

[Home](#) / [Economics and Analytics](#) / [Auctions](#)

Auction 44: Lower 700 MHz Band

Go to an auction

Select an Auction



Summary

General Releases

Archived Auction Releases

Broadcast Incentive Auction

CAF-II Auction (Auction 903)

833 Auction

Prohibited Communications

Conferences

Consumer Alert

Tribal Lands Credits

About Form 175

Band Plans

Maps

Experiments, Papers & Studies

Round Results

Tracking Tools

C & F Block Payment Information

Cross References

Contact Auctions

Summary

Fact Sheet

Releases

Results

Application Search

Fact Sheet

Date:

Auction 44 began on 8/27/2002 and closed on 9/18/2002.

Round 84 (See PN DA 02-2323)

Licenses:

734 MSA/RSAs licenses, 6 Economic Area Groupings (EAG)

Total of 740 licenses

Spectrum:

MSA/RSA Block C: (710-716, 740-746 MHz)

EAG Block D: (716-722 MHz)

Bandwidth:

Block C: 12 MHz (2 x 6 MHz paired) in each MSA/RSA

Block D: 6 MHz (unpaired) in each EAG

Winning Bidders:

102 bidders won 484 licenses

Rounds:

84

Qualified Bidders:

125

Licenses Won:

484

Licenses Held by FCC:

256

Total Licenses:

740

Net Bids:

\$88,651,630

Gross Bids:

\$116,118,800

General information and associated licensing parameters are provided below. Public Notices provide specific information regarding this auction. This fact sheet includes:

- Key Dates
- Licenses Offered
- Permissible Operations
- License Period
- Bidding Credits
- Tribal Land Credits
- Incumbents
- Licensing Rules

Key Dates

Event	Date
Pre-Auction Seminar	5/1/2002
Form 175 (Short Form) Application Filing Deadline	5/8/2002; 6:00 pm ET
Upfront Payments Deadline	5/28/2002; 6:00 pm ET
Mock Auction	8/22/2002
Auction Start	8/27/2002
Auction Closed	9/18/2002

Licenses Offered

Auction No. 44 offered 740 licenses in the Lower 700 MHz band. One 12-megahertz block consisting of a pair of 6 megahertz segments was offered in each of 734 MSA/RSAs. Additionally, one 6-megahertz blocks of contiguous, unpaired spectrum was offered in each of six regions known as the 700 MHz band economic area groupings (700 MHz band EAGs).

A complete listing of the licenses for Auction No. 44 is provided in Attachment A of Public Notice DA 02-1491. Initially this auction included licenses in Blocks A, B, and E. However these licenses were removed from this auction as a result of the Auction Reform Act.

Permissible Operations

Flexible fixed, mobile, and broadcast uses, including mobile and other digital new broadcast operations, fixed and mobile wireless commercial services (including FDD- and TDD-based services), as well as fixed and mobile wireless uses for private, internal radio needs. Could also include two-way interactive, cellular, and mobile television broadcasting services.

License Period

License expiration date is January 1, 2015 for Lower 700 MHz Band licenses. This expiration date was set for eight years after the earliest date that incumbent broadcasters may be required to vacate the Lower 700 MHz Band. For licensees that elect to commence new broadcast operations prior to 1/1/07, their renewal deadline will be set at the end of an eight-year term following commencement of such broadcast operations. All licensees meeting the substantial service requirements will be deemed to have met renewal expectancy regardless of which construction options the licensee chooses.

Bidding Credits

Bidding credits are available to small, very small businesses or entrepreneurs or consortia thereof, (as defined in 47 C.F.R. § 1.2110(f), 27.702. A bidding credit represents the amount by which a bidder's winning bids are discounted. The size of the bidding credit depends on the average annual gross revenues for the preceding three years of the bidder, its affiliates, its controlling interests, and the affiliates of its controlling interests:

- A bidder with attributed average annual gross revenues of not more than \$40 million for the preceding three years ("small business") receives a 15 percent discount on its winning bids for 698-746 MHz licenses;
- A bidder with attributed average annual gross revenues of not more than \$15 million for the preceding three years ("very small business") receives a 25 percent discount on its winning bids for 698-746 MHz licenses;
- A bidder with attributed average annual gross revenues of not more than \$3 million for the preceding three years ("entrepreneur") receives a 35 percent discount on its winning bids for the 734 MSA/RSA licenses in the Lower 700 MHz band. This definition applies only with respect to licenses in Block C (710-716 MHz and 740-746 MHz) as specified in § 27.5(c)(1).

Bidding credits are not cumulative. A qualifying applicant receives either the 15 percent, 25 percent or the 35 percent bidding credit, but not more than one of them.

Tribal Land Credits

A winning bidder that intends to use its license(s) to deploy facilities and provide services to federally-recognized tribal lands that are unserved by any telecommunications carrier or that have a telephone service penetration rate equal to or below 70 percent is eligible to receive a tribal land bidding credit as set forth in 47 C.F.R. § 1.2107 and 1.2110(f). A tribal land bidding credit is in addition to, and separate from, any other bidding credit for which a winning bidder may qualify.

Unlike other bidding credits that are requested prior to the auction, a winning bidder applies for the tribal land bidding credit after winning the auction when it files its long-form application (FCC Form 601). In order for a winning bidder to be awarded a tribal land bidding credit, it must provide specific certifications regarding the servicing of tribal lands and is subject to specific performance criteria as set forth in 47 C.F.R. § 1.2110(f).

Additional information on the tribal land bidding credit, including how the amount of the credit is calculated, can be found on the Commission's web site by going to Tribal Land Bidding Credits.

Incumbents

There are a number of incumbent broadcasters already licensed and operating on these frequencies. 698-746 MHz licensees in accordance with the Commission's Rules must protect such incumbents from harmful interference. These limitations may restrict the ability of such geographic area licensees to use certain portions of the electromagnetic spectrum or provide service to certain regions in their geographic license areas.

Please check the summary page for Public Notices that provide due diligence information on licensees operating in these bands. The Commission makes no representations or guarantees that the matters listed in this Due Diligence Announcement are the only pending matters that could affect spectrum availability in these services.

Licensing Rules

1. There are no eligibility restrictions.
2. Applicants may aggregate Lower 700 MHz Band spectrum. See Reallocation and Service Rules for the 698-746 Spectrum MHz Band (Television Channels 52-59), GN Docket 01-74, Report and Order, 17 FCC Rcd 1022, at 1074 136, 17 FCC Rcd at 1076 142 (2002).
3. Incumbent licensees are present in the band.
4. Partitioning and/or disaggregation is permitted.

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