

Marlene H. Dortch
March 14, 2016
Page 1

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Via ECFS

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

Re: *Written ex parte presentation – Mobility Fund Phase II Bidding Areas and Bidding Units (WC Docket No. 10-90; WT Docket No. 10-208)*

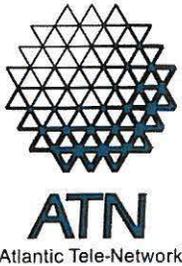
Dear Ms. Dortch:

Following up on its recent ex parte meetings regarding the structure of the Mobility Fund Phase II competitive process,¹ Atlantic Tele-Network, Inc on behalf of itself and its operating entities Choice Communications, LLC NTUA Wireless, LLC, and Commnet Wireless, LLC (collectively, “ATN”), submits further information about how the Commission should identify areas that will be eligible for bidding to expand service into currently unserved areas.

ATN has proposed that the Commission provide support in Mobility Fund Phase II separately for (1) the expansion of service to areas that currently lack 4G LTE service² (“Expansion Support”) and (2) the preservation of service in areas that currently receive legacy

¹ Letter from L. Charles Keller, counsel to ATN, WC Docket No. 10-90 and WT Docket No. 10-208 (filed Feb. 29, 2016) (“ATN February Ex Parte”); Letter from L. Charles Keller, counsel to ATN, WC Docket No. 10-90 and WT Docket No. 10-208 (filed Jan. 6, 2016) (“ATN January Ex Parte”).

² Some parties have argued for faster speeds, such as 10/1, *see, e.g.*, Letter from David LaFuria, counsel to U.S. Cellular, to Marlene Dortch, FCC, WT Docket No. 10-208, WC Docket No. 10-90 (filed March 3, 2016), Attachment at 16, but the FCC has already established minimum performance standards for 4G LTE networks, and there is no basis for changing them in this proceeding – although 4G LTE networks generally will achieve those speed levels under most circumstances. *See, e.g., Tribal Mobility Fund Phase I Auction Rescheduled For December 19, 2013; Notice and Filing Requirements and Other Procedures for Auction 902*, AU Docket No. 13-53, Public Notice, 28 FCC Rcd 11628, 11643 ¶ 38 (2013). *See, e.g.,*



Marlene H. Dortch
March 14, 2016
Page 2

frozen high-cost support and where service would be threatened absent support (“Preservation Support”).³ This letter concerns the auction process for Expansion Support.

ATN recognizes – and seeks to solve – the “centroid problem” that has plagued earlier efforts to identify mobile coverage in rural areas – that is, the problem of identifying a given geographic area as “served” if 4G coverage exists at the centroid of that areawhile road miles in other parts of the area lack service. At the same time, this proposal avoids the need to consider small geographic areas, because such areas do not represent a reasonable component of an actual rural mobile network. A large number of small geographic areas also results in a need for more complex combinatorial bidding, substantially increasing the computational complexity of evaluating auction bids. Thus, ATN’s proposal eliminates the “centroid problem” without the complications of an auction based on very small geographic areas.

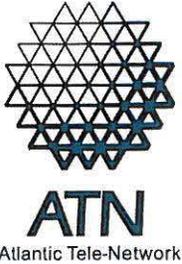
To achieve these goals, ATN proposes that the Commission include in the auction all Census Tracts that include unserved road miles,⁴ but award support only for serving the unserved road miles in the Census Tract.⁵ For example, if a given Census Tract includes 100 road miles, of which 60 are served and 40 are unserved, the Census Tract would be included in the auction. The Commission would make clear that only the 40 unserved road miles in the Census Tract are eligible for support (specifying precisely which road miles are eligible). The Commission would then include this Census Tract in the list of areas eligible for bids in the auction with 40 road miles eligible for support.

Auction bidders would bid on Census Tracts or combinations of Census Tracts, expressing their bids in terms of dollars per eligible road mile. Bids proposing lower subsidy levels per road mile would be favored above bids proposing higher subsidy levels per road mile. In the auction for Expansion Support, ATN believes that a single-round auction should be

³ See, e.g., ATN February Ex Parte, Attachment at 4; See also, e.g., *Connect America Fund et al.*, WC Docket Nos. 10-90 *et al.*, Report and Order, Declaratory Ruling, Order, Memorandum Opinion and Order, Seventh Order on Reconsideration, and Further Notice of Proposed Rulemaking, 29 FCC Rcd 7051, 7129-30 ¶ 244 (2014) (seeking comment amount of support needed to preserve existing mobile service).

⁴ ATN recently demonstrated that the combination of the new Form 477 shapefile data, combined with a robust challenge process, will provide the Commission with more than ample information about unserved road miles to proceed with the auction. ATN February Ex Parte at 1-2.

⁵ To avoid problems encountered in Mobility Fund Phase I, the Commission should only include roads at the S1100, S1200, S1400, and S1500 levels. Excluding roads at the S1640 and S1740 levels will prevent significant drive-test problems that were encountered in Phase I.



Marlene H. Dortch
March 14, 2016
Page 3

sufficient.⁶ Serious bidders will carefully calculate their costs in order to formulate their bids, so all bids should represent bidders' "best and final offer."

In light of the way that wireless networks are constructed, package bidding should be allowed (i.e., bids on packages of Census Tracts), to the extent it is practical within the auction software. Bidders should be permitted to create their own packages of Census Tracts on which to bid. The auction software should be designed to rank bids to maximize the total number of eligible (unserved) road miles served at the lowest subsidy level.

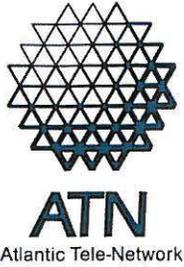
The following summarizes the steps in ATN's proposed auction process for Expansion Support in Mobility Fund Phase II:

1. Identify road miles where 4G LTE service is unavailable ("unserved road miles").
2. Identify the Census Tracts in which the unserved road miles are located, and how many road miles are unserved in each Census Tract. This should be based on the Form 477 shapefile data as perfected by a challenge process.
3. Announce the available Census Tracts and road miles per Census Tract.
4. Solicit bids by Census Tract or bidder-defined combination of Census Tracts, expressed as dollars of support per eligible road mile.
5. Conduct the auction and select as winning bidders the combination of bids that maximizes the number of road miles served at the lowest subsidy level.
6. Require winning bidders to meet build-out milestones with respect to the unserved road miles in the Census Tracts where they are the winning bidder.

As noted above, this approach will avoid leaving behind unserved areas simply because service is available at the centroid of the Census Tract. At the same time, it will avoid the need to use small geographic areas as bidding units, such as Census Blocks, which complicate the bidding process for bidders and the analysis of bids for the Commission.

ATN looks forward to continuing to work with the Commission to ensure that the Mobility Fund Phase II competitive bidding process is implemented soon so that rural Americans

⁶ In the auction for Preservation Support, not discussed in this letter, the Commission should conduct a multiple-round auction so that other bidders can be aware of incumbent support recipients' bids and, where appropriate, submit bids at lower support levels.



Marlene H. Dortch
March 14, 2016
Page 4

do not have to continue wait for the benefits of advanced wireless voice and mobile broadband services. In particular, there is a desperate public safety need for 911 service in currently unserved areas.

As noted above, ATN previously demonstrated that the Commission already has ample coverage data that is more than adequate to proceed with the auction – particularly when combined with a challenge process.⁷ It would be an enormous disservice to Rural America to delay the auction further in order to seek more perfect data. The Commission should adopt rules for the Mobility Fund Phase II auction without further delay.

Sincerely,

A handwritten signature in blue ink that reads "Douglas Minster".

Douglas Minster
Vice President, Government and Regulatory Affairs

cc: Stephanie Wiener
Rebekah Goodheart
Travis Litman
Nicholas Degani
Amy Bender
Erin McGrath
Jon Wilkins
Jim Schlichting
Margaret Wiener

⁷ See *supra* note 4.