



**Ex Parte**

July 8, 2015

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
455 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

1300 I Street, NW  
Suite 400 West  
Washington, DC 20005

Phone: 202-515-2412  
Fax: 202-289-6781  
john.scott@verizon.com

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

Dear Ms. Dortch:

T-Mobile's eleventh-hour request to change the trigger for the set-aside of spectrum in the upcoming incentive auction should be quickly dismissed, if not ignored.

T-Mobile has repeatedly asked the FCC to change the rules for the incentive auction in ways that favor T-Mobile at the expense of the American taxpayer. Last week, T-Mobile filed yet another proposal, this time asking the FCC to alter the trigger for the reserved spectrum that the Commission adopted in May 2014.<sup>1</sup> That trigger has two parts: (1) a minimum price per MHz-pop component (which the FCC has proposed to set at \$1.25); and (2) a requirement that the FCC recover the costs of clearing the broadcasters and other expenses. T-Mobile requests that the FCC back away from the requirement that the auction produce enough revenues overall to pay off the broadcasters before the set-aside kicks in. It instead wants the FCC to trigger the reserve much earlier during the bidding – when the price per MHz-pop reaches \$2.00 – even if the auction has yet to raise enough money to close.

T-Mobile's objective is obvious: the earlier the trigger kicks in, the sooner that Verizon and AT&T are barred from competing for those licenses, and the lower the price that T-Mobile will pay for its spectrum. T-Mobile does not justify why it serves the public interest for the FCC to tilt the auction rules even further in its favor. Nor does T-Mobile offer any rationale for its arbitrary \$2.00 trigger – a figure well below the prices carriers paid for paired spectrum in the AWS-3 auction.

By capping the price at which the reserve would kick in and triggering the reserve before prices have reached full market value, T-Mobile's new proposal inevitably will undermine the

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<sup>1</sup> Letter to Marlene Dortch from Trey Hanbury, Counsel to T-Mobile, AU Docket 14-252, filed June 30, 26, 2015 ("T-Mobile Ex Parte"). T-Mobile filed its newest request in the Auction Procedures docket, rather than in the Incentive Auction docket. However, because its request seeks changes to the Incentive Auction Report and Order, it is an untimely petition for reconsideration of that decision, and should be dismissed without consideration on that ground alone.

Marlene H. Dortch

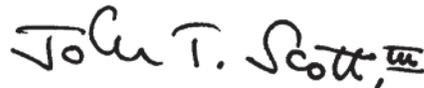
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Commission's goals for the auction: to maximize the amount of spectrum repurposed for mobile broadband and to raise as much as possible for the U.S. Treasury. If T-Mobile can acquire its spectrum at below-market value before the auction raises enough to pay the broadcasters, the FCC will likely be forced to reduce the clearing target in order to close the auction, which means it will recover less spectrum than it would have under the current rules and raise less money in the auction. In short, T-Mobile's proposal means less spectrum will clear, final auction prices will fail to reflect market prices (because of the effect of sheltering reserve spectrum from competitive bidding), and the government will fail to capture the full value of the spectrum for the American taxpayer.

This letter is being filed pursuant to Section 1.1206 of the Commission's Rules. Should you have any questions please contact the undersigned.

Sincerely,

A handwritten signature in black ink that reads "John T. Scott, III". The signature is written in a cursive style with a small "III" at the end.

John T. Scott, III

cc: Renee Gregory  
Jessica Almond  
Matthew Berry  
Brendan Carr  
Valery Galasso  
Erin McGrath  
Louis Peraertz