

July 12, 1995

WIRELESS PHONE SERVICE COMPETITION GETS UNDERWAY

Washington, DC -- Today, FCC Chairman Reed Hundt personally awarded licenses to compete in the wireless phone service market. Hundt handed the licenses to companies who successfully bid for broadband personal communications services (PCS) licenses in an FCC auction this March.

The ceremony took place at FCC headquarters in Washington DC. Company executives, in addition to receiving their licenses, had a chance to display the equipment that has been developed for this new wireless phone service and to discuss what PCS will mean for consumers. Many have predicted that PCS would be available to the public within a year.

Hundt said that these licenses "represent a new chapter in the history of the information age that will bring about new competition to the wireless revolution, creation of a new industry, new technology, new businesses, new investment, new jobs and new ways for the American people to communicate by voice and data. This is truly a momentous occasion."

FCC Wireless Telecommunications Bureau Chief Regina Keeney said the speed with which the FCC issued these licenses is also historical. "The entire licensing process for broadband PCS took only 83 days. This represents a very significant increase in speed, when you compare it to the initial licensing of cellular, which was accomplished through hearings and lotteries and took an average of 471 days," she said.

The FCC's broadband PCS auction offered 99 licenses and netted \$7.7 billion for the U.S. government, securing a place in the Guinness Book of World Records as the largest auction in world history. Hundt said that the "major benefit of these licenses is that they will generate new industries, new jobs, and new gains for the U.S. economy, which is far more significant than the fact that we have made this initial contribution of auction revenue to the economy."

The broadband auction was the fourth in a series of FCC auctions of radio spectrum. PCS licenses will allow companies to provide consumers the opportunity to communicate over the airwaves with state-of-the-art devices, like tiny, lightweight phones, portable facsimilies, and advanced paging devices with two-way text capabilities. The broadband auction was the first to offer licenses with voice capabilities, so the 18 winning bidders will most likely use their licenses to compete with the cellular telephone industry.

Analysts have predicted that the added competition these companies will bring to the wireless market will not only lower prices for these services by at least 35%, but will bring in tens of billions of dollars in investment and launch hundreds of thousands of jobs.

The FCC is planning to hold a number of other auctions, including more broadband PCS auctions, later this year.

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