

FCC Meets Google Only Halfway

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The Federal Communications Commission approved rules for the upcoming auction of the 700 MHz airwave spectrum that granted only half of what Google had requested.

Google's requests were made with an eye toward becoming a bidder for a portion of the communication bands, in competition with major telecommunications companies.

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The result of the vote, taken at an open meeting in Washington on July 31, raises doubts as to whether Google will choose to join in the auction, which is scheduled for Jan. 28, 2008.

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The rules meeting was fraught with controversy even before it began, as search-engine giant Google, which has no telecommunications experience, said it would become a contender for the spectrum—if certain conditions were met.

Previously, [Google requested](#) that the FCC adopt four open platforms as a condition for any corporation or group trying to obtaining the spectrum license:

"Open applications: Consumers should be able to download and utilize any software applications, content or services they desire;

Open devices: Consumers should be able to utilize a handheld communications device with whatever wireless network they prefer;

Open services: Third parties (resellers) should be able to acquire wireless services from a 700 MHz licensee on a wholesale basis, based on reasonably nondiscriminatory commercial terms; and

Open networks: Third parties (like Internet service providers) should be able to interconnect at any technically feasible point in a 700 MHz licensee's wireless network."

At the meeting, however, Chairman Kevin Martin agreed to implement only two of the four conditions: open applications and open devices. As an example, in 2009 consumers will have the freedom to take their cell phones from one network to another.

[Click here](#) to read more about Google potential interest in bidding in the upcoming FCC spectrum auction

However, the commission did not adopt the other two platforms, arguably the more important ones for consumers. The open-services and open-networks platforms, observers say, would have created the conditions necessary for a third method of broadband delivery. This has been described as "a third pipe" for broadband Internet access.

Google expressed disappointment that the FCC went only halfway.

"In Google's view, the FCC made real but incomplete progress for consumers," said Richard Whitt, Washington telecom and media counsel for Google, based in Mountain View, Calif.

"It would have been a far more compelling and complete victory for consumers had the FCC actually adopted all four of the license conditions that Google had been advocating. Those wholesale and open-access conditions could have helped pave the way for the real third-pipe broadband competition that FCC Chairman Kevin Martin, for one, has been touting," Whitt said.

Read more [here](#) about about the FCC's rules for the spectrum auction.

The 700 MHz spectrum will be divided into four blocks: The FCC is allocating the A and B blocks for community and local purposes. The D block will be used for public/private partnerships for emergency teams and first responders, such as the police and the fire department. The C block will go to the private sector.

In light of Chairman Martin's decision, Google has yet to decide whether or not it will bid for the C block of the 700 MHz spectrum. "Under the current circumstances we will need time to study the actual text of the FCC's rules, which are due out in a few weeks, before we make any definitive decisions about our possible participation in the auction," Whitt said.

The winner of the auction can use the spectrum in any way the FCC permits. If Google wins the bid for a license to use the spectrum, it can choose to enact all four conditions.

According to Harold Feld, vice president of Washington-based nonprofit Media Access Project, "One thing the FCC did do is state that operating real-time auctions for access did not violate the existing rules. [Google] can still offer wholesale services if they want." Feld also said, "Perhaps 15,000 licenses are going up for auction."

The auction will be "blind," that is, no one bidder will know what its competitors will offer, but C Block has a reserve price of \$4.6 billion. If the reserve price is not met, the auction will start over, this time with no open platform restrictions.

Each commissioner stated his or her disagreements, and none of the commissioners agreed with all points of Chairman Martin's decision. Commissioner Robert McDowell, in fact, cast his first dissent, objecting to the requirement of the open-access condition.

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