

PCS Spectrum Auctions Continue At FCC

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Washington DC - October 19, 2000 - The FCC issued a Public Notice on October 13, 2000 announcing it would hold a second auction of broadband Personal Communications Services ("PCS") spectrum in the C and F blocks on February 13, 2001 (Auction #38). This auction of licenses for the 700 MHz "Guard Bands" follows a highly successful Guard Band auction just completed last month (Auction #33). Auction No. 33 awarded 96 out of the 104 Major Economic Area ("MEA") licenses offered in the 700 MHz Guard Bands. The 104 licenses included in the "Guard Band" auctions are located in 52 MEAs; each MEA includes one 4 megahertz license (consisting of paired 2 MHz blocks) and one 2 megahertz license (consisting of paired 1 MHz blocks).

During the period leading up to the February 2001 auction (Auction #38) several deadlines to be met by potential auction participants still remain to be set by the FCC; these include: filing deadline for FCC Form 175; up-front payments deadline; Bidding Preference Form deadline; and mock auction date.

The February 2001 auction will include 8 Guard Band Manager licenses that remained unsold in Auction No. 33. These include the following licenses: (1) Pittsburgh, PA. (Market No. MEA012 -- Block Bandwidth: A 2 MHz); (2) Columbus, OH (MEA014 -- B 4 MHz); (3) Little Rock, AR (MEA028 -- B 4 MHz); (4) Omaha, NE (MEA034 -- B 4 MHz); (5) Oklahoma City, OK (MEA037 -- B 4 MHz); (6) Hawaii (MEA048 -- B 4 MHz); (7) Guam & the Northern Mariana Islands (MEA049 -- B 4 MHz); and (8) American Samoa (MEA051 -- B 4 MHz).

The 700 MHz Guard Band encompasses six megahertz of spectrum, 746-747/776-777 MHz and 762-764/792-794 MHz. These frequencies are located immediately adjacent to the public safety spectrum, therefore, "guard bands" have been established to protect public safety users from interference. This spectrum was previously allocated to television stations on Channels 60-62 and 65-67 but was reallocated for commercial use in the guard bands for fixed and mobile services.

The Guard Band frequencies will be awarded through competitive bidding to "Guard Band Managers." The "Guard Band Manager" is a new class of commercial licensee engaged solely in the business of leasing spectrum to third parties on a for-profit basis. Guard Band Managers will be engaged in the business of subdividing the spectrum they have won and leasing it for value to third parties for both commercial and private wireless uses. The Guard Band Manager may subdivide its spectrum in any manner it chooses and make it available to system operators, or directly to end users so long as they adhere to the strict frequency coordination and interference rules established by the FCC, and control use of the spectrum so as to facilitate protection for public safety.

Speaking about this new type of licensing arrangement, FCC Chairman William E. Kennard stated that "Guard Band Managers are an innovative and efficient approach to spectrum management." "These companies" continued Kennard "have an exciting opportunity ahead of them to promote the development of secondary markets of spectrum usage. Winning companies will be able to rely on the ebb and flow of the marketplace to lease this spectrum to third parties for their unique business needs."

"Our approach to licensing this spectrum serves two important purposes," said Thomas Sugrue, Chief of the FCC's Wireless Telecommunications Bureau. "First, spectrum will be made available to commercial and private users under innovative leasing arrangements. Second, these spectrum users will operate in a manner that protects adjacent public safety spectrum users from interference."

For further information on this and other upcoming FCC auctions, visit the FCC's website at <http://www.fcc.gov/wtb/auctions>.

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