



NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

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).

FOR IMMEDIATE RELEASE:
June 9, 2005

NEWS MEDIA CONTACT:
Lauren Patrich at (202) 418-7944
E-mail: lauren.patrich@fcc.gov

FCC MOVES CLOSER TO AUCTIONING SPECTRUM FOR ADVANCED WIRELESS SERVICES BY IMPLEMENTING COMMERCIAL SPECTRUM ENHANCEMENT ACT

WASHINGTON, D.C. – Today, the Federal Communications Commission sought comment on rule changes needed to implement the Commercial Spectrum Enhancement Act (CSEA), which was signed into law on December 23, 2004. A key element of CSEA is the establishment of a “Spectrum Relocation Fund” to reimburse the relocation costs of federal agencies currently operating on spectrum reallocated from federal to non-federal use. The spectrum covered by CSEA includes 216-220 MHz, 1432-1435 MHz, 1710-1755 MHz, and 2385 MHz-2390 MHz, as well as other spectrum bands that may be reallocated from federal to non-federal use. The 1710-1755 MHz band accounts for half of the spectrum the Commission plans to auction as early as June 2006 for Advanced Wireless Services, including so-called “3G” services.

Under CSEA, an auction of eligible frequencies may not conclude if the total cash proceeds of the auction are less than 110 percent of the total estimated relocation costs of the federal users. As the statute does not define “total cash proceeds,” the Commission determined that, for purposes of CSEA, “total cash proceeds” should be defined as winning bids net of any applicable discounts, such as small business bidding credits.

The Commission also sought comment on a number of prospective modifications designed to implement CSEA and update its spectrum auction rules, including:

- Revising the reserve price rule to ensure that auctions of frequencies eligible under CSEA are not concluded without raising 110% of the estimated federal user relocation costs, as required by the statute;
- Options for preserving the availability of tribal land bidding credits in auctions of frequencies eligible subject to CSEA;
- Increasing the Commission’s discretion regarding the amount of interim bid withdrawal and additional default payments;

- Establishing procedures in advance of each auction for apportioning bid amounts among licenses in a package;
- Changing the payment rules and procedures for broadcast construction permits won at auction to conform to those for non-broadcast licenses; and
- Facilitating the use of small business bidding consortia.

Action by the Commission on June 9, 2005 by *Declaratory Ruling and Further Notice of Proposed Rulemaking* (FCC 05-123). Chairman Martin, Commissioners Abernathy, Copps, and Adelstein.

Wireless Telecommunications Bureau contact: Audrey Bashkin at (202) 418-0660 or audrey.bashkin@fcc.gov.

WT Docket No. 05-211

-- FCC --

News and other information about the Federal Communications Commission is available at www.fcc.gov.