



PUBLIC NOTICE

Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

News Media Information 202 / 555-0401
Fax-On-Demand 202 / 555-0401
TTY 202 / 555-0401
Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

FCC 09-401401

Release Date: APRIL 1, 2009

FCC ANNOUNCES STRATEGIC PARTNERSHIP WITH EBAY

In an effort to improve service through public/private partnerships, the FCC has entered into a Strategic Partnership with eBay, the on-line auction site on which all future spectrum auctions will be conducted. Recently-announced Auction No. 79, featuring 122 FM construction permits, will be the first such auction. It is scheduled to begin on September 1, 2009.¹

The innovative Strategic Partnership will allow the Commission to take advantage of multiple significant synergistic aspects of the auction model pioneered by eBay. The popular and convenient “Buy It Now” feature will be available with respect to certain select permits, allowing the Commission to price those permits to sell quickly. Additionally, unlike the FCC’s previous auction mechanism, the new on-line interface will permit the Commission to include scenic photographs and promotional information concerning the communities associated with each of the permits. It is expected that these features will increase interest among potential bidders and lead to significantly greater bid amounts per channel and, thus, greater financial return to the Federal Government.

The FCC anticipates important efficiencies by turning over the payment collection process to eBay as well. eBay owns PayPal™, the widely recognized on-line payment and money transfer service. Prospective spectrum bidders will be required to obtain PayPal™ accounts (in the unlikely event that they do not already have such accounts), and to make all payments through the PayPal™ system. Reliance on PayPal™ will permit the Commission to eliminate the costs and administrative burdens historically associated with maintenance of its CORES and FCC Registration Numbering systems.

Use of the eBay system will also provide a greater measure of assurance concerning bidders’ qualifications through eBay’s “feedback” system. All bidders’ personal bidding histories will be scrutinized prior to the commencement of any auction. Bidders with two or more instances of “negative” feedback relative to *any* eBay auction within the 10 years prior to the FCC auction will be subject to a 10% surcharge on all successful bids.

As an inducement to join with the FCC in this enterprise, eBay will receive a 20% commission on all spectrum sales. (In order to offset this new cost factor, the Commission has eliminated “bidding credits” from its auction process. Bidders in all future auctions will be competing on a dollar-for-dollar basis – with the exception, of course, of bidders whose unreliability is established through a history of “negative” feedback reports.) Also, eBay has been given the naming rights to the FCC’s headquarters

¹ See Public Notice, *Auction of FM Construction Permits*, DA 09-422, rel. February 27, 2009.

(formerly known as “The Portals”). An identifying sign has been placed atop the building.

No FCC personnel will lose their positions as a result of the FCC/eBay partnership. The existing staff of the Auctions and Spectrum Access Division of the Wireless Telecommunications Bureau will initially be tasked to implement the transition of auction duties to eBay. Upon the completion of that process, they will be delegated to assist with the DTV Transition, staffing phone banks at the FCC’s Call-In Center and assisting in the installation of digital converter boxes and appropriate rabbit ear antennas. When the DTV Transition has been completed (projected date: 2015), remaining FCC staff members will be assigned to serve on Skype Customer Support lines. (Skype is owned by eBay.)

The “Strategic Partnership” also calls for eBay to provide the FCC with a 0.5% discount on Skype telephone service for selected users.

For further information about this Public Notice and the FCC/eBay Strategic Partnership, contact Poisson d’Avril at poisson.d-avril.happyaprilfoolsday@fcc.gov.

- FCC -