



Brian Benison
Director
Federal Regulatory

AT&T Services, Inc.
1120 20th Street, NW
Suite 1000
Washington, DC 20036

T: 202.457.3065
F: 202.457.3070

November 9, 2015

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

Re: *In the Matter of 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 November 6, 2015, representatives of AT&T and I met via teleconference with members of the Incentive Auction Task Force, the Wireless Bureaus, and Power Auctions. Participating on the call on behalf of the FCC staff were Gary Epstein, Howard Symons, Margaret Wiener, Jean Kiddoo, Melissa Dunford, Martha Stancill, Craig Bomberger and Christina Aperjis. Tom Lowe, Terry Chevalier, and Michael Goggin of AT&T, as well as Allan Ingraham and James Bono, consultants to AT&T, were on the call with me.

The purpose of the meeting was to seek clarification on a number of issues concerning the auction procedures announced in the Commission's October 15, 2015 Auction Procedures Public Notice in the above dockets. First, AT&T asked for a clarification regarding the statement in Appendix G of the Notice, at page 151, which states that "[a] bidder will *not* be allowed to submit a bid or collection of bids if the bidder's *activity* for the round would exceed its *current eligibility*." We explained that the bid processing logic should allow the submission of stack bids because the system would not execute bids that would exceed eligibility. The staff confirmed that the intent was to prohibit the submission of stack bids if the total of all such bids would exceed eligibility. The staff also clarified, in response to our question, that simple bids to increase demand will be processed at price points less than or equal to the price bid.

AT&T also asked, with regard to "missing bids" being counted as zero, whether the system would default to a bidder's position in the previous round, or automatically zero a position out absent some action on the bidder's part. Given the number of objects in the auction, AT&T noted that requiring bidders to rebid on every single lot in every single round was likely to result in delay and mistakes. The staff indicated that there will be an option to maintain one's bid position on all lots with a single click. If a bidder wishes to change its position on some but not all PEAs, it can first opt to maintain its position in all PEAs with a single click, then change its position on a selective basis in any PEA it wishes. Staff also confirmed that although they sometimes use the terminology "spectrum target" to refer to a clearing target, where the term is used in connection with the Final Stage Rule Calculations, (see, e.g. Appendix G, Sec 8.2 (1)(a) at page 171) it is meant to refer to the cleared spectrum available in the forward auction, not the clearing target for the reverse auction.

AT&T also noted that under the Assignment Round procedures (Appendix H), it appears that bidders in some cases might be invited to bid on assignment options that are not feasible. Staff explained that this is unlikely to occur, but should it occur, it would occur purposefully, in an attempt by the auctioneer to compensate for the potential for unequal information among bidders. AT&T noted that while providing all bidders with equivalent information is desirable, providing them with bidding options that —are infeasible is inconsistent with the approach taken in similar assignment round auctions in Canada (700 MHz¹ and 2,5 GHz²), the United Kingdom (800 MHz³) and Ireland (800 MHz, 900 MHz and 1800 MHz⁴). This approach where items are offered for sale that are ultimately unavailable would undermine the integrity of the auction process.

Respectfully submitted,

Brian Benison

cc: Gary Epstein
Howard Symons
Margaret Wiener
Jean Kiddoo
Melissa Dunford
Martha Stancill
Craig Bomberger
Christina Aperjis

¹ <http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf10572.html>

² <http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf10726.html>

³ <http://www.legislation.gov.uk/uksi/2012/2817/contents/made>

⁴ http://www.comreg.ie/publications/multi-band_spectrum_release_information_memorandum.583.104109.p.html