



## CBRS Priority Access License Auction Fact Sheet

On March 2, 2020, the FCC issued a [Public Notice](#) establishing the competitive bidding procedures for Priority Access Licenses in the 3.5 GHz band, citing the value of the band for increased investment and deployment in mid-band spectrum for 5G. According to FCC Commissioner Ajit Pai, “It’s an impressive testament to the speed of technological development in the wireless sector that 5G was barely on the radar when the Commission began re-imagining the way we use this band, but now the 3.5 GHz auction will help make this band a primary avenue for deploying 5G services.”

This is an important milestone towards reaching the full potential of CBRS spectrum sharing, so the CBRS Alliance created this easy reference guide, laying out the key facts about the auction. Most of the auction procedures will look very similar to those the FCC has used in the past. *Note that this is not designed to be the sole source of information for decision-making, and anyone planning to purchase a PAL should seek legal advice.*

### Basic Facts

- Bidding in the CBRS PAL auction, designated as [Auction 105](#), is scheduled to begin on July 23, 2020.
- These are county-based licenses with standard license terms of 10 years, providing potential bidders with confidence that, if they invest and follow the rules, they won’t be at risk of losing their licenses and investments.
- The auction will offer up to seven PALs in each county-based license area, for a total of 22,631 PALs nationwide – the largest number of spectrum licenses ever made available for bidding in a single auction.
- Each PAL will consist of a 10-megahertz unpaired channel in the 3.55-3.65 GHz band, dynamically assigned by the Spectrum Access System (not static).
- The auction permits bidding on a county-by-county basis and allows bidders to bid for no more than four generic blocks of spectrum per county.
- PALs are subject to network build-out obligations, with secondary market opportunities available (through sale or lease of spectrum).
- The auction incorporates for the first time an “activity upper limit” to mitigate the possibility of a bidder losing bidding eligibility in certain circumstances.
- The auction adopts bidding credit caps of \$25 million for small businesses and \$10 million for rural service providers, as well as a \$10 million cap on the overall amount of bidding credits that a small business bidder may apply to winning licenses in smaller markets.

## Bidding Mechanics

The auction uses an ascending clock auction format in which bidders indicate their demand for generic license blocks in specific counties as prices increase.

- Initial Demand: Bidders indicate demand for up to four PAL license blocks in a county at a minimum opening bid (“reserve price”)
- [Reserve Price](#): Calculated based on \$0.02 per MHz-pop; minimum of \$1,000
- Bidding: The system announces the lowest and highest price at which bidders can specify the number of license blocks they demand during the round, with intra-round bids accepted
- Ascending Rounds: After each bidding round, the system will determine demand from each bidder in each county, and determine start-of-round (minimum) price for the next round

## Timelines and Deadlines

The Public Notice laid out some key timelines and deadlines that are important to be aware of as this is all happening quite quickly.

- April 23, 2020: Short-form application window opens at 12:00 p.m. ET ([FCC Form 175](#)), including
  - Selection of license areas for bidding
  - Disclosure of JVs, partnerships, consortia and any bidding arrangements
  - Ownership disclosures (including foreign ownership limits)
  - Certifications regarding eligibility for bidding credits and qualifications
- May 7, 2020: Short-form application window closes at 6:00 p.m. ET
  - “Quiet period” begins immediately afterward
- June 19, 2020: Upfront payments due by 6:00 p.m. ET
  - Based upon calculations of “reserve price”
  - Based on formula of \$0.01 per MHz-pop (which is ½ the Reserve Price)
  - With a minimum of \$500 per county
- July 20, 2020: Mock auction scheduled
  - FCC is also expected to host optional online tutorials
- July 23, 2020: Live bidding begins in Auction 105
- Post-Auction: Long-form application due after auction concludes ([FCC Form 601](#))
  - Comprehensive long-form application
  - Must demonstrate eligibility for any bidding credits sought
  - Must also file separate ownership disclosure report ([FCC Form 602](#))
  - Members of consortia are subject to separate application procedures

The CBRS Alliance is now over 150 members strong, made up of companies big and small who recognize the value that shared spectrum technology brings to the wireless industry. We conducted an [economic study](#) that estimates the value of the market at over \$15.6 Billion. Commercial deployments using General Authorized Access to the band have been underway since September 2019, proving that the fundamental

technology is sound. We are looking forward to the next phase that the PAL auction represents.