

Spectrum Financial Partners, LLC

Stephen Wilkus, CTO
15 Hickory Lane
Lincroft, NJ 07738
Phone: +1 732 533 3286
E-Mail: Stephen.Wilkus@SpectrumFinancialPartners.com
Web: www.SpectrumFinancialPartners.com

Via Electronic Filing

Dec. 3, 2015

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth St., SW
Washington, DC 20554

Re: Competitive Bidding Procedures for Broadcast Incentive Auction 1000, Including Auction 1001 and 1002, AU Docket No. 14-252; Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions, GN Docket No. 12-268; Policies Regarding Mobile Spectrum Holdings, WT Docket No. 12-269; Amendment of Parts 15, 73 and 74 of the Commission's Rules to Provide for the Preservation of One Vacant Channel in the UHF Television Band for Use by White Spaces Devices and Wireless Microphones, MB Docket No. 15-146.

Written Ex Parte

Dear Ms. Dortch:

Spectrum Financial Partners, LLC ("Spectrum Financial"), pursuant to Section 1.429 of the Commission's Rules, hereby submits the following comments in support of the November 13th petition of The Blooston Rural Carriers¹ calling for a reconsideration of the onerous incentive auction rules that currently require 95% activity in the forward auction rounds and provide no activity rule waivers during the auction.

Spectrum Financial is partnering with others in bidding in the upcoming 600 MHz incentive auction, and is keenly interested in the opportunities for small businesses to competitively participate in these transactions. We commend the Commission for its efforts to expand the available spectrum to broadband use and implement the National Broadband Plan, and appreciate the immense effort that has gone into the rulemaking of this most complex auction.

Spectrum Financial respectfully suggests that as the Blooston Rural Carriers correctly explained in the Petition, the forward auction (#1002) will more likely be successful if the Commission adopts procedures that allow greater bidding flexibility by smaller applicants to reduce the risk of their prematurely exiting the auction. We respectfully request that the Commission reconsider its decision to require all bidders to have at least 95% activity in every round of the forward auction and instead allow for smaller businesses to maintain their current eligibility if they are active on 80% of their total eligibility.

We also request that bidders in the forward auction be permitted at least two (2) activity rule waivers to account for unforeseen circumstances and to protect them from possible elimination from the auction if they are forced to miss a single round of bidding. As has been permitted in previous auctions, these waivers should be automatically applied by the FCC in case no bids are received and a bidder would,

¹ Petition for Reconsideration of the Blooston Rural Carriers (filed Nov. 13, 2015) ("Petition").
Posted 2015-11-13 17:00:43. Accessed on line on Dec. 1, 2015:
<http://apps.fcc.gov/ecfs/comment/view;ECFSSESSION=FTSQWpJPbk4RpCZsy4ly0GT02MzFDhjJTcTp1cp9s9zvQ51X3H2P!1503707191!1967462809?id=60001309047>

otherwise, be disqualified from further bidding. In the AWS-3 auction #97, we note that there were 43 rounds in which proactive waivers were applied.

In later stages of auctions, when there are a dozen or more rounds in a day, and the time between rounds is less than 20 or 30 minutes, we have seen instances where network congestion, computer difficulties, or communication disruptions have made it a challenge to 1) know precisely when the updated auction files are ready for download, 2) download the round's updated files in a timely way, 3) process the round's results on computers that may occasionally require restarting of software, 4) obtain human evaluation of the results, and 5) command the new bids to be placed on the FCC's servers with positive acknowledgement. We have seen electrical and communications outage due to storms or local service issues (such as a truck taking down a local telephone pole with both the local fiber used for internet access as well as the local cell tower's wireless-backhaul fiber). With such a complex auction, software issues that take many minutes to recognize and remedy may also cause systemic problems that will delay a new bid. We are setting up a backup facility to execute a round's bids in such an instance, but when a local outage takes both the wired and wireless facilities out of service, it is temporarily difficult even to notify a backup facility of the need for their action. The availability of a waiver may well be critical to stay in the bidding.

Even for large businesses, the availability of a waiver may well be critical for to ensure that they stay active bidders. Denial-of-service attacks or just congestion in the network can delay a file transfer to the point that it is difficult to diagnose and use backup facilities in the short minutes between some rounds of the auction.

The risk of such circumstances arising will be greater in the Incentive Auction, which is by far the most complex auction in the Commission's and bidder's experience. Allowing two round waivers will be vital to allow the sincere bidders to remain active in the auction without creating a risk of gaming the auction's progress.

For these reasons, we respectfully request that the Commission utilize an 80% activity rule in the early stages of the auction and permit two round waivers to all bidders.

Respectfully Submitted,
Spectrum Financial Partners, LLC

/s/ Giovanni Vannucci
Giovanni Vannucci, Principal

/s/ Vincent McBride
Vincent McBride, Principal

/s/ Stephen A Wilkus
Stephen A. Wilkus, CTO

cc:

Robin C. Colwell, Office of Cm. O'Rielly (robin.colwell@fcc.gov)

Lori Alexiou, Office of Cm. Pai (Lori.Alexiou@fcc.gov)

Chanelle P. Hardy, Office of Cm. Clyburn (chanelle.hardy@fcc.gov)

Erin McGrath, Office of Cm. O'Rielly (erin.mcgrath@fcc.gov)

Gary Epstein, Chair, Incentive Auction Task Force (gary.epstein@fcc.gov)

Howard Symons, Vice-Chair, Incentive Auction Task Force (howard.symons@fcc.gov)

Matthew Berry, Office of Cm. Pai (Matthew.Berry@fcc.gov)
Senator Cory Booker