



NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

News media Information 202 / 418-0500
TTY 202 / 418-2555
Fax-On-Demand 202 / 418-2830
Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

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:
March 18, 2008

NEWS MEDIA CONTACT:
Clyde Ensslin: (202) 418-0506
Chelsea Fallon: (202) 418-7991

STATEMENT BY FCC CHAIRMAN KEVIN J. MARTIN

Washington, D.C. – FCC Chairman Kevin J. Martin today announced the close of Auction 73 (the 700 MHz auction). The auction began on January 24, 2008, and closed today after 261 rounds of bidding. The FCC auction raised a record \$19.592 billion and helped advance new open platform policies.

Auction 73 Raised More Money Than Any Auction has Ever Raised

The \$19.592 billion in revenue raised in the 700 MHz auction is significantly more than raised in any past FCC auction. In comparison, the 2006 Advanced Wireless Service-1 (AWS-1) Auction raised \$13.9 billion.

The \$19.592 billion generated by the auction nearly doubled congressional estimates of \$10.2 billion. All other 68 auctions conducted by the FCC in the past 15 years collectively generated a total of only \$19.1 billion in receipts.

The proceeds generated from this auction will be transferred to the U.S. Treasury by June 30, 2008, and will be used to support public safety and digital television transition (DTV) initiatives.

The reserve prices for four of five spectrum blocks were met, and the gross provisionally winning bids secured on 1,090 licenses in these blocks totaled approximately \$19 billion. Even with open platform and aggressive build-out obligations, each of these blocks sold for more than AWS-1 blocks with comparable bandwidth and license areas. The eight unsold licenses in those blocks remain held by the FCC and will again be made available for commercial bidding in a future auction.

The gross provisionally winning bids on the 12 licenses in the 22-megahertz Upper C Block totaled \$4.75 billion, collectively exceeding the reserve price of \$4.6 billion. The gross provisionally winning bids on the A, B, and E Block licenses also met their reserve prices with bids totaling \$3.96 billion, \$9.14 billion, and \$1.27 billion, respectively. Total A, B, C, and E Block bids were more than twice the total of their reserve prices of \$8.724 billion.

An Open Platform Achieved

This auction provided an opportunity to have a significant effect on the next phase of wireless broadband innovation. With the open platform requirements on one-third of the spectrum, consumers will be able to use the wireless device of their choice on those networks and download whatever software or applications they want on it. The open platform will help foster innovation on the edge of the network, while creating more choices and greater freedom for consumers to use the wireless devices and applications of their choice. A network more open to devices and applications can help ensure that the fruits of innovation on the edges of the network swiftly pass into the hands of consumers.

Commitment to Public Safety

The 700 MHz Upper D Block of spectrum, which was dedicated to the creation of a Public Safety/Private Partnership to create a nationwide, interoperable network, did not receive a bid that met the \$1.3 billion reserve price established for this block. I believe the Commission remains committed to ensuring that we work to solve public safety's interoperability challenges. Because the reserve price for the D Block was not met in the 700 MHz auction, the FCC is now evaluating its options for this spectrum.

Highly Valuable Spectrum

The 700 MHz spectrum is attractive to both industry and public safety organizations because it is especially well-suited for wireless broadband, is capable of carrying large amounts of data, can travel far distances, and easily penetrates walls with great efficiency and speed – allowing for more effective and reliable wireless communications.

The next generation of wireless networks to be deployed in the 700 MHz Band will be faster than those available today, and they will extend to both urban and rural areas of the country. Wireless broadband will be able to reach unserved areas of the country, and it will bring increased competition to the broadband sector that is currently dominated by DSL and cable providers.

I proposed changes to the technical rules that helped make this auction a record success. We implemented anonymous bidding and package bidding for the first time in an auction of this size. This change increased the efficiency of the auction. We also changed the power limits for the A and B blocks which were not tailored to the provision of mobile broadband services. This modification made those blocks much more suited to the provision of these mobile services. This made a significant difference in the attractiveness of these blocks to service providers wanting to provide mobile services.

The Commission established the aggressive build-out requirements for the A, B, C and E blocks in the auction and required more comprehensive service coverage than other Commission license. These rules will ensure that the spectrum is quickly put to use by the auction winners to deploy new technologies and offer new services in both urban and rural areas of the country.

Further details about this and other FCC auctions can be accessed on the FCC's auctions web page at <http://wireless.fcc.gov/auctions> and FCC's Integrated Spectrum Auction System website at <http://auctions.fcc.gov>.

– FCC –

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