



The FCC Launches \$50 Million Tribal Mobility Fund

A Connected Nation Policy Brief

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The Federal Communications Commission (FCC) has released a [Public Notice](#) launching the process for awarding up to **\$50 million in one-time Tribal Mobility Fund Phase I subsidies**. These subsidies will be awarded to companies that agree to build 3G or 4G mobile broadband networks in Tribal lands that are currently unserved. The FCC has circulated a list of potentially eligible areas in Tribal lands without mobile broadband service for this auction, and it is asking the public to comment on the accuracy of that list. The **FCC scheduled the auction to start on October 24, 2013**. Further information about the auction can be found at the FCC [Auction 902 website](#).

The Commission created the Tribal Mobility Fund in its 2011 USF/ICC Transformation [Order](#), and the FCC intends that Phase I of the fund will provide one-time support to deploy mobile voice and broadband services to unserved Tribal lands. The auction will award up to \$50 million in high-cost universal service support through reverse competitive bidding to providers that commit to provide 3G or better mobile voice and broadband services across eligible areas. The FCC will evaluate submitted bids based on the population covered by new mobile services. Because the objective of this auction is to maximize the expansion of advanced services with the available funds, winning bids will generally be those that would achieve the deployment of such services to the largest number of citizens for relatively lower levels of support.

Phase I of the Tribal Mobility Fund is occurring simultaneously with other FCC broadband universal service initiatives. In particular, the FCC continues to work on both Phase I and Phase II of the fixed broadband Connect America Fund. Using a similar reverse auction mechanism, in 2012, the FCC awarded \$300 million in one-time subsidies under the Mobility Fund Phase I for mobile broadband to currently unserved areas. As discussed below, unserved areas where mobile network build-out plans exist that are funded under the Mobility Fund Phase I will **not** be eligible for Tribal Mobility Fund subsidies.

Eligible Areas for Funding Under Tribal Mobility Fund Phase I

Critical to the success of the Tribal Mobility Fund will be the identification of Tribal lands that do not currently have access to 3G or 4G mobile broadband service. The FCC released with this Public Notice a list of potentially eligible areas for the Tribal Mobility Fund, and it is asking the public to comment on the accuracy of those areas. The FCC used data from Mosaik Solutions (formerly known as American Roamer) to determine available mobile infrastructure and underserved areas eligible for this funding opportunity. Hence, the underlying data used to determine eligibility may differ significantly from the estimates of areas unserved by mobile broadband according to the National Broadband Map. Interested stakeholders wanting to make sure that mobile broadband subsidies be directed to the areas of most need are encouraged to look at the FCC's list and compare it to other data sources – particularly data from the National Broadband Map, including mobile broadband data that Connected Nation collects and validates – to make sure that underserved Tribal lands are not underrepresented by the FCC.

The FCC's proposed list of eligible areas includes 5,554 census blocks, with an average area of approximately 2.1 square miles. Census blocks without any population were excluded, as well as census blocks that are to be served by a winning bidder under the Mobility Fund Phase I auction that took place in 2012. In addition, census blocks for which any provider has made a regulatory commitment to provide 3G or better wireless service, or has received a funding commitment from a federal executive department or agency (i.e., BTOP or BIP grantees) to provide mobile broadband service, were excluded.

The FCC released a list of the eligible census blocks to receive funding under the Tribal Mobility Fund Phase I, which can be found [here](#) and is depicted via an interactive [eligible areas map](#). The eligible areas cover Tribal lands that have a population of only 122,789. The majority of this population (just under 73,000) resides in Alaska. The states of Michigan, Nebraska, New York, and South Carolina have the least amount of census blocks or population eligible for this funding opportunity.

The following table provides summary information of eligible areas by state.

Summary of Potentially Eligible Census Blocks by State

State	Number of Potentially Eligible Blocks	Number of Tracts with Potentially Eligible Blocks	Number of Tribal Lands with Potentially Eligible Blocks	Number of Counties with Potentially Eligible Blocks	Number of Proposed Aggregated Areas	Total Population of Potentially Eligible Blocks	Total Area (square miles) of Potentially Eligible Blocks	Total Road Miles of Potentially Eligible Blocks
Alabama	4	1	1	1	1	72	25.74	22.23
Alaska	2,178	43	190	24	194	72,917	3,547.94	1,516.86
Arizona	1,086	36	8	8	39	18,571	2,463.33	2,223.59
California	76	9	8	7	10	1,006	32.36	95.30
Colorado	15	1	1	1	1	75	3.16	13.18
Hawaii	23	3	3	3	3	95	5.77	8.40
Idaho	334	9	4	8	9	3,416	321.78	700.64
Louisiana	31	5	4	4	6	654	23.92	49.29
Michigan	7	4	3	2	5	36	1.50	5.09
Minnesota	97	12	5	9	12	2,220	411.51	323.83
Montana	225	17	7	13	17	4,379	486.33	510.84
Nebraska	1	1	1	1	1	2	0.00	0.08
Nevada	19	5	5	4	5	149	36.50	45.71
New Mexico	339	21	7	10	23	4,248	337.86	582.00
New York	3	2	2	2	2	12	0.09	1.20
North Carolina	71	9	5	7	9	1,822	25.24	67.97
North Dakota	38	3	2	2	3	175	146.48	174.18
Oklahoma	247	39	12	25	39	2,604	450.73	600.32
Oregon	27	3	3	3	3	205	28.61	52.86
South Carolina	2	2	1	1	2	35	2.11	3.88
South Dakota	244	7	5	6	7	3,439	1,792.96	761.34
Utah	28	5	3	4	5	353	225.64	165.77
Washington	234	12	6	9	12	3,150	684.53	1,519.84
Wisconsin	82	5	5	5	5	1,893	66.74	90.21
Wyoming	143	4	1	2	4	1,261	476.00	436.71
Total	5,554	258	292	161	417	122,789	11,597	9,971

Source: FCC.



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Challenge Process for Determining Eligible Areas

The FCC has established a process for parties to challenge the proposed list of eligible areas to receive funding under Auction 902 – either arguing that eligible areas are overstated or understated. **The deadline to submit challenges of eligible areas is May 10, 2013.** Challenges should be submitted in the form of comments to this Public Notice. A courtesy copy of the comments is requested to be sent to this address: auction902@fcc.gov. The FCC requests that challenges be informed by factual data to the extent possible, preferably including maps, discussions of drive tests, explanation of methodologies for determining coverage, and certifications by one or more individuals as to the veracity of the material provided. For Auction 901, the Public Notice notes that the FCC did not make changes to potentially eligible areas based on submissions making assertions of coverage without any supporting evidence.

Providers Eligible to Bid in Auction 902

A non-Tribally-owned or controlled provider that wants to apply for Tribal Mobility Fund subsidies to build out mobile broadband must be designated as an eligible telecommunications carrier (ETC) for the areas on which it wishes to bid. If a Tribally-owned or -controlled entity wants to bid for the subsidy, it must either be an ETC or have a pending application for ETC designation for the relevant areas within the boundaries of the Tribal land associated with the Tribe that owns or controls the entity. Further information on the ETC designation process can be found at <http://www.fcc.gov/document/etc-designation-participation-mobility-fund-phase-i>.

Applicants for Auction 902 must also demonstrate that they have access to the spectrum necessary to satisfy the applicable performance requirements and must certify financial and technical capability of providing 3G or better service. An applicant seeking to use the 25 percent bidding credit preference for Tribally-owned or -controlled providers must certify that it meets those credentials.

Entities seeking to participate in the auction must file a short-form application by a deadline to be announced, providing information and certifications as to their qualifications to receive support.

Network Deployment Requirements

Winning bidders will be required either to deploy 3G service within two years, or 4G service within three years, after the date on which they are authorized to receive support.

Bidding Process and Evaluation Criteria

The FCC will distribute the Tribal Mobility Fund subsidies by means of a reverse auction, and has proposed two different methods for conducting that auction. One proposal would have a single round, sealed bid auction where providers would submit a single bid indicating the subsidy requested per population served to support build-out across an eligible area and meeting the technical and timeline requirements of the program. This model is relatively simple and similar to the one used for the 2012 Mobility Fund Phase I auction. A second option is proposed whereby bidders would submit multiple rounds of bidding in a sequential process. The FCC has asked the public to comment on these alternatives.

In either case, the FCC is proposing that the census block should be the minimum geographic area contemplated by a bid, but that bidders should be able to submit bids for service build-out across multiple census blocks. The FCC is seeking comment on how best to design census block aggregation rules for this auction.



The FCC seeks comment on several proposed mechanisms to evaluate submitted bids and determine awardees. Under the simplest single-round bidding model, submitted bids would be ranked from lowest to highest based on the per-population bid amount, and assign support first to the lowest per-population bid, subject to the bid meeting all program requirements. Following this ranking, bids would be awarded as long as there remain funds under the program. This solution is similar to that implemented in 2012 under Auction 901. In that case, however, the key evaluation metric was per-road-mile served bid amount, not per-population served bid amount.

The FCC is also proposing more complex mechanisms for bidding evaluation under a multiple-round auction, and seeks comment on the different proposals. The FCC seeks comment on other important proposed changes to the auction model implemented under Auction 901, including the introduction of a maximum acceptable per-unit bid amounts, or reserve price, for Auction 902.

Key Tribal Mobility Fund Dates

- **May 10, 2013** - Deadline for comments to Public Notice, including challenges to Auction 902 eligible areas.
- **May 24, 2013** - Deadline for reply comments to the Public Notice.
- **To be announced** - Release by the FCC of detailed rules and procedures for Auction 902, including final eligible areas.
- **To be announced** - Deadline for submission of short-form application by all parties intending to participate in the auction.
- **October 24, 2013** - Auction 902 start.

For more information about the Tribal Mobility Fund Phase I, please contact us at policy@connectednation.org.