



Competitive Carriers Association
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June 26, 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 24, 2015, Steven K. Berry, Rebecca Murphy Thompson and C. Sean Spivey on behalf of Competitive Carriers Association (“CCA”), together with Josh Roland of T-Mobile US, Inc., Richard Engelman of Sprint Corp. and Trey Hanbury of Hogan Lovells US LLP, met with Brendan Carr, Legal Advisor for Wireless, Public Safety and International to Commissioner Pai, to discuss issues surrounding the upcoming incentive auction to be conducted by the Federal Communications Commission (“FCC” or “Commission”). During the meeting, CCA expressed support for the competitive auction framework, including the use of smaller geographic license sizes, and proposed minor modifications to the proposals contained in the FCC’s Auction Comments Public Notice¹ to expand the competitive effects of the incentive auction.²

CCA described its support for an expanded spectrum reserve.³ Despite holding 73% of all available low-band spectrum, AT&T and Verizon are reserve-eligible in Partial Economic Areas

¹ *Comment Sought on Competitive Bidding Procedures for Broadcast Incentive Auction 1000, Including Auctions 1001 and 1002*, Public Notice, 29 FCC Rcd 15750 (2014).

² 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).

³ 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

(“PEAs”) covering over 70% of the U.S. geography and 40% of the U.S. population.⁴ 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.⁵

CCA also pointed to the record evidence in support of a revenue-neutral assignment round.⁶ 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,⁷ competitive carriers will be left with the most impaired spectrum absent a revenue-neutral assignment round.

CCA 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. Rather, the Commission should initiate the forward auction with the spectrum reserve in place, as Sprint has proposed.⁸

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): Brendan Carr

Association, AU Docket No. 14-252, GN Docket No. 12-268 at 14-15 (filed Mar. 13, 2015) (“CCA Reply Comments”).

⁴ 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).

⁵ 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).

⁶ CCA Comments at 34-41; CCA Reply Comments at 15-20.

⁷ *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).

⁸ *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).