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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

April 27, 2000

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

Re: Auction of Licenses in the 747-762 and 777-792 MHz Bands
WT Docket No. 99-168

Dear Mr. Chairman:

U S WEST Wireless supports the requests of Verizon Wireless and others to delay the upcoming auction of 747-762 and 777-792 MHz licenses (the "700 MHz licenses"). A delay would allow the Commission time to conclude expedited rule making proceeding that would facilitate clearing broadcasters from channels 59-69. U S WEST Wireless believes that such clearing is necessary to pave the way for the more expeditious offering of new and exciting wireless services.

There is wide recognition that the 700 MHz spectrum has excellent propagation characteristics for wireless services. The ability to penetrate walls with minimal fading will enable a host of new wireless services to be delivered to homes and offices. Further, with the significant uncertainties concerning the availability of other appropriate spectrum for use in the foreseeable horizon, the 700 MHz licenses may represent one of only a few remaining opportunities to offer new wireless services.

However, as any party seriously interested in the licenses is painfully aware, significant challenges exist to rapid implementation of services in this band. Because incumbent broadcasters have the right to continue over-the-air analog broadcasts for a long and indefinite period, we are extremely concerned about the possibilities of "hold out" situations requiring payment of substantial premiums to clear the spectrum, as well as the daunting prospect of having to negotiate with broadcasters individually which could delay services.

We are having a difficult time determining what amounts should be paid for the 700 MHz licenses at auction and what amounts should be held in reserve to clear the incumbent broadcasters. We are having a difficult time assessing when we could begin marketing services in any given market.

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We applaud your efforts to expedite broadcasters' conversion to digital television. We also appreciate your public statements encouraging private negotiations regarding relocation. We follow with interest the efforts of Spectrum Exchange Group to conduct a private auction in advance of the Commission's 700 MHz auction in which broadcasters would agree to clear or relocate from the 700 MHz band.

But more is needed to develop some orderly process for the relocation of the incumbent broadcasters. U S WEST Wireless requests the Commission consider specific measures to facilitate the clearing of channels 59-69. For example, the Commission should consider adopting a requirement that broadcasters relocate to lower channels to the extent that lower channels are available. Such a requirement would allow new 700 MHz licensees to negotiate with a broader pool of broadcasters, minimizing the potential for hold outs. The Commission should also confirm that an analog station that transitions to DTV broadcasts before the end of the statutory transition period would continue to enjoy the same cable carriage rights as analog stations that do not. In this way, viewers who currently receive channel 59-69 programming through their cable services would continue to have access to the programming during the transition period.

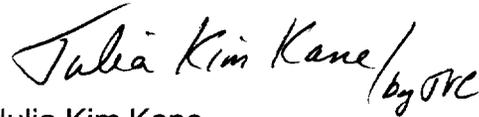
Finding solutions to the issue of incumbent broadcasters is an important goal. The public policy stakes are high.

- First, it is important to remember that the second channels for digital conversion were granted to the broadcasters absolutely free. Billions of dollars that otherwise would have been paid into the U.S. Treasury for the benefit of the public are likely to be diverted to a handful of broadcasters as windfalls. Commission action could prevent broadcasters from realizing huge windfalls and limit payment to the costs of relocation. This way, the Commission could ensure that a greater portion of the value of the licenses be paid for the benefit of taxpayers.
- Second, broadcasters who "hold out" will effectively prevent the public from receiving new services such as high speed access to the Internet delivered in new ways to their homes and offices.

For these reasons, U S WEST Wireless supports a delay of the 700 MHz auction to allow the Commission to solicit further comment and conclude additional rule making proceedings. We believe that such a delay will allow the Commission to find solutions to

the incumbency issue, paving the way for a successful 700 MHz auction and the rapid implementation of new broadband services to the public.

Very truly yours,

A handwritten signature in cursive script that reads "Julia Kim Kane" followed by a smaller signature that appears to be "by JVC".

Julia Kim Kane

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.
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