

107TH CONGRESS
2^D SESSION

H. R. 4560

IN THE SENATE OF THE UNITED STATES

MAY 8, 2002

Received

MAY 9, 2002

Read the first time

AN ACT

To eliminate the deadlines for spectrum auctions of spectrum
previously allocated to television broadcasting.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Auction Reform Act
3 of 2002”.

4 **SEC. 2. FINDINGS.**

5 The Congress finds the following:

6 (1) Circumstances in the telecommunications
7 market have changed dramatically since the auc-
8 tioning of spectrum in the 700 megahertz band was
9 originally mandated by Congress in 1997, raising se-
10 rious questions as to whether the original deadlines,
11 or the subsequent revision of the deadlines, are con-
12 sistent with sound telecommunications policy and
13 spectrum management principles.

14 (2) No comprehensive plan yet exists for allo-
15 cating additional spectrum for third-generation wire-
16 less and other advanced communications services.
17 The Federal Communications Commission should
18 have the flexibility to auction frequencies in the 700
19 megahertz band for such purposes.

20 (3) The study being conducted by the National
21 Telecommunications and Information Administration
22 in consultation with the Department of Defense to
23 determine whether the Department of Defense can
24 share or relinquish additional spectrum for third-
25 generation wireless and other advanced communica-
26 tions services will not be completed until after the

1 June 19th auction date for the upper 700 megahertz
2 band, and long after the applications must be filed
3 to participate in the auction, thereby creating fur-
4 ther uncertainty as to whether the frequencies in the
5 700 megahertz band will be put to their highest and
6 best use for the benefit of consumers.

7 (4) The Federal Communications Commission
8 is also in the process of determining how to resolve
9 the interference problems that exist in the 800
10 megahertz band, especially for public safety. One op-
11 tion being considered for the 800 megahertz band
12 would involve the 700 megahertz band. The Com-
13 mission should not hold the 700 megahertz auction
14 before the 800 megahertz interference issues are re-
15 solved or a tenable plan has been conceived.

16 (5) The 700 megahertz band is currently occu-
17 pied by television broadcasters, and will be so until
18 the transfer to digital television is completed. This
19 situation creates a tremendous amount of uncer-
20 tainty concerning when the spectrum will be avail-
21 able and reduces the value placed on the spectrum
22 by potential bidders. The encumbrance of the 700
23 megahertz band reduces both the amount of money
24 that the auction would be likely to produce and the
25 probability that the spectrum would be purchased by

1 the entities that valued the spectrum the most and
 2 would put the spectrum to its most productive use.

3 (6) The Commission’s rules governing voluntary
 4 mechanisms for vacating the 700 megahertz band by
 5 broadcast stations—

6 (A) produced no certainty that the band
 7 would be available for advanced mobile commu-
 8 nications services, public safety operations, or
 9 other wireless services any earlier than the ex-
 10 isting statutory framework provides; and

11 (B) should advance the transition of digital
 12 television and must not result in the unjust en-
 13 richment of any incumbent licensee.

14 **SEC. 3. REPEAL OF DEADLINES FOR SPECTRUM AUCTIONS.**

15 (a) COMMUNICATIONS ACT OF 1934.—Section
 16 309(j)(14)(C)(ii) of the Communications Act of 1934 (47
 17 U.S.C. 309(j)(14)(C)(ii)) is amended by striking the sec-
 18 ond sentence.

19 (b) BALANCED BUDGET ACT OF 1997.—Section
 20 3007 of the Balanced Budget Act of 1997 (111 Stat. 269)
 21 is amended by adding at the end the following new sen-
 22 tence: “This section shall not apply to the band of fre-
 23 quencies between 698 and 806 megahertz, inclusive.”.

24 (c) CONSOLIDATED APPROPRIATIONS ACT.—Para-
 25 graphs (2) and (3) of section 213(a) of H.R. 3425 of the

1 106th Congress, as enacted into law by section 1000(a)(5)
2 of an Act making consolidated appropriations for the fiscal
3 year ending September 30, 2000, and for other purposes
4 (Public Law 106–113; 113 Stat. 1501A–295), are re-
5 pealed.

6 **SEC. 4. TERMINATION OF SCHEDULED AUCTIONS.**

7 (a) **TERMINATION.**—The Federal Communications
8 Commission shall not commence or conduct auctions 31
9 and 44 on June 19, 2002, as specified in the public notices
10 of March 19, 2002, and March 20, 2002 (DA 02–659 and
11 DA 02–563).

12 (b) **REPORT.**—Within one year after the date of en-
13 actment of this Act, the Commission shall submit a report
14 to the Congress—

15 (1) specifying when the Commission intends to
16 reschedule auctions 31 and 44; and

17 (2) describing the progress made by the Com-
18 mission in the digital television transition and in the
19 assignment and allocation of additional spectrum for
20 advanced mobile communications services that war-
21 rants the scheduling of such auctions.

22 **SEC. 5. COMPLIANCE WITH AUCTION AUTHORITY.**

23 The Federal Communications Commission shall con-
24 duct rescheduled auctions 31 and 44 prior to the expira-

1 tion of the auction authority under section 309(j)(11) of
2 the Communications Act of 1934 (47 U.S.C. 309(j)(11)).

3 **SEC. 6. PRESERVATION OF BROADCASTER OBLIGATIONS.**

4 Nothing in this Act shall be construed to relieve tele-
5 vision broadcast station licensees of the obligation to com-
6 plete the digital television service conversion as required
7 by section 309(j)(14) of the Communications Act of 1934
8 (47 U.S.C. 309(j)(14)).

Passed the House of Representatives May 7, 2002.

Attest:

JEFF TRANDAHL,

Clerk.