

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Service Rules for the 746-764 and 776-794 MHz Bands, and Revisions to Part 27 of the Commission’s Rules)	WT Docket No. 99-168
)	
Carriage of the Transmissions of Digital Television Broadcast Stations)	CS Docket No. 98-120
)	
Review of the Commission’s Rules and Policies Affecting the Conversion to Digital Television)	MM Docket No. 00-39
)	

To: The Wireless Telecommunications Bureau

COMMENTS OF SPECTRUM EXCHANGE GROUP, LLC

Spectrum Exchange Group, LLC (“Spectrum Exchange”) hereby submits these comments on DA 01-143 (“Wireless Telecommunications Bureau Seeks Comment on Request for Postponement of Auction of Licenses in the 747-762 and 777-792 MHz Auction”). We believe that the public interest is best served by postponing Auction No. 31 (“700 MHz Auction”) by two to four months. Our reasons are as follows:

- (1) Auction No. 35 (“C and F Auction”) is still ongoing. We agree with Verizon Wireless that bidders will require some time after the conclusion of the C and F Auction to prepare for the 700 MHz Auction.
- (2) We take note that the Third Report and Order (FCC 01-25) was released yesterday. While we commend the Commission for setting rules that will facilitate the efficient resolution of interference issues in the 700 MHz band, we believe that it will take some time for the interested parties to fully digest these clarifications and to enter into

- voluntary band clearing mechanisms. In particular, the Commission clarified in the Third Report and Order (¶¶46-47) that participation in a secondary auction or band-clearing agreement is consistent with the Commission’s anti-collusion rules, but is covered by the Commission’s disclosure requirements. It further noted that bidders may wish to take advantage of the “safe harbor” provided by including such agreements on the bidders’ short-form applications. The current short-form deadline of February 2, 2001 is simply too soon for these agreements to be signed.
- (3) We also agree with the view expressed by some broadcasters—notably Paxson Communications Corporation—that excessive delay is destructive to the public interest. Because of the unique propagation characteristics of the 700 MHz spectrum, a successful auction should greatly accelerate the adoption of 3G wireless technology in this country. The United States is at risk of falling seriously behind Asia and Europe with respect to the availability of 3G services. It would be wrong to delay the 700 MHz Auction until after the 3G rulemaking is concluded, since that would undercut the very objective of the 3G rulemaking and needlessly put the U.S. further behind. We therefore urge the Commission *not* to postpone the 700 MHz Auction for any more than four months.

Spectrum Exchange concludes that postponing the 700 MHz Auction between two and four months from March 6, 2001 strikes the appropriate balance between the needs of the bidders and incumbent broadcasters to establish a band-clearing agreement and the urgency of putting this valuable spectrum to its best use.

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Respectfully submitted,

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