

**STATEMENT OF  
COMMISSIONER MICHAEL J. COPPS**

*Re: Implementation of the Commercial Spectrum Enhancement Act and Modernization of the Commission's Competitive Bidding Rules and Procedures (Order on Reconsideration of the Second R&O, WT Docket No. 05-211).*

Today's reconsideration order reaffirms that this Commission will not tolerate unjust enrichment or fraud in the Designated Entity (DE) program. In light of allegations that some of our prior auctions were tainted by such practices, I believe we have a clear duty to take affirmative action to eliminate loopholes in our existing rules.

I repeat here what I have stated previously – we should have begun our consideration of these rules last summer. That would have given us an opportunity to reach consensus on the important question of which companies should be allowed to acquire a partnership interest in a DE. Unfortunately, revisiting that question at this point would mean further postponing the long-scheduled AWS auction. That we cannot do.

Study after study demonstrates that our nation's broadband infrastructure lags dramatically behind other industrialized nations. In order to reverse this trend, we must encourage "third pipe" technologies to provide some at least some challenge to the cable/telco broadband duopoly in our cities. In rural areas, the situation is even graver. The GAO recently announced that the Commission has not even properly *measured* the rural-urban broadband gap – a gap that no one disputes is both significant and deeply troubling. In underserved rural regions of our country, AWS spectrum can provide a desperately needed "first pipe." The upcoming auction can be an important step in making this happen.