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STATEMENT OF FCC CHAIRMAN MICHAEL POWELL ON SIGNING OF NEXTWAVE SETTLEMENT AGREEMENT

Today the Justice Department has ratified a settlement of our litigation with NextWave. This begins to bring to a close a long and torturous event.

Regrettably, last summer the U.S. Court of Appeals for the D.C. Circuit interpreted federal law as forbidding the Commission from reclaiming and reauctioining its property, as we had done in auction 35. The consequence was that we would have had to issue NextWave its licenses, and continue to try and collect in bankruptcy the \$4.7 billion that NextWave owed the United States.

This settlement offered a better alternative. It reclaims the NextWave licenses and puts them in the hands of companies that can put them to use quickly for consumers. Additionally, it allows the American taxpayer to receive nearly double what it was legally entitled to collect under the Court of Appeals ruling--rather than \$5 billion, the American people will receive \$10 billion. While it surely would have been preferable to have carried through on the reauction and collect the \$16 billion that was bid, that option was extinguished by the Court and I believe this settlement is the best outcome under the circumstances.

This settlement requires Congressional approval in the form of implementing legislation. I hope Congress turns to the matter promptly in order to put this matter behind us and to ensure a resolution that maximizes the public interest.

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