

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Auction of Priority Access Licenses for the 3550-3650 MHz Band)	AU Docket No. 19-244
)	
Comment Sought on Competitive Bidding Procedures for Auction 105)	
)	

**REPLY COMMENTS OF
THE INDUSTRIAL INTERNET OF THINGS COALITION**

The Industrial Internet of Things (“IIoT”) Coalition hereby submits these reply comments in response to the Commission’s Public Notice proposing procedures to be used for the auction of Priority Access Licenses (“PALs”) in the 3550-3650 MHz band, termed the “Citizens Broadband Radio Service” or “CBRS” band.¹

The IIoT Coalition is a group of industrial entities that rely on wireless communications to conduct their operations efficiently and safely, and also includes manufacturers and organizations that represent such entities. The IIoT Coalition thus represents electric and gas utilities whose services are fundamental to the day-to-day activities of all Americans, as well as companies that operate components of the transportation nervous system through which American commerce runs -- pipelines, trucking, freight rail, airports, overnight delivery services, and ports. Manufacturers of virtually all products produced in this country are represented, as

¹ *Auction of Priority Access Licenses for the 3550-3650 MHz Band, Comment Sought on Competitive Bidding Procedures for Auction 105*, Public Notice, AU Docket No. 19-244, FCC 19-96 (rel. Sept. 27, 2019) (“Public Notice”).

are farming operations and medical facilities. Collectively, these parties are a microcosm of the American economy with an escalating reliance on IIoT applications.

IIoT Coalition companies utilize a variety of wireless systems to meet their increasingly complex communications requirements. While many of these companies use commercial wireless networks for certain applications, they also require private wireless facilities because their industrial operations are situated in remote areas well beyond the coverage of commercial providers, and because they require a mission-critical level of reliability, resiliency, and security that cannot be met by commercial networks.

The IIoT Coalition participated actively in the Commission's review of the licensing rules for PALs,² and worked with other parties and the Commission towards the compromise that resulted in the adoption of counties as the geographic unit for bidding in the auction instead of larger Partial Economic Areas or Cellular Market Areas ("CMAs"). Since then, IIoT members have eagerly anticipated access to blocks of CBRS spectrum that would allow them to "take advantage of ongoing advances in safety inspection, remote control, and performance and monitoring technologies, edge computing capabilities, and cloud-based Big Data predictive analytics."³

But now the Commission has proposed to undo the compromise reached last year, by proposing CMA-level bidding for counties covering almost two-thirds of the population of the United States.⁴ The IIoT Coalition joins with the clear majority of commenters that urge the

² See, e.g., Letter from David D. Rines, Lerman Senter, PLLC, to Marlene H. Dortch, Secretary, Federal Communications Commission, GN Docket No. 17-258 (filed Sept. 7, 2018).

³ Letter from David D. Rines, Lerman Senter, PLLC, to Marlene H. Dortch, Secretary, Federal Communications Commission, GN Docket No. 17-258 (filed Apr. 7, 2018) at 4.

⁴ See Comments of Southern Linc, AU Docket 19-244 (filed Oct. 28, 2019) at 9 and n.27.

Commission to reject this proposal and use nationwide county-level bidding for the auction.⁵

When mobile broadband providers, electric utilities, public interest groups, cable companies, and fixed wireless operators can all agree that a fundamental and unprecedented change in auction design should not be adopted by the Commission, that is very likely the right result.

This broad range of parties oppose CMA-level bidding largely because the proposal will exclude all but the largest mobile wireless carriers from having access to PAL-protected spectrum wherever CMA-level bidding applies (and even one of these large carriers urges rejection of the CMA-level bidding proposal⁶). NCTA and Southern Linc demonstrate how it will be difficult, if not impossible, for county-level bidders to acquire any spectrum blocks in any CMAs subject to CMA-level bidding.⁷ Numerous other parties, including NRECA, NTCA and the Rural Wireless Association, show that the impact on rural or exurban counties in these CMAs will be particularly harsh: larger carriers' blocks in these counties will be tied to blocks in urban

⁵ See Comments of the American Petroleum Institute, AU Docket No. 19-244 (filed Oct. 28, 2019); Comments of Blooston, Mordkofsky, Dickens, Duffy & Prendergast, LLP, AU Docket No. 19-244 (filed Oct. 28, 2019); Comments of California Internet L.P. dba GeoLinks, AU Docket No. 19-244 (filed Oct. 28, 2019); Comments of the Competitive Carriers Association, AU Docket No. 19-244 (filed Oct. 28, 2019); Comments of the Dynamic Spectrum Alliance, AU Docket No. 19-244 (filed Oct. 28, 2019); Comments of the National Rural Electric Association Cooperative Association, AU Docket No. 19-244 (filed Oct. 28, 2019) (“NRECA Comments”); Comments of NCTA – The Internet & Television Association, AU Docket No. 19-244 (filed Oct. 28, 2019) (“NCTA Comments”); Comments of NTCA – The Rural Broadband Association, AU Docket No. 19-244 (filed Oct. 28, 2019) (“NTCA Comments”); Comments of the Open Technology Institute at New America, AU Docket No. 19-244 (filed Oct. 28, 2019); Comments of the Rural Wireless Association, Inc., AU Docket No. 19-244 (filed Oct. 28, 2019) (“RWA Comments”); Comments of Southern California Edison, AU Docket No. 19-244 (filed Oct. 28, 2019); Comments of Southern Communications Services, Inc. dba Southern Linc, AU Docket No. 19-244 (filed Oct. 28, 2019) (“Southern Linc Comments”); Comments of Verizon Communications, Inc., AU Docket No. 19-244 (filed Oct. 28, 2019) (“Verizon Comments”); Comments of WISPA, AU Docket No. 19-244 (filed Oct. 28, 2019).

⁶ See Verizon Comments at 2-5.

⁷ NCTA Comments at 11; Southern Linc Comments at 5-6.

counties, effectively crowding out any industrial users, utilities, smaller carriers and rural carriers.⁸ If the Commission were to actually adopt an auction process with the kinds of anti-competitive effects detailed in the comments, the Commission would directly contradict its obligation to avoid “excessive concentration of licenses”⁹ and undermine its stated goal in this proceeding of distributing CBRS spectrum to “a wide variety of users, deployment models, and business cases, including some solutions to market needs not adequately served by [the FCC’s] conventional licensed or unlicensed rules.”¹⁰

Even the two parties that support CMA-level bidding fail to provide any reason for it, much less evidence of sufficient benefits to outweigh its substantial costs. AT&T believes CMA-level bidding as written would “distort competitive outcomes,” yet provides only a few marginal tweaks to the proposal that would not redress the negative impact of excluding competitors from the CMAs where it applies.¹¹ T-Mobile does not explain how the benefits of CMA-level bidding outweigh its costs, and instead cites questionable concerns about interference to justify excluding even county-level bidders from CMAs where CMA-level bidding applies.¹² The IIoT Coalition thus joins the numerous other commenters urging the Commission to apply only county-level bidding nationwide to the CBRS auction. The Commission should reject the proposal to introduce untried and untested CMA-level bidding, especially after so many parties

⁸ See NRECA Comments at 1; NTCA Comments at 9; RWA Comments at 3-4; *see also* WISPA Comments at 4-5; Southern Linc Comments at 6-7.

⁹ 47 U.S.C. § 309(j)(3).

¹⁰ Amendment of the Commission’s Rules with Regard to Commercial Operations in the 3550-3650 MHz Band, Report and Order and Second Further Notice of Proposed Rulemaking, 30 FCC Rcd 3959, 3962 (2015).

¹¹ See Comments of AT&T, AU Docket No. 19-244 (filed Oct. 28, 2019) at 2-6.

¹² See Comments of T-Mobile, AU Docket No. 19-244 (filed Oct. 28, 2019) at 3-8.

have expended the time and resources over the last few years to arrive at a compromise that meets the obligations and priorities of the Commission, and the needs of a broad range of wireless providers and users.

Respectfully submitted,

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