2015).

<sup>9</sup> See, e.g., CCA Comments at 22.

<sup>10</sup> *Ex Parte* Letter from Lawrence R. Krevor, Vice President, Legal and Governmental Affairs—Spectrum, Sprint Corporation to Marlene H. Dortch, Secretary, FCC, GN Docket No. 12-268, AU Docket No. 14-252 (filed May 20, 2015).

This ex parte notification is being filed electronically with your office pursuant to Section 1.1206 of the Commission's Rules.

Regards,

*/s/ Rebecca Murphy Thompson*

Rebecca Murphy Thompson  
General Counsel

cc (via email): Chairman Tom Wheeler  
Ruth Milkman  
Renee Gregory  
Jessica Almond  
Gary Epstein  
Howard Symons  
Bill Lake  
Julie Knapp  
Roger Sherman  
Jim Schlichting  
Chris Helzer  
Bill Scher



**Competitive Carriers Association**  
Rural • Regional • Nationwide®

**Attachment A**

**Meeting Participants**  
**June 23, 2015**

Competitive Carriers Association Representatives

Steve Berry, CCA  
Rebecca Thompson, CCA  
Sean Spivey, CCA  
Trey Hanbury, Hogan Lovells US LLP

CCA Member Company Representatives

Jeff Blum, DISH Network  
Larry Krevor, Sprint Corp.  
Rick Engelman, Sprint Corp.  
Dee Herman, Herman & Whiteaker PLLC  
Steve Sharkey, T-Mobile USA, Inc.  
Kathleen Ham, T-Mobile USA, Inc.

Federal Communications Commission Representatives

Chairman Tom Wheeler  
Ruth Milkman  
Renee Gregory  
Jessica Almond (by phone)  
Gary Epstein  
Howard Symons  
Bill Lake  
Julie Knapp  
Roger Sherman  
Jim Schlichting  
Chris Helzer  
Bill Scher