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STATEMENT OF FCC CHAIRMAN MICHAEL POWELL ON CONCLUSION OF DISCUSSIONS ON NEXTWAVE LICENSES

I am pleased to announce that discussions have concluded between the government, the auction 35 winners and Nextwave. Under the terms of the agreement: (1) Nextwave will surrender all the C and F block licenses it had previously won; (2) the wireless carriers that won these licenses in the Auction 35 reauction will receive them and be able to put them into use for the public shortly; and (3) the American taxpayer will receive \$10 billion, more than twice the amount than would have been received had Nextwave kept the licenses in accordance with recent court rulings.

The Commission has fought aggressively for years to recapture these licenses, insisting they were public assets that could not be held by private companies (and insulated from repossession in bankruptcy) that did not comply with the terms of the auction. Regrettably, the D.C. Circuit has interpreted the law differently, and without a prospective legislative change, the public will bear this risk in future auctions. That aside, the circumstances that presently exist drove the Commission to seek a resolution that would capture as much value for the public as possible. This settlement does just that.

At bottom, it is a deal that serves the public interest, for it will get licenses out from under litigation and into the market, where the public will benefit from improved service quality, enhanced coverage and greater reliability. Moreover, the treasury will reap \$10 billion at a time in which these funds are sorely needed to address pressing national problems.

Before the agreement is effective, it must be ratified by the Department of Justice, which we expect. In addition, Congressional action will be required to implement the settlement. It is only right that the Congress have an opportunity to pass on the terms and render its judgment as to the benefits for American consumers.

This has been a long and arduous process involving many different parties and divergent interests. It has not been easy reaching a mutually agreeable settlement. Some will argue that the result is not perfect, but I believe that it is the best that can be achieved under the circumstances to maximize the benefit for the public.