

Auction of Multichannel Video Distribution and Data Services Licenses

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The Commission recently released a Public Notice announcing an auction of Multichannel Video Distribution and Data Service ("MVDDS") licenses to begin on February 12, 2003. Up for auction will be 354 Component Economic Area ("CEA") licenses for operation in the 12.2 - 12.7 GHz band. Following are key dates relevant to the auction:

- Auction Seminar - December 11, 2002
- Short Form Application Deadline - December 20, 2002
- Upfront Payment Deadline - January 17, 2003
- Mock Auction - February 7, 2003
- Auction Begins - February 12, 2003

Cable operators will be prohibited from acquiring an attributable interest in an MVDDS license where significant overlap of the cable operator's service area and the license area is present. Significant overlap is deemed to exist in the case of a cable operator whose subscribers make up at least thirty five (35) percent of the MVPD households in a CEA. These operators will be precluded from obtaining an attributable interest in an MVDDS license for that CEA. The Commission adopted a twenty (20) percent attribution threshold for MVDDS licensees.

The Commission did not adopt any other eligibility restrictions other than its existing foreign ownership rules. The Commission specifically declined to restrict DBS providers' eligibility to acquire MVDDS authorizations.

The Public Notice contains a list of the licenses to be auctioned. One block of 500 MHz will be available for each CEA. The Commission will issue further public notices seeking comment on specific terms and conditions for the auction.

June 5, 2002