FEDERAL COMMUNICATIONS COMMISSION 1919 M STREET, N.W. WASHINGTON, D.C. 20554 News Media Information: (202) 418-0500 Fax-On-Demand: (202) 418-2830 Internet: http://www.fcc.gov ftp.fcc.gov

> DA 98-526 March 17, 1998

## FCC Announces Delay of 220 MHz Service Auction

The 220 MHz auction, previously scheduled to begin May 19, 1998, will be delayed pending Commission resolution of petitions for reconsideration. Within five (5) business days after release of Commission action on those petitions for reconsideration, the Wireless Telecommunications Bureau ("WTB") will release a Public Notice announcing key dates, procedures and terms for the 220 MHz Auction. Among the key dates will be the FCC Form 175 filing deadline. This deadline will be no less than sixty (60) days after the release of the Public Notice.

**220 MHz Service:** This auction will consist of 908 licenses in the Phase II 220 MHz service, with three nationwide, 30 Regional Economic Area Groupings ("220 MHz EAGs") and 875 Economic Area ("EA") licenses. The licenses encompass the following channels:

<u>Natio</u>	nwide Block	<u>Cl</u>	<u>nannels</u>
Channels 51-60			10
Chanr	nels 81-90		10
Chanr	nels 141-150		10
EA B	<u>lock</u>	<b>Channels</b>	
A:	Channel Groups <sup>1</sup> 2, 13		10
B:	Channel Groups 3, 16	10	
C:	Channel Groups 5, 18	10	
D:	Channel Groups 8, 19	10	
E:	Channel Groups 171-180		10
220 MHz EAG Block		<u>C</u>	<u>hannels</u>
F:	Channel Groups 1, 6, 11		15

See The Channel Groups indicated in the allocation plan are the 5-channel, non-contiguous assignments identified as "Group Nos. 1, 2, 3" etc., in Section 90.721(b) of the Commission's Rules, 47 C.F.R. § 90.721(b).

G:	Channel Groups 4, 9, 14	15
H:	Channel Groups 7, 12, 17	15
I:	Channel Groups 10, 15, 20	15
J:	Channel Groups 186-200	15

For general background on the Phase I 220 MHz Service, see, among other materials: Amendment of Part 90 of the Commission's Rules to Provide for the Use of the 220-222 MHz Band by the Private Land Mobile Radio Services, PR Docket No. 89-552, *Report and Order*, 6 FCC Rcd. 2356 (1991). Amendment of Part 90 of the Commission's Rules to Provide for the Use of the 220-222 MHz Band by the Private Land Mobile Radio Services, PR Docket No. 89-552, *Memorandum Opinion and Order*, 7 FCC Rcd. 4484 (1992).

For further information about the 220 MHz Service, see: Amendment of Part 90 of the Commission's Rules to Provide for the Use of the 220-222 MHz Band by the Private Land Mobile Radio Service, PR Docket No. 89-552, GN Docket No. 93-252, *Second Report and Order*, 11 FCC Rcd. 3668 (1996) (recon. pending). Amendment of Part 90 of the Commission's Rules to Provide for the Use of the 220-222 MHz Band by the Private Land Mobile Radio Service, PR Docket No. 89-552, *Fourth Report and Order*, 12 FCC Rcd. 13453 (1997). The Service and Auction Rules for the 220 MHz Service are codified at 47 C.F.R. Part 90, Sub-Parts T and W.

**For the auction rules for the Phase II 220 MHz Service, see:** Amendment of Part 90 of the Commission's Rules to Provide for the Use of the 220-222 MHz Band by the Private Land Mobile Radio Service, PR Docket No. 89-552, RM-8506, GN Docket No. 93-252, PP Docket No. 93-253, *Third Report and Order and Fifth Notice of Proposed Rulemaking*, 12 FCC Rcd. 10943 (1997) ("220 MHz Third Report and Order") (recon. pending).

FCC Auctions Telephone Number and Internet Site: All interested parties should contact the FCC National Call Center at 888-CALL-FCC (888-225-5322) Option #2, to request to be put on the mailing list for bidder information packages for the auction. By doing so, potential applicants ensure that they will receive a bidder information package detailing the specific terms and conditions of the auction. This is the only telephone number to contact to be placed on a mailing list for upcoming auctions.

In order to keep apprised of the FCC's auction schedule (which is subject to change), reports and orders, public notices, and all other relevant auction-related documents, the FCC strongly advises that all interested parties regularly visit its Internet web site. The World Wide Web ("www") URL address for the Auctions Home Page is: http://www.fcc.gov/wtb/auctions.html.

## **Bidder Alerts:**

- The Commission does not approve any individual investment proposal, nor does it provide a warranty with respect to any license being auctioned. Potential applicants and investors are reminded that winning a license in an FCC spectrum auction is not a guarantee of success in the marketplace.
- The FCC makes no representations or warranties about the use of spectrum for particular services. Applicants should be aware that an FCC auction represents an opportunity to become an FCC licensee, subject to certain conditions and regulations. An FCC auction does not constitute an endorsement by the FCC of any particular services, technologies, or products, nor does an FCC license constitute a guarantee of business success. Applicants should perform their individual due diligence before proceeding, as they would with any new business venture.
- The Federal Trade Commission (FTC) has found that some unscrupulous individuals have designed investment schemes around licenses auctioned or to be auctioned by the FCC. Investors or potential investors with inquiries or complaints about specific investment offerings may call the National Fraud Information Center, 1-800-876-7060, or visit that organization's Internet web site at www.fraud.org. They may also contact their state attorney general or state corporations office. The FTC and the Securities and Exchange Commission (SEC) receive complaints on investment fraud and offer consumer education materials. Investors or potential investors may contact the FTC at (202) 326-3128 or visit its Internet web site at www.ftc.gov, and may contact the SEC at (202) 942-7040 or visit its Internet web site at www.sec.gov.
- Potential applicants should also be aware of recent changes to many of the Commission's auctions rules, including whether to continue to permit small businesses to pay for licenses won in installment payments.<sup>2</sup> Changes are also being considered with respect to the attribution of gross revenues of investors in and affiliates of small businesses,<sup>3</sup> and have been adopted with respect to foreign ownership of U.S. telecommunications facilities.<sup>4</sup> Finally, potential applicants

<sup>&</sup>lt;sup>2</sup> See In the Matter of Part 1 of the Commission's Rules -- Competitive Bidding Procedures, Allocation of Spectrum Below 5 GHz Transferred from Federal Government Use, 4660-4685 MHz, WT Docket No. 97-82, ET Docket No. 94-32, Third Report and Order and Second Further Notice of Proposed Rule Making, 13 FCC Rcd 539 (1997) ("Part 1 Third Report and Order") at ¶ 43; 220 MHz Third Report and Order, supra.

<sup>&</sup>lt;sup>3</sup> Part 1 Third Report and Order at  $\P$ ¶ 183-187.

<sup>&</sup>lt;sup>4</sup> See Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, IB Docket No. 97-142, Market Entry and Regulation of Foreign-Affiliated Entities, IB Docket No. 95-22, Report and Order and Order on

should be aware that when FCC licenses are subject to auction (*i.e.*, because they are mutually exclusive) the recently enacted Balanced Budget Act of 1997 calls upon the Commission to prescribe methods by which a reasonable reserve price will be required or a minimum opening bid established, unless the Commission determines that a reserve price or minimum bid is not in the public interest.<sup>5</sup>

For further information contact Lisa Hartigan, Auctions and Industry Analysis Division, Wirless Telecommunications at (202) 418-0660 or Marty Liebman, Policy Division, Wireless Telecommunications Bureau, at (202) 418-1310.

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Reconsideration, 12 FCC Rcd 23891 (1997).

<sup>&</sup>lt;sup>5</sup>See Comment Sought on Reserve Prices or Minimum Opening Bids and Other Auction Procedural Issues for the Phase II 220 MHz Service, *Public Notice*, DA 98-48 (Wireless Tel. Bur., rel. January 13, 1998), 63 FR 2976 (January 20, 1998); Section 3002(a), Balanced Budget Act of 1997, P.L. 105-33, 111 Stat. 251 (1997); 47 U.S.C. § 309(j)(4)(F). The Commission's authority to establish a reserve price or minimum opening bid is set forth in 47 C.F.R. § 1.2104(c) and (d).