



PUBLIC NOTICE

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DA 04-2451
August 3, 2004

REVISED INVENTORY FOR BROADBAND PCS SPECTRUM AUCTION

COMMENT SOUGHT ON RESERVE PRICES OR MINIMUM OPENING BIDS AND OTHER AUCTION PROCEDURES

Report No. AUC-04-58-C (Auction No. 58)

On June 18, 2004, the Wireless Telecommunications Bureau (“Bureau”) announced the auction of 234 licenses in the broadband Personal Communication Service scheduled to commence on January 12, 2005 (“Auction No. 58”).¹ In the *Auction No. 58 Comment Public Notice*, the Bureau sought comment on procedures for the auction of those licenses. By this Public Notice, we revise the auction inventory to also include the following eight D and E block broadband PCS licenses:²

Market	Market Name	License	Frequencies	Frequency Block
BTA194	Houghton, MI	CW-BTA194-E	1885-1890/1965-1970	E
BTA206	Iron Mountain, MI	CW-BTA206-E	1885-1890/1965-1970	E
BTA207	Ironwood, MI	CW-BTA207-D	1865-1870/1945-1950	D
BTA207	Ironwood, MI	CW-BTA207-E	1885-1890/1965-1970	E
BTA279	Marinette, WI-Menominee, MI	CW-BTA279-E	1885-1890/1965-1970	E
BTA282	Marquette, MI	CW-BTA282-E	1885-1890/1965-1970	E
BTA409	Sault Ste. Marie, MI	CW-BTA409-D	1865-1870/1945-1950	D
BTA409	Sault Ste. Marie, MI	CW-BTA409-E	1885-1890/1965-1970	E

Under the Commission’s Part 24 rules, broadband PCS spectrum in the D and E blocks is not subject to the entrepreneur eligibility restrictions.³ Attachment A to this Public Notice provides a revised complete list of licenses to be offered in Auction No. 58.⁴

¹ Broadband PCS Spectrum Auction Scheduled for January 12, 2005; Comment Sought on Reserve Prices or Minimum Opening Bids and Other Auction Procedures, *Public Notice*, DA 04-1639 (rel. Jun 18, 2004), 69 FR 40632 (“*Auction No. 58 Comment Public Notice*”). An erratum to the *Auction No. 58 Comment Public Notice* corrected the formula for proposed upfront payments and proposed minimum opening bids.

² The spectrum recently became available as a result of license cancellation. We note that the license cancellations are uncontested.

³ See 47 C.F.R. § 24.709.

This Public Notice also seeks comment on the auction procedures for these additional eight licenses. Parties that submitted comments and/or reply comments in response to the *Auction No. 58 Comment Public Notice* should not resubmit those filings. Parties should submit comments regarding the auction procedures only to the extent that they relate to the new licenses included in the auction inventory.

I. Reserve Price or Minimum Opening Bid

For the eight additional D and E block licenses offered in Auction No. 58, the Bureau proposes to use the same formula for calculating minimum opening bids as proposed in the *Auction No. 58 Comment Public Notice*.⁵ Specifically, for Auction No. 58, the Bureau has proposed to calculate minimum opening bids on a license-by-license basis using formulas based on bandwidth and license area population.⁶ Furthermore, the Bureau has proposed to differentiate these formulas based on the population of each license area.⁷

Population \geq 2,000,000:	$\$0.50 * \text{MHz} * \text{License Area Population}$
Population \geq 500,000:	$\$0.25 * \text{MHz} * \text{License Area Population}$
Population $<$ 500,000:	$\$0.15 * \text{MHz} * \text{License Area Population}$

The specific minimum opening bid for each license available in Auction No. 58 is set forth in Attachment A of this Public Notice.⁸ We seek comment on these proposals in the same manner as in the *Auction No. 58 Comment Public Notice*,⁹ but in this case, only as these proposals relate to the eight licenses added to the auction inventory. As noted above, parties that submitted comments and/or reply comments regarding the reserve price or minimum opening bid in response to the *Auction No. 58 Comment Public Notice* need not submit new comments unless it relates to the addition of the eight licenses.

II. Upfront Payments and Initial Maximum Eligibility for Each Bidder

For the eight additional D and E block licenses offered in Auction No. 58, the Bureau proposes to use the same formula for determining upfront payments as previously proposed in the *Auction No. 58 Comment*

⁴ Attachment A to this Public Notice does not include Parts 2 and 3, which were included in Attachment A to the *Auction No. 58 Comment Public Notice*, because none of the additional eight licenses are for “partial” markets. Therefore, parties should reference the *Auction No. 58 Comment Public Notice* for detailed information on licenses listed in Attachment A that have “partial” markets.

⁵ *Auction No. 58 Comment Public Notice* at Section II.B.

⁶ All population figures are from the 2000 U.S. Census, U.S. Department of Commerce, Bureau of the Census. See Census 2000 Summary File 1 (SF1) and July 3, 2001, News Releases covering the U.S. Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa.

⁷ For partial markets we will consider the population of the area covered. For Auction No. 58, the population covered by each license for partial markets falls within Tier 2.

⁸ Results are rounded using our standard rounding procedure: results above \$10,000 are rounded to the nearest \$1,000; results below \$10,000 but above \$1,000 are rounded to the nearest \$100; and results below \$1,000 are rounded to the nearest \$10.

⁹ *Auction No. 58 Comment Public Notice*, Section II.B.

Public Notice.¹⁰ Specifically, for Auction No. 58, the Bureau has proposed to calculate upfront payments on a license-by-license basis using a formula based on bandwidth and license area population:¹¹

$$\$0.05 * \text{MHz} * \text{License Area Population}$$

The specific proposed upfront payment for each license available in Auction No. 58 is set forth in Attachment A.¹² The Bureau further proposed that the amount of the upfront payment submitted by a bidder will determine the maximum number of bidding units on which a bidder may place bids.¹³ This limit is a bidder's initial eligibility. Each license is assigned a specific number of bidding units equal to the upfront payment listed in Attachment A, on a bidding unit per dollar basis. This number does not change as prices rise during the auction. A bidder's upfront payment is not attributed to specific licenses. Rather, a bidder may place bids on any combination of licenses as long as the total number of bidding units associated with those licenses does not exceed its current eligibility. Eligibility cannot be increased during the auction. Thus, in calculating its upfront payment amount, an applicant must determine the **maximum** number of bidding units it may wish to bid on (or hold high bids on) in any single round, and submit an upfront payment covering that number of bidding units. We seek comment on these proposals as they relate to the eight licenses added to the auction inventory.

III. Other Auction Procedural Issues

In the *Auction No. 58 Comment Public Notice*, the Bureau also set forth and sought comment on the following proposals relating to auction structure and bidding procedures: (1) simultaneous multiple-round auction design; (2) activity rules; (3) activity rule waivers and reducing eligibility; (4) information relating to auction delay, suspension or cancellation; (5) round structure; (6) minimum acceptable bids and bid increments; (7) high bids and tied bids; (8) information regarding bid withdrawal and bid removal; and (9) auction stopping rule. For the additional licenses in Auction No. 58, we propose to use the same auction structure and bidding procedures proposed in the *Auction No. 58 Comment Public Notice*.¹⁴ We seek comment on these proposals as they relate to the eight licenses added to the auction inventory.

IV. Conclusion

Comments are due on or before **August 10, 2004**, and reply comments are due on or before **August 16, 2004**. Because of the disruption of regular mail and other deliveries in Washington, DC, the Bureau requires that all comments and reply comments be filed electronically. Comments and reply comments must be sent by electronic mail to the following address: auction58@fcc.gov.¹⁵ The electronic mail

¹⁰ *Id.*, Section I.B.

¹¹ All population figures are from the 2000 U.S. Census, U.S. Department of Commerce, Bureau of the Census. *See* Census 2000 Summary File 1 (SF1) and July 3, 2001, News Releases covering the U.S. Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa.

¹² Results are rounded using our standard rounding procedure: results above \$10,000 are rounded to the nearest \$1,000; results below \$10,000 but above \$1,000 are rounded to the nearest \$100; and results below \$1,000 are rounded to the nearest \$10.

¹³ *Auction No. 58 Comment Public Notice*, Section I.B.

¹⁴ *Id.*, Sections I-II.

¹⁵ Comments and reply comments in response to this Public Notice may not be filed using the Commission's Electronic Comment Filing System, which is used for the Commission's docketed rule making proceedings.

containing the comments or reply comments must include a subject or caption referring to Auction No. 58 Comments and the name of the commenting party. The Bureau requests that parties format any attachments to electronic mail as Adobe® Acrobat® (pdf) or Microsoft® Word documents. Copies of comments and reply comments will be available for public inspection during regular business hours in the FCC Reference Information Center, Room CY-A257, 445 12th Street, SW, Washington, DC 20554.

In addition, the Bureau requests that commenters fax a courtesy copy of their comments and reply comments to the attention of Kathryn Garland at (717) 338-2850.

This proceeding has been designated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules.¹⁶ Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentations must contain summaries of the substance of the presentations and not merely a listing of the subjects discussed. More than a one or two sentence description of the views and arguments presented is generally required.¹⁷ Other rules pertaining to oral and written *ex parte* presentations in permit-but-disclose proceedings are set forth in section 1.1206(b) of the Commission’s rules.¹⁸

For further information concerning this proceeding, contact the Auctions and Spectrum Access Division, Wireless Telecommunications Bureau, as listed below:

For legal questions: Scott A. Mackoul or Audrey Bashkin at (202) 418-0660

For general auction questions: Jeff Crooks (202) 418-0660
Lisa Stover (717) 338-2888

For service rule questions, contact the Mobility Division, Wireless Telecommunications Bureau, as follows: Erin McGrath, (202) 418-0620; JoAnn Epps, (202) 418-1342; or Dwain Livingston, (202) 418-1338.

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¹⁶ 47 C.F.R. §§ 1.1200(a), 1.1206.

¹⁷ 47 C.F.R. § 1.1206(b).

¹⁸ *Id.*