

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
Universal Service Reform – Mobility Fund)	WT Docket No. 10-208

COMMENTS OF AT&T

Cathy Carpino
Gary L. Phillips
Peggy Garber

AT&T Services, Inc.
1120 20th Street, N.W.
Suite 1000
Washington, D.C. 20036
(202) 457-3046 - telephone
(202) 457-3073 - facsimile

December 21, 2012

Its Attorneys

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	DISCUSSION	2
A.	The Commission Should Refine Its Methodology for Identifying Eligible Areas in Phase II.....	2
B.	The Commission’s Challenge Process Should Be Made Clearer.....	6
C.	Ten Years Is Too Long for a Mobility Fund Phase II Term of Support.....	10
D.	Mobility Fund Phase II Service Obligations Should Not Vary Once Providers Have Submitted Their Bids.	11
E.	Any Bidding Credit Should Be Targeted To Tribal Areas.....	13
III.	CONCLUSION	13

ATTACHMENT

I. INTRODUCTION

Just over one year ago, the Commission adopted significant reforms to its antiquated high-cost universal service support program and intercarrier compensation regime.¹ As part of those reforms, the Commission announced its intention to establish a Mobility Fund that will disburse support to mobile wireless providers to deploy 3G or better service in eligible areas. There are two phases to the Mobility Fund: In Phase I, the Commission used a reverse auction to award \$300 million in one-time support to winning bidders to deploy 3G or better service in areas lacking such service. The purpose of this one-time support was “to immediately accelerate deployment of networks for mobile voice and broadband services in unserved areas.” *USF/ICC Transformation Order* at ¶ 28. In Phase II, the Commission will disburse up to \$500 million each year to mobile broadband service providers to deploy 4G service “in areas where such services cannot be sustained or extended without ongoing support.” *FNPRM* at ¶ 1122. While the Commission proposed using a reverse auction in Phase II, just as it had used in Phase I, it sought comment on whether it should, instead, use a cost model. *Id.* at ¶¶ 1174-88. The *FNPRM* also sought detailed comment on what Phase II rules it should adopt. AT&T and other commenters cautioned the Commission not to rush to finalize the permanent Mobility Fund rules but, rather, to consider and incorporate any lessons learned from the Phase I auction.²

AT&T appreciates the Commission seeking targeted comment on a number of issues based on its experience with Phase I before it finalizes its Mobility Fund Phase II final rules. However, based on the questions and lack of new proposals in the *Public Notice*, we are

¹ *Connect America Fund*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (*USF/ICC Transformation Order* or *Order*, and *FNPRM*).

² *See Further Inquiry into Issues Related to Mobility Fund Phase II*, WC Docket No. 10-90; WT Docket No. 10-208, Public Notice, DA 12-1853, at ¶ 2 & n.2 (rel. Nov. 27, 2012) (*Public Notice*).

concerned that the Commission is poised to rubber stamp the Phase I methodology without giving careful consideration to the fundamental difference in purpose between the two phases. The area of greatest concern is how the Commission will identify areas eligible for ongoing support. The Commission seems guaranteed of disbursing more support than is necessary if it simply applies the Phase I methodology to Phase II. Additionally, we urge the Commission to remedy its flawed Phase I challenge process in Phase II. The lack of Commission guidance for Phase I challenges resulted in the Commission awarding support to providers to serve ineligible areas. We also discuss why the Commission should not alter a Mobility Fund recipient's service obligations during its term of support and, for related reasons, why a ten-year term of support is unacceptably long. Finally, we discuss why the Commission should not adopt bidding credits for particular classes of carriers, with the possible exception of providers bidding to serve Tribal lands.

II. DISCUSSION

A. The Commission Should Refine Its Methodology for Identifying Eligible Areas in Phase II.

In its *USF/ICC Transformation Order*, the Commission could not have been clearer that the goal of the methodology it adopted for Phase I was to “swiftly extend[] current generation wireless coverage in areas where it is cost effective to do so with one-time support” *USF/ICC Transformation Order* at ¶ 314. By that measure, the Mobility Fund Phase I reverse auction was a success: Within one year of the *Order*'s release, the Commission conducted an auction and awarded the entire amount that it set aside for this auction, with winning bidders required to

complete their mobile deployments within two or three years.³ However, as the Commission also recognized in this *Order*, the Phase I funding methodology was not designed to ensure adequate support over the longer term; in fact, in response to criticism that the Phase I competitive bidding mechanism is unable to provide long-term support, the Commission stated that these critics “fail[] to recognize that Mobility Fund Phase I is focused solely on identifying recipients that can extend coverage with one-time support.” *USF/ICC Transformation Order* at ¶ 323.

While it should be a relatively simple task to identify areas that are unserved by 3G or better service, which is what occurred in Mobility Fund Phase I, the same cannot be said of identifying high-cost areas requiring *ongoing* Mobility Fund Phase II support. If the questions posed in the *Public Notice* reflect the only modifications under consideration for Phase II, AT&T is concerned that the Commission may fail to address the fundamental difference in purpose between the two phases. This is disturbing because Mobility Fund Phase II is designed to meet a different need than Phase I and, through the Phase II mechanism, the Commission will direct the eventual distribution of billions of dollars of public money (versus a one-time outlay of \$300 million). The Commission clearly recognized the difference between distributing one-time and ongoing support when it designed Phase II of the Connect America Fund (CAF), which will distribute ongoing support to providers in price cap carrier study areas using a cost model to identify high-cost eligible areas. *USF/ICC Transformation Order* at ¶ 167. The *FNPRM* sought comment on whether the Commission should likewise use a cost model for Mobility Fund Phase

³ See *Mobility Fund Phase I Closes, Winning Bidders Announced for Auction 901*, Public Notice, DA 12-1566, at ¶ 1 (rel. Oct. 3, 2012) (stating that winning bidders are eligible to receive \$299,998,632 in one-time Mobility Fund Phase I support).

II (*id.* at ¶ 1125) but the *Public Notice* is silent on this issue and appears to take it as a forgone conclusion that Phase II will be a near replica of Mobility Fund Phase I.

If the Commission intends to identify areas eligible for Mobility Fund Phase II support by using an expanded version of the Mobility Fund Phase I methodology (i.e., areas with no wireless service or areas served by only 2G service, as well as areas where 3G or better service is available only from subsidized providers),⁴ it is unclear how this methodology will be effective in identifying those areas requiring ongoing support, as opposed to areas requiring one-time support or no support at all. It also is unclear how this methodology will ensure that a bidder that wins ongoing support in an area that currently receives 3G or better service only from a subsidized provider will not be over-compensated. These concerns become more pronounced if the Commission awards ongoing support for a lengthy term. *See Public Notice* at ¶ 15 (proposing a ten-year term of support). For these reasons, AT&T suggests that the Commission give additional thought and seek additional comment on how to identify areas that are uniquely in need of *ongoing* Mobility Fund support. If the Commission decides that a wireless cost model is best suited to the task of identifying truly high cost and uneconomic-to-serve areas but that it will require some time to develop, there is no reason as a policy matter why the Commission could not issue another round of one-time support in 2013, following similar processes and rules as last September's Mobility Fund Phase I auction. It is preferable to continue filling in wireless coverage gaps with one-time funding than to commit billions of dollars to areas that may or may not have a continuing need for support.

⁴ While the Commission has not defined "subsidized competitor" in its rules, AT&T assumes that it intends this term to include any mobile wireless recipient of high-cost support, including legacy high-cost support. *See* 47 C.F.R. § 54.5 (defining "unsubsidized competitor" to mean "a facilities-based provider of residential *fixed* voice and broadband service that does not receive high-cost support") (emphasis added). The Commission should confirm AT&T's understanding in its order adopting final Mobility Fund Phase II rules.

There is another issue involving the identification of eligible areas where the Commission should depart from Phase I. Under the Phase I rules, a prospective bidder was required to certify that “it will not seek support for any areas in which it has made a public commitment to deploy 3G or better wireless service by December 31, 2012.” *USF/ICC Transformation Order* at ¶ 410; 47 C.F.R. § 54.1005(a)(5). The Commission did not define “public commitment” but it described the limitation as applying to bidders that “indicated an intention to deploy wireless voice and broadband service in that area.” The Commission’s stated rationale was “to assure that Mobility Fund Phase I support does not go to finance coverage that carriers would have provided in the near term without any subsidy.” *USF/ICC Transformation Order* at ¶ 410. While barring carriers that made a “public commitment” from bidding, the Commission permitted other carriers to bid to provide service in those same areas. *Id.*

Permitting overbuilding for a discrete amount of one-time support is bad enough but sanctioning overbuilding with ongoing support, particularly when coupled with a lengthy support term, is unacceptable. Instead, for Phase II, the Commission should deem ineligible all areas that are covered by any wireless provider’s public commitment to deploy 3G or better service by some date certain (e.g., December 31, 2013, July 1, 2014). As the steward of the universal service fund, the Commission has an obligation *not* to award support that is unnecessary to achieve the goals set forth in section 254(b). If the Commission permits carriers to bid on areas where another provider has made a public commitment to deploy 3G or better service in the “near term,” it could result in the Commission awarding excessive support, in contravention of the Act.⁵ In these areas, there plainly is a business case for private investment, and funding a

⁵ *Alenco Communications, Inc. v. FCC*, 201 F.3d 608, 620 (5th Cir. 2000) (*Alenco*) (“excessive funding may itself violate the sufficiency requirements of the Act”); *Qwest Communications Int’l, Inc. v. FCC*, 398 F.3d 1222, 1234 (10th Cir. 2005) (“excessive subsidization arguably may affect the affordability of

competitor in this circumstance would “finance coverage that carriers would have provided in the near term without any subsidy,” (*USF/ICC Transformation Order* at ¶ 410) which is at odds with the purpose of the Mobility Fund. *Id.* at ¶ 494 (describing the purpose of the Mobility Fund Phase II as “promot[ing] mobile broadband in these areas [] where a private sector business case cannot be met without federal support”).

B. The Commission’s Challenge Process Should Be Made Clearer.

In the Mobility Fund Phase I proceeding, the Commission sought and received data from almost two dozen wireless providers identifying census blocks that the carriers asserted should be removed from or added to the Commission’s list of eligible areas. In a Public Notice issued in February, staff stated that if a party disputes the served nature of a census block that the Commission initially lists as “eligible,” it should identify the blocks and “provide supporting documentation.”⁶ This Notice offered parties no further guidance on what “supporting documentation” staff would deem acceptable and AT&T’s efforts to obtain additional guidance from staff were unsuccessful.

AT&T and all of the other national wireless providers submitted lists totaling over 44,000 census blocks where these carriers provide 3G or better service, which should have rendered such census blocks as ineligible for Mobility Fund Phase I support. Staff rejected these providers’ submissions, contending that the national providers “did not provide any information

telecommunications services, thus violating the principle in § 254(b)(1)” (citing *Qwest Corp. v. FCC*, 258 F.3d 1191, 1200 (10th Cir. 2001)); *Rural Cellular Assn. v. FCC*, 588 F.3d 1095, 1102 (D.C. Cir. 2009) (explaining that, in assessing whether universal service support is excessive, the Commission “must consider not only the possibility of pricing some customers out of the market altogether, but the need to limit the burden on customers who continue to maintain telephone service”).

⁶ *Mobility Fund Phase I Auction Scheduled for September 27, 2012, Comment Sought on Competitive Bidding Procedures for Auction 901 and Certain Program Requirements*, AU Docket No. 12-25, Public Notice, DA 12-121, at ¶ 19 (rel. Feb. 2, 2012).

regarding the basis for their assertions” and “these assertions without supporting evidence do not demonstrate actual service.”⁷ AT&T submitted data covering almost 8,000 census blocks.⁸ Not only did AT&T explain the “basis for [its] assertion[.]” of coverage, it provided more detailed coverage information than many of the providers whose challenges staff accepted.⁹ In support of its rejection of the national carriers’ submissions, staff noted that several commenters challenged the adequacy of these providers’ data.¹⁰ We note that the only criticism of AT&T’s filing was that it was in .pdf format.¹¹ Of course, this is not a legitimate criticism of AT&T alone because the other submitting parties also filed their submissions via ECFS in .pdf format. AT&T would have provided its attachment in Excel format to any requesting party but no party made such a request.

For Mobility Fund Phase I, staff ultimately concluded that adequate supporting documentation included “maps, discussions of drive tests, explanation of methodologies for determining coverage and . . . certifications by one or more individuals as to the veracity of the material provided.” *Auction Procedures Public Notice* at ¶ 20. Although staff finally (albeit belatedly) offered an opinion on what information may be acceptable, the items quoted above still lack sufficient detail to provide any commenter certainty that any subsequent challenge

⁷ *Mobility Fund Phase I Auction Scheduled for September 27, 2012, Notice and Filing Requirements and Other Procedures for Auction 901*, AU Docket No. 12-25, Public Notice, DA 12-641, at ¶ 21 (rel. May 2, 2012) (*Auction Procedures Public Notice*).

⁸ AT&T Comments, AU Docket No. 12-25 (filed March 16, 2012).

⁹ For example, unlike most other responders, AT&T provided detailed information about the amount of covered area within each block as well as the amount of covered road miles in those blocks (and the percentages associated with both measurements). *Id.* at Attachment.

¹⁰ *Auction Procedures Public Notice* at ¶ 21.

¹¹ *See* US Cellular Reply Comments, AU Docket No. 12-25, at 2 (filed March 26, 2012).

submission will be accepted. Does a commenter have to provide some combination of these items? All of the items?¹² Is one item sufficient? If yes, does that answer depend on which item? AT&T provided an “explanation of methodology[y] for determining coverage” in its March 16 comments but staff found that explanation lacking. The methodology that AT&T used did not differ in any material respect from that used by several parties whose challenges staff accepted. The only difference was the detail used to describe that methodology. Ironically, AT&T’s analysis was based on more detailed data than what is used by Mosaik f/k/a American Roamer, which, of course, is the source that the Commission relied on to identify areas unserved by 3G or better service. *See USF/ICC Transformation Order* at ¶ 334 (“We conclude that American Roamer data is the best available choice at this time for determining wireless service at the census-block level.”).

Staff suggests in its *Auction Procedures Public Notice* that providing a map is adequate supporting documentation (although, as noted above, it is unclear whether a map alone is sufficient). What should this map depict? A number of commenters whose challenges staff accepted merely generated a map based on the census blocks listed in their spreadsheets. AT&T questions why including a map that contains wholly redundant information to that contained in an accompanying spreadsheet renders one commenter’s challenge “sufficiently credible” (*Auction Procedures Public Notice* at ¶ 20) while the commenter that provided only the spreadsheet (e.g., AT&T) merely made a “bare assertion” that lacks “supporting evidence.” *Id.* at ¶ 21. Staff also indicated that “certifications by one or more individuals as to the veracity of

¹² AT&T opposes having to perform a drive test in order to demonstrate that it serves the centroid of a census block that the Commission has listed as a potentially eligible census block for Mobility Fund Phase II. While AT&T has no objection to any commenter voluntarily submitting the results of a drive test to demonstrate the served or unserved nature of a particular census block, drive tests are expensive and it is unrealistic for the Commission to expect commenters to undertake such an endeavor solely for this purpose.

the material provided” would suffice as acceptable “supporting documentation. *Id.* at ¶ 20. Is it sufficient that the certification be made by the person involved with the analysis or should the certification be signed by an officer of the company? Should the certification be made under penalty of perjury or is an unsworn certification acceptable? These types of questions should be answered by the Commission prior to the next round of challenges so that there is no ambiguity as to what is required.

Providing clear guidance about what information must be included in any future challenge is essential because the staff’s refusal to consider AT&T’s data (and the 36,000 census blocks identified by the other national providers) resulted in the Commission awarding Mobility Fund Phase I support in areas where at least one wireless provider was already offering 3G or better service at the centroid of the census block. AT&T has determined that the Commission awarded about \$2.5 million in Mobility Fund Phase I funding to providers proposing to deploy 3G or better service in the census blocks that AT&T identified last March as blocks where it provides 3G or better service at the centroid. We attach the results of this analysis to these comments. It is possible that the other national providers whose data staff rejected would have similar results. AT&T respectfully requests the Commission to describe with specificity what exactly a commenter must include in its challenge in order for staff to deem the commenter’s information “sufficiently credible.” A robust and clearly defined challenge process is necessary to ensure, to the best possible extent, that the Commission is not awarding public funds to obviously ineligible areas. Perpetuating Mobility Fund Phase I’s undefined, “just make your case” approach to challenges for the larger and longer term Mobility Fund II would be irresponsible.

C. Ten Years Is Too Long for a Mobility Fund Phase II Term of Support.

Other than noting that it was trying to “balance the need to provide certainty to carriers to attract private investment and deploy services, while taking into account changing circumstances,” the Commission offered no explanation for why it believes ten years strikes that optimal balance. *FNPRM* at ¶ 1138; *Public Notice* at 15. AT&T disagrees that ten years provides the correct balance. Instead, AT&T urges the Commission to adopt a five-year term of support for Mobility Fund Phase II, which is consistent with the Commission’s decision to offer CAF Phase II support in price cap areas for a five-year term. *USF/ICC Transformation Order* at ¶ 171.

If history is any guide, wireless technology can evolve significantly in a much shorter period of time than ten years. For example, 2G technology was established in the 1990s, 2.5G technology in the mid-1990s, 3G technology in the early 2000s, and 4G in the mid-2000s. It thus makes little sense to lock in a particular technology for ten long years, which would be the case if the Commission adopts its ten-year term of support proposal.¹³ Additionally, the wireless marketplace changed dramatically during the past ten years and the Commission should expect continued dramatic change in the next ten years. For example, in its wireless competition report issued in 2001, the Commission noted that the wireless penetration rate was approximately 39 percent.¹⁴ By contrast, in the Commission’s wireless competition report released ten years later,

¹³ We discuss below why it is unacceptable for the Commission to require these recipients to comply with ever evolving service obligations and “performance characteristics” during their term given that the amount of support Mobility Fund Phase II recipients will receive is fixed. *Public Notice* at ¶ 14.

¹⁴ See *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions with Respect to Commercial Mobile Services*, FCC 01-192, Sixth Report, at 5-6 (rel. July 17, 2001). See also *id.* at 8 (map depicting mobile telephone operator coverage estimated by county).

the Commission noted that the wireless penetration rate was approximately 93.5 percent.¹⁵ Moreover, it is very easy to imagine that a geographic area that is unserved and “uneconomic to serve” in 2013 could become a vibrant and economically attractive suburban area within a time frame much shorter than ten years. This is especially true if the Commission does not apply some measure of “high cost” into the initial eligibility determination.

In response to any concern that five years is an inadequate amount of time for a winning bidder to recoup its investment, we note that under the Commission’s Phase I distribution methodology – a single round, reverse auction with no reserve – a bidder simply would factor its costs of deploying and operating facilities to provide the supported service into its bid. If the Commission uses this same methodology for Phase II, providers will adjust their bids accordingly. Similarly, if the Commission opts to use a wireless cost model to calculate support amounts for the Mobility Fund Phase II eligible census blocks, the model generated support amounts could factor in the term of support.

D. Mobility Fund Phase II Service Obligations Should Not Vary Once Providers Have Submitted Their Bids.

As proposed in the *FNPRM*, Mobility Fund Phase II recipients must provide mobile voice and data services that meet or exceed a minimum bandwidth or data rate of 768 kbps downstream and 200 kbps upstream. *Public Notice* at ¶ 14. The Commission seeks comment on “how often, and through what process, the Commission should modify the performance metrics applicable to Phase II support recipients.” *Id.* The short answer is, the Commission should not modify *any* support recipient’s service obligations after that provider has elected to receive

¹⁵ See *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions with Respect to Mobile Wireless, Including Commercial Mobile Services*, FCC 11-103, Fifteenth Report, at ¶ 158 (rel. June 27, 2011). See also *id.* at 41 (Map 3, Coverage by Mobile Wireless Competitors).

support. As we have explained elsewhere, no high-cost recipient should be subject to requirements that are undefined or not in effect as of the date when a carrier either is designated an eligible telecommunications carrier (ETC) or must elect whether to participate in the particular funding mechanism. Imposing obligations retroactively could materially alter a provider's business case that made its acceptance of high-cost support possible.¹⁶

Establishing a shorter term of support, such as five years, is the more appropriate response to the Commission's concern that anticipated advances in technology will render inadequate its proposed Mobility Fund Phase II data rates. *Public Notice* at ¶ 14. This approach also is preferable to the Commission offering Mobility Fund Phase II recipients an increase in support during the term of the award to correspond to any changed service obligations. It does not seem realistic that every recipient would require the same amount of additional support in order to satisfy those changed service requirements. If the Commission opts for the one-size-fits-all approach, it should expect some recipients to contend that the additional support is not sufficient, in contravention of section 254.¹⁷ If the Commission attempts to tailor support amounts by recipient, it is unclear how it could equitably do so absent a cost model. The most prudent course is for the Commission to lock in the Mobility Fund Phase II service obligations before prospective bidders must submit a short-form application so that would-be bidders could decide whether to expend any resources pursuing this funding (e.g., seeking a conditional Mobility Fund Phase II ETC designation, which would allow it to participate in the auction).

¹⁶ See, e.g., AT&T Comments, WC Docket No. 10-90 *et al.*, at 2 (filed Aug. 24, 2012).

¹⁷ 47 U.S.C. § 254(b)(5), (e) (requiring universal service support to be "sufficient").

E. Any Bidding Credit Should Be Targeted To Tribal Areas.

The Commission should not adopt bidding credits that are available only to certain classes of carriers, with the possible exception of providers bidding to serve Tribal lands. *Public Notice* at ¶¶ 20-21. The results of the Phase I auction make clear that no bidding credit is necessary for “small businesses,” as the Commission awarded most of the Phase I support to non-national wireless providers. In its order adopting final Mobility Fund Phase II rules, the Commission should affirm its earlier decision to reject special treatment for certain classes of carriers, particularly if they are not proposing to serve Tribal lands. *See, e.g., USF/ICC Transformation Order* at ¶ 409 (rejecting a request to bar Tier I providers from bidding). The Commission has an obligation to award support on a competitively neutral basis.¹⁸ If it selects the bid of a smaller provider over more cost-effective bids submitted by larger providers, the Commission will not only violate its competitive neutrality principle, it will spend more than it otherwise should, violating another universal service principle.¹⁹ While AT&T does not object to a bidding credit for providers seeking to serve Tribal lands, it makes sense to hold the Tribal Mobility auction first. If the Commission concludes that there remain a significant number of eligible areas on Tribal lands, it could adopt a Tribal bidding credit in its Mobility Fund Phase II auction.

III. CONCLUSION

AT&T respectfully requests that the Commission give further consideration as to how it will identify effectively areas that require ongoing Mobility Fund support. Applying the

¹⁸ *USF/ICC Transformation Order* at ¶ 176 (describing the Commission’s competitive neutrality principle adopted in 1997).

¹⁹ 47 U.S.C. § 254(b)(5); *see also Alenco*, 201 F.3d at 620.

methodology used to identify areas eligible for one-time support to Mobility Fund Phase II is likely to result in the Commission awarding funding in areas where ongoing support is not needed. Similarly, the Commission should tighten up its challenge process so that it does not award support in ineligible areas because it rejected legitimate challenges. Additionally, the Commission's proposed ten-year service term is too long and should be decreased to five years. Reducing the support term likely renders moot the Commission's concern about its proposed Mobility Fund Phase II service obligations (e.g., data rates) becoming outdated or obsolete during the term of the award. AT&T urges the Commission to establish all service obligations before any provider must elect to participate in Mobility Fund Phase II and to freeze those obligations during the term of the award. Finally, the Commission should reject requests to establish bidding credits for certain classes of carriers, with the possible exception of providers seeking to serve Tribal lands.

Respectfully Submitted,

/s/ Cathy Carpino
Cathy Carpino
Gary L. Phillips
Peggy Garber

AT&T Services, Inc.
1120 20th Street NW
Suite 1000
Washington, D.C. 20036
(202) 457-3046 – phone
(202) 457-3073 – facsimile

December 21, 2012

Its Attorneys

Tract Won	FCC Eligible Blocks covered by AT&T (Feb 2012)	Total Eligible Blocks within Tract	% Eligible Blocks Covered by AT&T (Feb 2012)	Total AT&T Covered Block Area Feb 2012 (Sq. Miles)	AT&T Covered Percent Coverage (Feb 2012)	Total Bid Geography Covered by AT&T (Feb 2012)	State	Bidder	Road Miles	Total Bid Amount	Unnecessary Support Dollars Awarded
21091960100	53	60	88%	19	87%	77%	KY	Powertel/Memphis, Inc.	60	\$1,019,419	\$784,736
45087030700	19	24	79%	24	99%	78%	SC	Allied Wireless Communications Corporation	57	\$338,764	\$265,857
08109977600	9	457	2%	173	75%	1%	CO	NE Colorado Cellular, Inc.	880	\$7,649,568	\$112,999
50003970200	37	40	93%	6	95%	88%	VT	VTel Wireless, Inc.	54	\$113,600	\$99,472
01023956800	7	37	19%	11	67%	13%	AL	Pine Belt Cellular, Inc.	81	\$647,843	\$81,595
22115950800	169	368	46%	40	92%	42%	LA	Central Louisiana Cellular, LLC	288	\$266,249	\$112,639
22085000700	40	141	28%	20	92%	26%	LA	Central Louisiana Cellular, LLC	139	\$193,641	\$50,312
42127960500	19	160	12%	9	40%	5%	PA	NEP Cellcorp, Inc.	116	\$1,113,415	\$53,186
50009950200	56	56	100%	7	100%	100%	VT	VTel Wireless, Inc.	24	\$49,816	\$49,816
48347951100	23	60	38%	31	79%	30%	TX	Texas 10, LLC	106	\$211,800	\$63,971
17083010402	1	32	3%	0	100%	3%	IL	USCOC of Central Illinois, LLC	60	\$1,310,118	\$40,941
42127960100	20	214	9%	4	27%	3%	PA	NEP Cellcorp, Inc.	167	\$1,602,179	\$40,643
01105687000	3	44	7%	1	71%	5%	AL	Pine Belt Cellular, Inc.	59	\$796,595	\$38,821
50019951100	35	43	81%	5	94%	77%	VT	VTel Wireless, Inc.	23	\$47,324	\$36,344
40107080600	2	18	11%	1	49%	5%	OK	Cross Wireless, LLC	17	\$590,060	\$32,236
37161960300	1	35	3%	6	72%	2%	NC	Carolina West Wireless, Inc.	44	\$1,550,150	\$31,701
51045050100	2	291	1%	0	77%	1%	VA	United States Cellular Corporation	423	\$5,515,074	\$29,189
51071930400	2	70	3%	2	27%	1%	VA	United States Cellular Corporation	109	\$3,559,352	\$27,140
40107080700	2	36	6%	0	62%	3%	OK	United States Cellular Corporation	53	\$723,255	\$25,003
32001950100	1	63	2%	325	56%	1%	NV	Commnet of Nevada, LLC	162	\$2,499,930	\$22,289
50003970300	7	16	44%	0	100%	44%	VT	VTel Wireless, Inc.	16	\$50,223	\$21,965
01131035100	4	60	7%	24	39%	3%	AL	Pine Belt Cellular, Inc.	64	\$796,612	\$20,666
08069002402	4	451	1%	138	32%	0%	CO	NE Colorado Cellular, Inc.	611	\$6,586,973	\$18,861
37011930200	1	15	7%	0	69%	5%	NC	Carolina West Wireless, Inc.	10	\$344,400	\$15,887
22115950200	12	61	20%	6	66%	13%	LA	Central Louisiana Cellular, LLC	79	\$141,966	\$18,303
08009964600	2	157	1%	8	52%	1%	CO	NE Colorado Cellular, Inc.	603	\$2,209,242	\$14,533
40061279100	2	23	9%	0	100%	9%	OK	Cross Wireless, LLC	16	\$159,787	\$13,895
40133583700	1	2	50%	3	67%	33%	OK	Cross Wireless, LLC	2	\$41,196	\$13,707
28007060100	3	128	2%	2	65%	2%	MS	Powertel/Memphis, Inc.	156	\$1,257,074	\$19,234
08057955600	1	312	0%	1	50%	0%	CO	NE Colorado Cellular, Inc.	743	\$8,004,532	\$12,816
01023956700	4	144	3%	1	55%	2%	AL	Pine Belt Cellular, Inc.	127	\$786,869	\$11,964
42103950201	6	115	5%	6	26%	1%	PA	T-Mobile Northeast LLC	75	\$1,772,095	\$23,812
08021974900	3	164	2%	101	35%	1%	CO	NE Colorado Cellular, Inc.	186	\$1,617,842	\$10,333
32015000300	1	216	0%	9	36%	0%	NV	Commnet of Nevada, LLC	994	\$6,263,145	\$10,319
48289950300	13	87	15%	23	55%	8%	TX	Texas 10, LLC	148	\$139,783	\$11,484
35005001200	7	474	1%	2	63%	1%	NM	Leaco Rural Telephone Cooperative, Inc.	1,817	\$1,084,474	\$10,130
21153970300	3	43	7%	8	69%	5%	KY	East Kentucky Network, LLC	64	\$203,456	\$9,786
50025967400	12	12	100%	1	100%	100%	VT	VTel Wireless, Inc.	4	\$9,214	\$9,214
40089098200	2	315	1%	0	79%	1%	OK	Pine Cellular Phones, Inc.	389	\$1,748,385	\$8,795
40133583800	1	10	10%	2	34%	3%	OK	Cross Wireless, LLC	12	\$250,331	\$8,575
21195930200	1	9	11%	0	100%	11%	KY	East Kentucky Network, LLC	13	\$76,560	\$8,507
53041970100	1	60	2%	0	44%	1%	WA	United States Cellular Corporation	114	\$1,135,417	\$8,314
01047957100	2	66	3%	0	85%	3%	AL	Pine Belt Cellular, Inc.	99	\$295,950	\$7,624
42127960400	6	39	15%	5	15%	2%	PA	NEP Cellcorp, Inc.	38	\$366,333	\$8,508
22115950701	16	109	15%	2	46%	7%	LA	Central Louisiana Cellular, LLC	94	\$168,840	\$11,328
56007968100	2	429	0%	5	65%	0%	WY	Union Telephone Company	1,147	\$2,293,620	\$6,976
31165950100	3	494	1%	0	89%	1%	NE	NE Colorado Cellular, Inc.	1,049	\$1,120,482	\$6,059
35015000700	7	1046	1%	123	55%	0%	NM	Leaco Rural Telephone Cooperative, Inc.	2,613	\$1,559,889	\$5,709
39031961100	2	215	1%	0	42%	0%	OH	Allied Wireless Communications Corporation	128	\$1,397,044	\$5,439
30091090200	1	71	1%	30	49%	1%	MT	Sagebrush Cellular, Inc.	114	\$786,499	\$5,399
48347950400	4	14	29%	4	69%	20%	TX	Texas 10, LLC	28	\$55,220	\$10,847
30091090400	1	51	2%	0	100%	2%	MT	Sagebrush Cellular, Inc.	55	\$266,473	\$5,225
08069001903	2	96	2%	0	40%	1%	CO	NE Colorado Cellular, Inc.	54	\$581,311	\$4,804

Tract Won	FCC Eligible Blocks covered by AT&T (Feb 2012)	Total Eligible Blocks within Tract	% Eligible Blocks Covered by AT&T (Feb 2012)	Total AT&T Covered Block Area Feb 2012 (Sq. Miles)	AT&T Covered Percent Coverage (Feb 2012)	Total Bid Geography Covered by AT&T (Feb 2012)	State	Bidder	Road Miles	Total Bid Amount	Unnecessary Support Dollars Awarded
08069002401	1	57	2%	0	50%	1%	CO	NE Colorado Cellular, Inc.	51	\$546,293	\$4,795
48289950100	1	16	6%	2	61%	4%	TX	Texas 10, LLC	31	\$124,992	\$4,735
13319960300	1	8	13%	0	81%	10%	GA	Allied Wireless Communications Corporation	7	\$38,905	\$3,934
38105953600	1	65	2%	0	84%	1%	ND	Sagebrush Cellular, Inc.	35	\$269,497	\$3,481
13155950200	1	8	13%	5	62%	8%	GA	Allied Wireless Communications Corporation	9	\$44,595	\$3,456
37007920300	1	8	13%	0	82%	10%	NC	Allied Wireless Communications Corporation	6	\$32,845	\$3,354
01091973300	5	67	7%	6	9%	1%	AL	Pine Belt Cellular, Inc.	112	\$470,327	\$3,333
21195930100	1	45	2%	0	53%	1%	KY	East Kentucky Network, LLC	48	\$267,904	\$3,175
38105953500	1	87	1%	0	100%	1%	ND	Sagebrush Cellular, Inc.	135	\$269,600	\$3,099
31103975400	6	294	2%	3	21%	0%	NE	NE Colorado Cellular, Inc.	500	\$699,168	\$3,038
50019951700	7	58	12%	1	37%	4%	VT	VTel Wireless, Inc.	32	\$67,908	\$3,006
42115032800	6	191	3%	2	32%	1%	PA	NEP Cellcorp, Inc.	86	\$491,288	\$4,895
37153970800	3	3	100%	0	100%	100%	NC	Allied Wireless Communications Corporation	0	\$2,925	\$2,925
08071000100	1	3	33%	0	100%	33%	CO	NE Colorado Cellular, Inc.	2	\$8,578	\$2,859
22043020200	1	21	5%	0	60%	3%	LA	Central Louisiana Cellular, LLC	18	\$100,009	\$2,838
53015001700	1	58	2%	1	10%	0%	WA	United States Cellular Corporation	122	\$1,590,143	\$2,762
08071000800	2	137	1%	1	11%	0%	CO	NE Colorado Cellular, Inc.	467	\$1,711,289	\$2,747
50025967500	3	10	30%	2	71%	21%	VT	VTel Wireless, Inc.	6	\$12,292	\$2,634
50025968100	2	16	13%	2	38%	5%	VT	VTel Wireless, Inc.	18	\$54,396	\$2,559
48419950200	24	222	11%	14	69%	8%	TX	Texas 10, LLC	222	\$199,620	\$14,978
48419950500	23	206	11%	10	80%	9%	TX	Texas 10, LLC	293	\$263,790	\$23,484
35057963700	1	785	0%	0	100%	0%	NM	T-Mobile West LLC	1,705	\$1,840,105	\$2,344
42127960600	2	23	9%	1	43%	4%	PA	NEP Cellcorp, Inc.	19	\$186,434	\$6,942
48073951000	1	46	2%	6	66%	1%	TX	Texas 10, LLC	79	\$158,880	\$2,286
21153970400	1	63	2%	0	94%	1%	KY	East Kentucky Network, LLC	46	\$151,800	\$2,270
30085080100	1	6	17%	0	100%	17%	MT	Sagebrush Cellular, Inc.	15	\$13,003	\$2,167
08071000300	1	27	4%	0	100%	4%	CO	NE Colorado Cellular, Inc.	15	\$56,053	\$2,076
38085940900	1	79	1%	1	34%	0%	ND	Standing Rock Telecommunications, Inc.	103	\$471,385	\$2,012
50023954200	1	21	5%	0	100%	5%	VT	VTel Wireless, Inc.	20	\$40,980	\$1,951
21071920400	1	33	3%	1	22%	1%	KY	East Kentucky Network, LLC	27	\$268,184	\$1,822
48001950100	1	18	6%	1	35%	2%	TX	Texas 10, LLC	13	\$99,995	\$1,731
22043020401	1	14	7%	0	16%	1%	LA	Central Louisiana Cellular, LLC	16	\$149,994	\$1,730
51065020200	2	126	2%	2	32%	1%	VA	T-Mobile Northeast LLC	177	\$1,934,805	\$9,942
50021964300	2	9	22%	4	42%	9%	VT	VTel Wireless, Inc.	9	\$18,343	\$1,696
53043960400	4	566	1%	15	11%	0%	WA	T-Mobile West LLC	810	\$1,825,966	\$1,390
28159950500	1	68	1%	1	38%	1%	MS	Powertel/Memphis, Inc.	98	\$572,138	\$3,218
48405950100	25	377	7%	12	72%	5%	TX	Texas 10, LLC	511	\$453,612	\$21,603
31015975800	3	163	2%	2	48%	1%	NE	NE Colorado Cellular, Inc.	75	\$131,241	\$1,163
48347950100	2	57	4%	4	98%	3%	TX	Texas 10, LLC	53	\$106,520	\$3,645
31089974000	1	194	1%	0	96%	0%	NE	NE Colorado Cellular, Inc.	125	\$218,160	\$1,080
46031941000	1	315	0%	16	20%	0%	SD	Standing Rock Telecommunications, Inc.	620	\$1,699,056	\$1,077
37199960101	1	137	1%	0	54%	0%	NC	United States Cellular Corporation	96	\$1,104,403	\$4,337
21175950100	2	141	1%	1	19%	0%	KY	East Kentucky Network, LLC	143	\$347,806	\$925
22069000800	1	78	1%	2	32%	0%	LA	Central Louisiana Cellular, LLC	118	\$221,923	\$923
50017959101	1	58	2%	0	68%	1%	VT	VTel Wireless, Inc.	37	\$77,834	\$919
21109960300	3	248	1%	3	19%	0%	KY	East Kentucky Network, LLC	259	\$360,845	\$849
21071920700	1	81	1%	2	22%	0%	KY	East Kentucky Network, LLC	38	\$297,492	\$822
50005957800	3	236	1%	2	20%	0%	VT	VTel Wireless, Inc.	146	\$305,871	\$789
01047957000	1	195	1%	0	32%	0%	AL	Pine Belt Cellular, Inc.	256	\$466,378	\$767
48403950300	7	421	2%	24	61%	1%	TX	Texas 10, LLC	456	\$367,072	\$3,714
35025001100	1	479	0%	0	45%	0%	NM	Leaco Rural Telephone Cooperative, Inc.	1,099	\$656,091	\$611
50027965200	1	27	4%	0	41%	2%	VT	VTel Wireless, Inc.	13	\$40,160	\$605
35015000900	1	843	0%	0	28%	0%	NM	Leaco Rural Telephone Cooperative, Inc.	2,801	\$1,672,478	\$564

Tract Won	FCC Eligible Blocks covered by AT&T (Feb 2012)	Total Eligible Blocks within Tract	% Eligible Blocks Covered by AT&T (Feb 2012)	Total AT&T Covered Block Area Feb 2012 (Sq. Miles)	AT&T Covered Percent Coverage (Feb 2012)	Total Bid Geography Covered by AT&T (Feb 2012)	State	Bidder	Road Miles	Total Bid Amount	Unnecessary Support Dollars Awarded
35005001400	1	417	0%	0	67%	0%	NM	Leaco Rural Telephone Cooperative, Inc.	579	\$345,645	\$558
50019951900	1	10	10%	1	29%	3%	VT	VTel Wireless, Inc.	9	\$18,260	\$521
22079013600	1	30	3%	4	100%	3%	LA	Central Louisiana Cellular, LLC	37	\$74,580	\$2,475
21169960100	1	40	3%	1	25%	1%	KY	Powertel/Memphis, Inc.	47	\$1,574,287	\$9,977
48311950100	9	398	2%	16	33%	1%	TX	TexNet 4G, LLC	881	\$1,291,839	\$9,573
30085940002	1	11	9%	1	32%	3%	MT	Sagebrush Cellular, Inc.	19	\$12,998	\$379
48073951100	4	16	25%	0	62%	15%	TX	Texas 10, LLC	25	\$49,440	\$7,624
50005957000	1	12	8%	0	34%	3%	VT	VTel Wireless, Inc.	6	\$11,580	\$331
48073950801	3	76	4%	1	76%	3%	TX	Texas 10, LLC	117	\$209,952	\$6,283
48507950100	11	385	3%	16	27%	1%	TX	T-Mobile West LLC	616	\$522,721	\$4,033
35005001102	1	300	0%	3	21%	0%	NM	Leaco Rural Telephone Cooperative, Inc.	521	\$311,013	\$220
50005957700	1	22	5%	0	34%	2%	VT	VTel Wireless, Inc.	7	\$13,841	\$213
21095971300	2	236	1%	4	7%	0%	KY	East Kentucky Network, LLC	188	\$334,818	\$207
50025967100	2	13	15%	0	11%	2%	VT	VTel Wireless, Inc.	6	\$11,768	\$205
31031955800	1	29	3%	1	28%	1%	NE	NE Colorado Cellular, Inc.	24	\$13,806	\$135
48073950802	3	83	4%	0	100%	4%	TX	Texas 10, LLC	73	\$146,820	\$5,285
40079040700	1	67	1%	0	100%	1%	OK	Pine Cellular Phones, Inc.	113	\$1,301,915	\$19,432
53025010100	1	639	0%	1	26%	0%	WA	T-Mobile West LLC	556	\$960,975	\$389
48403950200	1	351	0%	1	14%	0%	TX	Texas 10, LLC	272	\$244,530	\$95
48405950300	1	331	0%	0	51%	0%	TX	Texas 10, LLC	469	\$397,124	\$615
Grand Total	853	27,346	3%	1,392	37%	6%			44,363	\$139,027,895	\$2,636,717

- 1) A comparison was run between the AT&T covered census blocks filing and the FCC winning census tracts file to determine how many winning bids (tracts) contained AT&T covered blocks.
- 2) Through division of the "FCC Eligible Blocks covered by AT&T" by the "Total Eligible Blocks within Tract," a "% Eligible Blocks Covered by AT&T" was determined.
- 3) Using the AT&T covered census block data, a "Total AT&T Covered Block Area" was determined. To determine the weighted percent covered, the individual census block percent coverage was multiplied by the individual census block area over the "Total AT&T Covered Block Area." These values were added to determine the "AT&T Covered Percent Coverage" (for the eligible areas in each tract).
- 4) The product of the "AT&T Covered Percent Coverage" and the "% Eligible Blocks Covered by AT&T" was taken to determine the "Total Bid Geography Covered by AT&T."
- 5) The product of "Total Bid Geography Covered by AT&T" and the "Total Bid Amount" was taken to determine the "Unnecessary Support Dollars Awarded."

Note: Road miles were not used in this evaluation because the definition of eligible road miles was changed after AT&T filed comments on March 16, 2012.