



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

**Competitive Carriers Association**

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July 8, 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:

CCA writes to express its support for Common Cause and Public Knowledge's proposal to increase the maximum size of the spectrum reserve for the upcoming incentive auction when initial clearing targets are "equal [to] or exceed 90 megahertz of available broadband spectrum, the reserve should increase from 30 to 40 megahertz at those higher initial clearing-target levels."<sup>1</sup> Common Cause and Public Knowledge propose this as an alternative to the change supported by many parties in the record to increase the size of the reserve to 40 megahertz at an initial clearing target of 70 megahertz.<sup>2</sup>

Like Common Cause and Public Knowledge, CCA continues to believe a robust spectrum reserve is key to providing a meaningful opportunity for multiple competitive providers to acquire the low-band spectrum essential for cost-effective in-building service and rural deployment. The spectrum reserve is the only competitive safeguard still under consideration to prevent AT&T and Verizon from using the 600 MHz auction to further consolidate their already considerable low-band spectrum holdings.<sup>3</sup> In addition, AT&T or Verizon are reserve eligible in most of the country,

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<sup>1</sup> *Ex Parte* Letter from Phillip Berenbroick, Counsel, Government Affairs, Public Knowledge and Todd O'Boyle, Program Director, Common Cause to The Hon. Tom Wheeler, Chairman, FCC, AU Docket No. 14-252, GN Docket No. 12-268 (filed June 30, 2015).

<sup>2</sup> *Id.* at 2.

<sup>3</sup> The attached chart shows the considerable low-band spectrum holdings of AT&T and Verizon, especially when compared to the other two nationwide carriers.

including 74% of the nation's geography and 40% of the pops.<sup>4</sup> For this reason, CCA has supported increasing the maximum size of the spectrum reserve to 40 MHz or 50% of the auction spectrum, while limiting opportunities for inefficient and potentially harmful bidding practices that would frustrate the pro-competitive purpose of the reserve.

Should the Commission decide not to increase the size of the reserve at lower clearing targets, CCA urges the Commission to consider the thoughtful compromise put forward by Common Cause and Public Knowledge for increasing the reserve at higher clearing targets. The Commission created the pro-competitive, market-based spectrum reserve because of the importance of multiple providers, including rural and regional providers, having access to below-1-GHz spectrum for deployment and competition. If the reserve is truly market-based, then the FCC should increase the size of the reserve based on market demand for more broadband spectrum. Given that a number of carriers, including most of CCA's more than 100 competitive carriers as well as new entrants are vying for access to the reserve, it only makes sense to recover a consistent percentage of spectrum at higher clearing targets. The Department of Justice has urged the FCC, for a third time, to give "considerable weight" to protecting and promoting competition and preventing foreclosure when determining the appropriate amount of spectrum to be included in the reserve.<sup>5</sup> Verizon and AT&T already hold 73% of all the available low-band spectrum. To avoid excessive concentration of low-band spectrum and maximize consumer benefit, CCA urges the FCC to increase the size of the reserve, at a minimum, when the Commission clears 90 megahertz or more broadband spectrum.

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, CCA

cc: Renee Gregory  
Jessica Almond  
Chanelle Hardy  
David Strickland  
Valery Galasso  
Brendan Carr  
Erin McGrath

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<sup>4</sup> The attached map shows the markets where either AT&T or Verizon (or both) are reserve eligible.

<sup>5</sup> See *Ex Parte* Letter from William J. Baer, Assistant Attorney General, Antitrust Division, U.S. Dept. of Justice to Marlene H. Dortch, Secretary, FCC, WT Docket No. 12-269 (filed June 24, 2015); see also *Ex Parte* Submission of the U.S. Dept. of Justice, WT Docket No. 12-269 at 8 (filed Apr. 11, 2013); *Ex Parte* Letter from William J. Baer, Assistant Attorney General, Antitrust Division, U.S. Dept. of Justice to Marlene H. Dortch, Secretary, FCC, WT Docket No. 12-269 (filed May 14, 2014).

Attachments (2)