

April 30, 2014

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

Re: Policies Regarding Mobile Spectrum Holdings, WT Docket No. 12-269; Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions, GN Docket No. 12-268

Dear Ms. Dortch:

On Monday, John Bergmayer and Kate Forscey of Public Knowledge (PK) had two meetings on wireless issues. First, PK met with with Clint Odom and David Goldman of Commissioner Rosenworcel's office. Then PK met with Louis Peraertz of Commissioner Clyburn's office. At both meetings PK discussed some issues with the pro-competitive aspects of the forthcoming items on spectrum aggregation and the incentive auction.

PK supports the overall proposed framework. After a trigger auction price is met, reserving some spectrum for competitive carriers while ensuring that all carriers can bid in each market is a good way to balance competing policy concerns. PK would recommend, however, that more spectrum be reserved than is under the current proposal. For example, reserving 40 MHz for competitors with 30 MHz unreserved would ensure that every carrier can bid without necessarily ensuring that every carrier can obtain a license in each market, and would incentivize large carriers to bid against each other, which would increase auction revenue.

PK expressed its need for more clarity as to the exact nature of the "enhancement factors" that would apply to acquisitions of spectrum below 1 GHz. Until a rational spectrum weighting is adopted, PK continues to believe that the Commission should adopt a hard cap on sub-1 GHz spectrum holdings, but is unsure how the Commission's planned approach differs from PK's preferred approach.

Likewise, until a spectrum weight is adopted PK thinks that high-frequency spectrum (that would be discounted under a spectrum weighting policy) should not be added to the spectrum screen. But as PK understands it, the Commission might add new high-band spectrum to the screen without discounting it, while simultaneously not weighing low band spectrum more heavily. This would deter investments in high-frequency spectrum (since holding high-frequency spectrum would make it more difficult to acquire more valuable low-frequency spectrum) and make it easier for dominant carriers to add to their formidable low-band stockpile. Furthermore, PK does not understand the policy connection between the incentive auction and expanding the screen.

Finally, PK understands that implementing a spectrum weighting system and a more rational overall policy on spectrum aggregation is by no means an easy task. Yet nearly any screen that consistently weighted low-band spectrum more heavily and discounted high-band spectrum would be better than today's "all spectrum is created equal, except when it's not" approach.

Respectfully submitted,

/s/ John Bergmayer
Senior Staff Attorney
PUBLIC KNOWLEDGE

CC:
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CLINT ODOM
LOUIS PERAERTZ