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November 4, 2013

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-B204
Washington, DC 20554

Re: Auction 901 – Funds Returned by Winning Bidders
Dockets No. WC 10-90 and WT 10-208

Madam Secretary:

In accordance with Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, we hereby provide you with notice of an oral ex parte presentation in connection with the above-captioned proceedings. On October 30, 2013, Grant Spellmeyer and undersigned counsel, on behalf of United States Cellular Corporation ("U.S. Cellular") met with Margaret Wiener, Jane Jackson, Eliot Maenner and William Huber in the Wireline Telecommunications Bureau. We also met with Nicholas Degani and Jeffrey Neumann in Commissioner Pai's office, and with David Goldman in Commissioner Rosenworcel's office. On October 31, we met with Louis Peraertz and Rebekah Goodheart in Acting Chairwoman Clyburn's office.

In each meeting, we discussed U.S. Cellular's recent letter of September 23, requesting that over \$66 million in funds returned to the FCC in the Mobility Phase I auction be distributed to the next-in-line bidders. A copy of our slide presentation is enclosed.

Respectfully submitted,



David LaFuria
Counsel for United States Cellular Corporation

Enclosure

Hon. Marlene H. Dortch

November 4, 2013

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cc: Louis Peraertz
Rebekah Goodheart
Nicholas Degani
David Goldman
Jeffrey Neumann
Jane Jackson
Margaret Wiener
William Huber
Eliot Maenner
Grant Spellmeyer

Auction 901 Funds for Next-in-Line Bidders

United States Cellular Corporation

October 30, 2013

Status of Auction 901

- \$300,000,000 at auction.
- \$264,908,275 awarded to 387 bidders.
- \$66,346,707 in defaulted funds to date.

The Bureaus are Authorized to Act on This Request

- The CAF Order anticipates that returned funds will be “used in a manner consistent with the purposes of the Universal Service program.”
- The Commission delegated authority to the Bureaus to “*to administer the policies, programs, rules and procedures to implement Mobility Fund Phase I*” and “*to make any further rule revisions as necessary to ensure that the reforms adopted in this Order are properly reflected in the rules.*”
- *The Bureaus have clarified the rules in response to letter requests.*

Reasons to Provide Support to Next-in-Line Bidders

- Awarding support to the next-in-line bidders is fair to bidders committed to participate, and maintains the integrity of the auction process.
- Some areas such as New Hampshire and Kansas may not see investment, as 4G map for Phase II will be much broader.
- The Commission should award all funds to those who came to the table when called, and are committed to delivering to consumers the benefits promised when this process began.

Proposed Procedure for Awarding Funds

- Issue PN requiring next-in-line applicants interested in claiming funds to notify the FCC within 10 days.
- Applicants can take funds “all or nothing.”
- Calculate funds available and match to next-in-line bidders committed to participate.
- Announce winning bidders and process applications.