



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:
April 12, 2006

NEWS MEDIA CONTACT:
Chelsea Fallon (202) 418-7991

FCC ESTABLISHES PROCEDURES FOR ADVANCED WIRELESS SERVICES AUCTION SCHEDULED TO BEGIN JUNE 29, 2006

Washington, D.C. – Today, the Federal Communications Commission (FCC) adopted a Public Notice that establishes procedures, minimum opening bids, and a reserve price for the FCC's upcoming first auction of spectrum licenses for Advanced Wireless Services (AWS-1). This auction, Auction No. 66, is scheduled to begin June 29, 2006, and will include 1,122 AWS-1 licenses in the 1710-1755 MHz and 2110-2155 MHz bands.

In today's Public Notice, the FCC established procedures designed to promote competition and efficiency in the AWS-1 auction. The FCC has decided that, unless a certain threshold level of likely competition among bidders exists before the bidding begins, as indicated by the level of upfront payments made by prospective bidders, it will not make the following information available until after the close of the auction: (1) bidders' license selections on their short form applications (Form 175); and (2) the identities of bidders that placed bids in each round, as well as other information on bidder activity and eligibility.

Under this approach, the FCC will disclose the identities of the bidders after the filing of the short form applications and the level of upfront payments of individual bidders after those payments are made. During the auction, with regard to individual bids, the FCC will disclose at the end of each round of bidding the gross amount of every bid placed in each round but not the identity of the bidder that placed any particular bid in that round.

If the auction appears likely to be competitive in advance of the start of the bidding, that is, if there is a modified threshold eligibility ratio of three or greater, the anticompetitive bidding behavior that the proposal was designed to prevent is less likely to be successful. Under those circumstances, the FCC would make available all information that has customarily been made available during an auction.

In the years since the FCC's auctions were first developed, economists and analysts have observed that bidders can use the information revealed over the multiple rounds in an FCC auction to signal each other to coordinate bids, retaliate against bidders that do not cooperate, or engage in other undesirable strategic behavior. Such behavior distorts prices and may lead to an inefficient assignment of spectrum licenses. Therefore, the competitiveness and economic efficiency of the auction may be enhanced if certain information about the auction is withheld and competing bidders are prevented from coordinating their bids with one another.

In past auctions, the FCC has established other procedures to limit coordination among competing bidders, such as requiring that bidders place bids in set amounts and limiting disclosure about the exact time at which bidders submitted their bids. Those procedures will continue to be used in Auction No. 66.

In addition, all of the AWS-1 licenses will be auctioned in a single auction using the simultaneous multiple-round auction format. Package bidding will not be used in this auction.

Finally, in today's Public Notice, the FCC established a reserve price for all of the licenses in the auction in order to comply with a statutory requirement aimed at funding the relocation of federal government entities that currently operate in the 1710-1755 MHz band. The total winning bids for the complete licenses, net of any bidding credits applicable at the close of bidding, must exceed approximately \$2.059 billion. The FCC will cancel the auction if the net winning bids at the close of the auction do not equal at least that amount.

Today's Public Notice also announced the other routine procedures that will be used to conduct Auction No. 66, such as the amounts of minimum opening bids and the method of determining minimum acceptable bids.

Action by the Commission on April 12, 2006, by Public Notice (FCC 06-47). Chairman Martin and Commissioner Tate, with Commissioners Copps and Adelstein concurring. Separate statements issued by Chairman Martin, Commissioners Copps, Adelstein, and Tate.

For additional information, contact William Huber, Wireless Telecommunications Bureau, at (202) 418-2109, or William.Huber@fcc.gov; or Erik Salovaara, Wireless Telecommunications Bureau, at (202) 418-7582 or Erik.Salovaara@fcc.gov.

AU Docket No. 06-30

– FCC –

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