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March 11, 2014

**VIA EMAIL**

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

**Notice of Ex Parte Presentation**

**GN Docket No. 13-185**, ***Amendment of the Commission's Rules with Regard to Commercial Operations in the 1695-1710 MHz, 1755-1780 MHz, and 2155-2180 MHz Bands***
**WT Docket No. 12-269**, ***Policies Regarding Mobile Spectrum Holdings***

Dear Ms Dortch:

On March 7, 2014, Tom Sugue, Kathleen Ham and Steve Sharkey, each of T-Mobile, US, Inc. ("T-Mobile") and the undersigned counsel for T-Mobile met separately with each of the following: Brendan Carr, Legal Advisor to Commissioner Ajit Pai; David Goldman, Senior Legal Advisor to Commissioner Jessica Rosenworcel; Erin McGrath, Legal Advisor to Commissioner Michael O'Rielly; and Louis Peraertz, Legal Advisor to Commissioner Mignon Clyburn (Mr. Sugrue did not attend the meeting with Mr. Peraertz).

In each meeting, we discussed T-Mobile's positions regarding the proposed service rules for the AWS-3 spectrum, which are summarized in the attached document that was distributed at each meeting (the attached corrects a typographical error in the version distributed at the meetings). We noted in particular that the public interest would be better served by auctioning of the spectrum in 5 megahertz blocks, which will potentially increase auction participation by competitive carriers and increase auction revenues. We also observed that the FCC is not planning to adopt rules in its mobile spectrum holdings proceeding until *after* it adopts AWS-3 rules. If the FCC adopts spectrum aggregation limits, as T-Mobile has suggested in that proceeding, carriers would be well served by having 5 megahertz blocks, so that they can more effectively tailor their spectrum holdings in a particular area to conform with any limits the FCC later adopts.

Finally, we reiterated that the FCC should license AWS-3 spectrum using a mix of cellular market areas ("CMAs") and economic areas ("EAs"), as shown in the attached. We asserted that AWS-3 spectrum will likely be used by many carriers to complement their existing AWS-1 spectrum holdings. Those licenses are issued on a CMA, EA and REAG basis. Accordingly, to most effectively complement carriers existing holdings, AWS-3 licenses should be issued for the same geographic areas to the extent possible.

Pursuant to Section 1.1206(b)(2) of the Commission's rules, an electronic copy of this letter is being filed for inclusion in the above-referenced dockets. A copy of this letter is being provided to all Commission employees who attended the meetings. Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,

*/s/ Russell H. Fox*

Russell H. Fox

Attachment

cc: (each with attachment)
Brendan Carr
David Goldman
Erin McGrath
Louis Peraertz

# AWS-3

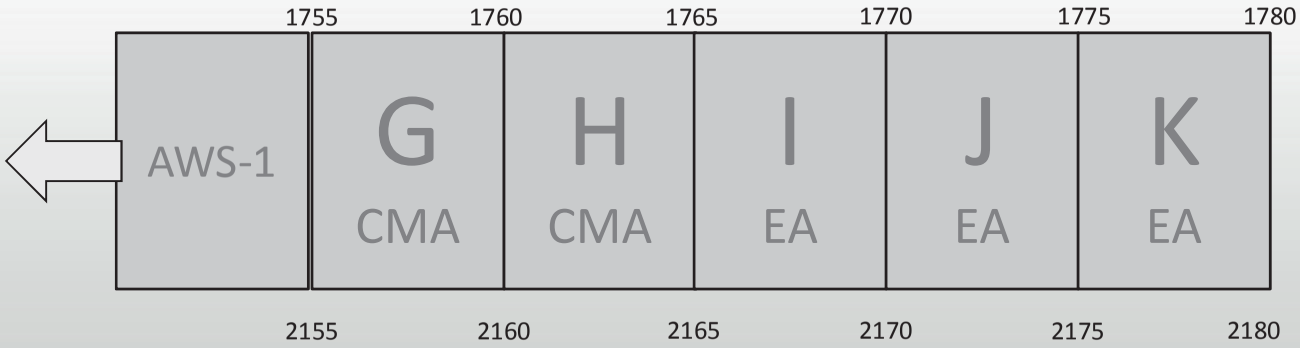
# Topics

AWS-3

- Spectrum Block Sizes
- License Sizes
- Package Bidding

# Spectrum Block Sizes

- The Commission should license AWS-3 spectrum using five 5x5 MHz licenses
  - Maximizes opportunities for competitive carriers to participate at auction by increasing number of licenses
  - Allows existing AWS licenses to fill in additional spectrum based on 5 MHz “building blocks”
  - Carrier aggregation reduces need for contiguous spectrum
  - Efficiency difference between deploying two 5x5 MHz blocks versus a 10x10 MHz block is 3-5%
  - Secondary markets provide opportunity to rationalize holdings between AWS-1 & AWS-3 if necessary
- The benefit to competition and auction revenues from 5x5 MHz licenses outweigh the benefit of auctioning larger blocks



# AWS-1 Building Blocks

| | | | | | Indicative AWS Holdings - Pro Forma | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | A-20MHz (CMA) | | B-20MHz (EA) | | C (EA) | D (REAG) | E (REAG) | F-20MHz (REAG) | |
| Pop Rank | Market # | | Market Name | Mkt Pops (2010) | A1 10 | A2 10 | B1 10 | B2 10 | C 10 | D 10 | E 10 | F1 10 | F2 10 |
| 3 | CMA | 3 | Chicago, IL | 8,507,569 | Verizon | Verizon | Verizon | Verizon | AT&T | Leap | T-Mobile | T-Mobile | T-Mobile |
| 17 | CMA | 14 | Baltimore, MD | 2,655,604 | Leap | Leap | Verizon | Verizon | Verizon | Verizon | T-Mobile | T-Mobile | T-Mobile |
| 24 | CMA | 13 | Pittsburgh, PA | 1,959,627 | Verizon | Verizon | Verizon | Verizon | AT&T (Aloha) | Leap | T-Mobile | T-Mobile | T-Mobile |
| 37 | CMA | 46 | Nashville-Davidson, TN | 1,521,132 | Verizon | Verizon | Verizon | Verizon | Leap | C-Spire | T-Mobile | T-Mobile | T-Mobile |
| 38 | CMA | 61 | Charlotte-Gastonia, NC | 1,349,794 | AT&T | AT&T | Verizon | Verizon | Leap | Verizon | T-Mobile | T-Mobile | T-Mobile |
| 40 | CMA | 71 | Raleigh-Durham, NC | 1,333,905 | AT&T | AT&T | Verizon | Verizon | Leap | Verizon | T-Mobile | T-Mobile | T-Mobile |
| 42 | CMA | 47 | Greensboro-Winston-Salem-High Point, NC | 1,237,144 | AT&T | AT&T | Verizon | Verizon | Leap | Verizon | T-Mobile | T-Mobile | T-Mobile |
| 53 | CMA | 59 | Richmond, VA | 991,532 | Leap | Leap | Verizon | Verizon | Verizon | Verizon | T-Mobile | T-Mobile | T-Mobile |
| 82 | CMA | 92 | Little Rock-North Little Rock, AR | 666,956 | Leap | Leap | Verizon | Verizon | Verizon | Verizon | T-Mobile | T-Mobile | T-Mobile |
| 98 | CMA | 102 | Des Moines, IA | 545,659 | US Cellular | US Cellular | Verizon | Verizon | Verizon | Verizon | T-Mobile | T-Mobile | T-Mobile |
| 110 | CMA | 85 | Johnson City-Kingsport-Bristol, TN-VA | 505,570 | Carolina West | Carolina West | Verizon | Verizon | Verizon | Verizon | T-Mobile | T-Mobile | T-Mobile |
| 119 | CMA | 116 | Lexington-Fayette, KY | 477,650 | AT&T | AT&T | Verizon | Verizon | Leap | Verizon | T-Mobile | T-Mobile | T-Mobile |
| 120 | CMA | 109 | Spokane, WA | 474,961 | AT&T | AT&T | Verizon | Verizon | Leap | AT&T | T-Mobile | T-Mobile | T-Mobile |
| 126 | CMA | 150 | Visalia-Tulare-Porterville, CA | 437,000 | Verizon | Verizon | Verizon | Verizon | AT&T (Aloha) | Leap | T-Mobile | T-Mobile | T-Mobile |
| 128 | CMA | 716 | Wisconsin 9 - Columbia | 424,036 | Verizon | Verizon | Verizon | Verizon | Leap | Leap | T-Mobile | T-Mobile | T-Mobile |
| 141 | CMA | 350 | Colorado 3 - Garfield | 405,681 | Verizon | Verizon | Verizon | Verizon | AT&T (Aloha) | AT&T | Leap | T-Mobile | T-Mobile |
| 146 | CMA | 691 | Virginia 11 - Madison | 399,867 | Leap | Leap | Verizon | Verizon | Verizon | Verizon | T-Mobile | T-Mobile | T-Mobile |
| 157 | CMA | 101 | Beaumont-Port Arthur, TX | 379,474 | Cameron | Cameron | Verizon | Verizon | Leap | AT&T | Leap | T-Mobile | T-Mobile |
| 182 | CMA | 394 | Illinois 1 - Jo Daviess | 341,231 | Verizon | Verizon | Verizon | Verizon | AT&T | Leap | T-Mobile | T-Mobile | T-Mobile |
| 195 | CMA | 662 | Texas 11 - Cherokee | 316,886 | AT&T (Aloha) | AT&T (Aloha) | Verizon | Verizon | Verizon | AT&T | Leap | T-Mobile | T-Mobile |



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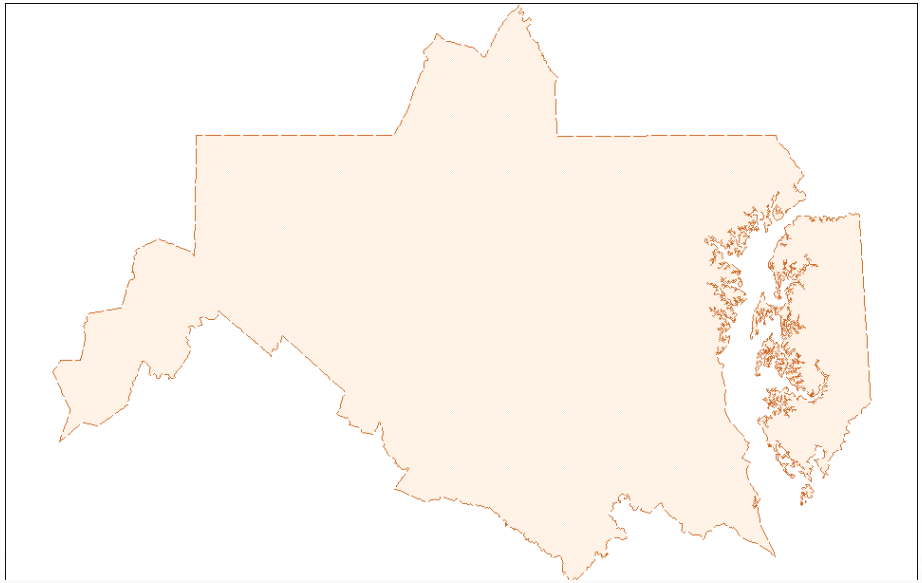
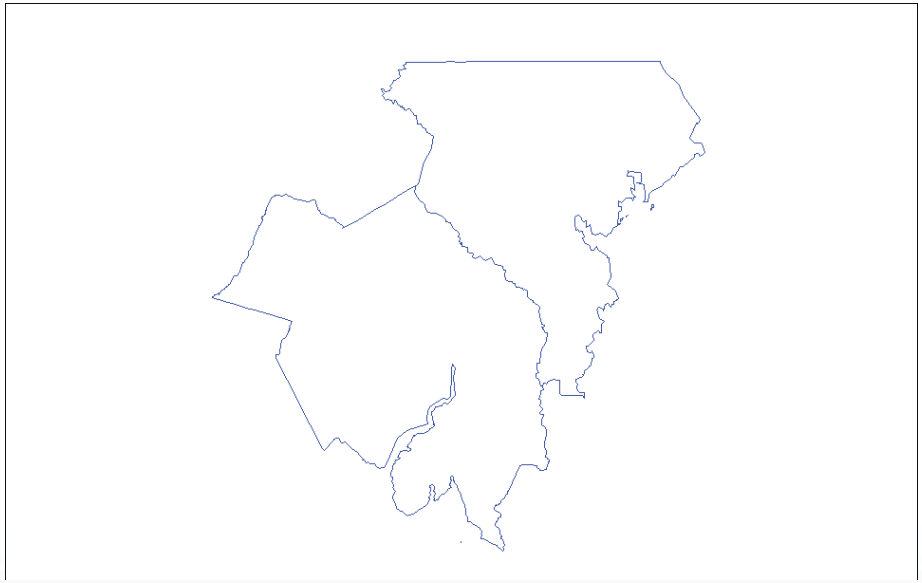
# Washington & Baltimore Hypothetical

**Washington DC - Baltimore EA**



**Washington DC CMA & Baltimore CMA**



- Washington DC CMA (4.8M POPs):
  - T-Mobile has 40 MHz of AWS-1
- Baltimore CMA (2.6M POPs):
  - T-Mobile has 30 MHz of AWS-1
- Washington DC / Baltimore Economic Area (EA) (9.5M POPs):
  - T-Mobile has 30 MHz and 40 MHz of spectrum in different parts
  - Buying an EA block under this scenario could impede efficient purchase of spectrum to meet needs
  - Using PEAs would not solve the problem
- **Using a CMA / EA mix in 5x5 blocks as used in AWS-1 solves the problem**

# 5x5 MHz Blocks Increase Revenues

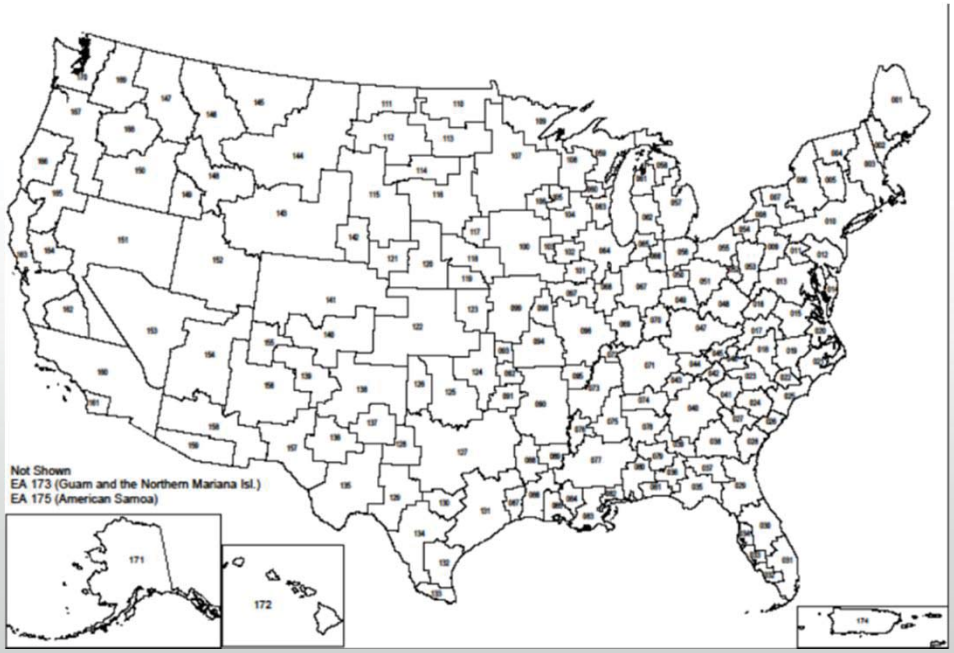
- Smaller spectrum blocks can increase competition, participation, and auction revenues, raising revenues for FirstNet

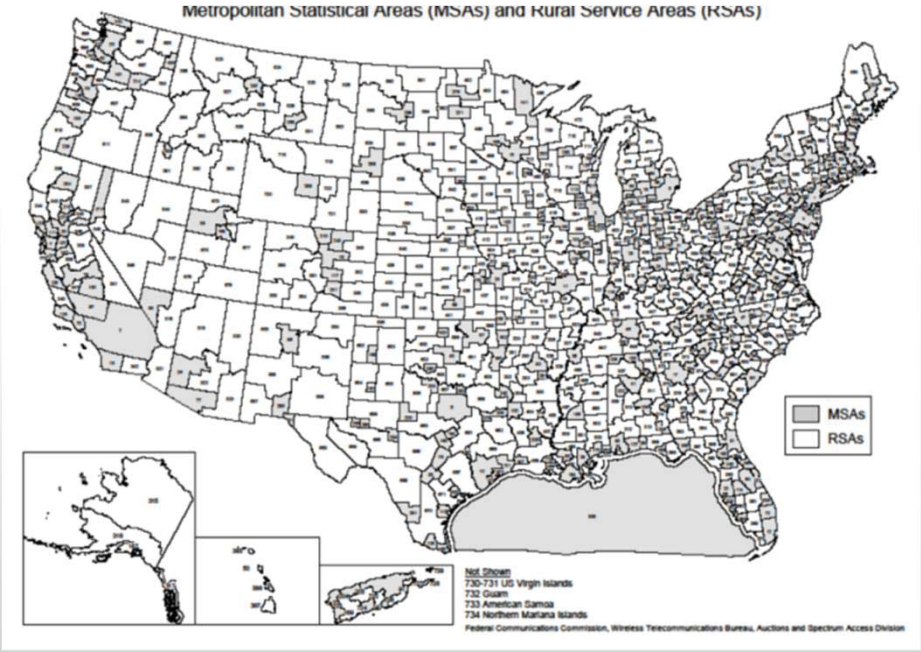
- Competitive carriers will be encouraged to participate in an auction with more licenses and dissuaded from participating in an auction with fewer licenses

- For example, in AWS-1 auction the Commission used 2x10 MHz licenses for the B block and 2x5 MHz licenses for the C Block with the same EA license areas
  - The B Block sold for $.43 MHz/Pop while the C Block sold for $.51 MHz/Pop, a difference of approximately 15%
  - Furthermore, there were more winners for the C block in comparison to the B block

# Geographic Areas Should Track AWS-1

- Licenses should include a balance of larger regional (EAs) and smaller market areas (CMAs)
- EAs and CMAs match the licensing approach in the adjacent AWS-1 and AWS-4 bands, allowing those licensees to add spectrum in the areas where they already hold spectrum
- AWS-1 purchased REAGS for nationwide coverage footprint and specific CMAs for tailored capacity needs



# Package Bidding

- The Commission should <u>not</u> allow package bidding on AWS-3 spectrum

- AWS-3 adds capacity to AWS-1 networks limiting exposure risk

- Package bidding will:
  - Favor the largest carriers and foreclose access to smaller carriers
  - Create opportunities for strategic bidding that could be anti-competitive and induce inefficiency in the auction outcome