

STATEMENT OF CHAIRMAN KEVIN J. MARTIN

Re: Auction of Advanced Wireless Services Licenses Scheduled for June 29, 2006; Notice and Filing Requirements, Minimum Opening Bids, Upfront Payments and Other Procedures for Auction No. 66 (AU Docket No. 06-30), FCC 06-47

Our action today is part of our continuing efforts to ensure the integrity of our auction processes. Auctions have proven to be an effective mechanism to assign efficiently spectrum licenses. Although our auctions have generally functioned well, allegations of collusive behavior have been raised in regard to past auctions. Despite various attempts to address these concerns, the Commission's auction processes continue to provide opportunities for various types of collusion and other anti-competitive bidding behavior. Unfortunately, the ongoing susceptibility of our auctions to these practices is no secret; methods for exploiting our auctions have been described in detail in articles directed specifically at the Commission's current auction format. In light of this evidence, I believe it is essential that we make an effort to foreclose anti-competitive bidding behavior in this auction.

In addressing these issues, we have taken into account the concerns raised by potential bidders and attempted to incorporate their proposals to the extent possible. I recognize that there may be some legitimate reasons why bidders want to observe the identities of the provisionally winning bidders. I also share the concerns of some commenters that a departure from past practices could have unintended consequences. I am also concerned, however, about the potential for anti-competitive bidding behavior in this auction, which could distort this auction. I believe the approach we adopt today – which is based upon a proposal supported by numerous commenters in the record – strikes an appropriate balance between these competing concerns.