Re: *Auction of Advanced Wireless Services Licenses Scheduled for June 29, 2006;*
        AU Docket No. 06-30

I am concurring in this item because of my overriding commitment to hold a timely Advanced Wireless Services (AWS) auction in June. I have been committed to this date for the past year, and do not think we are well served by having prolonged uncertainty in the auction procedures with less than a month before the Short-Form Application Filing Window Deadline of May 10, 2006. While I am pleased that the original proposal has been modified to reflect some of the legitimate concerns raised by the industry – companies that hopefully will bring billions of dollars to this auction, and even more investment to building out the spectrum – I cannot fully endorse the Public Notice (PN) adopted here today because so many important questions raised during the past several weeks remain unanswered for me.

By this PN, the Commission is being asked to adopt a proposal that could form "blind" or "anonymous" bidding procedures in the upcoming AWS auction. I understand that some of the Commission staff believe that in adopting blind bidding we are correcting a problem with the current auction structure. But while we have identified and fixed harms in the past related to auctions – such as trailing digits, time stamping, or bid withdrawal signaling – it is unclear to me what specific harms this proposal is intended to address. Indeed, our effort to develop a full record on this proposal has been hindered by the truncated process and timeframe that has been followed with respect to this item. Because the Wireless Telecommunications Bureau initiated this proposal on its own motion, the full Commission did not have the opportunity to shape the original proposal or add questions that may have helped inform the decision-making process. Under these circumstances, many commenters raise legitimate questions about whether there is solid evidence of a problem that needs to be corrected, particularly by an action so sweeping as blind bidding.

I am very troubled by the impact of this decision on small companies. I was originally told that small companies would benefit from our blind bidding proposal because it would protect them from becoming victims of large carrier bidding strategies. In an interesting twist, it is the smallest carriers who have spoken the loudest against the proposal. They have raised legitimate concerns about access to real time auction information that significantly informs their auction bidding strategy. They have pointed out to us that this is a completely new spectrum block with uncertain business models and equipment opportunities. Who is bidding and how much they are bidding plays a significant part in a smaller carrier's auction strategy.

As one Tier II carrier executive commented, participating in an auction is like placing a bet – we are perfectly willing to make that bet, but there is a big difference in making a blind bet versus an educated one. Without access to real time auction information, companies like this one may be forced to scale back their auction plans – an outcome completely inapposite to our statutory obligations under Section 309(j). Instead of developing auction procedures to promote

economic opportunities and competition for small businesses, we may in fact be turning them away by our actions today.

I recognize that there are policy reasons in support of blind bidding. Indeed, blind bidding might be the right approach for future auctions. And the blind bidding proposal definitely has been improved by adding a bidder eligibility ratio trigger and allowing increased information availability in the event blind bidding is used. So these are important steps that I hope will mitigate the effect of our proposal on any possible impact on small business participation in the AWS auction. But, with only 11 weeks left until the AWS auction, I continue to have lingering questions as to why we would experiment with dramatically new procedures on an auction of this size and scope.