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## **October BRS Auction Gets More or Less Interesting**

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Last issue we reported that the FCC had announced the auction this fall of slivers and pieces of various Broadband Radio Service BTAs that had for one reason or another fallen back into the public domain. At the time, we groused that the FCC had set the minimum prices way too high for small pieces of spectrum that were not only outside of population centers but highly encumbered by other licensees. In response to two commenters who complained about this flaw in the auction proposal, the FCC decided to re-calculate the minimums to reflect the high level of incumbency in many of the markets. The result is that many of the larger markets will be far more affordable to interested parties; the upside to the Federal treasury is that many of these same markets will now be bid on rather than going unpurchased and lying fallow for an indefinite number of additional years.

Another positive development was that the FCC at long last resolved the status of later-filed renewals which had languished for many years in administrative limbo. (*See* story on page 8.) This ruling allows prospective bidders to know for sure who the other licensees in the market are and which spectrum is actually vacant.

On the other hand, the FCC clarified that winners of the BRS licenses in the auction will be bound by the same 2011 “substantial service” deadline that applies to all other BRS licensees. That means that winners may have only a year or so to build out their systems. Although the Commission left open the possibility that winners could request an extension of time, such a request would be at their peril. So the Commission has again cast a pall on the value of these licenses.

What would happen if they held an auction and nobody came? Short form applications for this auction are due no later than August 18, 2009. We'll find out then.