

ORIGINAL

EX PARTE OR LATE FILED

RECEIVED

APR 21 2000

FCC MAIL ROOM

April 21, 2000

The Honorable William E. Kennard
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Auction of Licenses in the 747-762 and 777-792 MHz
Bands Scheduled for June 7, 2000; WT Docket No. 99-
168.

Dear Mr. Chairman:

Verizon Wireless respectfully requests that the above-referenced auction for non-guard band 700 MHz spectrum be delayed for approximately one month. Under the current schedule, FCC Form 175s are required to be filed by May 8, with the auction commencing on June 7. Under Verizon Wireless's proposed schedule, a copy of which is attached, the filing deadline for FCC Form 175s for the auction would be June 8, with the auction commencing on July 12. As explained below, Verizon believes that the delay would still allow the Commission to meet the statutory deadline for depositing all proceeds from this auction with the U. S. Treasury and also ensure that potential bidders have sufficient time to fully and meaningfully participate in the auction.

While Verizon would prefer that there be no deadline for the auction, it is mindful that the Congress enacted a consolidated appropriations statute which requires the Commission to conduct the 700 MHz auction so that all auction receipts are deposited in the U.S. Treasury by September 30, 2000.¹ At the same time, Verizon notes that Section 309(j)(3)(E)(ii) of the Communications Act also requires that when scheduling competitive bidding, the Commission must ensure that an adequate period is allowed after issuance of bidding rules, "to ensure that interested parties have a sufficient time to develop business plans, assess market conditions, and evaluate the availability of equipment for the relevant services."²

¹ See *Consolidated Appropriations Act*, Appendix E, § 213. See also 145 Cong. Rec. H12493-94 (Nov. 17, 1999).

² See Section 309(j)(3)(E)(ii) of the Communications Act, 47 U.S.C. § 309(j)(3)(E)(ii).

No. of Copies rec'd 0
List ABCDE

Verizon believes that both statutes can be accommodated by the proposed delay in the auction. Revised Commission processes (including the abbreviated periods for granting applications after receipt of long-form applications and for filing petitions to deny) have significantly shortened the time necessary for conducting spectrum auctions and awarding licenses. For example, the past two auctions for licenses held by the Commission for full nationwide licensing were for the Paging and Radiotelephone Service and the Location and Monitoring Service.³ The paging auction was for 2,499 licenses throughout the United States and included dozens of participants, but was completed in only 6 business days. The LMS auction for 528 licenses was completed in just 9 business days. In contrast, the 700 MHz auction will be for only 12 licenses. Thus it is reasonable to assume that such an auction, even if more competitive than either the paging or LMS auction, will not continue for a period to exceed four weeks. With this assumption, the Commission may safely assume that the proposed postponement of the 700 MHz auction will not endanger the September 30, 2000 deadline.⁴

The delay would also allow the Commission to deal with numerous and continuing uncertainties related to the auction, uncertainties which complicate potential bidders' ability to develop business plans, assess market conditions, and prepare auction strategies. These uncertainties unnecessarily threaten broad participation in the auction. For example, the Commission is still considering such technical issues as emission mask limits and base/mobile transmit frequency pairings due to petitions for reconsideration filed in response to the *First Report and Order*.⁵ In addition, as various petitions for reconsideration of the *First Report and Order* suggest, numerous issues related to the relocation of incumbent broadcast stations in the 700 MHz spectrum need to be addressed by the Commission.⁶ Verizon hopes that many of the issues can be dealt with well in advance of the auction.

All of these issues create uncertainty about the auction and increase the difficulty of valuing the 700 MHz spectrum for auction purposes. The proposed delay would allow additional

³ The Commission has held other auctions for broadcast stations and reauctions for other services, but these auctions were not for nationwide service licensing and are therefore less instructive. Even there, however, these auctions did not last longer than several weeks.

⁴ The FCC has many procedures available to it to expedite an auction, including the number of bidding rounds per day. Even if, after deploying these procedures, this auction were to extend beyond a month, Verizon Wireless's proposed schedule would allow time to collect the auction revenues by September 30.

⁵ See *Service Rules for the 746-764 and 776-794 MHz Bands, and Revisions to Part 27 of the Commission's Rules, First Report and Order*, WT Docket No. 99-168, FCC 00-5 (rel. January 7, 2000) ("*First Report and Order*"), 65 Fed. Reg. 3139 (January 20, 2000). See e.g., Petitions for Reconsideration filed by U.S. West Wireless, TRW, Inc.

⁶ See e.g., Opposition of APCO to Petitions for Reconsideration of National Association of Broadcasters, the Association for Maximum Service Television, Inc., and the Association of Local Television Stations, Inc.; Petition for Reconsideration of National Association of Broadcasters; Petition for Reconsideration and/or Clarification by the Association of Local Television Stations, Inc.

time not only for Commission deliberation of those issues but also for potential bidders to evaluate the impact of any Commission decisions for purposes of the auction, a result clearly in keeping with Section 309 of the Communications Act.

In view of the above, Verizon Wireless respectfully asks that the Commission briefly postpone the impending 700 MHz auction for approximately one month. This extended period of time will clearly benefit the public and the Commission's auction and spectrum policies, by allowing the wireless industry to have as much information as possible in preparing for the auction. In view of the imminent deadline for submitting short-form applications, we would appreciate your earliest possible consideration of this request.

Sincerely,

John T. Scott III
John T. Scott, III
Counsel for Verizon Wireless

Attachment

cc: Magalie Roman Salas
The Honorable Susan Ness
The Honorable Harold Furchtgott-Roth
The Honorable Michael Powell
The Honorable Gloria Tristani
Ari Fitzgerald, Esq.
Mark Schneider, Esq.
Bryan Tramont, Esq.
Peter Tenhula, Esq.
Adam Krinsky, Esq.
Dr. Robert Pepper
Thomas Sugrue, Esq.
Kathleen O'Brien Ham, Esq.
Kelly Quinn, Esq.
Mark Bollinger, Esq.

Modified Timeline for 700 MHz Auction

Maintain dates for Seminar Registration and Pre-Auction Seminar at April 21 and April 24 respectively.

Start Date for Submission of FCC Form 175	May 24, 2000
Filing Deadline for FCC Form 175	June 8, 2000
Upfront Payments Due	June 22, 2000
Deadline for Submitting (via fax) Refund Wire Transfer Instructions	June 22, 2000
Deadline for Ordering Remote Bidding Software	June 22, 2000
Mock Auction	July 10, 2000
Auction Begins	July 12, 2000
Auction Ends (2 to 4 weeks)	August 9, 2000 (4 weeks)
Long-form applications due along with full payment	August 21, 2000 (10 days after auction close)

Modified timeline still allows a grace period of at least 30 days prior to the September 30, 2000 deadline for having funds deposited with the U. S. Treasury.