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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
June 5, 2012

FCC RELEASES WORKING PAPER ON ALLOCATING INTERFERENCE RIGHTS

Examines How a Market Can Be Used to Identify the Efficient Allocation of Interference Rights Among Licensees and Other Interested Parties

The Federal Communications Commission (FCC) today released the fourth of its new FCC Staff Working Papers. Entitled “Using a Market to Obtain the Efficient Allocation of Interference Rights,” this paper is by Mark M. Bykowsky and William W. Sharkey, Senior Economists in the Office of Strategic Planning and Policy Analysis (OSP). Their paper examines possible alternatives to the current administrative process for identifying the efficient allocation of signal interference rights.

The paper shows how the efficient allocation of such rights can arise from a multi-player game embedded into an auction where participants place bids reflecting the benefit or harm they would expect to incur due to signal interference. It also considers how to identify the efficient set of interference rights, as well as the efficient licensee, for yet-to-be auctioned spectrum (e.g., Advanced Wireless Services-3). In both cases, the authors demonstrate that an efficient outcome requires market participants to select a particular Nash equilibrium from a possibly large set of equilibria, a process that also may require them to solve a “collective action” problem.

The FCC Staff Working Paper series has replaced all of the earlier working paper series that had been issued by individual bureaus and offices. It is intended to encourage staff research that furthers the “expert” function of the agency and build agency intellectual capital. This active research program is managed by the Office of Strategic Planning and Policy Analysis (OSP).

The full text of this working paper is available at <http://www.fcc.gov/working-papers/>. The OSP contact is Chuck Needy, who can be reached at chuck.needy@fcc.gov.