Holland+Knight

Tel 202 955 3000
Fax 202 955 5564

Holland & Knight LLP
2099 Pennsylvania Avenue, N.W., Suite 100
Washington, D.C. 20006
www.hklaw.com

George Y. Wheeler
202 457 7073
george.wheeler@hklaw.com@hklaw.com

September 28, 2007

VIA ECFS

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW, TW-A325
Washington, DC 20554

Re: Ex Parte Presentation
AU Dkt. No. 07-157

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Commission's ex parte rules, 47 C.F.R. §1.1206, this letter is to notify you that on September 27, 2007, representatives of United States Cellular Corporation ("USCC"); Professor Robert J. Weber, J. L. Kellogg Graduate School of Management, Northwestern University; Joseph R. Hanley, Vice President - Technology Planning and Services, Telephone and Data Systems, Inc.; Brett Tarnutzer and the undersigned, met with members of the Wireless Telecommunications Bureau ("Wireless Bureau") including James D. Schlichting, Deputy Bureau Chief; Walter D. Strack, Chief Economist; Gary D. Michaels, Deputy Chief, Auctions & Spectrum Access Division ("ASAD"); Craig Bomberger, Associate Division Chief, ASAD; William W. Huber, Associate Division Chief, ASAD; Martha Stancill, Economist, ASAD; and Erik Salovaara, Special Counsel, ASAD; to discuss issues arising in the above-referenced proceedings as outlined in USCC filings in AU Docket No. 07-157 and in the attached USCC written presentation.

In our discussions we also clarified Section 4 of the attached outline to endorse the simplicity of the package-bidding design proposed by the Wireless Bureau. In our opinion, the Bureau's proposed design helps REAG bidders with the threshold problem by strongly encouraging them to remain active on the REAGs until those licenses are fully priced (or bidding ends). We oppose the addition of complicating features which would make it easier to move back and forth strategically between bidding on the REAGs and on other licenses.

Our primary suggestion for improving and further simplifying the package bidding procedure is to set minimum acceptable bids on REAGs using the standard SMR procedure (i.e., simply using the highest previous bids rather than computing "current price estimates"). In the cases where these two approaches would differ, we believe that use of the traditional procedure will

help REAG bidders get in one final bid before being possibly being forced (by their valuations) to drop out of the REAG competition.

In the event there are questions regarding this matter, please contact the undersigned.

Sincerely,

George Y. Wheeler

cc via e-mail:

jim.schlichting@fcc.gov
walt.strack@fcc.gov
gary.michaels@fcc.gov
craig.bomberger@fcc.gov
william.huber@fcc.gov
martha.stancill@fcc.gov
erik.salovaara@fcc.gov

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United States Cellular Corporation
Presentation for Wireless Bureau - Auction 73 Procedures
September 27, 2007

1. Under anonymous bidding, smaller and regional bidders will need eligibility information to help them confidently navigate in this new type of auction including:

- aggregate eligibility ratio for each round (the ratio of total bidding units held by all bidders to the total bidding units of all licenses in the auction); and

- each bidder's eligibility and upfront payment prior to the start of the auction.

2. Smaller and regional bidders also will need activity rules, bid increment procedures and minimum opening bid amounts which allow them flexibility to gain experience with the Bureau's new auction procedures and to develop confidence to bid aggressively.

- reduce minimum opening bid amounts, particularly for RSAs.

And most importantly:

- adjust the proposed "smoothing" formula to set the bid increment for licenses using a much lower floor and ceiling and weighting recent bids more than previous bids (a weight factor of greater than .5).

3. In conjunction with the adjustments to the smoothing formula, smaller and regional bidders would be better able to bid up to their final license values if the Bureau allows three acceptable bid amounts per license (the minimum acceptable bid amount and two additional bid amounts) for all CMA and EA license blocks.

4. Getting the proper balance of package bidding procedures to give smaller and regional bidders a fair chance to compete against package bidders is also essential.

- adopt scaling up procedures to determine the "current price estimate" for individual REAG licenses based upon the highest previous bids, as it has traditionally done in its SMR auctions;

- clarify whether it intends to permit a winning bidder in "bid reactivation" situations to win licenses which have bidding units in the aggregate which exceed the bidder's eligibility limits;

- allow for limited increased eligibility in the case of reactivated bids to allow bidders to continue competing with the package bidder; and/or

- alternatively, if a bidder is not permitted to obtain limited increased eligibility, the Bureau's Dropped Bid procedures should apply to either a bidder's non-provisionally winning bid in the Upper 700 MHz C Block or to a bidder's reasonably equivalent or similar provisionally winning bids in the Lower 700 MHz band.

5. Contingent subsequent auction of licenses for Blocks A, B, C, D, and/or E, should be conducted using the Bureau's standard SMR auction design without package bidding.

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Other Issues: Procedures for Opting Out of a Reauction; Calculating Whether Aggregate Reserve Prices Have been Met; and Need for Shortened Interval Between the Short-form Application Filing Deadline and the Commencement of Auction 73.

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