



# NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.  
See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

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## **FCC ACTS TO ENHANCE RURAL PARTICIPATION IN SPECTRUM AUCTIONS**

Washington, DC - The Federal Communications Commission (FCC) has adopted a provision that will increase the number of rural telephone cooperatives that are eligible for small business preferences in FCC auctions. The FCC anticipates that this action will increase the ability of rural telephone cooperatives to participate in spectrum auctions and provide service in rural areas.

### Background:

In 1997, the Commission undertook a rule making proceeding to expand the Part 1 general competitive bidding rules, streamline the service-specific regulations to eliminate unnecessary rules wherever possible, and increase the efficiency of the competitive bidding process. In an order adopted in 2000 in this proceeding, the *Order on Reconsideration of the Third Report and Order, Fifth Report and Order, and Fourth Further Notice of Proposed Rule Making*, the FCC adopted a controlling interest standard as its general attribution rule. The adopted item resolves the petitions for reconsideration filed in response to this order and makes certain ministerial conforming amendments and rule revisions to the Part 1 general competitive bidding rules.

### Specifics of Action:

Most notably, in the adopted item, the FCC established an exemption for rural telephone cooperatives from the requirement that the gross revenues of entities controlled by an applicant's officers and directors are attributed to the applicant for the purpose of determining eligibility for small business preferences including bidding credits. The exemption is available to an applicant under the following conditions: (1) the applicant is validly organized as a cooperative pursuant to state law; (2) the gross revenues and other financial and management resources of the affiliates of the applicant's officers and directors are not available to the applicant; (3) the applicant is a "rural telephone company" as defined by the Communications Act; and (4) the applicant is eligible for tax-exempt status under the Internal Revenue Code.

Action by the FCC on April 22, 2003, by Second Order on Reconsideration of the Third Report and Order, and Order on Reconsideration of the Fifth Report and Order (FCC 03-98). Chairman Powell, Commissioners Abernathy, Copps, Martin, and Adelstein with Chairman Powell and Commissioners Martin and Adelstein issuing separate statements.

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