April 4, 2006

EX PARTE SUBMISSION

Electronic Filing

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TW-A325
Washington, D.C. 20554

Re: AU Docket No. 06-30
WT Docket No. 05-211

Dear Ms. Dortch:

On April 3, 2006, the undersigned on behalf of T-Mobile USA, Inc. ("T-Mobile"), met with Barry Ohlson, Legal Advisor to Commissioner Jonathan Adelstein, regarding the above referenced proceedings. I discussed T-Mobile's interest in the upcoming advanced wireless services ("AWS") auction and changes to the Commission's designated entity rules and "blind bidding" auction procedures, including a compromise AWS auction bidding plan that is supported by several companies and organizations. I focused on arguments set forth in T-Mobile's prior comments in these proceedings and also relied on the attached talking points.

Pursuant to section 1.1206(b) of the Commission's rules, an electronic copy of this letter is being filed with the office of the Secretary. If you have any questions regarding this notification, please contact the undersigned.

Very truly yours,

/s/ Thomas J. Sugrue

Thomas J. Sugrue
Vice President – Government Affairs

cc: Barry Ohlson

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AWS Auction Bidding Procedures

The following companies and organizations, all of which have endorsed full transparency in Auction 66 and continue to do so, have formulated the below-described proposal for the consideration of the Commission *if* the Commission rejects the arguments for continuing to provide complete bidder and bidding information as in the past: Cingular Wireless LLC, Columbia Capital LLC, Edge Wireless Licenses, LLC, Leap Wireless International, Inc., M/C Venture Partners, Madison Dearborn Partners, LLC, MetroPCS Communications, Inc., Rural Telecommunications Group, Inc., T-Mobile USA, Inc., and United States Cellular Corporation. The below proposal is intended to address the Commission's primary concerns without chilling participation in the auction to the point where there could be a material adverse affect on the level and extent of participation in the auction. The proposal sets forth a four-step program for the Commission to follow:

I. Send a Message

The Plan: The auction procedures order should sent a strong message that the FCC intends to police bidding behavior carefully to guard against collusion or anti-competitive bidding practices and reserve to the Commission the right to suspend or cancel the auction, or to deny individual licenses, in the event that collusive bidding patterns are detected.

Rationale: Participants will avoid behavior that would jeopardize their winning bids or the entire auction. It is better regulatory policy to investigate suspicious activity and the punish wrongdoers than to adopt overly restrictive procedures that "throw the baby out with the bath water."

II. Eliminate all Jump Bidding

The Plan: Modify the auction procedures so that all bidders can only increase the prior high bid by a single bidding increment.

Rationale: This change addresses the FTC and DOJ concern that jump bids are a way of signaling and can be used to "punish" an uncooperative bidder.

III. Adopt the T-Mobile Competitiveness Ratio

The Plan: Allow full transparency if the auction meets the eligibility and bidder thresholds proposed by Peter Cramton in the T-Mobile *ex partes* of March 3 and March 20:

- Full transparency if at the outset of the auction there is an eligibility ratio of 2 (using the below principles to make the calculation).

- Cap the amount of eligibility attributable to any single bidder at 50 percent of the total offering (e.g. 45 MHz nationwide) for purposes of calculating the eligibility ratio.

- Adjust the required competitiveness ratio upward if there are fewer than 15 bidders with eligibility of greater than 1% of available spectrum.

- 3 or more eligible bidders for the largest REAG license.

Rationale: These thresholds will guarantee a highly competitive auction which reduces the prospects for successful collusive behavior.

IV. Adopt the U.S. Cellular "Snapshot" Proposal With Certain Modifications

The Plan: If the auction is not fully transparent because the T-Mobile competitive ratios are not met, then the information available in the early round of the auction would be limited to "snapshots" as proposed by Robert Weber in the US Cellular *ex parte* of March 17, 2006, with certain modifications:

- At random intervals, varying from every 3rd round to every 7th round, the FCC would release the same bidding and bidder identity information that was available after every round in prior auctions.

- On non-snapshot rounds, the Commission would reveal only the currently high bid amount, and the aggregate level of eligibility for all bidders in a particular market.

- The auction would move to full transparency when any of the following triggers are met:

    - The Auction enters Stage II;

    - The total provisionally winning bids in any round, net of applicable bidding credit discounts, equals $4,118,137,372.80 (twice the aggregate minimum reserve price that must be met pursuant to CSEA); or

    - The total bidding eligibility in the auction for all bidders drops below 50% of the initial total bidding eligibility of all bidders based on their upfront payments.

Rationale: Snapshots at random intervals dramatically reduce the prospects for effective signaling and punishing bids since the actor won't know if the source of the bid will be known. The triggers to move to full transparency recognize that the risks of signaling and punishing bids are greatest when prices are lower and participants have ample remaining eligibility to enable them to use bids to signal or punish.

The Bottom line: The Commission's latest auctions have been great successes. To the extent that the Commission perceives potential risks of collusion, it is better to address the situation through incremental rule changes rather than by radical alterations of the procedures that have worked efficiently in the past.