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July 10, 2015

**EX PARTE VIA ECFS**

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

**Re: Expanding the Economic and Innovation Opportunities of Spectrum through Incentive Auctions, GN Docket No. 12-268, AU Docket No. 14-252;**

Dear Ms. Dortch:

On July 8, 2015, the undersigned, representing AT&T, spoke by phone separately with Brendan Carr, Legal Advisor to Commissioner Pai and Erin McGrath, Legal Advisor to Commissioner O’Rielly. On July 9, 2015, I spoke by phone with Commissioner Rosenworcel. In all three conversations, I discussed AT&T’s position on Staff recommendations regarding the placement of broadcast stations in the wireless band if they cannot otherwise be repacked and the overall level of impairment that will be permitted in the wireless band regardless of where in-band broadcasters are placed.

I noted the following. There is widespread agreement among stakeholders that the Commission should minimize the intentional placement of U.S.-based television stations in the 600 MHz band. As the record confirms, repacking U.S.-based television stations into the 600 MHz band will significantly degrade the quality of the adjacent licenses for mobile wireless use, both within the same market and in geographically adjacent markets. This degradation harms the forward auction in two ways: (1) the interfering uses directly reduce the value of the mobile wireless licenses, which in turn will reduce forward auction revenues; and (2) the impairments will force the Commission to offer non-generic licenses under circumstances in which bidders cannot know during the forward auction which licenses they will ultimately receive, and that uncertainty will cause bidders to further reduce their bids.

In the event that the FCC elects to repack stations in-band to achieve a specific clearing target, AT&T believes the staff’s approach, which would minimize impairments while maximizing recovered spectrum, is the correct one. As a practical matter, AT&T believes that the placement of stations in parts of the duplex gap, while far from ideal, is the approach that best minimizes in-band impairments.

The fundamental question around use of the duplex gap is the amount of separation needed between an in-band broadcaster and the downlink to protect against interference into end user devices. Many in the industry believe that separation needs to be at least 10 MHz, and thus they oppose broadcasters in the duplex gap. Based on conversations with our vendors, AT&T believes that the downlink could be protected with a minimum of 5 MHz of separation, and thus AT&T has supported placing broadcasters in the duplex gap adjacent to the uplink and then, if needed, the uplink.

I noted, however, that AT&T's bigger concern is the overall amount of wireless band impairment that the Staff's simulation study appears to contemplate. The FCC did not release the full details of the study, so we don't know how many broadcasters the FCC contemplates will be assigned within the wireless band, but the number appears to be substantial.

For example, the simulation study shows that, even while using the duplex gap for broadcaster assignments, the New York PEA will have one category 2 block (presumably because of an in-band broadcaster in an adjacent PEA like Buffalo); the LA PEA will have four blocks that can't be sold and one category 2 block (presumably because of broadcasters assigned in-band in the LA PEA); the Balt-Wash PEA will have one Category 2 block (presumably because of an in-band broadcaster in an adjacent PEA) and the Philadelphia PEA will have one block that can't be sold and two category 2 blocks (perhaps because of in-band broadcasters).

I also noted that if the duplex gap is protected, these simulation results generally get worse, including in NY (where there is an additional Category 2 block) and LA (which would then have 5 out of 7 blocks that cannot be sold).

In either case, this is an extraordinary amount of impairment to permit in-band, particularly because these impairments are likely to be permanent and create serious deployment challenges for the wireless industry that can persist for years to come.

I re-iterated AT&T's core position: impairments caused by in-band or adjacent broadcasters can have devastating impacts on the band as we have seen in the 700 MHz band. The FCC should commit to keeping the aggregate impairment threshold at no more than the quantifiable border impairments at the time of auction plus an incremental 3% percent. If the border impairments are largely resolved before auction through cross-border negotiations, then the overall aggregate level should be closer to 3% than 14% (for an 84 MHz band plan).

During the course of these discussions, I referred to the Clearing Target Optimization Simulations released by the FCC on June 3, 2015,<sup>1</sup> the Cross-Border Study

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<sup>1</sup> Public Notice, *Incentive Auction Task Force Releases Initial Clearing Target Optimization Simulations*, AU Docket No. 14-252, GN Docket No. 12-268 (June 3, 2015), available at [https://apps.fcc.gov/edocs\\_public/attachmatch/DA-15-606A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/DA-15-606A1.pdf).

filed by AT&T on April 14, 2015,<sup>2</sup> and the Repacking Study conducted by Michael Kearns, filed by AT&T on February 20, 2015.<sup>3</sup>

In accordance with the Commission's rules, this letter is being filed electronically with the Secretary for inclusion in the public record.

Sincerely,

A handwritten signature in black ink, appearing to be 'Joan Marsh', written over a horizontal line.

Joan Marsh

cc: Commissioner Jessica Rosenworcel  
Erin McGrath  
Brendan Carr

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<sup>2</sup> Letter from Michael P. Goggin (AT&T) to Marlene H. Dortch (FCC), *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, GN Docket No. 12-268 (April 14, 2015), available at <http://apps.fcc.gov/ecfs/document/view?id=60001043518>.

<sup>3</sup> Philip A. Haile, Michael Kearns, Lili Dworkin, *Comments on the FCC's Current Incentive Auction Design Proposals*, at 21-44 (Feb. 20, 2015), attached to Comments of AT&T, *Competitive Bidding Procedures for Broadcast Incentive Auction 1000, Including Auctions 1001 and 1002*, AU Docket No. 14-252 & GN Docket No. 12-268, (Feb. 20, 2015), available at <http://apps.fcc.gov/ecfs/document/view?id=60001040448>.