



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 ESTABLISHES AUCTION RULES AND RESOLVES RECONSIDERATION PETITIONS FOR AIR-GROUND RADIOTELEPHONE SERVICES

Washington, D.C. – Today, the Federal Communications Commission (FCC) released an Order on Reconsideration and Report and Order (Order) that establishes competitive bidding rules for the 400 MHz and 800 MHz Air-Ground Radiotelephone (Air-Ground) services and resolves Petitions for Reconsideration of the FCC’s *Air-Ground Order* adopted in December 2004. Today’s action enables the FCC to proceed with auctions of new licenses in the Air-Ground services and will help bring broadband and other communications services to the traveling public onboard aircraft.

In the December 2004 *Air-Ground Order*, the FCC adopted a new and flexible approach to determining the future band plan of the four megahertz of spectrum in the 800 MHz band dedicated to commercial Air-Ground service. The order provided for new nationwide licenses for this spectrum to be auctioned in three alternative band plan configurations, with the ultimate band plan being determined by the results of the auction. The *Air Ground Order* also renewed the license of Verizon Airfone, the sole incumbent licensee in the 800 MHz Air-Ground band, for a non-renewable five year term, and established a two-year transition period for Verizon Airfone to transition its incumbent narrowband operations from four to one megahertz. Finally, the FCC sought comment on proposed competitive bidding rules for the 400 MHz and 800 MHz Air-Ground services.

In today’s action, the FCC decided to conduct auctions for both the 400 MHz general aviation and 800 MHz Air-Ground services using its Part 1 competitive bidding rules. Today’s Order establishes bidding credits for the 800 MHz Air-Ground service of 15 percent for entities that qualify as “small businesses” and 25 percent for those that qualify as “very small businesses.” The FCC concluded that bidding credits are unnecessary for the 400 MHz Air-Ground service.

In response to a Petition for Reconsideration filed by Space Data Corporation, today’s Order clarifies that stratospheric platforms, such as high-altitude balloons, may be used to provide air-ground services in the 800 MHz Air-Ground band. The Order also denies Space Data’s request to allow ancillary terrestrial mobile and fixed services on a secondary basis in the band. The Order denies the request of AirCell, Inc. to shorten Verizon Airfone’s incumbent license term from five to two years, and to shorten from two years to six months the period for

Verizon Airfone to transition its incumbent operations from four to one megahertz. However, the Order requires Verizon Airfone to provide a progress report to the Commission on the transition process every six months. Lastly, in the event that Verizon Airfone, or one of its affiliates, wins an exclusive 3 MHz license, it will be subject to additional reporting requirements to enable the Commission to monitor Verizon Airfone's migration of its narrowband subscribers to a new broadband system.

Action by the Commission on December 8, 2005, by Order on Reconsideration and Report and Order (FCC 05-202). Chairman Martin and Commissioner Abernathy, with Commissioners Copps and Adelstein approving in part and concurring in part. Separate statements issued by Commissioners Copps and Adelstein.

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