



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).

FOR IMMEDIATE RELEASE:
March 20, 2008

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STATEMENT BY FCC CHAIRMAN KEVIN J. MARTIN

Washington, D.C. – Federal Communications Commission (FCC) Chairman Kevin J. Martin today released additional information regarding the provisional winners in Auction 73 (the 700 MHz Auction). The Auction raised a record \$19.592 billion, advanced new wireless open platform policies, created opportunities for new entrants and small businesses both nationwide and in rural markets.

Expanded Opportunity for New Players Nationwide and in Rural Areas

A bidder other than a nationwide incumbent won a license in every market. As a result of the 700 MHz Auction, there is the potential for an additional wireless ‘third-pipe’ in every market across the nation. Additionally, 99 bidders, other than the nationwide wireless incumbents, won 754 licenses – representing approximately 69 percent of the 1090 licenses sold in the 700 MHz auction. The Auction therefore drew wide-ranging interest from a number of new players. For example, Frontier Wireless LLC (EchoStar), which is widely viewed as a new entrant, won 168 licenses in the E block to establish a near nationwide footprint for its services for consumers.

Non-nationwide incumbents showed significant interest in rural areas as well. 75 new players won licenses to serve 305 rural areas of the country (428 Rural Service Area licenses in total). Winners in these markets will provide increased access to broadband and greater choice in wireless service for consumers living in rural areas.

Small Businesses Success

The 700 MHz rules helped ensure advanced wireless services (including broadband) are deployed in both urban and rural areas of the country. In this auction 119 (56%) of 214 total qualified bidders and 56 (55%) of 101 total winning bidders claimed designated entity bidding credits as small businesses. These bidders won 379 (35%) of 1090 licenses. Small businesses then had similar success in this auction as in similar PCS and AWS auctions.

Open Platform and Build-out Conditions Endorsed

The open platform and aggressive build-out policies were endorsed by the bidders as evidenced by the record number of bids and revenues generated. Total bids on the A, B, C and E blocks were more than twice the total of their reserve prices of \$8.724 billion. Each of these blocks was sold for more than comparable blocks in the AWS-1 auction even with the Commission's aggressive build-out and open platform requirements.

The auction has already had an impact on the wireless industry. Following the Commission's decision to impose an open platform requirement on the C block, Verizon Wireless made a commitment to open its entire network to devices and applications of consumers' own choosing. Verizon wireless was the major winner in the C block acquiring the six CONUS REAGs plus Hawaii.

History-Making Auction

The auction which resulted in \$19.2 billion in gross winning bids and \$18.96 billion in net winning bids is the largest auction in FCC history even without the sale of the D block.

Even in a difficult economic climate, revenues raised in this auction exceeded congressional estimates of \$10.182 billion by approximately 187 percent – nearly twice the amount Congress had anticipated would be raised to support public safety initiatives, the digital television transition and \$7 billion in budget deficit reduction.

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>.

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