



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 PROPOSES MODIFYING ITS “DESIGNATED ENTITY” AUCTION RULES IN ADVANCE OF THE UPCOMING ADVANCED WIRELESS SERVICES AUCTION

Washington, D.C. – Today, the Federal Communications Commission (FCC) released a Further Notice of Proposed Rulemaking (Notice) that tentatively concludes that it will modify certain rules governing benefits reserved for businesses that qualify as “designated entities” in FCC auctions. The FCC indicated that it intends to complete this proceeding in advance of the upcoming Advanced Wireless Services (AWS) auction, which is currently scheduled to begin June 29, 2006, so that any modifications to its rules will apply to that auction.

Since the inception of its auctions program, the FCC has sought to facilitate the participation of small businesses in competitive bidding. To achieve this objective, the FCC has instituted measures such as bidding credits and the spectrum blocks reserved for small businesses. A designated entity (DE) must meet specified financial criteria – based on its revenues, assets, affiliates, and controlling interests – in order to qualify for such benefits. The FCC has also made substantial efforts to ensure that only legitimate small businesses obtain the benefits of the designated entity program. Today’s Notice considers how the Commission can establish further safeguards to preserve the award of such benefits.

In examining a proposal from Council Tree Communications (Council Tree), the FCC’s Notice tentatively concludes that it should modify its rules to restrict the award of DE benefits to an otherwise qualified DE where it has a “material relationship” with a “large in-region incumbent wireless service provider” and seeks comments on the various elements of the proposal. The FCC seeks comment as well on whether it should also restrict the award of DE benefits in cases where an otherwise qualified DE has a “material relationship” with a large entity that has a significant interest in the provision of communications services, such as voice or data providers, content providers, equipment manufacturers, other media interests, and/or facilities or non-facilities based communications services providers.

Action by the Commission on January 27, 2006, by Further Notice of Proposed Rulemaking (FCC 06-8). Chairman Martin and Commissioners Copps, Adelstein, and Tate. Separate statements issued by Chairman Martin and Commissioners Copps and Adelstein.

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