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Series: Saunders, G. Timothy (Tim) - Bill Files

Folder Title: 06/19/2002 [H.R. 4560] [771328]

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FG006-01

Barcode Scanning Sheet



Collection Code: **SECLOG**

Staff Name:

Document Date:

Correspondent: **TIM SAUNDERS**

Subject/Description: **OVERSIZE ATTACHMENT # 9466 NARA # 9357 BOX 2
FOLDER 11 BILL FILE RECEIVED FROM THE OFFICE OF
THE EXECUTIVE CLERK - JUN 19 02 ENROLLED BILL H.R.
4560 - AUCTION REFORM ACT**



THE PRESIDENT HAS SEEN
6-19-02
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

June 18, 2002

02 JUN 18 PM 7:07

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 4560 - Auction Reform Act
Sponsors - Rep. Tauzin (R) Louisiana and 54 cosponsors

Last Day for Action

We recommend approval of H.R. 4560 before 9:00 a.m. on Wednesday, June 19, 2002, when the Federal Communications Commission is scheduled to begin auctions of licenses for spectrum.

Purpose

Prohibits the Federal Communications Commission from conducting the auctions of licenses for spectrum scheduled for Wednesday, June 19, 2002.

Agency Recommendations

Office of Management and Budget	Approval
Department of Commerce	Approval (Informally)
Office of Science and Technology Policy	Approval (Informally)
Department of Justice	No comment (Informally)
Federal Communications Commission	No response

Discussion

On June 19, 2002, the Federal Communications Commission (FCC) is scheduled to auction licenses for spectrum in the 700 Megahertz (MHz) band that is currently used by television channels 52 to 59, but is expected to be used for advanced mobile communications and other services. The enrolled bill would prohibit the FCC from conducting the auctions scheduled for June 19th, but would provide for later auctions, as described below.

The bill largely fulfills the Administration's 2003 Budget proposal to shift the existing statutory auction deadlines for the 700 MHz band. Like the Administration's proposal, the bill responds to concerns that the spectrum is being auctioned before the issue of when the spectrum will become available to the new users is resolved and before the Government has released its overall strategy for making more spectrum available for third generation (3G) wireless services. By law, television broadcasters must convert to digital broadcasting and vacate the spectrum scheduled for auction. However, the broadcasters are not required to vacate the spectrum until 2006, or when 85 percent of television households have access to digital television, whichever is later. The 85 percent threshold is not expected to be met until many years after 2006.

Under current law, the FCC is required to deposit the receipts from the auction of spectrum in the lower 700 MHz band (channels 52-59) in the Treasury by September 30, 2002. The FCC was also required to deposit the proceeds from the auction of spectrum in the upper 700 MHz band (channels 60-69) in the Treasury by September 30, 2000. The latter auction has been repeatedly postponed by the FCC, and is currently scheduled for January 2003.

Provisions of H.R. 4560

H.R. 4560 would prohibit the FCC from conducting the auctions scheduled for June 19th. For specific segments of spectrum in the lower 700 MHz band, the bill requires the auction to be conducted between August 19 and September 19, 2002, with the proceeds to be deposited in the Treasury by December 31, 2002. Eligibility for this auction would be limited to qualified bidders who met the May 8, 2002, deadline for the scheduled June 19th auction.

For spectrum in the upper 700 MHz band and the remaining spectrum in the lower 700 MHz, H.R. 4560 would require the FCC to conduct rescheduled auctions prior to September 30, 2007, when the FCC's current auction authority expires. The FCC would have to submit to the Congress within one year of the date of enactment a report that: (1) specifies when the FCC intends to reschedule the postponed auctions; and (2) describes the progress in the transition from analog to digital television and the identification of spectrum for advanced mobile communications services that warrants the scheduling of the auctions. The FCC would have to return to bidders within one month of enactment any up front payments made by bidders for the portion of the lower 700 MHz that will no longer be auctioned this year.

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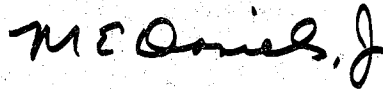
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Conclusion and Recommendations

The Department of Commerce and the Office of Science and Technology Policy recommend approval of H.R. 4560 prior to the commencement of the spectrum auctions scheduled for June 19, 2002. We join in that recommendation.

H.R. 4560 passed the House by voice vote and the Senate by unanimous consent.

A handwritten signature in black ink, reading "M E Daniels, Jr." in a cursive style.

Mitchell E. Daniels, Jr.
Director

One Hundred Seventh Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Wednesday,
the twenty-third day of January, two thousand and two*

An Act

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

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the "Auction Reform Act of 2002".

SEC. 2. FINDINGS.

Congress finds the following:

(1) Circumstances in the telecommunications market have changed dramatically since the auctioning of spectrum in the 700 megahertz band was originally mandated by Congress in 1997, raising serious questions as to whether the original deadlines, or the subsequent revision of the deadlines, are consistent with sound telecommunications policy and spectrum management principles.

(2) No comprehensive plan yet exists for allocating additional spectrum for third-generation wireless and other advanced communications services. The Federal Communications Commission should have the flexibility to auction frequencies in the 700 megahertz band for such purposes.

(3) The study being conducted by the National Telecommunications and Information Administration in consultation with the Department of Defense to determine whether the Department of Defense can share or relinquish additional spectrum for third generation wireless and other advanced communications services will not be completed until after the June 19th auction date for the upper 700 megahertz band, and long after the applications must be filed to participate in the auction, thereby creating further uncertainty as to whether the frequencies in the 700 megahertz band will be put to their highest and best use for the benefit of consumers.

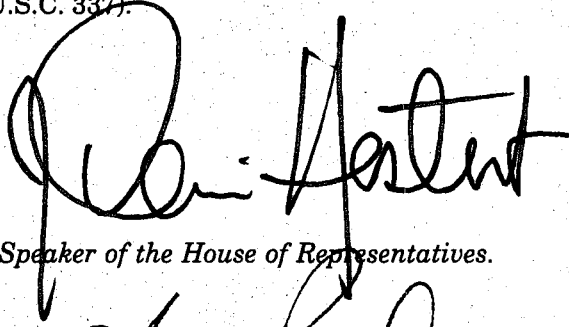
(4) The Federal Communications Commission is also in the process of determining how to resolve the interference problems that exist in the 800 megahertz band, especially for public safety. One option being considered for the 800 megahertz band would involve the 700 megahertz band. The Commission should not hold the 700 megahertz auction before the 800 megahertz interference issues are resolved or a tenable plan has been conceived.

(5) The 700 megahertz band is currently occupied by television broadcasters, and will be so until the transfer to digital television is completed. This situation creates a tremendous

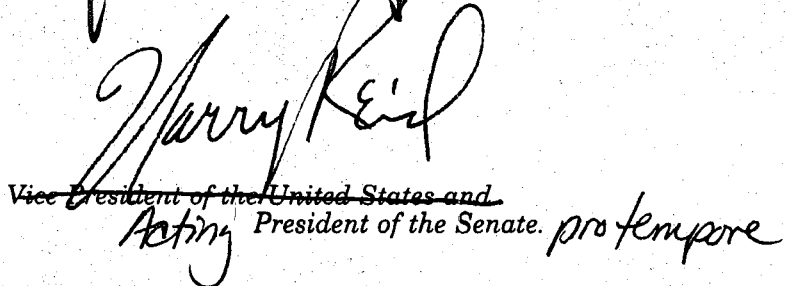
THE WHITE HOUSE

(2) the interference standards provided for digital broadcasting licensees within channels 2–51 as required by sections 73.622 and 73.623 of such rules (47 CFR 73.622, 73.623), if such waiver or reduction will result in any degradation in or loss of service, or an increased level of interference, to any television household except as the Commission's rules would otherwise expressly permit, exclusive of any waivers previously granted.

(b) EXCEPTION FOR PUBLIC SAFETY CHANNEL CLEARING.—The restrictions in subsection (a) shall not apply to a station licensee that is seeking authority (either by waiver or otherwise) to vacate the frequencies that constitute television channel 63, 64, 68, or 69 in order to make such frequencies available for public safety purposes pursuant to the provisions of section 337 of the Communications Act of 1934 (47 U.S.C. 337).



Speaker of the House of Representatives.

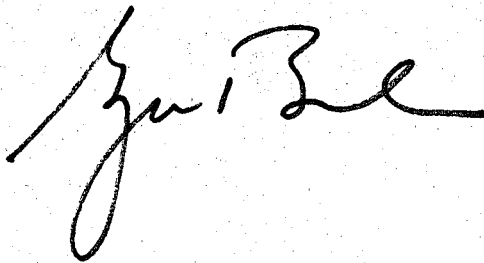


Vice President of the United States and

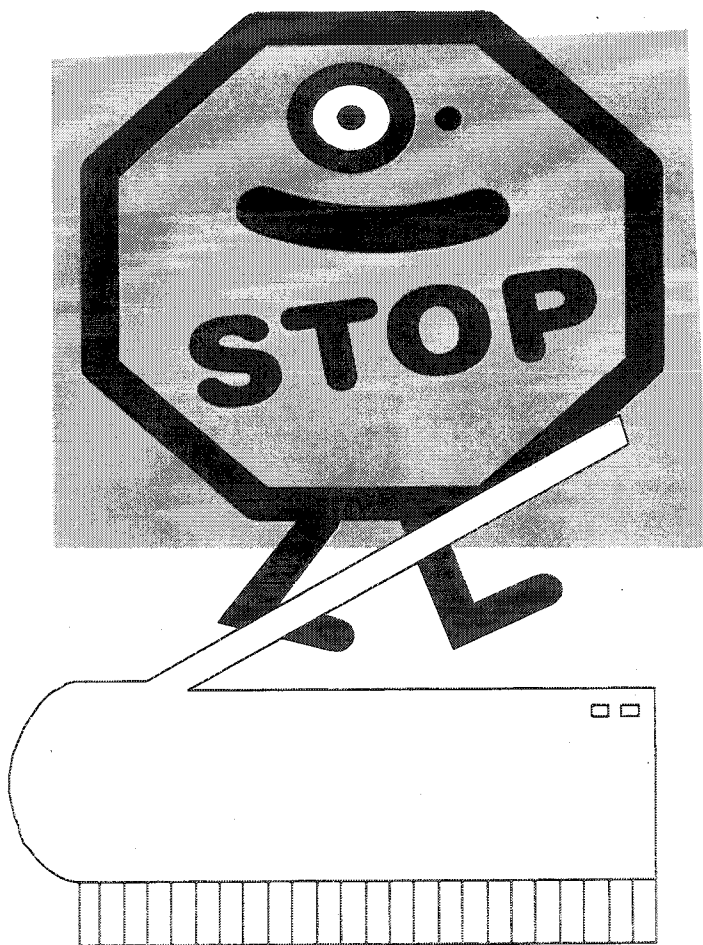
Acting President of the Senate. pro tempore

APPROVED

JUN 19 2002



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Scanning insert sheet



Remainder of case not scanned

WHITE HOUSE STAFFING MEMORANDUM

Date: 06-18-02 7:15 PM ACTION / CONCURRENCE / COMMENT DUE BY: 06-18-02 8:45 PMSubject: ENROLLED BILL H.R. 4560 -- AUCTION REFORM ACT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☒	☐	HUBBARD	☐	☐
CARD <i>OK</i>	☒	☐	HUGHES	☒	☐
BARTLETT	☒	☐	IRASTORZA	☐	☐
BLAKEMAN	☐	☐	JOHNSON	☐	☐
BOLTEN	☒	☐	LINDSEY	☒	☐
BRIDGELAND	☐	☐	MARBURGER	☐	☐
CALIO	☒	☐	MIERS	☐	☐
CONNAUGHTON	☐	☐	RICE	☐	☐
DANIELS	☐	☒	RIDGE	☐	☐
FLEISCHER	☒	☐	ROVE <i>N/V</i>	☒	☐
GERSON	☐	☐	SPELLINGS	☐	☐
GONZALES <i>OK</i>	☒	☐	CLERK	☐	☐
HAGIN	☒	☐	_____	☐	☐
HAWKINS	☒	☐	_____	☐	☐

REMARKS:

PLEASE FORWARD COMMENTS TO JIM JUKES, X53458, OR FAX 56148, BY 8:45 P.M.,
TONIGHT, TUESDAY, JUNE 18, 2002, WITH A COPY TO THE STAFF SECRETARY'S OFFICE.
THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

 *** TX REPORT ***

TRANSMISSION OK

TX/RX NO	4476	
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PGS. SENT	4	
RESULT	OK	

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GERSON	☐	☐	SPELLINGS	☐	☐
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Approval

Department of Commerce

Approval (Informally)

Office of Science and Technology Policy

Approval (Informally)

Department of Justice

No comment (Informally)

Federal Communications Commission

No response

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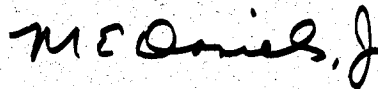
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 *** TX REPORT ***

TRANSMISSION OK

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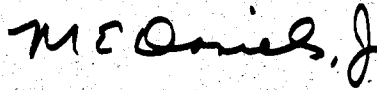
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A handwritten signature in dark ink, appearing to read "M E Daniels, Jr.", with a stylized flourish at the end.

Mitchell E. Daniels, Jr.
Director



Helgard C. Walker
06/18/2002 08:00:16 PM

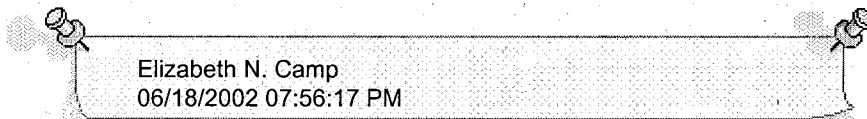
Record Type: Record

To: Elizabeth N. Camp/WHO/EOP@EOP, Karen D. Cruson/WHO/EOP@EOP
cc:
bcc:
Subject: Re: URGENT STAFFING DUE TONIGHT 

No objections.

I am curious, however, why the FCC has not responded to the OMB request for views. Did they give a reason?

Helgi Walker
WHCO
Elizabeth N. Camp

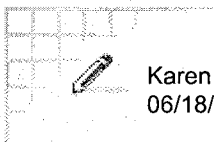


Record Type: Record

To: Helgard C. Walker/WHO/EOP@EOP
cc:
Subject: URGENT STAFFING DUE TONIGHT

This is due at 8:45 pm!

----- Forwarded by Elizabeth N. Camp/WHO/EOP on 06/18/2002 07:55 PM -----



Karen D. Cruson
06/18/2002 07:36:52 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc: See the distribution list at the bottom of this message
Subject: URGENT STAFFING DUE TONIGHT

Please forward comments to Jim Jukes, X53458, or Fax 56148, by 8:45 p.m., tonight, Tuesday, June 18, 2002, with a copy to the Staff Secretary's Office. Thank you.

MEMORANDUM FOR THE PRESIDENT



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

June 18, 2002

494364
02 JUN 18 PM 7:07

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 4560 - Auction Reform Act
Sponsors - Rep. Tauzin (R) Louisiana and 54 cosponsors

Last Day for Action

We recommend approval of H.R. 4560 before 9:00 a.m. on Wednesday, June 19, 2002, when the Federal Communications Commission is scheduled to begin auctions of licenses for spectrum.

Purpose

Prohibits the Federal Communications Commission from conducting the auctions of licenses for spectrum scheduled for Wednesday, June 19, 2002.

Agency Recommendations

Office of Management and Budget	Approval
Department of Commerce	Approval (Informally)
Office of Science and Technology Policy	Approval (Informally)
Department of Justice	No comment (Informally)
Federal Communications Commission	No response

Discussion

On June 19, 2002, the Federal Communications Commission (FCC) is scheduled to auction licenses for spectrum in the 700 Megahertz (MHz) band that is currently used by television channels 52 to 59, but is expected to be used for advanced mobile communications and other services. The enrolled bill would prohibit the FCC from conducting the auctions scheduled for June 19th, but would provide for later auctions, as described below.

The bill largely fulfills the Administration's 2003 Budget proposal to shift the existing statutory auction deadlines for the 700 MHz band. Like the Administration's proposal, the bill responds to concerns that the spectrum is being auctioned before the issue of when the spectrum will become available to the new users is resolved and before the Government has released its overall strategy for making more spectrum available for third generation (3G) wireless services. By law, television broadcasters must convert to digital broadcasting and vacate the spectrum scheduled for auction. However, the broadcasters are not required to vacate the spectrum until 2006, or when 85 percent of television households have access to digital television, whichever is later. The 85 percent threshold is not expected to be met until many years after 2006.

Under current law, the FCC is required to deposit the receipts from the auction of spectrum in the lower 700 MHz band (channels 52-59) in the Treasury by September 30, 2002. The FCC was also required to deposit the proceeds from the auction of spectrum in the upper 700 MHz band (channels 60-69) in the Treasury by September 30, 2000. The latter auction has been repeatedly postponed by the FCC, and is currently scheduled for January 2003.

Provisions of H.R. 4560

H.R. 4560 would prohibit the FCC from conducting the auctions scheduled for June 19th. For specific segments of spectrum in the lower 700 MHz band, the bill requires the auction to be conducted between August 19 and September 19, 2002, with the proceeds to be deposited in the Treasury by December 31, 2002. Eligibility for this auction would be limited to qualified bidders who met the May 8, 2002, deadline for the scheduled June 19th auction.

For spectrum in the upper 700 MHz band and the remaining spectrum in the lower 700 MHz, H.R. 4560 would require the FCC to conduct rescheduled auctions prior to September 30, 2007, when the FCC's current auction authority expires. The FCC would have to submit to the Congress within one year of the date of enactment a report that: (1) specifies when the FCC intends to reschedule the postponed auctions; and (2) describes the progress in the transition from analog to digital television and the identification of spectrum for advanced mobile communications services that warrants the scheduling of the auctions. The FCC would have to return to bidders within one month of enactment any up front payments made by bidders for the portion of the lower 700 MHz that will no longer be auctioned this year.

The bill would repeal all other statutory auction deadlines. The expectation that these auctions would not occur as mandated is already reflected in the FY 2003 Budget spectrum auction baseline estimates.

Finally, in its efforts to clear broadcasters from the 700 MHz band into the remaining television channels 2-51, the FCC would be required to protect existing broadcasters in channels 2-51 from any degradation, interference, or loss of service if the relocated broadcasters choose to continue to broadcast an analog signal. However, this restriction does not apply to broadcasters who are vacating spectrum in the upper 700 MHz band that has been designated for public safety use.

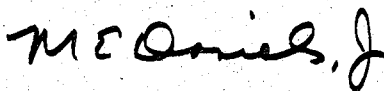
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Any law that would reduce receipts or increase direct spending is subject to the pay-as-you-go (PAYGO) requirements of the Balanced Budget and Emergency Deficit Control Act. The requirement to score PAYGO costs expires on September 30, 2002. OMB's preliminary estimate is that H.R. 4560 would reduce receipts by \$5.1 billion in FYs 2003 and 2004, but increase receipts by \$7.8 billion in 2005 and 2006. The net budget savings is estimated to be \$2.7 billion. OMB estimated a slightly greater near-term reduction in receipts (and a larger long-term net benefit to the Treasury) for the Budget proposal.

Conclusion and Recommendations

The Department of Commerce and the Office of Science and Technology Policy recommend approval of H.R. 4560 prior to the commencement of the spectrum auctions scheduled for June 19, 2002. We join in that recommendation.

H.R. 4560 passed the House by voice vote and the Senate by unanimous consent.



Mitchell E. Daniels, Jr.
Director

02 JUN 18 PM 7:07

In the Senate of the United States,

June 18, 2002.

Resolved, That the bill from the House of Representatives (H.R. 4560) entitled "An Act to eliminate the deadlines for spectrum auctions of spectrum previously allocated to television broadcasting.", do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE.***

2 *This Act may be cited as the "Auction Reform Act of*

3 *2002".*

1 SEC. 2. FINDINGS.

2 Congress finds the following:

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

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

17 (3) The study being conducted by the National
18 Telecommunications and Information Administration
19 in consultation with the Department of Defense to de-
20 termine whether the Department of Defense can share
21 or relinquish additional spectrum for third generation
22 wireless and other advanced communications services
23 will not be completed until after the June 19th auc-
24 tion date for the upper 700 megahertz band, and long
25 after the applications must be filed to participate in
26 the auction, thereby creating further uncertainty as to

1 *whether the frequencies in the 700 megahertz band*
2 *will be put to their highest and best use for the benefit*
3 *of consumers.*

4 *(4) The Federal Communications Commission is*
5 *also in the process of determining how to resolve the*
6 *interference problems that exist in the 800 megahertz*
7 *band, especially for public safety. One option being*
8 *considered for the 800 megahertz band would involve*
9 *the 700 megahertz band. The Commission should not*
10 *hold the 700 megahertz auction before the 800 mega-*
11 *hertz interference issues are resolved or a tenable plan*
12 *has been conceived.*

13 *(5) The 700 megahertz band is currently occu-*
14 *pled by television broadcasters, and will be so until*
15 *the transfer to digital television is completed. This sit-*
16 *uation creates a tremendous amount of uncertainty*
17 *concerning when the spectrum will be available and*
18 *reduces the value placed on the spectrum by potential*
19 *bidders. The encumbrance of the 700 megahertz band*
20 *reduces both the amount of money that the auction*
21 *would be likely to produce and the probability that*
22 *the spectrum would be purchased by the entities that*
23 *valued the spectrum the most and would put the spec-*
24 *trum to its most productive use.*

4

1 (6) *The Commission's rules governing voluntary*
2 *mechanisms for vacating the 700 megahertz band by*
3 *broadcast stations—*

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

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

12 **SEC. 3. ELIMINATION OF STATUTORY DEADLINES FOR**
13 **SPECTRUM AUCTIONS.**

14 (a) *FCC TO DETERMINE TIMING OF AUCTIONS.—Sec-*
15 *tion 309(j) of the Communications Act of 1934 (47 U.S.C.*
16 *309(j)) is amended by adding at the end the following new*
17 *paragraph:*

18 “(15) *COMMISSION TO DETERMINE TIMING OF*
19 *AUCTIONS.—*

20 “(A) *COMMISSION AUTHORITY.—Subject to*
21 *the provisions of this subsection (including para-*
22 *graph (11)), but notwithstanding any other pro-*
23 *vision of law, the Commission shall determine*
24 *the timing of and deadlines for the conduct of*
25 *competitive bidding under this subsection, in-*

5

1 *cluding the timing of and deadlines for quali-*
2 *fying for bidding; conducting auctions; col-*
3 *lecting, depositing, and reporting revenues; and*
4 *completing licensing processes and assigning li-*
5 *enses.*

6 *"(B) TERMINATION OF PORTIONS OF AUC-*
7 *TIONS 31 AND 44.—Except as provided in sub-*
8 *paragraph (C), the Commission shall not com-*
9 *mence or conduct auctions 31 and 44 on June*
10 *19, 2002, as specified in the public notices of*
11 *March 19, 2002, and March 20, 2002 (DA 02-*
12 *659 and DA 02-563).*

13 *"(C) EXCEPTION.—*

14 *"(i) BLOCKS EXCEPTED.—Subpara-*
15 *graph (B) shall not apply to the auction*
16 *of—*

17 *"(I) the C-block of licenses on the*
18 *bands of frequencies located at 710-716*
19 *megahertz, and 740-746 megahertz; or*

20 *"(II) the D-block of licenses on the*
21 *bands of frequencies located at 716-722*
22 *megahertz.*

23 *"(ii) ELIGIBLE BIDDERS.—The entities*
24 *that shall be eligible to bid in the auction*
25 *of the C-block and D-block licenses described*

6

1 *in clause (i) shall be those entities that were*
2 *qualified entities, and that submitted appli-*
3 *cations to participate in auction 44, by*
4 *May 8, 2002, as part of the original auction*
5 *44 short form filing deadline.*

6 *“(iii) AUCTION DEADLINES FOR EX-*
7 *CEPTED BLOCKS.—Notwithstanding sub-*
8 *paragraph (B), the auction of the C-block*
9 *and D-block licenses described in clause (i)*
10 *shall be commenced no earlier than August*
11 *19, 2002, and no later than September 19,*
12 *2002, and the proceeds of such auction shall*
13 *be deposited in accordance with paragraph*
14 *(8) not later than December 31, 2002.*

15 *“(iv) REPORT.—Within one year after*
16 *the date of enactment of this paragraph, the*
17 *Commission shall submit a report to*
18 *Congress—*

19 *“(I) specifying when the Commis-*
20 *sion intends to reschedule auctions 31*
21 *and 44 (other than the blocks excepted*
22 *by clause (i)); and*

23 *“(II) describing the progress made*
24 *by the Commission in the digital tele-*
25 *vision transition and in the assign-*

7

1 *ment and allocation of additional spec-*
2 *trum for advanced mobile communica-*
3 *tions services that warrants the sched-*
4 *uling of such auctions.*

5 *"(D) RETURN OF PAYMENTS.—Within one*
6 *month after the date of enactment of this para-*
7 *graph, the Commission shall return to the bid-*
8 *ders for licenses in the A-block, B-block, and E-*
9 *block of auction 44 the full amount of all upfront*
10 *payments made by such bidders for such li-*
11 *censes."*

12 *(b) CONFORMING AMENDMENTS.—*

13 *(1) COMMUNICATIONS ACT OF 1934.—Section*
14 *309(j)(14)(C)(ii) of the Communications Act of 1934*
15 *(47 U.S.C. 309(j)(14)(C)(ii)) is amended by striking*
16 *the second sentence.*

17 *(2) BALANCED BUDGET ACT OF 1997.—Section*
18 *3007 of the Balanced Budget Act of 1997 (111 Stat.*
19 *269) is repealed.*

20 *(3) CONSOLIDATED APPROPRIATIONS ACT.—*
21 *Paragraphs (2) and (3) of section 213(a) of H.R.*
22 *3425 of the 106th Congress, as enacted into law by*
23 *section 1000(a)(5) of an Act making consolidated ap-*
24 *propriations for the fiscal year ending September 30,*

1 2000, and for other purposes (Public Law 106-113;
2 113 Stat. 1501A-295), are repealed.

3 **SEC. 4. COMPLIANCE WITH AUCTION AUTHORITY.**

4 The Federal Communications Commission shall con-
5 duct rescheduled auctions 31 and 44 prior to the expiration
6 of the auction authority under section 309(j)(11) of the
7 Communications Act of 1934 (47 U.S.C. 309(j)(11)).

8 **SEC. 5. PRESERVATION OF BROADCASTER OBLIGATIONS.**

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

14 **SEC. 6. INTERFERENCE PROTECTION.**

15 (a) **INTERFERENCE WAIVERS.**—In granting a request
16 by a television broadcast station licensee assigned to any
17 of channels 52-69 to utilize any channel of channels 2-51
18 that is assigned for digital broadcasting in order to con-
19 tinue analog broadcasting during the transition to digital
20 broadcasting, the Federal Communications Commission
21 may not, either at the time of the grant or thereafter, waive
22 or otherwise reduce—

23 (1) the spacing requirements provided for analog
24 broadcasting licensees within channels 2-51 as re-

1 *quired by section 73.610 of the Commission's rules*
2 *(and the table contained therein) (47 CFR 73.610), or*
3 *(2) the interference standards provided for dig-*
4 *ital broadcasting licensees within channels 2-51 as*
5 *required by sections 73.622 and 73.623 of such rules*
6 *(47 CFR 73.622, 73.623),*

7 *if such waiver or reduction will result in any degradation*
8 *in or loss of service, or an increased level of interference,*
9 *to any television household except as the Commission's rules*
10 *would otherwise expressly permit, exclusive of any waivers*
11 *previously granted.*

12 *(b) EXCEPTION FOR PUBLIC SAFETY CHANNEL CLEAR-*
13 *ING.—The restrictions in subsection (a) shall not apply to*
14 *a station licensee that is seeking authority (either by waiver*
15 *or otherwise) to vacate the frequencies that constitute tele-*
16 *vision channel 63, 64, 68, or 69 in order to make such fre-*
17 *quencies available for public safety purposes pursuant to*
18 *the provisions of section 337 of the Communications Act*
19 *of 1934 (47 U.S.C. 337).*

Attest:

Secretary.

06/18/02 TUE 17:26 FAX 456 2569
'JUN. -18' 02(TUE) 18:10 SENATE ENROLLING

EXECUTIVE CLERK

TEL: 202 224 5064

P. 011 010

107TH CONGRESS
2D SESSION

H. R. 4560

AMENDMENT

 *** TX REPORT ***

TRANSMISSION OK

TX/RX NO 4491
 CONNECTION TEL 66210
 CONNECTION ID
 ST. TIME 06/19 08:11
 USAGE T 01'17
 PGS. SENT 4
 RESULT OK

To: Rachel

SS/ RM NO. _____

WHITE HOUSE STAFFING MEMORANDUM

Date: 06-18-02 7:15 PM ACTION / CONCURRENCE / COMMENT DUE BY: 06-18-02 8:45 PM

Subject: ENROLLED BILL H.R. 4560 -- AUCTION REFORM ACT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☒	☐	HUBBARD	☐	☐
CARD	☒	☐	HUGHES	☒	☐
BARTLETT	☒	☐	IRASTORZA	☐	☐
BLAKEMAN	☐	☐	JOHNSON	☐	☐
BOLTEN	☒	☐	LINDSEY	☒	☐
BRIDGELAND	☐	☐	MARBURGER	☐	☐
CALIO	☒	☐	MIERS	☐	☐
CONNAUGHTON	☐	☐	RICE	☐	☐
DANIELS	☐	☒	RIDGE	☐	☐
FLEISCHER	☒	☐	ROVE	☒	☐
GERSON	☐	☐	SPELLINGS	☐	☐
GONZALES	☒	☐	CLERK	☐	☐
HAGIN	☒	☐	_____	☐	☐
HAWKINS	☒	☐	_____	☐	☐

REMARKS:

PLEASE FORWARD COMMENTS TO JIM JUKES, X53458, OR FAX 56143, BY 8:45 P.M.,
 TONIGHT. TUESDAY. JUNE 18. 2002. WITH A COPY TO THE STAFF SECRETARY'S OFFICE.

To: Rachel

SS/ RM NO. _____

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HAGIN	☒	☐	_____	☐	☐
HAWKINS	☒	☐	_____	☐	☐

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TONIGHT, TUESDAY, JUNE 18, 2002, WITH A COPY TO THE STAFF SECRETARY'S OFFICE.
THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

June 18, 2002

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Office of Management and Budget	Approval
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Department of Justice	No comment (Informally)
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The bill largely fulfills the Administration's 2003 Budget proposal to shift the existing statutory auction deadlines for the 700 MHz band. Like the Administration's proposal, the bill responds to concerns that the spectrum is being auctioned before the issue of when the spectrum will become available to the new users is resolved and before the Government has released its overall strategy for making more spectrum available for third generation (3G) wireless services. By law, television broadcasters must convert to digital broadcasting and vacate the spectrum scheduled for auction. However, the broadcasters are not required to vacate the spectrum until 2006, or when 85 percent of television households have access to digital television, whichever is later. The 85 percent threshold is not expected to be met until many years after 2006.

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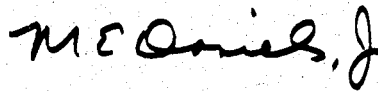
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Conclusion and Recommendations

The Department of Commerce and the Office of Science and Technology Policy recommend approval of H.R. 4560 prior to the commencement of the spectrum auctions scheduled for June 19, 2002. We join in that recommendation.

H.R. 4560 passed the House by voice vote and the Senate by unanimous consent.



Mitchell E. Daniels, Jr.
Director



6/19
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DRAFT

THE DIRECTOR

June 18, 2002

MEMORANDUM FOR THE PRESIDENT

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Sponsors - Rep. Tauzin (R) Louisiana and 54 cosponsors

Mr. President -
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6/19/02
THE PRESIDENT HAS SEEN

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Department of Justice

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Clerk's
Office

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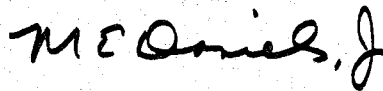
Pay-As-You-Go Scoring

Any law that would reduce receipts or increase direct spending is subject to the pay-as-you-go (PAYGO) requirements of the Balanced Budget and Emergency Deficit Control Act. The requirement to score PAYGO costs expires on September 30, 2002. OMB's preliminary estimate is that H.R. 4560 would reduce receipts by \$5.1 billion in FYs 2003 and 2004, but increase receipts by \$7.8 billion in 2005 and 2006. The net budget savings is estimated to be \$2.7 billion. OMB estimated a slightly greater near-term reduction in receipts (and a larger long-term net benefit to the Treasury) for the Budget proposal.

Conclusion and Recommendations

The Department of Commerce and the Office of Science and Technology Policy recommend approval of H.R. 4560 prior to the commencement of the spectrum auctions scheduled for June 19, 2002. We join in that recommendation.

H.R. 4560 passed the House by voice vote and the Senate by unanimous consent.



Mitchell E. Daniels, Jr.
Director

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

June 19, 2002

STATEMENT BY THE PRESS SECRETARY

On Wednesday, June 19, 2002, the President signed into law H.R. 4560, which prohibits the Federal Communications Commission from conducting the auctions of licenses for spectrum scheduled for Wednesday, June 19, 2002.

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6/19

SS/ RM NO.

494364 SS

WHITE HOUSE STAFFING MEMORANDUM

Date: 06-18-02 7:15 PM ACTION / CONCURRENCE / COMMENT DUE BY: 06-18-02 8:45 PM

Subject: ENROLLED BILL H.R. 4560 -- AUCTION REFORM ACT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☒	☐	HUBBARD	☐	☐
CARD →	☒	☐	HUGHES	☒	☐
BARTLETT	☒	☐	IRASTORZA	☐	☐
BLAKEMAN	☐	☐	JOHNSON	☐	☐
BOLTEN	☒	☐	LINDSEY	☒	☐
BRIDGELAND	☐	☐	MARBURGER	☐	☐
CALIO	☒	☐	MIERS	☐	☐
CONNAUGHTON	☐	☐	RICE	☐	☐
DANIELS	☐	☒	RIDGE	☐	☐
FLEISCHER	☒	☐	ROVE	☒	☐
GERSON	☐	☐	SPELLINGS	☐	☐
GONZALES	☒	☐	CLERK	☐	☐
HAGIN	☒	☐		☐	☐
HAWKINS	☒	☐		☐	☐

REMARKS:

PLEASE FORWARD COMMENTS TO JIM JUKES, X53458, OR FAX 56148, BY 8:45 P.M., TONIGHT, TUESDAY, JUNE 18, 2002, WITH A COPY TO THE STAFF SECRETARY'S OFFICE. THANK YOU.

RESPONSE:

SH AHC 6/18 8:00 PM

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

June 18, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 4560 - Auction Reform Act
Sponsors - Rep. Tauzin (R) Louisiana and 54 cosponsors

Last Day for Action

We recommend approval of H.R. 4560 before 9:00 a.m. on Wednesday, June 19, 2002, when the Federal Communications Commission is scheduled to begin auctions of licenses for spectrum.

Purpose

Prohibits the Federal Communications Commission from conducting the auctions of licenses for spectrum scheduled for Wednesday, June 19, 2002.

Agency Recommendations

Office of Management and Budget

Approval

Department of Commerce

Approval (Informally)

Office of Science and Technology Policy

Approval (Informally)

Department of Justice

No comment (Informally)

Federal Communications Commission

No response

Discussion

On June 19, 2002, the Federal Communications Commission (FCC) is scheduled to auction licenses for spectrum in the 700 Megahertz (MHz) band that is currently used by television channels 52 to 59, but is expected to be used for advanced mobile communications and other services. The enrolled bill would prohibit the FCC from conducting the auctions scheduled for June 19th, but would provide for later auctions, as described below.

The bill largely fulfills the Administration's 2003 Budget proposal to shift the existing statutory auction deadlines for the 700 MHz band. Like the Administration's proposal, the bill responds to concerns that the spectrum is being auctioned before the issue of when the spectrum will become available to the new users is resolved and before the Government has released its overall strategy for making more spectrum available for third generation (3G) wireless services. By law, television broadcasters must convert to digital broadcasting and vacate the spectrum scheduled for auction. However, the broadcasters are not required to vacate the spectrum until 2006, or when 85 percent of television households have access to digital television, whichever is later. The 85 percent threshold is not expected to be met until many years after 2006.

Under current law, the FCC is required to deposit the receipts from the auction of spectrum in the lower 700 MHz band (channels 52-59) in the Treasury by September 30, 2002. The FCC was also required to deposit the proceeds from the auction of spectrum in the upper 700 MHz band (channels 60-69) in the Treasury by September 30, 2000. The latter auction has been repeatedly postponed by the FCC, and is currently scheduled for January 2003.

Provisions of H.R. 4560

H.R. 4560 would prohibit the FCC from conducting the auctions scheduled for June 19th. For specific segments of spectrum in the lower 700 MHz band, the bill requires the auction to be conducted between August 19 and September 19, 2002, with the proceeds to be deposited in the Treasury by December 31, 2002. Eligibility for this auction would be limited to qualified bidders who met the May 8, 2002, deadline for the scheduled June 19th auction.

For spectrum in the upper 700 MHz band and the remaining spectrum in the lower 700 MHz, H.R. 4560 would require the FCC to conduct rescheduled auctions prior to September 30, 2007, when the FCC's current auction authority expires. The FCC would have to submit to the Congress within one year of the date of enactment a report that: (1) specifies when the FCC intends to reschedule the postponed auctions; and (2) describes the progress in the transition from analog to digital television and the identification of spectrum for advanced mobile communications services that warrants the scheduling of the auctions. The FCC would have to return to bidders within one month of enactment any up front payments made by bidders for the portion of the lower 700 MHz that will no longer be auctioned this year.

The bill would repeal all other statutory auction deadlines. The expectation that these auctions would not occur as mandated is already reflected in the FY 2003 Budget spectrum auction baseline estimates.

Finally, in its efforts to clear broadcasters from the 700 MHz band into the remaining television channels 2-51, the FCC would be required to protect existing broadcasters in channels 2-51 from any degradation, interference, or loss of service if the relocated broadcasters choose to continue to broadcast an analog signal. However, this restriction does not apply to broadcasters who are vacating spectrum in the upper 700 MHz band that has been designated for public safety use.

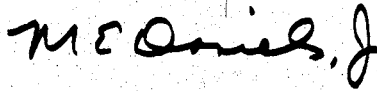
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Conclusion and Recommendations

The Department of Commerce and the Office of Science and Technology Policy recommend approval of H.R. 4560 prior to the commencement of the spectrum auctions scheduled for June 19, 2002. We join in that recommendation.

H.R. 4560 passed the House by voice vote and the Senate by unanimous consent.



Mitchell E. Daniels, Jr.
Director