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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Gregory W. Peterson, Chairman

January 17, 2001

Chairman William E. Kennard  
Commissioner Michael K. Powell  
Commissioner Susan Ness  
Commissioner Harold Furchtgott-Roth  
Commissioner Gloria Tristani  
Federal Communications Commission  
The Portals  
445 12th Street, S.W.  
Washington, D.C. 20554

**Re: WT Docket No. 99-168**  
**CS Docket No. 98-120**  
**MM Docket No. 00-83**

Dear Chairman Kennard and Commissioners:

The FCC is the final stages of completing its most successful spectrum auction to date with the C&F Block Auction producing over 16 billion dollars for the United States Treasury. Less than two months from now, the FCC is scheduled to begin its auction of the 700 MHz spectrum which, by all objectives standards, could produce revenues far in excess of the C&F Block Auction. However, that optimistic picture is currently clouded by the FCC's failure to issue its further Report and Order in WT Docket No. 99-168.

On June 30, 2000, when the FCC issued its reconsideration decision on the 700 MHz service rules, it initiated a further Notice of Proposed Rulemaking seeking comment on a number of issues, including voluntary band clearing agreements with incumbent television broadcasters, third party agreements to clear the band and possible secondary auctions to clear the band. Comments and reply comments have been filed in this proceeding and it has been informally reported that the FCC hopes to issue its decision and adopt final band clearing rules sometime in January, 2001. It is imperative that the FCC meet this deadline, and the sooner the better, if it is to proceed with the scheduled March 6, 2001 auction. As you are well aware, the filing deadline for the FCC Form 175s for this auction is February 2, 2001 and upfront payments must be made by February 16, 2001.



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The final band clearing rules adopted by the FCC will need to be reviewed and digested by both incumbent broadcasters and the 700 MHz bidders in order for them to facilitate intelligent band clearing procedures and take account of these issues in their auction valuations. It is imperative that the FCC provide all parties with this important guidance so that the Congressionally-mandated spectrum auctions can occur, as scheduled, and with broadcasters and auction bidders facing their decisions with clear, intelligible FCC rules.

I urge the Commission to promptly conclude its further rulemaking and to publicly announce its final band clearing procedures.

Very truly yours,

Lowell W. Paxson

Chairman

Paxson Communications Corporation