

**STATEMENT OF
CHAIRMAN AJIT PAI**

Re: *Auction of Toll Free Numbers in the 833 Code*, AU Docket No. 19-101; *Toll Free Assignment Modernization*, WC Docket No. 17-192; *Toll Free Service Access Codes*, CC Docket No. 95-155.

In 1959, University of Chicago economist Ronald Coase popularized the idea that radio spectrum licenses could be allocated using auctions. He rejected the conventional wisdom that market forces could not be, or perhaps should not be, used to distribute such a scarce resource. He wrote, “Despite all the efforts of art dealers, the number of Rembrandts existing at a given time is limited; yet such paintings are commonly disposed of by auction.”¹ And spectrum should be no different, given that “the works of dead painters are not unique in being in fixed supply.”²

Six decades later, the FCC has held many spectrum auctions. Indeed, last week marked the 25th anniversary of the start of the FCC’s first spectrum auction. And today, we’re applying this now-accepted approach to another resource in limited supply—toll free numbers. On December 17, we’ll hold an auction of over 17,000 numbers in the 833 toll free code. The 833 Auction will serve as an experiment in using competitive bidding to assign toll free numbers equitably and efficiently. With this vote, we move one step closer to this first-of-its-kind auction by adopting detailed application, bidding, and post-auction procedures. These procedures will promote the transparency and efficiency of the 833 Auction and reduce the potential for conflicts of interest and anticompetitive strategic behavior by participants.

For their meticulous work in designing this experiment, I’d like to thank Rita Cookmeyer, Scott Mackoul, Eliot Maenner, Catherine Mataves, Giulia McHenry, Gary Michaels, Tajma Rahimic, and Margaret Wiener from the Office of Economics and Analytics; Pamela Arluk, Matthew Collins, Alex Espinoza, Justin Faulb, CJ Ferraro, Heather Hendrickson, Kris Monteith, and Jordan Reth from the Wireline Competition Bureau; Terry Cavanaugh, Rick Mallen, Linda Oliver, Bill Richardson, John Williams, and Chin Yoo from the Office of General Counsel; and Maura McGowan from the Office of Communications Business Opportunities. I look forward to reviewing the results of this experiment and applying the lessons we learn to the future assignment of toll free numbers.

¹ R.H. Coase, *The Federal Communications Commission*, 2 J. L. & Econ. 1, 20 (1959).

² *Id.*