

ALERT

Auction 101 Concludes

January 28, 2019

On Thursday, January 24, 2019, the Federal Communications Commission (FCC) announced the conclusion of Auction 101, the nation's first ever auction of high-band (28 GHz) spectrum for the deployment of 5G services. Preliminary results suggest that the auction was successful in many aspects:

- Provisionally Winning Bids (PWBs) were submitted for almost all the licenses being auctioned (2,965 licenses covering 98.7% of POPs that were available out of 3,072 licenses being auctioned).
- The average price bid was \$0.011/MHz-POP, close to the reported \$0.017/MHz-POP that Verizon reportedly paid for Straight Path's 28 GHz and 39 GHz spectrum in 2017/2018. Prices for licenses in the 20 Largest Markets averaged \$0.018/MHz-POP. Auction 101 offered 28 GHz licenses that covered only about 24% of the US population in currently unlicensed (and generally less dense) areas.
- Bidding occurred over 176 rounds, with more than 43,500 bids being placed. An average of 14 bids were placed for each license, with some licenses receiving as many as 88 bids.
- The FCC reports that the total of the PWBs is over \$702.5 million; however, some bidders were eligible for small business and rural service provider discounts, which could lead to somewhat lower revenues being received from the auction.

Next week, the FCC will issue a public notice specifying the deadlines for payments and long-form application filing for Auction 101 winning bidders. Because of the interrelationship between Auction 101 and Auction 102, the Commission will not publicly announce the winning bidders or other non-public auction information until after the conclusion of Auction 102. However, the FCC will send an individual

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confidential letter to each Auction 101 qualified bidder providing detailed information regarding its payment obligations.

Also next week, the FCC will issue a public notice announcing the upfront payment deadline and bidding start date for Auction 102, which will offer additional high-band (24 GHz) licenses. Bidding in Auction 102 will start no sooner than four weeks after the FCC formally announces the closing of Auction 101).

Wiley Rein will continue to monitor these auctions and provide additional updates as appropriate. For questions or to receive a deeper dive into the details of either Auction 101 or Auction 102, please contact one of the authors listed on this alert.