



Update on Doyon's Participation in Auction 97

Earlier this year, Doyon, Limited participated in Auction 97, the most recent Federal Communications Commission (FCC) wireless spectrum auction. The radiofrequency spectrum licenses that were in the auction are necessary to support wireless networks, which are used by cell phones and other wireless devices. Doyon participated in Auction 97 through the FCC's designated entity (DE) program.

When Congress amended the Communications Act in 1993 to authorize competitive bidding for spectrum licenses, it created the DE program to help reduce market-entry barriers faced by small businesses, rural telephone companies and businesses owned by minority groups and women.

Doyon, Limited has participated in the DE program past auctions including Auction 35 in 2000, Auction 66 in 2007 and, most recently, Auction 97 in 2015. The DE program has been successful in accomplishing a number of important goals. It's a good investment that pays multiple dividends for small businesses, consumers, taxpayers and the government treasury. Without the DE program, Doyon would never be able to compete in the communications sector, and significant investment opportunities would be closed off to shareholders.

The communications sector has too often seen excessive concentration of licenses with too few companies. The DE program broadens the number of companies holding licenses by allowing new entry in the market, which in turn creates a more competitive environment. This is good for innovation, good for equitable service deployment and good for consumers.

By allowing businesses like Doyon to partner with larger carriers and bid at a discount, the DE program protects smaller companies from being priced out. When small, minority- or women-owned businesses are allowed to effectively participate in the bidding process, the communities they represent are able to benefit from their entrance into the communications market. This is good for underserved populations, who gain greater access to economic opportunities, in addition to expanded service in communities across the U.S.

Finally, spectrum auctions contribute significant revenues to the Federal Treasury. When only large incumbent carriers participate in bidding, auction revenues are diminished. The DE program brings more participants to these auctions. More participation means more bids. More bids means increased prices, which means more revenue to the Treasury. This is good for the federal budget and for taxpayers.

For example, industry analysts predicted that Auction 97 would attract approximately \$18 billion in bids. In fact, Auction 97 generated a record-breaking \$43 billion in bids, revenues that flow directly to the Federal Treasury. Independent analysis shows that this extra revenue was due to increased participation in the auction, much of it through the DE program.

The large incumbent carriers were still the largest bidders in Auction 97. However, smaller entities were also able to submit winning bids through strategic DE partnerships, as Doyon successfully did through a partnership with DISH Network called Northstar Wireless. Far from new or unprecedented, virtually all of the current large carriers have partnered with a DE in previous auctions.

A competitive marketplace is essential for the communications sector to deliver new technologies, high-quality service, ubiquitous service deployment, innovative and low-cost offerings, and broad-based economic development opportunities, particularly to underrepresented populations.

The DE program helps maintain competition in the marketplace, and provides tangible benefits for communities who have long confronted too many closed doors. For Doyon, it is a valuable program that supports the corporation's mission "to strengthen our Native way of life, and to protect and enhance our land and resources" for this generation and the future.