



MEMORANDUM

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**Via Electronic Comment Filing System**

To: Marlene H. Dortch, Secretary, Federal Communications Commission  
From: Peter Cramton  
Date: April 27, 2002  
Re: *Ex Parte Presentation, DA 02-971*

Dear Ms. Dortch,

On behalf of Spectrum Exchange, you are hereby notified that on April 24, 2002, Larry Ausubel, and I met with David Sappington, FCC Chief Economist, Evan Kwerel, and John Williams, and discussed Spectrum Exchange's letter to Chairman Powell filed April 4, and the attached document summarizing arguments supporting the June 19<sup>th</sup> auction date for the 700 MHz auction.

In accordance with Section 1.49(f)(1) of the Commission's Rules, one electronic copy of this letter is being submitted via the Commission's Electronic Comment Filing System for inclusion in the record in the above-captioned proceeding.

Respectfully submitted,

A handwritten signature in black ink that reads "Peter Cramton". The signature is written in a cursive, flowing style.

Peter Cramton, Chairman  
Spectrum Exchange Group, LLC  
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Bethesda MD 20816-2102  
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Attachment

Cc: David Sappington, Evan Kwerel, and John Williams



## Ex Parte Presentation on 700 MHz Auctions, April 24, 2002 Spectrum Exchange Group, LLC

### Voluntary clearing of the 700 MHz spectrum is close to becoming a reality

- The *Order on Reconsideration of the Third Report & Order* (September 2001) was extremely helpful in settling most uncertainty concerning the voluntary band-clearing regime and in encouraging participation
- Spectrum Clearing Alliance has formally constituted and is adding broadcasters daily
- Allen & Company Incorporated and Spectrum Exchange are working closely with the Spectrum Clearing Alliance to form band-clearing arrangements
- Spectrum clearing arrangements for channels 59–69 are an effective way to free up 30 MHz of commercial spectrum and 6 MHz of private wireless spectrum, thereby alleviating the acute spectrum shortage faced by the U.S.
- Spectrum clearing arrangements for channels 59–69 also answer the question of how the 24 MHz of public safety spectrum will be cleared: by the commercial licensees
- The alternative to a June auction date and to spectrum clearing arrangements for channels 59–69 is the gross underutilization of this prime spectrum for the foreseeable future

### Recent arguments for delaying Auction No. 31 are specious

- The delay of Auction No. 31 to FY 2004 and Auction No. 44 to FY 2006 was proposed in the *FY 2002 Budget Blueprint* (Feb. 28, 2001), the *FY 2002 Budget* (Apr. 9, 2001), and the *FY 2003 Budget* (Feb. 4, 2002). Congress has declined to act
- CTIA's April 3, 2002 Letter recycles the same arguments made in CTIA's July 2000 Letter and reflect incumbents' incentive to restrict new capacity to limit competition
- Cingular's April 2002 proposal to relocate existing 800 MHz public safety operations to the 700 MHz is late, vague, and leaves completely unanswered how the 700 MHz spectrum would be cleared in any reasonable timeframe
- If the Communications Act required auctions to be postponed whenever there was any uncertainty about future spectrum supplies or future spectrum allocations, we would still be waiting for the first U.S. spectrum auction to be held

### Auction No. 31 should proceed on June 19, 2002

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