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- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to [ecfs@fcc.gov](mailto:ecfs@fcc.gov), and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.

- Mail:* Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, NE., Suite 110, Washington, DC 20002. The filing hours at this location are 8 a.m. to 7 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of *before* entering the building.

- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.

- U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, SW., Washington, DC 20554.

- People with Disabilities:* Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: [FCC504@fcc.gov](mailto:FCC504@fcc.gov) or phone: 202-418-0530 or TTY: 202-418-0432. To request materials in accessible formats for people with disabilities (braille, large print,

electronic files, audio format), send an e-mail to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer and Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (tty).

For detailed instructions for submitting comments and additional information on the rulemaking process, see the **SUPPLEMENTARY INFORMATION** section of this document.

**FOR FURTHER INFORMATION CONTACT:** Janice Myles of the Competition Policy Division, Wireline Competition Bureau at (202) 418-1577 or e-mail [Janice.Myles@fcc.gov](mailto:Janice.Myles@fcc.gov).

**SUPPLEMENTARY INFORMATION:** In February 2002, the Commission issued a Notice of Inquiry, 67 FR 10919, March 11, 2002, to examine whether there was a continued need for the equal access and nondiscrimination obligations contained in antitrust decrees and carried forward by section 251(g) of the Communications Act of 1934, as amended (Act), or contained in the Commission's rules. Since the Commission's Notice of Inquiry was released in 2002, there have been a number of intervening developments that may have rendered the record developed in this proceeding stale. In particular, the market appears to be shifting from competition between stand-alone long distance services to competition between service bundles including both local exchange and long distance services. The industry structure has also changed with the mergers of local and long distance providers. For these reasons, the Wireline Competition Bureau requests that parties update the record with any new information or arguments they believe to be relevant to issues raised in the Notice of Inquiry. This will enable the Commission to undertake appropriate and expedited review of the equal access and nondiscrimination requirements.

All filings must be addressed to the Commission's Secretary, Marlene H. Dortch, Office of the Secretary, Federal Communications Commission, 445 12th Street, SW., Room TW-A325, Washington, DC 20554. Parties should also send a copy of their filings to Janice Myles, Competition Policy Division, Wireline Competition Bureau, Federal Communications Commission, Room 5-C140, 445 12th Street, SW., Washington, DC 20554, or by e-mail to [Janice.Myles@fcc.gov](mailto:Janice.Myles@fcc.gov). Parties shall also serve one copy with the Commission's copy contractor, Best Copy and Printing, Inc. (BCPI), Portals II, 445 12th Street, SW., Room CY-B402, Washington, DC 20554, (202) 488-5300, or via e-mail to [fcc@bcpiweb.com](mailto:fcc@bcpiweb.com).

Documents in CC Docket No. 02-39 are available for public inspection and copying during business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW., Room CY-A257, Washington, DC 20554. The documents may also be purchased from BCPI, telephone (202) 488-5300, facsimile (202) 488-5563, TTY (202) 488-5562, e-mail [fcc@bcpiweb.com](mailto:fcc@bcpiweb.com). These documents may also be viewed on the Commission's Web site at <http://www.fcc.gov/cgb/ecfs>.

Federal Communications Commission.

**Thomas J. Navin,**

*Chief, Wireline Competition Bureau.*

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## FEDERAL COMMUNICATIONS COMMISSION

[AU Docket No. 06-214; Report No. AUC-07-72-B (Auction No. 72); DA 07-514]

### Auction of Phase II 220 MHz Service Spectrum Scheduled for June 20, 2007; Notice and Filing Requirements, Minimum Opening Bids, Upfront Payments and Other Procedures for Auction No. 72

**AGENCY:** Federal Communications Commission.

**ACTION:** Notice.

**SUMMARY:** This document announces the procedures and minimum opening bids for the upcoming auction of certain Phase II 220 MHz Service Spectrum (Auction No. 72). This document is intended to familiarize prospective bidders with the procedures and minimum opening bids for this auction.

**DATES:** Applications to participate in Phase II 220 MHz Service Spectrum Auction No. 72 must be filed before 6 p.m. ET on April 20, 2007. Bidding for Auction No. 72 is scheduled to begin on June 20, 2007.

**FOR FURTHER INFORMATION CONTACT:** Wireless Telecommunications Bureau, Auctions Spectrum and Access Division: For legal questions: Howard Davenport at (202) 418-0660. For general auction questions: Debbie Smith or Barbara Sibert at (717) 338-2868.

*Mobility Division:* For service rule questions: Allen Barna (legal) or Gary Devlin (technical) at (202) 418-0620. To request materials in accessible formats (Braille, large print, electronic files, audio format) for people with disabilities, send an e-mail to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer and Governmental Affairs Bureau at (202) 418-0530 or (202) 418-0432 (TTY).

**SUPPLEMENTARY INFORMATION:** This is a summary of the *Auction No. 72 Procedures Public Notice* released on February 26, 2007. The complete text of the *Auction No. 72 Procedures Public Notice*, including attachments, as well as related Commission documents are available for public inspection and copying from 8 a.m. to 4:30 p.m. Eastern Time (ET) Monday through Thursday or from 8 a.m. to 11:30 a.m. on Friday at the FCC Reference Information Center, Portals II, 445 12th Street, SW., Room CY-A257, Washington, DC 20554. The *Auction No. 72 Procedures Public Notice* and related Commission documents may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc. (BCPI), Portals II, 445 12th Street, SW., Room CY-B402, Washington, DC, 20554, telephone 202-488-5300, facsimile 202-488-5563, or Web site: <http://www.BCPIWEB.com>. When ordering documents from BCPI, please provide the appropriate FCC document number, for example, DA 07-30 for the *Auction No. 72 Procedures Public Notice*. The *Auction No. 72 Procedures Public Notice* and related documents are also available on the Internet at the Commission's Web site: <http://wireless.fcc.gov/auctions/72/>.

## I. General Information

### A. Introduction

1. The Commission announces the procedures and minimum opening bid amounts for the upcoming auction of Phase II 220 MHz Service licenses in the paired 220-222 MHz band scheduled to begin on June 20, 2007 (Auction No. 72). On December 12, 2006, in accordance with Section 309(j)(3) of the Communications Act of 1934, as amended, the Wireless Telecommunications Bureau (Bureau) released a public notice seeking comment on reserve prices or minimum opening bid amounts and the procedures to be used in Auction No. 72. The Bureau received one comment and no reply comments in response to the *Auction No. 72 Comment Public Notice*, 71 FR 76332, December 20, 2006.

2. In the *Auction No. 72 Comment Public Notice*, the Bureau proposed to include all 94 Phase II 220 MHz Service licenses in a single auction using the Commission's standard simultaneous multiple-round (SMR) auction format. The Bureau sought comment on the feasibility and desirability of allocating the Phase II 220 MHz Service licenses using the Commission's package bidding format (SMR-PB). Based on the record and the particular circumstances

of the auction of Phase II 220 MHz Service licenses, the Bureau will include all 94 Phase II 220 MHz Service licenses in a single auction using the Commission's standard SMR format, as proposed. Package bidding will not be used in Auction No. 72.

3. The Bureau also sought comment in the *Auction No. 72 Comment Public Notice* on whether to implement procedures that would limit the disclosure of certain information on bidder interests, and identities prior to the close of bidding. The Bureau asked commenters to indicate what factors weigh for or against limiting disclosure of bidder interests and identities, and whether the Commission should condition the use of any disclosure limits on a measure of competition in the auction.

4. For Auction No. 72, the Bureau will determine the information procedures based primarily on the eligibility ratio, a measure of likely competition in the auction. The eligibility ratio is defined as the total number of bidding units of eligibility purchased by bidders through their upfront payments, divided by the total number of bidding units for the licenses in the auction. Specifically, if the eligibility ratio equals or exceeds three, the Bureau will not use the limited information procedures, since with sufficient likely competition, the anti-competitive behavior that limited information procedures aim to deter is unlikely to be successful. If the eligibility ratio is less than three, in general the Bureau will withhold certain information on bidder interests and bidder identities. However, if the eligibility ratio is less than three, the Commission reserves the discretion not to limit information on bidder interests and identities if circumstances indicate that limited information procedures would not be an effective tool for deterring anti-competitive behavior. Such circumstances would occur, for example, if only two applicants became qualified to participate in the bidding, since limited information procedures would be ineffective in preventing bidders from knowing the identity of the competing bidder.

5. In the event that the conditions described above result in the use of procedures under which certain information is withheld, the Bureau will release: (1) Each bidder's eligibility and upfront payment made prior to the start of the auction; and (2) the amounts of all gross bids including the losing bids for each license after each round, but not the identities of the bidders placing the bids. The Bureau believes this provides bidders with information regarding license valuations without

compromising the goal of reducing the potential for anti-competitive outcomes.

6. Pursuant to these procedures, information on the license selections of auction applicants will be withheld at least until the upfront payment deadline has passed and the Commission determines the information procedures that will be used for the auction. Therefore, to enable applicants to comply with the Commission's anti-collusion rules, once the Bureau has conducted its initial review of applications to participate in Auction No. 72, each applicant will receive a letter that lists the other applicants in Auction No. 72 that have applied for licenses in any of the same geographic areas as the applicant.

### i. Background of Proceeding

7. Licenses in the Phase II 220 MHz spectrum to be auctioned in Auction No. 72 have been offered previously in other auctions but were returned to the Commission as a result of license cancellation or termination. In March 1997, the Commission restructured the licensing framework that governs the 220 MHz Service. Site-specific licensing, used in the Phase I 220 MHz Service, was replaced with a geographic-based system in the Phase II 220 MHz Service. This geographic-based licensing methodology is similar to that used in other commercial mobile radio services (CMRS). The Commission developed three types of geographic area licenses for the Phase II 220 MHz Service. The first type of license was based upon Economic Areas (EAs), developed by the Bureau of Economic Analysis of the U.S. Department of Commerce. In addition, the Commission created three EA-type license areas to cover the following United States territories: American Samoa; the U.S. Virgin Islands and Puerto Rico; and Guam and the Northern Mariana Islands. The second type of license, known as Economic Area Groupings (EAGs), included 6 groups of EAs, which collectively encompassed all of the EA and EA-type licenses. Finally, the Commission designed three nationwide licenses, each of which encompassed all six EAGs. Service and operational requirements for the Phase II 220 MHz Service are contained primarily in part 90 of the Commission's Rules, 47 CFR part 90.

### ii. Licenses To Be Auctioned

8. Auction No. 72 will offer 94 licenses: 93 Economic Area (EA) licenses and one Economic Area Grouping (EAG) license.

9. Certain licenses for Phase II 220 MHz Service in Auction No. 72 are

available for only part of a market. In addition, one license available for only part of a market also covers less bandwidth. The licenses available in this auction are listed in Attachment A of the *Auction No. 72 Procedures Public Notice*. The Phase II 220 MHz spectrum covered by this auction is only available to non-Government applicants.

#### B. Rules and Disclaimers

##### i. Relevant Authority

10. Prospective applicants must familiarize themselves thoroughly with the Commission's general competitive bidding rules set forth in Title 47 CFR including recent amendments and clarifications; rules relating to the Phase II 220 MHz Service contained in Title 47, part 90 and rules relating to applications, practice and procedure contained in Title 47, part 1. Prospective applicants must also be thoroughly familiar with the procedures, terms and conditions (collectively, terms) contained in the *Auction No. 72 Procedures Public Notice* and the Commission's decisions in proceedings regarding competitive bidding procedures, application requirements, and obligations of Commission licensees.

11. The terms contained in the Commission's rules, relevant orders, and public notices are not negotiable. The Commission may amend or supplement the information contained in its public notices at any time, and will issue public notices to convey any new or supplemental information to applicants. It is the responsibility of all applicants to remain current with all Commission rules and with all public notices pertaining to this auction.

##### ii. Prohibition of Collusion; Compliance With Antitrust Laws

12. To ensure the competitiveness of the auction process § 1.2105(c) of the Commission's rules prohibit applicants competing for licenses in any of the same geographic license areas from communicating with each other about bids, bidding strategies, or settlements unless such applicants have identified each other on their short-form applications (FCC Forms 175) as parties with whom they have entered into agreements pursuant to § 1.2105(a)(2)(viii). In Auction No. 72, the rule would apply to any applicants for licenses in the same EA or EAG. The rule would also apply to applicants for licenses in overlapping EAs and the EAG. For example, assume that one applicant applies for an EAG license and a second applicant applies for an EA license covering any area within that

EAG. The two entities will have applied for licenses covering the same geographic areas and would be precluded from communicating with each other under the rule. In addition, the rule would preclude applicants that apply to bid for all licenses from communicating with all other applicants. Thus, applicants that have applied for licenses covering the same markets (unless they have identified each other on their FCC Form 175 applications as parties with whom they have entered into agreements under § 1.2105(a)(2)(viii)) must affirmatively avoid all communications with or disclosures to each other that affect or have the potential to affect bids or bidding strategy, which may include communications regarding the post-auction market structure. This prohibition begins at the short-form application filing deadline and ends at the downpayment deadline after the auction. This prohibition applies to all applicants regardless of whether such applicants become qualified bidders or actually bid. Information concerning applicants' license selections will not be made public at least until the upfront payment deadline has passed and the Commission determines the information procedures that will be used for the auction. Therefore, the Commission will inform each applicant by letter of the identity of each of the other applicants that has applied for licenses covering any of the same geographic areas as the licenses that it has selected in its short-form application.

13. For purposes of this prohibition § 1.2105(c)(7)(i) defines applicant as including all officers and directors of the entity submitting a short-form application to participate in the auction, all controlling interests of that entity, as well as all holders of partnership and other ownership interests and any stock interest amounting to 10 percent or more of the entity, or outstanding stock, or outstanding voting stock of the entity submitting a short-form application.

14. Applicants for licenses for any of the same geographic license areas must not communicate directly or indirectly about bids or bidding strategy. Accordingly, such applicants are encouraged not to use the same individual as an authorized bidder. A violation of the anti-collusion rule could occur if an individual acts as the authorized bidder for two or more competing applicants, and conveys information concerning the substance of bids or bidding strategies between such applicants. Also, if the authorized bidders are different individuals employed by the same organization (e.g., law firm or engineering firm or

consulting firm), a violation similarly could occur. In such a case, at a minimum, applicants should certify on their applications that precautionary steps have been taken to prevent communication between authorized bidders and that applicants and their bidding agents will comply with the anti-collusion rule. A violation of the anti-collusion rule could occur in other contexts, such as an individual serving as an officer for two or more applicants. Moreover, the Commission has found a violation of the anti-collusion rule where a bidder used the Commission's bidding system to disclose its bidding strategy in a manner that explicitly invited other auction participants to cooperate and collaborate in specific markets, and has placed auction participants on notice that the use of its bidding system to disclose market information to competitors will not be tolerated and will subject bidders to sanctions. Bidders are cautioned that the Commission remains vigilant about prohibited communications taking place in other situations. For example, the Commission has warned that prohibited communications concerning bids and bidding strategies may include communications regarding capital calls or requests for additional funds in support of bids or bidding strategies to the extent such communications convey information concerning the bids and bidding strategies directly or indirectly. Applicants are hereby placed on notice that public disclosure of information relating to bidder interests and bidder identities that—although revealed prior to and during other Commission auctions—is confidential in this auction at the time of disclosure may violate the anti-collusion rule. Bidders should use caution in their dealings with other parties, such as members of the press, financial analysts, or others who might become a conduit for the communication of prohibited bidding information.

15. The Commission's rules do not prohibit applicants from entering into otherwise lawful bidding agreements before filing their short-form applications, as long as they disclose the existence of the agreement(s) in their short-form application. If parties agree in principle on all material terms prior to the short-form filing deadline, each party to the agreement must identify the other party or parties to the agreement on its short-form application under § 1.2105(c), even if the agreement has not been reduced to writing. If the parties have not agreed in principle by the short-form filing deadline, they should not include the names of parties

to discussions on their applications, and they may not continue negotiations, discussions or communications with any other applicants after the short-form filing deadline.

16. By electronically submitting its short-form application following the electronic filing procedures set forth in Attachment C to the *Auction No. 72 Procedures Public Notice*, each applicant certifies its compliance with § 1.2105(c). However, the Bureau cautions that merely filing a certifying statement as part of an application will not outweigh specific evidence that collusive behavior has occurred, nor will it preclude the initiation of an investigation when warranted. The Commission has stated that it intends to scrutinize carefully any instances in which bidding patterns suggest that collusion may be occurring. Any applicant found to have violated the anti-collusion rule may be subject to sanctions.

17. Applicants are also reminded that, regardless of compliance with the Commission's rules, they remain subject to the antitrust laws, which are designed to prevent anticompetitive behavior in the marketplace. Compliance with the disclosure requirements of the Commission's anti-collusion rule will not insulate a party from enforcement of the antitrust laws. For instance, a violation of the antitrust laws could arise out of actions taking place well before any party submits a short form application. The Commission has cited a number of examples of potentially anticompetitive actions that would be prohibited under antitrust laws: for example, actual or potential competitors may not agree to divide territories horizontally in order to minimize competition, regardless of whether they split a market in which they both do business, or whether they merely reserve one market for one and another for the other. Similarly, the Bureau has long reminded potential applicants and others that even where the applicant discloses parties with whom it has reached an agreement on the short-form application, thereby permitting discussions with those parties, the applicant is nevertheless subject to existing antitrust laws. To the extent the Commission becomes aware of specific allegations that may give rise to violations of the federal antitrust laws, the Commission may refer such allegations to the United States Department of Justice for investigation. If an applicant is found to have violated the antitrust laws or the Commission's rules in connection with its participation in the competitive bidding process, it may be subject to forfeiture

of its upfront payment, down payment, or full bid amount and may be prohibited from participating in future auctions, among other sanctions.

18. Section 1.65 of the Commission's rules requires an applicant to maintain the accuracy and completeness of information furnished in its pending application and to notify the Commission within 30 days of any substantial change that may be of decisional significance to that application. Thus § 1.65 requires an auction applicant to notify the Commission of any substantial change to the information or certifications included in its pending short-form application. Applicants are therefore required by § 1.65 to report to the Commission any communications they have made to or received from another applicant after the short-form filing deadline that affect or have the potential to affect bids or bidding strategy unless such communications are made to or received from parties to agreements identified under § 1.2105(a)(2)(viii). In addition § 1.2105(c)(6) provides that any applicant that makes or receives a communication prohibited by § 1.2105(c) must report such communication to the Commission in writing immediately, and in no case later than five business days after the communication occurs.

19. Applicants that are winning bidders will be required to disclose in their long-form applications the specific terms, conditions, and parties involved in any bidding consortia, joint ventures, partnerships, and other arrangements entered into relating to the competitive bidding process.

20. A summary listing of documents issued by the Commission and the Bureau addressing the application of the anti-collusion rule may be found in Attachment F of the *Auction No. 72 Procedures Public Notice*.

#### iii. Protection of Incumbent Operations

21. Potential applicants are advised that there are a number of incumbent Phase I 220 MHz Service licensees already licensed and operating on frequencies between 220 and 222 MHz. Such Phase I incumbents must be protected from harmful interference by Phase II 220 MHz Service licensees in accordance with the Commission's rules. These limitations may restrict the ability of Phase II geographic area licensees to use certain portions of the electromagnetic spectrum or provide service to certain areas in their geographic license areas.

#### a. International Coordination

22. Potential bidders seeking licenses for geographic areas that are near the Canadian or Mexican borders should be aware that the use of some or all of the channels they acquire in the auction could be restricted by agreements with Canada or Mexico on the use of 220–222 MHz spectrum in the border area.

#### b. Quiet Zones

23. Phase II 220 MHz Service licensees must protect the radio quiet zones set forth in the Commission's rules. Licensees are cautioned that they must receive the appropriate approvals directly from the relevant quiet zone entity prior to operating within the areas described in the Commission's rules.

#### iv. Due Diligence

24. The Bureau cautions potential applicants formulating their bidding strategies to investigate and consider the extent to which Phase II 220 MHz frequencies are occupied. Applicants and their investors should also understand that Commission rules and requirements place limitations on the ability of Phase II 220 MHz Service licensees to use this spectrum. Incumbent Phase I 220 MHz Service operations in the 220–222 MHz band must be protected. These limitations may restrict the ability of Phase II 220 MHz Service geographic area licensees to use certain portions of the electromagnetic spectrum or provide service to certain areas in their geographic license areas. Bidders should become familiar with the status of these operations, applicable Commission rules, orders and any pending proceedings related to the service, in order to make reasoned, appropriate decisions about their participation in Auction No. 72 and their bidding strategy.

25. Potential bidders are reminded that they are solely responsible for investigating and evaluating all technical and marketplace factors that may have a bearing on the value of the Phase II 220 MHz Service licenses in this auction. The FCC makes no representations or warranties about the use of this spectrum for particular services. Applicants should be aware that an FCC auction represents an opportunity to become an FCC licensee in the Phase II 220 MHz Service subject to certain conditions and regulations. An FCC auction does not constitute an endorsement by the FCC of any particular service, technology, or product, nor does an FCC license constitute a guarantee of business success. Applicants should perform

their individual due diligence before proceeding as they would with any new business venture.

26. Potential bidders are strongly encouraged to conduct their own research prior to the beginning of bidding in Auction No. 72 in order to determine the existence of any pending administrative or judicial proceedings that might affect their decision regarding participation in the auction. Participants in Auction No. 72 are strongly encouraged to continue such research throughout the auction. In addition, potential bidders should perform technical analyses sufficient to assure themselves that, should they prevail in competitive bidding for a specific license, they will be able to build and operate facilities that will fully comply with the Commission's technical and legal requirements as well as other applicable federal, state and local laws.

27. Applicants should also be aware that certain pending and future proceedings, including applications, including those for modification, petitions for rulemaking, requests for special temporary authority, waiver requests, petitions to deny, petitions for reconsideration, informal oppositions, and applications for review, before the Commission may relate to particular applicants or incumbent licensees or the licenses available in Auction No. 72. In addition, pending and future judicial proceedings may relate to particular applicants or incumbent licensees, or the licenses available in Auction No. 72. Prospective bidders are responsible for assessing the likelihood of the various possible outcomes, and considering their potential impact on spectrum licenses available in this auction.

28. Applicants should perform due diligence to identify and consider all proceedings that may affect the spectrum licenses being auctioned and that could have an impact on the availability of spectrum for Auction No. 72. In addition, although the Commission may continue to act on various pending applications, informal objections, petitions, and other requests for Commission relief, some of these matters may not be resolved by the beginning of bidding in the auction.

29. Applicants are solely responsible for identifying associated risks and for investigating and evaluating the degree to which such matters may affect their ability to bid on, otherwise acquire, or make use of licenses available in Auction No. 72.

30. Applicants may use the Bureau's licensing databases at <http://wireless.fcc.gov/uls> to obtain information about incumbent licenses

that may affect the availability of the spectrum for which licenses are offered in Auction No. 72.

31. The Commission makes no representations or guarantees regarding the accuracy or completeness of information in its databases or any third party databases, including, for example, court docketing systems. To the extent the Commission's databases may not include all information deemed necessary or desirable by an applicant, applicants may obtain or verify such information from independent sources or assume the risk of any incompleteness or inaccuracy in said databases. Furthermore, the Commission makes no representations or guarantees regarding the accuracy or completeness of information that has been provided by incumbent licensees and incorporated into its databases.

32. Potential applicants are strongly encouraged to physically inspect any prospective sites located in, or near, the service area for which they plan to bid, and also to familiarize themselves with the environmental review obligations.

#### v. Use of Integrated Spectrum Auction System

33. The Commission will make available a browser-based bidding system to allow bidders to participate in Auction No. 72 over the Internet using the Commission's Integrated Spectrum Auction System (ISAS or FCC Auction System). The Commission makes no warranty whatsoever with respect to the FCC Auction System. In no event shall the Commission, or any of its officers, employees or agents, be liable for any damages whatsoever (including, but not limited to, loss of business profits, business interruption, loss of business information, or any other loss) arising out of or relating to the existence, furnishing, functioning or use of the FCC Auction System that is accessible to qualified bidders in connection with this auction. Moreover, no obligation or liability will arise out of the Commission's technical, programming or other advice or service provided in connection with the FCC Auction System.

#### vi. Bidder Alerts

34. As is the case with many business investment opportunities, some unscrupulous entrepreneurs may attempt to use Auction No. 72 to deceive and defraud unsuspecting investors. Information about deceptive telemarketing investment schemes is available from the Commission as well as the FTC and SEC. Complaints about specific deceptive telemarketing investment schemes should be directed

to the FTC, the SEC, or the National Fraud Information Center.

#### vii. Environmental Review Requirements

35. Licensees must comply with the Commission's rules regarding implementation of the National Environmental Policy Act and other federal environmental statutes. The construction of a wireless antenna facility is a federal action and the licensee must comply with the Commission's environmental rules for each such facility. The Commission's environmental rules require, among other things, that the licensee consult with expert agencies having environmental responsibilities, including the U.S. Fish and Wildlife Service, the State Historic Preservation Office, the Army Corps of Engineers and the Federal Emergency Management Agency (through the local authority with jurisdiction over floodplains). In assessing the effect of facilities construction on historic properties, the licensee must follow the provisions of the Nationwide Programmatic Agreement Regarding the Section 106 National Historic Preservation Act Review Process. The licensee must prepare environmental assessments for facilities that may have a significant impact in or on wilderness areas, wildlife preserves, threatened or endangered species or designated critical habitats, historical or archaeological sites, Indian religious sites, floodplains, and surface features. The licensee also must prepare environmental assessments for facilities that include high intensity white lights in residential neighborhoods or excessive radio frequency emission.

#### C. Auction Specifics

##### i. Auction Date

36. Bidding in Auction No. 72 will begin on Wednesday, June 20, 2007, as announced in the *Auction No. 72 Comment Public Notice*.

37. In response to the *Auction No. 72 Comment Public Notice*, a commenter seeks a delay of several months in the start of Auction No. 72. The Bureau does not believe that it would be in the public interest to do so. The commenter argues for a delay to enable the Commission to complete the processing of applications for the assignment of certain 220 MHz licenses to an affiliate of the commenter. Generally, the Commission has held that the existence of related pending proceedings is not a sufficient reason to delay an auction. Similarly, the Commission has observed that Section 309(j)(3)(E)(ii)'s statutory

requirement to provide prospective bidders with time to develop business plans and evaluate the availability of equipment does not require the Commission to postpone an auction until every external factor that might influence a bidder's business plan is resolved with absolute certainty. Further, the Bureau notes that the application identified by the commenter has been acted upon. The commenter provides no legal or policy reason, other than its concern about the processing of the identified assignment application, in support of its request for postponement. In furtherance of the statutory objectives underlying the Commission's auctions process, including promoting the rapid deployment of new technologies and services to the public, and enhancing economic opportunity and competition, the Bureau determined that the public interest would be served by proceeding with the auction as scheduled. The initial schedule for bidding will be announced by public notice at least one week before the start of the auction.

38. Unless otherwise announced, bidding on all licenses will be conducted on each business day until bidding has stopped on all licenses.

#### ii. Auction Title

39. Auction No. 72—Phase II 220 MHz.

#### iii. Bidding Methodology

40. The bidding methodology for Auction No. 72 will be simultaneous multiple round bidding. The Commission will conduct this auction over the Internet using the FCC Auction System, and telephonic bidding will be available as well. Qualified bidders are permitted to bid electronically via the Internet or by telephone. All telephone calls are recorded.

#### iv. Pre-Auction Dates and Deadlines

##### 41. Dates and Deadlines

Auction Seminar: April 11, 2007.

Short-Form Application (FCC Form 175)

Filing Window Opens: April 11, 2007; 12 noon ET.

Short-Form Application (FCC Form 175)

Filing Window Deadline: April 20, 2007; prior to 6 p.m. ET.

Upfront Payments (via wire transfer): May 21, 2007; 6 p.m. ET.

Mock Auction: June 18, 2007.

Auction Begins: June 20, 2007.

#### v. Requirements for Participation

42. Those wishing to participate in the auction must: (1) Submit a short-form application (FCC Form 175) electronically prior to 6 p.m. Eastern Time (ET), April 20, 2007, following the electronic filing procedures set forth in Attachment C to the *Auction No. 72*

*Procedures Public Notice*; (2) submit a sufficient upfront payment and an FCC Remittance Advice Form (FCC Form 159) by 6 p.m. ET, May 21, 2007, following the procedures and instructions set forth in Attachment D to the *Auction No. 72 Procedures Public Notice*; and (3) comply with all provisions outlined in the *Auction No. 72 Procedures Public Notice* and applicable Commission rules. For example, the Phase II 220 MHz spectrum covered by this auction is only available to non-Government applicants under § 90.721(b) of those rules, 47 CFR 90.721(b).

#### II. Short-Form Application (FCC Form 175) Requirements

43. Entities seeking licenses available in Auction No. 72 must file a short-form application electronically via the FCC Auction System prior to 6 p.m. ET on April 20, 2007, following the procedures prescribed in Attachment C to the *Auction No. 72 Procedures Public Notice*. If an applicant claims eligibility for a bidding credit, the information provided in its FCC Form 175 will be used in determining whether the applicant is eligible for the claimed bidding credit. Applicants bear full responsibility for submitting accurate, complete and timely short-form applications. All applicants must certify on their short-form applications under penalty of perjury that they are legally, technically, financially and otherwise qualified to hold a license. Applicants should read the instructions set forth in Attachment C to the *Auction No. 72 Procedures Public Notice* carefully and should consult the Commission's rules to ensure that, in addition to the materials all the information that is required under the Commission's rules is included with their short-form applications.

44. An entity may not submit more than one short-form application for a single auction. In the event that a party submits multiple short-form applications, only one application will be accepted for filing.

45. Applicants also should note that submission of a short-form application and any amendments thereto constitutes a representation by the certifying official that he or she is an authorized representative of the applicant, that he or she has read the form's instructions and certifications, and that the contents of the application, its certifications, and any attachments are true and correct. Applicants are not permitted to make major modifications to their applications; such impermissible changes include a change of the certifying official to the application.

Submission of a false certification to the Commission may result in penalties, including monetary forfeitures, license forfeitures, ineligibility to participate in future auctions, and/or criminal prosecution.

#### A. Preferences for Small Businesses and Others

##### i. Size Standards for Bidding Credits

46. A bidding credit represents the amount by which a bidder's winning bid will be discounted. For Auction No. 72, bidding credits will be available to small businesses and very small businesses, and consortia thereof, as follows: (1) A bidder with attributed average annual gross revenues that exceed \$3 million and do not exceed \$15 million for the preceding three years (small business) will receive a 25 percent discount on its winning bid and (2) a bidder with attributed average annual gross revenues that do not exceed \$3 million for the preceding three years (very small business) will receive a 35 percent discount on its winning bid.

47. Bidding credits are not cumulative; a qualifying applicant receives either the 25 percent or 35 percent bidding credit on its winning bid, but not both.

48. Every applicant that claims eligibility for a bidding credit as either a small business or a very small business, or a consortium of small businesses or very small businesses, will be required to provide information regarding revenues attributable to the applicant, its affiliates, its controlling interests, and the affiliates of its controlling interests on its FCC Form 175 short-form application to establish that it satisfies the applicable eligibility requirement. Applicants claiming eligibility as a designated entity in Auction No. 72 should review carefully the *CSEA/Part 1 Designated Entity FNPRM*, 71 FR 6992, February 10, 2006, and the *Designated Entity Second Report and Order*, 71 FR 26245, May 5, 2006. In that connection, the Commission adopted rules governing eligibility for designated entity benefits in the *Designated Entity Second Report and Order*. The Commission's new rules regarding applicants seeking eligibility for designated entity benefits requires the disclosure of a list of all parties with which the applicant has entered into arrangements for the lease or resale including wholesale agreements of any of the capacity of any of the applicant's spectrum; and a list, separately and in the aggregate, of the gross revenues of entities with which the applicant has an

attributable material relationship, as defined in § 1.2110(b)(3)(iv)(B).

49. The Commission has adopted a narrow exemption from the attribution rule for the officers and directors of a rural telephone cooperative pursuant to which the gross revenues of the affiliates of the cooperative's officers and directors are not attributed to the applicant. An applicant (or controlling interest) seeking to claim this exemption must include in its short-form application a certification that it is validly organized under the most closely applicable organizing statute for a cooperative, and that such organization is reflected in its articles of incorporation, by-laws, and/or other relevant organic documents. Applicants seeking to claim this exemption must meet all of the conditions specified in § 1.2110(b)(3)(iii) of the Commission's rules. Additional guidance on completing the FCC Form 175 to claim this exemption may be found in Attachment C to the *Auctions No. 72 Procedures Public Notice*.

ii. Tribal Lands Bidding Credit

50. To encourage the growth of wireless services in federally recognized tribal lands, the Commission has implemented a tribal lands bidding credit.

iii. Installment Payments

51. Installment payment plans will not be available in Auction No. 72.

*B. License Selection*

52. In Auction No. 72, applicants must select the licenses on which they want to bid from the Eligible Licenses list. In Auction No. 72, FCC Form 175 will include a filtering mechanism that allows an applicant to filter the available licenses. The applicant will make selections for one or more of the filter criteria and the system will produce a list of licenses satisfying the specified criteria. The applicant may select all the licenses in the customized list or select individual licenses from the list. Applicants also will be able to select licenses from one customized list and then create additional customized lists to select additional licenses. There will be no opportunity to change license selection after the short-form filing deadline. It is critically important that an applicant confirm its license selections before submitting its short-form application because the FCC Auction System will not accept bids on licenses that an applicant has not selected on its FCC Form 175.

*C. Disclosure of Bidding Arrangements*

53. Applicants will be required to identify in their short-form applications all parties with whom they have entered into any agreements, arrangements, or understandings of any kind relating to the licenses being auctioned, including any agreements relating to post-auction market structure. Applicants also will be required to certify under penalty of perjury in their short-form applications that they have not entered and will not enter into any explicit or implicit agreements, arrangements or understandings of any kind with any parties, other than those identified in the application, regarding the amount of their bids, bidding strategies, or the particular licenses on which they will or will not bid. If an applicant has had discussions, but has not reached a joint bidding agreement by the short-form application filing deadline, it would not include the names of parties to the discussions on its application and may not continue such discussions with any applicants after the deadline.

54. After the filing of short-form applications, the Commission's rules do not prohibit a party holding a non-controlling, attributable interest in one applicant from acquiring an ownership interest in or entering into a joint bidding arrangement with other applicants provided that (i) the attributable interest holder certifies that it has not and will not communicate with any party concerning the bids or bidding strategies of more than one of the applicants in which it holds an attributable interest, or with which it has entered into a joint bidding arrangement; and (ii) the arrangements do not result in a change in control of any of the applicants. While the anti-collusion rules do not prohibit non-auction-related business negotiations among auction applicants, applicants are reminded that certain discussions or exchanges could touch upon impermissible subject matters because they may convey pricing information and bidding strategies. Further, as discussed above, compliance with the disclosure requirements of the Commission's anti-collusion rule will not insulate a party from enforcement of the antitrust laws.

*D. Ownership Disclosure Requirements*

55. All applicants must comply with the uniform part 1 ownership disclosure standards and provide information required by §§ 1.2105 and 1.2112 of the Commission's rules. Specifically, in completing the short-form application, applicants will be required to fully disclose information on the real party or

parties-in-interest and ownership structure of the applicant. The ownership disclosure standards for the short form are prescribed in §§ 1.2105 and 1.2112 of the Commission's rules. Each applicant is responsible for information submitted in its short-form application being complete and accurate.

56. An applicant's most current ownership information on file with the Commission, if in an electronic format compatible with the short-form application (FCC Form 175) (such as information submitted in an on-line FCC Form 602 or in an FCC Form 175 filed for a previous auction using ISAS) will automatically be entered into the applicant's short-form application. Applicants are responsible for ensuring that the information submitted in their FCC Form 175 for Auction No. 72 is complete and accurate. Accordingly, applicants should carefully review any information automatically entered to confirm that it is complete and accurate as of the deadline for filing the short-form application. Applicants can update any information that was entered automatically and needs to be changed directly in the short-form application.

*E. Bidding Credit Revenue Disclosures*

57. To determine which applicants qualify for bidding credits as small businesses or very small businesses, the Commission considers the gross revenues of the applicant, its affiliates, its controlling interests, and the affiliates of its controlling interests. Therefore, entities applying to bid as small businesses or very small businesses (or consortia of small businesses or very small businesses) will be required to disclose on their FCC Form 175 short-form applications the gross revenues of each of the following for the preceding three years: (1) The applicant, (2) its affiliates, (3) its controlling interests, and (4) the affiliates of its controlling interests. Certification that the average annual gross revenues of such entities and individuals for the preceding three years do not exceed the applicable limit is not sufficient. In order to comply with the Commission's disclosure requirements for bidding credit eligibility, an applicant must provide separately for itself, its affiliates, its controlling interests, and the affiliates of its controlling interests, the gross revenues for each of the preceding three years. If the applicant is applying as a consortium of small businesses or very small businesses, this information must be provided for each consortium member.

58. Controlling interests of an applicant include individuals and entities with either *de facto* or *de jure* control of the applicant. Typically, ownership of at least 50.1 percent of an entity's voting stock evidences *de jure* control. *De facto* control is determined on a case-by-case basis. The following are some common indicia of *de facto* control: (1) The entity constitutes or appoints more than 50 percent of the board of directors or management committee; (2) the entity has authority to appoint, promote, demote, and fire senior executives that control the day-to-day activities of the licensee and (3) the entity plays an integral role in management decisions.

59. Officers and directors of an applicant are also considered to have controlling interest in the applicant. The Commission does not impose specific equity requirements on controlling interest holders. Once the principals or entities with a controlling interest are determined, only the revenues of those principals or entities, the affiliates of those principals or entities, and the applicant and its affiliates will be counted in determining small business eligibility.

60. In recent years the Commission has made modifications to its rules governing the attribution of gross revenues for purposes of determining small business eligibility. These changes include exempting the gross revenues of the affiliates of a rural telephone cooperative's officers and directors from attribution to the applicant if certain specified conditions are met. The Commission has also clarified that, in calculating an applicant's gross revenues under the controlling interest standard, it will not attribute the personal net worth, including personal income, of its officers and directors to the applicant.

61. A consortium of small businesses or very small businesses is a conglomerate organization composed of two or more entities, each of which individually satisfies the definition of a small business or very small business as those terms are defined in the service-specific rules. Thus, each member of a consortium of small or very small businesses that applies to participate in Auction No. 72 must individually meet the definition of small business or very small business adopted by the Commission for the Phase II 220 MHz Service. Each consortium member must disclose its gross revenues along with those of its affiliates, its controlling interests, and the affiliates of its controlling interests. Although the gross revenues of the consortium members will not be aggregated for purposes of

determining the consortium's eligibility as a small business or very small business, this information must be provided to ensure that each individual consortium member qualifies for any bidding credit awarded to the consortium.

#### *F. Provisions Regarding Former and Current Defaulters*

62. Each applicant must state under penalty of perjury on its short-form application whether or not the applicant, its affiliates, its controlling interests, and the affiliates of its controlling interests, as defined by § 1.2110, have ever been in default on any Commission licenses or have ever been delinquent on any non-tax debt owed to any Federal agency. In addition, each applicant must certify under penalty of perjury on its short-form application that as of the short-form filing deadline, the applicant, its affiliates, its controlling interests, and the affiliates of its controlling interests, as defined by § 1.2110, are not in default on any payment for Commission licenses including down payments and that they are not delinquent on any non-tax debt owed to any Federal agency. Prospective applicants are reminded that submission of a false certification to the Commission is a serious matter that may result in severe penalties, including monetary forfeitures, license revocations, exclusion from participation in future auctions, and/or criminal prosecution.

63. Former defaulters—*i.e.*, applicants, including any of their affiliates, any of their controlling interests, or any of the affiliates of their controlling interests, that in the past have defaulted on any Commission licenses or been delinquent on any non-tax debt owed to any Federal agency, but that have since remedied all such defaults and cured all of their outstanding non-tax delinquencies—are eligible to bid in Auction No. 72, provided that they are otherwise qualified. However, former defaulters are required to pay upfront payments that are fifty percent more than the normal upfront payment amounts.

64. Current defaulters—*i.e.*, applicants, including any of their affiliates, any of their controlling interests, or any of the affiliates of their controlling interests, that are in default on any payment for any Commission licenses including down payments or are delinquent on any non-tax debt owed to any Federal agency as of the filing deadline for applications to participate in this auction—are not eligible to bid in Auction No. 72.

65. Applicants are encouraged to review the Bureau's previous guidance on default and delinquency disclosure requirements in the context of the short-form application process. For example, it has been determined that to the extent that Commission rules permit late payment of regulatory or application fees accompanied by late fees, such debts will become delinquent for purposes of §§ 1.2105(a) and 1.2106(a) only after the expiration of a final payment deadline. Therefore, with respect to regulatory or application fees, the provisions of §§ 1.2105(a) and 1.2106(a) regarding default and delinquency in connection with competitive bidding are limited to circumstances in which the relevant party has not complied with a final Commission payment deadline.

66. The Commission considers outstanding debts owed to the United States Government, in any amount, to be a serious matter. The Commission adopted rules, including a provision referred to as the red light rule, that implement the Commission's obligations under the *Debt Collection Improvement Act of 1996*, which governs the collection of claims owed to the United States. Under the red light rule, the Commission will not process applications and other requests for benefits filed by parties that have outstanding debts owed to the Commission. In the same rulemaking order, the Commission explicitly declared, however, that the Commission's competitive bidding rules are not affected by the red light rule. As a consequence, the Commission's adoption of the red light rule does not alter the applicability of any of the Commission's competitive bidding rules, including the provisions and certifications of §§ 1.2105 and 1.2106, with regard to current and former defaults or delinquencies. Applicants are reminded, however, that the Commission's Red Light Display System, which provides information regarding debts owed to the Commission, may not be determinative of an auction applicant's ability to comply with the default and delinquency disclosure requirements of § 1.2105. Thus, while the red light rule ultimately may prevent the processing of long-form applications by auction winners, an auction applicant's red light status is not necessarily determinative of its eligibility to participate in this auction or of its upfront payment obligation.

67. Prospective applicants in Auction No. 72 should note that any long-form applications filed after the close of competitive bidding will be reviewed



for compliance with the Commission's red light rule, and such review may result in the dismissal of a winning bidder's long-form application.

#### G. Other Information

68. Applicants owned by member of minority groups and/or women, as defined in § 1.2110(c)(3), may identify themselves in filling out their short-form applications regarding this status. This applicant status information is collected for statistical purposes only and assists the Commission in monitoring the participation of designated entities in its auctions.

#### H. Minor Modifications to Short-Form Applications (FCC Form 175)

69. As of the deadline for filing short-form applications (FCC Forms 175) prior to 6 p.m. ET on April 20, 2007, applicants are permitted to make only minor changes to their applications. Applicants are not permitted to make major modifications to their applications (e.g., change their license selections, change control of the applicant, change the certifying official, or change their size to claim eligibility for a higher bidding credit). Permissible minor changes include, for example, deletion and addition of authorized bidders (to a maximum of three) and revision of addresses and telephone numbers of the applicants and their contact persons.

70. An applicant must make permissible minor changes to its short-form application, as such changes are defined by § 1.2105(b), electronically using the FCC Auction System. Applicants must click on the SUBMIT button in the FCC Auction System for the changes to be submitted and considered by the Commission. After the revised application has been submitted, a confirmation page will be displayed that states the submission time and date, along with a unique file number.

71. In addition, during those periods outside of the initial and resubmission filing windows (i.e., when you cannot electronically update your FCC Form 175), an applicant should submit a letter briefly summarizing the changes and subsequently update their short-form applications in ISAS as soon as possible. Note: After the filing window has closed, the auction system will not permit applicants to make certain changes, such as legal classification and bidding credit. Any letter describing changes to an applicant's short-form application should be submitted by electronic mail to the following address: [auction72@fcc.gov](mailto:auction72@fcc.gov)

72. Applicants must not submit application-specific material through the Commission's Electronic Comment Filing System (ECFS).

#### I. Maintaining Current Information in Short-Form Applications (FCC Form 175)

73. Section 1.65 of the Commission's rules requires an applicant to maintain the accuracy and completeness of information furnished in its pending application and to notify the Commission within 30 days of any substantial change that may be of decisional significance to that application. Changes that cause a loss of or reduction in eligibility for a bidding credit must be reported immediately. If an amendment reporting substantial changes is a major amendment as defined by § 1.2105, the major amendment will not be accepted and may result in the dismissal of the short-form application.

74. After the short-form filing deadline, applicants may make only minor changes to their FCC Form 175 applications, for example, deletion and addition of authorized bidders (to a maximum of three). Applicants must click on the SUBMIT button in the FCC Auction System for the changes to be submitted and considered by the Commission. In addition, applicants must submit a letter, briefly summarizing the changes, by electronic mail at the following address: [auction72@fcc.gov](mailto:auction72@fcc.gov).

75. Applicants must not submit application-specific material through ECFS into the record of the proceeding concerning Auction No. 72 procedures.

### III. Pre-Auction Procedures

#### A. Auction Seminar—April 11, 2007

76. On Wednesday, April 11, 2007, the FCC will sponsor a free seminar for parties interested in participating in Auction No. 72 at the FCC headquarters, located at 445 12th Street, SW., Washington, DC. The seminar will provide attendees with information about pre-auction procedures, completing FCC Form 175, auction conduct, the FCC Auction System, auction rules, and the Phase II 220 MHz Service rules. The seminar will also provide an opportunity for prospective bidders to ask questions of FCC staff concerning the auction, auction procedures, filing requirements and other matters related to this auction.

77. To register, please provide the information listed on Attachment B of the *Auction No. 72 Procedures Public Notice* by fax, e-mail or telephone to the FCC by Monday, April 9, 2007. The

seminar is free of charge and for individuals who are unable to attend, an Audio/Video webcast of this seminar will be available from the FCC's Auction No. 72 web page at <http://wireless.fcc.gov/auctions/72/>.

#### B. Short-Form Application (FCC Form 175)—Due Prior to 6 p.m. ET on April 20, 2007

78. In order to be eligible to bid in this auction, applicants must first follow the procedures set forth in Attachment C to the *Auction No. 72 Procedures Public Notice* to submit an FCC Form 175 application electronically via the FCC Auction System. This application must be received at the Commission prior to 6 p.m. ET on April 20, 2007. Late applications will not be accepted. There is no application fee required when filing an FCC Form 175. However, to be eligible to bid, an applicant must submit an upfront payment.

79. Applications may generally be filed at any time beginning at noon ET on April 11, 2007, and the filing window will close prior to 6 p.m. ET on April 20, 2007. Applicants are strongly encouraged to file early and are responsible for allowing adequate time for filing their applications. Applicants may update or amend their applications multiple times until the filing deadline on April 20, 2007.

80. Applicants must always click on the SUBMIT button on the Certify & Submit screen of the electronic form to successfully submit or modify their FCC Form 175. Any form that is not submitted will not be reviewed by the FCC. Additional information about accessing, completing, and viewing the FCC Form 175 is included in Attachment C of the *Auction No. 72 Procedures Public Notice*. FCC Auction Technical Support is available at (877) 480-3201, option nine; (202) 414-1250; or (202) 414-1255 (text telephone (TTY)); hours of service are Monday through Friday, from 8 a.m. to 6 p.m. E.T. In order to provide better service to the public, all calls to Technical Support are recorded.

#### C. Application Processing and Minor Corrections

81. After the deadline for filing the FCC Form 175 applications has passed, the FCC will process all timely submitted applications to determine which are acceptable for filing, and subsequently will issue a public notice identifying: (1) Those applications accepted for filing; (2) those applications rejected; and (3) those applications which have minor defects that may be corrected, and the deadline for resubmitting corrected applications.

82. After the April 20, 2007, short-form filing deadline, applicants may make only minor corrections to their FCC Form 175 applications. Applicants will not be permitted to make major modifications to their applications (e.g., change their license selections, change control of the applicant, change certifying official, or change their size to claim eligibility for a higher bidding credit).

*D. Upfront Payments—Due May 21, 2007*

83. In order to be eligible to bid in the auction, applicants must submit an upfront payment accompanied by an FCC Remittance Advice Form (FCC Form 159). After completing the FCC Form 175, filers will have access to an electronic version of the FCC Form 159 that can be printed and sent by facsimile to Mellon Bank in Pittsburgh, PA. All upfront payments must be received in the proper account at Mellon Bank by 6 p.m. ET on May 21, 2007.

*i. Making Auction Payments by Wire Transfer*

84. Wire transfer payments must be received by 6 p.m. ET on May 21, 2007. *No other payment method is acceptable* for this auction. To avoid untimely payments, applicants should discuss arrangements (including bank closing schedules) with their banker several days before they plan to make the wire transfer, and allow sufficient time for the transfer to be initiated and completed before the deadline.

85. At least one hour before placing the order for the wire transfer (but on the same business day), applicants must send by facsimile a completed FCC Form 159 (Revised 2/03) to Mellon Bank at (412) 209-6045. On the cover sheet of the facsimile, write Wire Transfer—Auction Payment for Auction No. 72. In order to meet the Commission's upfront payment deadline, an applicant's payment must be credited to the Commission's account before the deadline. Applicants are responsible for obtaining confirmation from their financial institution that Mellon Bank has timely received their upfront payment and deposited it in the proper account.

86. Please note that: (1) All payments must be made in U.S. dollars; (2) all payments must be made by wire transfer; (3) upfront payments for Auction No. 72 go to a lockbox number different from the lockboxes used in previous FCC auctions, and different from the lockbox number to be used for post-auction payments; and (4) failure to deliver the upfront payment as instructed by the May 21, 2007,

deadline, will result in dismissal of the application and disqualification from participation in the auction.

*ii. FCC Form 159*

87. A completed FCC Remittance Advice Form (FCC Form 159, Revised 2/03) must be sent by facsimile to Mellon Bank to accompany each upfront payment. Proper completion of FCC Form 159 (Revised 2/03) is critical to ensuring correct crediting of upfront payments. Detailed instructions for completion of FCC Form 159 are included in Attachment D of the *Auction No. 72 Procedures Public Notice*. An electronic pre-filled version of the FCC Form 159 is available after submitting the FCC Form 175. Payors using a pre-filled FCC Form 159 are responsible for ensuring that all of the information on the form, including payment amounts, is accurate. The FCC Form 159 can be completed electronically, but must be filed with Mellon Bank via facsimile.

*iii. Upfront Payments and Bidding Eligibility*

88. In the *Auction No. 72 Comment Public Notice*, the Bureau proposed that the amount of the upfront payment would determine a bidder's initial bidding eligibility, the maximum number of bidding units on which a bidder may place bids. In order to bid on a license, otherwise qualified bidders that selected that license on Form 175 must have a current eligibility level that meets or exceeds the number of bidding units assigned to that license. At a minimum, therefore, an applicant's total upfront payment must be enough to establish eligibility to bid on at least one of the licenses selected on its Form 175, or else the applicant will not be eligible to participate in the auction. An applicant does not have to make an upfront payment to cover all licenses the applicant selected on its Form 175, but rather to cover the maximum number of bidding units that are associated with licenses on which the bidder wishes to place bids and hold provisionally winning bids at any given time.

89. In the *Auction No. 72 Comment Public Notice*, the Bureau proposed to calculate upfront payments for Auction No. 72 on a license-by-license basis using the following formulas:

EAG Licenses: \$500 per license.  
EAG License:  $\$0.01 * 0.15 \text{ MHz} * \text{License Area Population}$ .

The Bureau set forth the specific upfront payments and bidding units for each license in Attachment A of the *Auction No. 72 Comment Public Notice*

and sought comment on this proposal. The Bureau received no comments in response to the proposed upfront payments. The specific upfront payments and bidding units for each license are set forth in Attachment A of the *Auction No. 72 Procedures Public Notice*.

90. Applicants must make upfront payments sufficient to obtain bidding eligibility on the licenses on which they will bid.

91. In calculating its upfront payment amount, an applicant should determine the maximum number of bidding units on which it may wish to be active (bid on or hold provisionally winning bids on) in any single round, and submit an upfront payment amount covering that number of bidding units. In order to make this calculation, an applicant should add together the upfront payments for all licenses on which it seeks to be active in any given round. Applicants should check their calculations carefully, as there is no provision for increasing a bidder's eligibility after the upfront payment deadline.

92. Former defaulters should calculate their upfront payment for all licenses by multiplying the number of bidding units on which they wish to be active by 1.5. In order to calculate the number of bidding units to assign to former defaulters, the Commission will divide the upfront payment received by 1.5 and round the result up to the nearest bidding unit.

*iv. Applicant's Wire Transfer Information for Purposes of Refunds of Upfront Payments*

93. To ensure that refunds of upfront payments are processed in an expeditious manner, the Commission is requesting that all pertinent information be supplied to the FCC. All refunds will be returned to the payer of record as identified on the FCC Form 159 unless the payer submits written authorization instructing otherwise.

*E. Auction Registration*

94. Approximately ten days before the auction, the FCC will issue a public notice announcing all qualified bidders for the auction. Qualified bidders are those applicants whose FCC Form 175 applications have been accepted for filing and have timely submitted upfront payments sufficient to make them eligible to bid.

95. All qualified bidders are automatically registered for the auction. Registration materials will be distributed prior to the auction by overnight mail. The mailing will be sent only to the contact person at the contact

address listed in the FCC Form 175 and will include the SecurID® tokens that will be required to place bids, the Integrated Spectrum Auction System (ISAS) Bidder's Guide, and the Auction Bidder Line phone number.

96. Qualified bidders that do not receive this registration mailing will not be able to submit bids. Therefore, any qualified bidder that has not received this mailing by noon on Thursday, June 14, 2007, should call (717) 338-2868. Receipt of this registration mailing is critical to participating in the auction, and each applicant is responsible for ensuring it has received all of the registration material.

97. In the event that SecurID® tokens are lost or damaged, only a person who has been designated as an authorized bidder, the contact person, or the certifying official on the applicant's short-form application may request replacement registration material.

#### F. Remote Electronic Bidding

98. The Commission will conduct this auction over the Internet, and telephonic bidding will be available as well. Qualified bidders are permitted to bid electronically and telephonically. Each applicant should indicate its bidding preference—electronic or telephonic—on the FCC Form 175. In either case, each authorized bidder must have its own SecurID® token, which the FCC will provide at no charge. Each applicant with one authorized bidder will be issued two SecurID® tokens, while applicants with two or three authorized bidders will be issued three tokens. For security purposes, the SecurID® tokens, the telephonic bidding telephone number, and the Integrated Spectrum Auction System (ISAS) Bidder's Guide are only mailed to the contact person at the contact address listed on the FCC Form 175.

#### G. Mock Auction—June 18, 2007

99. All qualified bidders will be eligible to participate in a mock auction on Monday, June 18, 2007. The mock auction will enable applicants to become familiar with the FCC Auction System prior to the auction. Participation by all bidders is strongly recommended. Details will be announced by public notice.

#### IV. Auction Event

100. The first round of bidding for Auction No. 72 will begin on Wednesday, June 20, 2007. The initial bidding schedule will be announced in a public notice listing the qualified bidders, which is to be released approximately 10 days before the start of the auction.

#### A. Auction Structure

##### i. Simultaneous Multiple Round Auction

101. In the *Auction No. 72 Comment Public Notice*, the Bureau proposed to auction all Phase II 220 MHz Service licenses in a single auction using the Commission's standard simultaneous multiple-round (SMR) auction format. This type of auction offers every license for bid at the same time and consists of successive bidding rounds in which eligible bidders may place bids on individual licenses. A bidder may bid on, and potentially win, any number of licenses. Typically, bidding remains open on all licenses until bidding stops on every license, unless a modified stopping rule is invoked.

102. The Bureau also sought comment on using a simultaneous multiple-round with package bidding (SMR-PB) format for Auction No. 72. The Bureau does not believe that a package bidding format would significantly enhance the ability of bidders to create efficient aggregations of licenses in Auction No. 72. Therefore, the Bureau will not use an SMR-PB format for Auction No. 72.

103. The Bureau concludes that the Bureau's standard SMR auction format will meet the needs of bidders in Auction No. 72, and the Bureau adopts the proposal to use a simultaneous multiple-round auction format without package bidding. Unless otherwise announced, bids will be accepted on all licenses in each round of the auction until bidding stops on every license. This approach, the Bureau believes, allows bidders to take advantage of synergies that exist among licenses.

##### ii. Information Available to Bidders Before and During the Auction

104. In the *Auction No. 72 Comment Public Notice*, the Bureau sought comment on whether to implement procedures that prior to and during the auction would limit the disclosure of information on bidder interests and identities. The Bureau received no comments on this issue.

105. For Auction No. 72, the Bureau will use limited information procedures if it appears likely that the competitiveness of the auction will be low, and if the Bureau believes that limited information procedures will be effective in making anti-competitive behavior less likely to be successful. Alternatively, if the Bureau determines that the auction is likely to be sufficiently competitive, and therefore, that the risk of successful collusion is low, the Bureau will not implement procedures that would limit the disclosure of information on bidder

interests and identities before the close of bidding.

106. Specifically, the Bureau will estimate the likely level of competition in the auction by considering the eligibility ratio, defined as the total number of bidding units of eligibility purchased by bidders through their upfront payments divided by the total number of bidding units for the licenses in the auction. If the eligibility ratio equals or exceeds three, the Bureau will not use limited information procedures. If the eligibility ratio is less than three, in general the Bureau will withhold certain information on bidder interests and bidder identities prior to and during the auction.

107. However, if the eligibility ratio is less than three, the Bureau reserves the discretion not to use limited information procedures if circumstances indicate that limited information procedures would not be an effective tool for deterring anti-competitive behavior. For example, if only two applicants become qualified to participate in the bidding, limited information procedures would be ineffective in preventing bidders from knowing the identity of the competing bidder and, therefore, limited information procedures would not serve to deter attempts at signaling and retaliatory bidding behavior. The Bureau anticipates announcing the information disclosure procedures to be used at or about the time that the Bureau releases a public notice announcing the applicants that are qualified to participate in the bidding.

108. If the Commission determines that limited information procedures will be used, it will make available prior to the auction the total eligibility level for the auction as well as the eligibility of each bidder but will not identify bidders' license selections. After each round of bidding, the amounts of each bid placed will be made available, but not the identities of the bidders. This information will give bidders an indication of demand for the licenses, so that bidders and their investors will be able to assess whether their bids are likely to be consistent with the valuations of other bidders, allowing them to bid more confidently. In addition, after each round bidders logged in to the FCC Auction System will be able to see whether their own bids are provisionally winning.

109. *Other Issues.* The Bureau does not believe that the information disclosure procedures established for this auction will interfere with the administration of or compliance with the Commission's anti-collusion rule. Section 1.2105(c)(1) of the

Commission's rules provides that after the short-form application filing deadline, all applicants for licenses in any of the same geographic license areas are prohibited from disclosing to each other in any manner the substance of bids or bidding strategies until after the down payment deadline, subject to specified exceptions. When limited information procedures are not in effect for a particular auction, each applicant's selection of licenses has been publicly available through the Commission's on-line short-form application database. In Auction No. 72, however, the Commission will not disclose information regarding license selection at least until the upfront payment deadline has passed and the Commission determines the information disclosure procedures to be used for the auction. As in the past, the Commission will disclose the other portions of applicants' short-form applications, through its on-line database and certain application-based information through public notices. Thus, even without information regarding license selection, applicants would be able to comply with § 1.2105(c) by not disclosing bids or bidding strategies to any other applicants in the auction. This approach, however, could inhibit otherwise lawful communications with applicants for licenses in other geographic license areas, which the Commission's rule permits. Consequently, the Bureau will notify separately each applicant with short-form applications to participate in a pending auction whether applicants in Auction No. 72 have applied for licenses in any of the same geographic areas as that applicant. Specifically, after the Bureau conducts its initial review of applications to participate in Auction No. 72, each applicant with a pending short-form application will receive a letter that lists the applicants in Auction No. 72 that have applied for licenses in any of the same geographic areas as the applicant. The list will identify the Auction No. 72 applicant(s) by name but will not list the license selections of the Auction No. 72 applicant(s). As in past auctions, additional information regarding applicants in Auction No. 72 that is needed to comply with § 1.2105(c), e.g., the identities of controlling interest in the applicant and ownership interests greater than ten percent, will be available through the publicly accessible on-line short-form application database.

### iii. Eligibility and Activity Rules

110. In the *Auction No. 72 Comment Public Notice*, the Bureau proposed that

the amount of the upfront payment submitted by a bidder would determine the initial (maximum) eligibility (as measured in bidding units) for each bidder. The Bureau received no comments on this issue.

111. The Commission will use upfront payments to determine initial (maximum) eligibility (as measured in bidding units) for Auction No. 72. The amount of the upfront payment submitted by a bidder determines initial bidding eligibility, the maximum number of bidding units on which a bidder may be active. As noted earlier, each license is assigned a specific number of bidding units listed in Attachment A of the *Auction No. 72 Procedures Public Notice*. Bidding units for a given license do 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 of the licenses selected on its FCC Form 175 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; it can only remain the same or decrease. 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 provisionally winning bids on in any single round, and submit an upfront payment amount covering that total number of bidding units. The total upfront payment does not affect the total dollar amount a bidder may bid on any given license.

112. In order to ensure that an auction closes within a reasonable period of time, an activity rule requires bidders to bid actively throughout the auction, rather than wait until late in the auction before participating. Bidders are required to be active on a specific percentage of their current bidding eligibility during each round of the auction.

113. A bidder's activity level in a round is the sum of the bidding units associated with licenses on which the bidder is active. A bidder is considered active on a license in the current round if it is either the provisionally winning bidder at the end of the previous bidding round and does not withdraw the provisionally winning bid in the current round, or if it submits a bid in the current round. The minimum required activity is expressed as a percentage of the bidder's current eligibility, and increases by stage as the auction progresses. Because these procedures have proven successful in maintaining the pace of previous auctions, the Commission adopts them

for Auction No. 72. Failure to maintain the requisite activity level will result in the use of an activity rule waiver, if any remain, or a reduction in the bidder's eligibility, possibly curtailing or eliminating the bidder's ability to place bids in the auction.

### iv. Auction Stages

114. In the *Auction No. 72 Comment Public Notice*, the Bureau proposed to conduct the auction in two stages and employ an activity rule. The Bureau further proposed that, in each round of Stage One, a bidder desiring to maintain its current bidding eligibility would be required to be active on licenses representing at least 80 percent of its current bidding eligibility. Finally, the Bureau proposed that in each round of Stage Two, a bidder desiring to maintain its current bidding eligibility would be required to be active on at least 95 percent of its current bidding eligibility. The Bureau received no comments on this proposal.

115. The Commission adopts the Bureau's proposals for the activity rules and stages. The Bureau reserves the discretion to further alter the activity percentages before and/or during the auction.

116. *Stage One*: During the first stage of the auction, a bidder desiring to maintain its current bidding eligibility will be required to be active on licenses representing at least 80 percent of its current bidding eligibility in each bidding round. Failure to maintain the required activity level will result in the use of an activity rule waiver or, if the bidder has no activity rule waivers remaining, a reduction in the bidder's bidding eligibility in the next round. During Stage One, reduced eligibility for the next round will be calculated by multiplying the bidder's current round activity (the sum of bidding units of the bidder's provisionally winning bids and bids during the current round) by five-fourths ( $\frac{5}{4}$ ).

117. *Stage Two*: During the second stage of the auction, a bidder desiring to maintain its current bidding eligibility is required to be active on 95 percent of its current bidding eligibility. Failure to maintain the required activity level will result in the use of an activity rule waiver or, if the bidder has no activity rule waivers remaining, a reduction in the bidder's bidding eligibility in the next round. During Stage Two, reduced eligibility for the next round will be calculated by multiplying the bidder's current round activity (the sum of bidding units of the bidder's provisionally winning bids and bids during the current round) by twenty-nineths ( $\frac{20}{19}$ ).

118. CAUTION: Since activity requirements increase in Stage Two, bidders must carefully check their activity during the first round following a stage transition to ensure that they are meeting the increased activity requirement. This is especially critical for bidders that have provisionally winning bids and do not plan to submit new bids. In past auctions, some bidders have inadvertently lost bidding eligibility or used an activity rule waiver because they did not re-verify their activity status at stage transitions. Bidders may check their activity against the required activity level by logging into the FCC Auction System.

119. Because the foregoing procedures have proven successful in maintaining the proper pace in previous auctions, the Bureau adopts them for Auction No. 72.

#### v. Stage Transitions

120. In the *Auction No. 72 Comment Public Notice*, the Bureau proposed that the auction would generally advance to the next stage (*i.e.*, from Stage One to Stage Two) when the auction activity level, as measured by the percentage of bidding units receiving new provisionally winning bids, is approximately 20 percent or lower for three consecutive rounds of bidding. The Bureau further proposed that the Bureau would retain the discretion to change stages unilaterally by announcement during the auction. This determination, the Bureau proposed, would be based on a variety of measures of bidder activity, including, but not limited to, the auction activity level, the percentages of licenses (as measured in bidding units) on which there are new bids, the number of new bids, and the percentage increase in revenue. The Bureau received no comments on this issue.

121. The Bureau adopts this proposal. Thus, the auction will start in Stage One and will generally advance to Stage Two when, in each of three consecutive rounds of bidding, the provisionally winning bids have been placed on 20 percent or less of the licenses being auctioned (as measured in bidding units). In addition, the Bureau will retain the discretion to regulate the pace of the auction by announcement. This determination will be based on a variety of measures of bidder activity, including, but not limited to, the auction activity level, the percentages of licenses (as measured in bidding units) on which there are new bids, the number of new bids, and the percentage increase in revenue. The Bureau believes that these stage transition rules, having proven successful in prior

auctions, are appropriate for use in Auction No. 72.

#### vi. Activity Rule Waivers

122. In the *Auction No. 72 Comment Public Notice*, the Bureau proposed that each bidder in the auction be provided with three activity rule waivers. The Bureau received no comments on this issue. Therefore, the Bureau adopts the proposal that each bidder be provided three activity rule waivers. The Bureau is satisfied that providing three waivers over the course of the auction will give bidders a sufficient number of waivers and flexibility, while also safeguarding the integrity of the auction.

123. Bidders may use an activity rule waiver in any round during the course of the auction. Use of an activity rule waiver preserves the bidder's current bidding eligibility despite the bidder's activity in the current round being below the required minimum activity level. An activity rule waiver applies to an entire round of bidding and not to a particular license. Activity rule waivers can be either applied proactively by the bidder (a proactive waiver) or applied automatically by the FCC Auction System (an automatic waiver) and are principally a mechanism for auction participants to avoid the loss of bidding eligibility in the event that exigent circumstances prevent them from placing a bid in a particular round.

124. The FCC Auction System assumes that bidders with insufficient activity would prefer to apply an activity rule waiver (if available) rather than lose bidding eligibility. Therefore, the system will automatically apply a waiver at the end of any bidding round where a bidder's activity level is below the minimum required unless: (1) There are no activity rule waivers available; or (2) the bidder overrides the automatic application of a waiver by reducing eligibility. If a bidder has no waivers remaining and does not satisfy the activity requirement, the FCC Auction System will permanently reduce the bidder's eligibility, possibly curtailing or eliminating the bidder's ability to place additional bids in the auction.

125. A bidder with insufficient activity that wants to reduce its bidding eligibility rather than use an activity rule waiver must affirmatively override the automatic waiver mechanism during the bidding round by using the reduce eligibility function in the FCC Auction System. In this case, the bidder's eligibility is permanently reduced to bring the bidder into compliance with the activity rules. Once eligibility has been reduced, a bidder will not be permitted to regain its lost bidding

eligibility even if the round has not yet closed.

126. Finally, a bidder may apply an activity rule waiver proactively as a means to keep the auction open without placing a bid. If a bidder proactively applies an activity waiver (using the apply waiver function in the FCC Auction System) during a bidding round in which no bids are placed or withdrawn, the auction will remain open and the bidder's eligibility will be preserved. However, an automatic waiver applied by the FCC Auction System in a round in which there are no new bids, withdrawals, or proactive waivers will not keep the auction open. A bidder cannot submit a proactive waiver after submitting a bid in a round, and submitting a proactive waiver will preclude a bidder from placing any bids in that round. Note: Applying a waiver is irreversible; once a proactive waiver is submitted that waiver cannot be unsubmitted, even if the round has not yet closed.

#### vii. Auction Stopping Rules

127. For Auction No. 72, the Bureau proposed to employ a simultaneous stopping rule approach. A simultaneous stopping rule means that all licenses remain available for bidding until bidding closes simultaneously on all licenses. More specifically, bidding will close simultaneously on all licenses after the first round in which no bidder submits any new bids, applies a proactive waiver, or withdraws any provisionally winning bids.

128. The Bureau also sought comment on a modified version of the simultaneous stopping rule (modified stopping rule). The modified stopping rule would close the auction for all licenses after the first round in which no bidder applies a proactive waiver, withdraws a provisionally winning bid, or places any new bids on any license on which it is not the provisionally winning bidder. Thus, absent any other bidding activity, a bidder placing a new bid on a license for which it is the provisionally winning bidder would not keep the auction open under this modified stopping rule.

129. The Bureau further proposed retaining the discretion to keep the auction open even if no bidder places any new bids, applies a proactive waiver, or withdraws any provisionally winning bids in a round. In this event, the effect will be the same as if a bidder had applied a waiver. Thus, the activity rule will apply as usual, and a bidder with insufficient activity will either use an activity rule waiver (if it has any left) or lose bidding eligibility.

130. In addition, the Bureau proposed that the Bureau reserve the right to declare that the auction will end after a specified number of additional rounds (special stopping rule). If the Bureau invokes this special stopping rule, it will accept bids in the specified final round(s) and the auction will close.

131. The Bureau proposed to exercise these options only in circumstances such as where the auction is proceeding very slowly, where there is minimal overall bidding activity or where it appears likely that the auction will not close within a reasonable period of time. The Bureau noted that before exercising these options, the Bureau is likely to attempt to increase the pace of the auction by, for example, increasing the number of bidding rounds per day, and/or changing the minimum acceptable bids.

132. The Bureau believes that the proposed stopping rules are appropriate for Auction No. 72 because our experience in prior auctions demonstrates that these stopping rules balance interests of administrative efficiency and maximum bidder participation. The Bureau received no comments concerning the auction stopping rules. Therefore the Bureau adopts the proposals made in the *Auction No. 72 Comment Public Notice*. Auction No. 72 will begin under the simultaneous stopping rule approach, and the Bureau will retain the discretion to employ the other versions of the stopping rule. Moreover, the Bureau will retain the discretion to use the modified stopping rule with or without prior announcement during the auction.

viii. Auction Delay, Suspension, or Cancellation

133. In the *Auction No. 72 Comment Public Notice*, the Bureau proposed that, by public notice or by announcement during the auction, the Bureau may delay, suspend, or cancel the auction in the event of natural disaster, technical obstacle, administrative or weather necessity, evidence of an auction security breach or unlawful bidding activity, or for any other reason that affects the fair and efficient conduct of competitive bidding. The Bureau received no comment on this issue.

134. Because the Bureau's approach to notification of delay during an auction has proven effective in resolving exigent circumstances in previous auctions, the Bureau adopts the Bureau's proposed rules regarding auction delay, suspension, or cancellation. By public notice or by announcement during the auction, the Bureau may delay, suspend, or cancel the auction in the event of natural disaster, technical obstacle,

administrative or weather necessity, evidence of an auction security breach or unlawful bidding activity, or for any other reason that affects the fair and efficient conduct of competitive bidding. In such cases, the Bureau, in its sole discretion, may elect to resume the auction starting from the beginning of the current round, resume the auction starting from some previous round, or cancel the auction in its entirety. Network interruption may cause the Bureau to delay or suspend the auction. The Bureau emphasizes that exercise of this authority is solely within the discretion of the Bureau, and its use is not intended to be a substitute for situations in which bidders may wish to apply their activity rule waivers.

*B. Bidding Procedures*

i. Round Structure

135. The initial schedule of bidding rounds will be announced in the public notice listing the qualified bidders, which is released approximately 10 days before the start of the auction. Each bidding round is followed by the release of round results. Multiple bidding rounds may be conducted in a given day. Details regarding round results formats and locations will also be included in the qualified bidders public notice.

136. The Bureau has discretion to change the bidding schedule in order to foster an auction pace that reasonably balances speed with the bidders' need to study round results and adjust their bidding strategies. The Bureau may increase or decrease the amount of time for the bidding rounds, the amount of time between rounds, or the number of rounds per day, depending upon bidding activity and other factors.

ii. Reserve Price and Minimum Opening Bids

137. Section 309(j) of the Communications Act of 1934, as amended, calls upon the Commission to prescribe methods by which a reasonable reserve price will be required or a minimum opening bid established when applications for FCC licenses are subject to auction (*i.e.*, because they are mutually exclusive), unless the Commission determines that a reserve price or minimum opening bid is not in the public interest. Consistent with this mandate, the Commission directed the Bureau to seek comment on the use of a minimum opening bid and/or reserve price prior to the start of each auction. Among other factors, the Bureau must consider the amount of spectrum being auctioned, levels of incumbency, the availability of technology to provide

service, the size of the geographic service areas, the extent of interference with other spectrum bands, and any other relevant factors that could have an impact on the spectrum being auctioned. The Commission concluded that the Bureau should have the discretion to employ either or both of these mechanisms for future auctions.

138. The Bureau proposed in the *Auction No. 72 Comment Public Notice* to establish minimum opening bids for each license, while retaining discretion to lower the minimum opening bids. Specifically, for Auction No. 72, the Bureau proposed the following formulas for calculating license-by-license minimum opening bids:

EA Licenses: \$500 per license.

EAG License:  $\$0.01 * 0.15 \text{ MHz} *$

License Area Population.

139. The Bureau sought comment on this proposal and, in the alternative, whether, consistent with the Section 309(j), the public interest would be served by having no minimum opening bids. A commenter filed comments in which it sought a reduction in the minimum opening bids by 50 percent. The commenter argues that lowering minimum opening bids will increase the likelihood that these licenses will be sold at auction. The commenter notes that the auction will make available spectrum that licensees will seek to aggregate in order to satisfy a particular viable market opportunity. The commenter also contends that the licenses being offered in Auction No. 72 have low market value, and asserts that it does not know of market indications of higher values, or developments in the near term that would cause higher values.

140. The Bureau continues to believe that the minimum opening bid amounts proposed in the *Auction No. 72 Comment Public Notice* are appropriate. The proposed minimum opening bid amounts better enable the Commission to meet the statutory objective of recovering for the public a portion of the value of the spectrum resource made available for commercial use. Moreover, the Bureau observed in the *Auction No. 72 Comment Public Notice* that the proposed minimum opening bid of \$500 will not impede any party willing and able to offer wireless service to the public. The commenter offers little support for its contention that the licenses being offered have low market value.

141. The Bureau believes that the minimum opening bids for this auction are reasonable. Accordingly, the Bureau will adopt the proposed minimum opening bid amounts and set the

minimum opening bids using the proposed formulas.

142. The Commission did not receive any comments addressing its proposal that the Bureau retain the discretion to reduce minimum opening bid amounts. The Bureau adopts this proposal. The minimum opening bid amounts the Bureau adopts for Auction No. 72 are reducible at the discretion of the Bureau. The Bureau emphasizes, however, that such discretion will be exercised, if at all, sparingly and early in the auction, *i.e.*, before bidders lose all activity waivers. During the course of the auction, the Bureau will not entertain requests to reduce the minimum opening bid amount on specific licenses. The Bureau notes that effectively the minimum opening bids operate as reserve prices.

143. The specific minimum opening bid amounts for each license available in Auction No. 72 calculated pursuant to the procedure are set forth in Attachment A of the *Auction No. 72 Procedures Public Notice*.

### iii. Bid Amounts

144. In the *Auction No. 72 Comment Public Notice*, the Bureau proposed that in each round, eligible bidders be able to place a bid on a given license in any of nine different amounts. Under the proposal, the FCC Auction System interface will list the acceptable bid amounts for each license. The Bureau received no comment on this issue. Based on the Bureau's experience in prior auctions, the Bureau adopts its proposals for Auction No. 72.

145. The first of the acceptable bid amounts is called the minimum acceptable bid amount. The minimum acceptable bid amount for a license will be equal to its minimum opening bid amount until there is a provisionally winning bid for the license. After there is a provisionally winning bid for a license, the minimum acceptable bid amount for that license will be equal to the amount of the provisionally winning bid plus a percentage of that bid amount calculated using the formula. In general, the percentage will be higher for a license receiving many bids than for a license receiving few bids. In the case of a license for which the provisionally winning bid has been withdrawn, the minimum acceptable bid amount will equal the second highest bid received for the license.

146. The percentage of the provisionally winning bid used to establish the minimum acceptable bid amount (the additional percentage) is calculated at the end of each round, based on an activity index which is a weighted average of the number of bids

in that round and the activity index from the prior round. Specifically, the activity index is equal to a weighting factor times the number of bids on the license in the most recent bidding round plus one minus the weighting factor times the activity index from the prior round. The additional percentage is determined as one plus the activity index times a minimum percentage amount, with the result not to exceed a given maximum. The additional percentage is then multiplied by the provisionally winning bid amount to obtain the minimum acceptable bid for the next round. The Commission will initially set the weighting factor at 0.5, the minimum percentage at 0.1 (10%), and the maximum percentage at 0.2 (20%). Hence, at these initial settings, the minimum acceptable bid for a license will be between 10% and 20% higher than the provisionally winning bid, depending upon the bidding activity for the license. Equations and examples are shown in Attachment E of the *Auction No. 72 Procedures Public Notice*.

147. The additional bid amounts are calculated using the minimum acceptable bid amount and a bid increment percentage. The first additional acceptable bid amount equals the minimum acceptable bid amount times one plus the bid increment percentage, rounded. If, for example, the bid increment percentage is ten percent, the calculation is (minimum acceptable bid amount) \* (1 + 0.1), rounded, or (minimum acceptable bid amount) \* 1.1, rounded; the second additional acceptable bid amount equals the minimum acceptable bid amount times one plus two times the bid increment percentage, rounded, or (minimum acceptable bid amount) \* 1.2, rounded; the third additional acceptable bid amount equals the minimum acceptable bid amount times one plus three times the bid increment percentage, rounded, or (minimum acceptable bid amount) \* 1.3, rounded; etc. The Bureau will round the results of these calculations, as well as the calculations to determine the minimum acceptable bid amounts, using our standard rounding procedures. For Auction No. 72, the Bureau proposed to use a bid increment percentage of ten percent to calculate the additional acceptable bid amounts. The Bureau received no comment on this issue and will begin the auction with a bid increment percentage of ten percent and eight additional bid amounts.

148. The Bureau did not receive any comments on its proposal. The Bureau retains the discretion to change the minimum acceptable bid amounts, the

minimum acceptable bid formula parameters, the bid increment percentage, and the number of acceptable bid amounts if it determines that circumstances so dictate. The Bureau will do so by announcement in the FCC Auction System during the auction if circumstances warrant.

### iv. Provisionally Winning Bids

149. At the end of each bidding round, a provisionally winning bid will be determined based on the highest bid amount received for each license. A provisionally winning bid will remain the provisionally winning bid until there is a higher bid on the same license at the close of a subsequent round. Provisionally winning bids at the end of the auction become the winning bids. Bidders are reminded that provisionally winning bids count toward activity for purposes of the activity rule.

150. In the *Auction No. 72 Comment Public Notice*, the Bureau proposed to use a random number generator to select a single provisionally winning bid in the event of identical high bid amounts being submitted on a license in a given round (*i.e.*, tied bids). No comments were received on this proposal. Therefore, the Bureau adopts its proposal. A pseudo-random number generator based on the L'Ecuyer algorithms will be used to assign a random number to each bid. The tied bid with the highest random number wins the tiebreaker, and becomes the provisionally winning bid. The remaining eligible bidders, as well as the provisionally winning bidder, can submit higher bids in subsequent rounds. However, if the auction were to end with no other bids being placed, the winning bidder would be the one that placed the selected provisionally winning bid.

151. During a round, a bidder may submit bids for as many licenses as it wishes (providing that it is eligible to bid), withdraw provisionally winning bids from previous rounds, remove bids placed in the current bidding round, or permanently reduce eligibility. Bidders also have the option of submitting and removing multiple bids and withdrawing multiple provisionally winning bids during a round. If a bidder submits multiple bids for a single license in the same round, the system takes the last bid entered as that bidder's bid for the round. Bidders should note that the bidding units associated with licenses for which the bidder has removed or withdrawn its bid do not count towards the bidder's current activity.

152. All bidding will take place remotely either through the FCC

Auction System or by telephonic bidding. There will be no on-site bidding during Auction No. 72. Note that telephonic bid assistants are required to use a script when entering bids placed by telephone. Telephonic bidders are therefore reminded to allow sufficient time to bid by placing their calls well in advance of the close of a round. The length of a call to place a telephonic bid may vary; please allow a minimum of ten minutes.

153. A bidder's ability to bid on specific licenses is determined by two factors: (1) The licenses selected on the bidder's FCC Form 175 and (2) the bidder's eligibility. The bid submission screens will allow bidders to submit bids on only those licenses the bidder selected on its FCC Form 175.

154. In order to access the bidding function of the FCC Auction System, bidders must be logged in during the bidding round using the passcode generated by the SecurID® token and a personal identification number (PIN) created by the bidder. Bidders are strongly encouraged to print a round summary for each round after they have completed all of their activity for that round.

155. In each round, eligible bidders will be able to place bids on a given license in any of nine different amounts. For each license, the FCC Auction System will list the nine acceptable bid amounts in a drop-down box. Bidders use the drop-down box to select from among the acceptable bid amounts. The FCC Auction System also includes an upload function that allows bidders to upload text files containing bid information.

156. Until a bid has been placed on a license, the minimum acceptable bid amount for that license will be equal to its minimum opening bid amount. Once there are bids on a license, minimum acceptable bids for a license will be determined.

157. Finally, bidders are cautioned to select their bid amounts carefully because, as explained below, bidders that withdraw a provisionally winning bid from a previous round, even if the bid was mistakenly or erroneously made, are subject to bid withdrawal payments.

#### v. Bid Removal and Bid Withdrawal

158. In the *Auction No. 72 Comment Public Notice*, the Commission proposed bid removal and bid withdrawal procedures. With respect to bid withdrawals, the Commission proposed limiting each bidder to withdrawals in no more than two rounds during the course of the auction. The round in which withdrawals are

used would be at each bidder's discretion. The Bureau received no comments on this issue. In previous auctions, the Bureau has detected bidder conduct that, arguably, may have constituted anti-competitive behavior through the use of bid withdrawals. While the Bureau continues to recognize the important role that bid withdrawals may play in an auction, *i.e.*, reducing risk associated with efforts to secure various licenses in combination, the Bureau concludes that, for Auction No. 72, adoption of a limit on the use of withdrawals to two rounds per bidder is appropriate. By doing so the Bureau strikes a reasonable compromise that will allow bidders to use withdrawals. The Bureau based its decision on its experience with bid withdrawals in prior auctions, including PCS D, E and F block, 800 MHz SMR, and other auctions. The Bureau will therefore limit the number of rounds in which bidders may place withdrawals to two rounds, as previously proposed.

159. *Procedures.* Before the close of a bidding round, a bidder has the option of removing any bids placed in that round. By using the remove bids function in the FCC Auction System, a bidder may effectively unsubmit any bid placed within that round. A bidder removing a bid placed in the same round is not subject to withdrawal payments. Removing a bid will affect a bidder's activity for the round in which it is removed, *i.e.*, a bid that is removed does not count toward bidding activity. These procedures will enhance bidder flexibility during the auction, and therefore the Bureau adopts them for Auction No. 72.

160. Once a round closes, a bidder may no longer remove a bid. However, in later rounds, a bidder may withdraw provisionally winning bids from previous rounds using the withdraw bids function in the FCC Auction System (assuming that the bidder has not already withdrawn bids in two previous rounds). A provisionally winning bidder that withdraws its provisionally winning bid from a previous round during the auction is subject to the bid withdrawal payments specified in 47 CFR .2104(g). Note: Once a withdrawal is submitted during a round, that withdrawal cannot be unsubmitted even if the round has not yet ended.

161. The rounds in which a bidder may withdraw its bids will be at the bidder's discretion and there will be no limit on the number of bids that may be withdrawn in either of these rounds. Withdrawals during the auction will be subject to the bid withdrawal payments specified in § 1.2104(g). Bidders should

note that evidence of abuse of the Commission's bid withdrawal procedures could result in the denial of the ability to bid on a market.

162. If a provisionally winning bid is withdrawn, the minimum acceptable bid amount will equal the amount of the second highest bid received for the license, which may be less than, or in the case of tied bids, equal to, the amount of the withdrawn bid. To set the additional bid amounts, the second highest bid amount also will be used in place of the provisionally winning bid in the formula used to calculate additional bid amounts. The Commission will serve as a place holder provisionally winning bidder on the license until a new bid is submitted on that license.

163. *Calculation of Bid Withdrawal Payment.* Generally, the Commission imposes payments on bidders that withdraw high bids during the course of an auction. If a bidder withdraws its bid and there is no higher bid in the same or subsequent auction(s), the bidder that withdrew its bid is responsible for the difference between its withdrawn bid and the provisionally winning bid in the same or subsequent auction(s). In the case of multiple bid withdrawals on a single license, within the same or subsequent auctions(s), the payment for each bid withdrawal will be calculated based on the sequence of bid withdrawals and the amounts withdrawn. No withdrawal payment will be assessed for a withdrawn bid if either the subsequent winning bid or any subsequent intervening withdrawn bid, in either the same or subsequent auctions(s), equals or exceeds that withdrawn bid. Thus, a bidder that withdraws a bid will not be responsible for any withdrawal payments if there is a subsequent higher bid in the same or subsequent auction(s). This policy allows bidders most efficiently to allocate their resources as well as to evaluate their bidding strategies and business plans during an auction while, at the same time, maintaining the integrity of the auction process. The Bureau retains the discretion to scrutinize multiple bid withdrawals on a single license for evidence of anti-competitive strategic behavior and take appropriate action when deemed necessary.

164. Section 1.2104(g)(1) of the rules sets forth the payment obligations of a bidder that withdraws a high bid on a license during the course of an auction, and provides for the assessment of interim bid withdrawal payments. In the *Auction No. 72 Comment Public Notice*, the Bureau proposed to establish the percentage at ten percent (10%) for the



Phase II 220 MHz Service auction and sought comment on the proposal.

165. The Bureau received no comments on this issue and adopts its proposal. The Commission will assess an interim withdrawal payment equal to ten percent (10%) of the amount of the withdrawn bids. The ten percent (10%) interim payment will be applied toward any final bid withdrawal payment that will be assessed after subsequent auction of the license. Assessing an interim bid withdrawal payment ensures that the Commission receives a minimal withdrawal payment pending assessment of any final withdrawal payment. Section 1.2104(g) provides specific examples showing application of the bid withdrawal payment rule.

#### vi. Round Results

166. If limited information procedures described above are in effect, limited information about the results of a round will be made public after the conclusion of the round. Specifically, after a round closes, the Bureau will make available for each license, its current provisionally winning bid amount, the minimum acceptable bid amount for the following round, the amounts of all bids placed on the license during the round, and whether the license is FCC held. The reports will be publicly accessible. Moreover, after the auction, the Bureau will make available complete reports of all bids placed during each round of the auction, including bidder identities.

167. If, however, limited information procedures are not used, more information will be provided after each round in the auction. Bids placed during a round, including bidder identities, will be made public at the conclusion of that round. Specifically, after a round closes, the Bureau will compile reports of all bids placed and which bidders made them, current provisionally winning bids, new minimum acceptable bid amounts, and bidder eligibility status (bidding eligibility and activity rule waivers) and will post the reports for public access.

#### vii. Auction Announcements

168. The Commission will use auction announcements to announce items such as schedule changes and stage transitions. All auction announcements will be available by clicking a link in the FCC Auction System.

### V. Post-Auction Procedures

#### A. Down Payments

169. After bidding has ended, the Commission will issue a public notice declaring the auction closed and identifying winning bidders, down payments and final payments due.

170. Within ten business days after release of the auction closing notice, each winning bidder must submit sufficient funds (in addition to its upfront payment) to bring its total amount of money on deposit with the Commission for Auction No. 72 to 20 percent of the net amount of its winning bids (gross bids less any applicable small business or very small business bidding credits).

#### B. Final Payments

171. Each winning bidder will be required to submit the balance of the net amount of its winning bids within 10 business days after the deadline for submitting down payments.

#### C. Long-Form Application (FCC Form 601)

172. Within ten business days after release of the auction closing notice, winning bidders must electronically submit a properly completed long-form application (FCC Form 601) for each license won through Auction No. 72. Winning bidders that are small businesses or very small businesses must demonstrate their eligibility for a small business or very small business bidding credit. Further filing instructions will be provided to auction winners at the close of the auction.

173. The *CSEA/Part 1 Report and Order* modifies the procedure by which a consortium that is a winning bidder in Auction No. 72 will apply for a license. In particular, (a) each member or group of members of a winning consortium seeking separate licenses will be required to file a separate long-form application for its respective license(s) and, in the case of a license to be partitioned or disaggregated, the member or group filing the applicable long-form application shall provide the parties' partitioning or disaggregation agreement in its long-form application; (b) two or more consortium members seeking to be licensed together shall first form a legal business entity; and (c) any such entity must meet the applicable eligibility requirements in our rules for small business status. Applicants applying as consortia should review the *CSEA/Part 1 Report and Order* in detail and monitor any relevant future proceedings to understand how the members of the consortia will apply for a license in the event they are winning bidders.

#### D. Ownership Disclosure Information Report (FCC Form 602)

174. At the time it submits its long-form application (FCC Form 601), each winning bidder also must comply with the ownership reporting requirements as

set forth in §§ 1.913, 1.919, and 1.2112 of the Commission's rules. Further instructions will be provided to winning bidders at the close of the auction.

#### E. Tribal Lands Bidding Credit

175. A winning bidder that intends to use its license(s) to deploy facilities and provide services to federally recognized tribal lands that are unserved by any telecommunications carrier or that have a wireline penetration rate equal to or below 85 percent is eligible to receive a tribal lands bidding credit as set forth in 47 CFR 1.2107 and 1.2110(f). A tribal land bidding credit is in addition to, and separate from, any other bidding credit for which a winning bidder may qualify.

176. Unlike other bidding credits that are requested prior to the auction, a winning bidder applies for the tribal lands bidding credit after winning the auction when it files its long-form application (FCC Form 601). When initially filing the long-form application, the winning bidder will be required to advise the Commission whether it intends to seek a tribal lands bidding credit, for each license won in the auction, by checking the designated box(es). After stating its intent to seek a tribal lands bidding credit, the applicant will have 180 days from the close of the long-form filing window to amend its application to select the specific tribal lands to be served and provide the required tribal government certifications. Licensees receiving a tribal lands bidding credit are subject to performance criteria as set forth in § 1.2110(f)(3)(vi).

177. For additional information on the tribal lands bidding credit, including how the amount of the credit is calculated, applicants should review the Commission's rule making proceeding regarding tribal lands bidding credits and related public notices.

#### F. Default and Disqualification

178. Any winning bidder that defaults or is disqualified after the close of the auction (*i.e.*, fails to remit the required down payment within the prescribed period of time, fails to submit a timely long-form application, fails to make full payment, or is otherwise disqualified) will be subject to the payments described in § 1.2104(g)(2). The payments include both a deficiency payment, equal to the difference between the amount of the bidder's bid and the amount of the winning bid the next time a license covering the same spectrum is won in an auction, plus an additional payment equal to a percentage of the defaulter's bid or of the subsequent winning bid, whichever

is less. Pursuant to recent modifications to the rule governing default payments, the percentage of the applicable bid to be assessed as an additional payment for defaults in a particular auction is established in advance of the auction. Accordingly, in the *Auction No. 72 Comment Public Notice*, the Bureau proposed to set the additional default payment for the auction of Phase II 220 MHz Service licenses at ten percent of the applicable bid. The Bureau sought comment on its proposal and no comments were received on this issue. The Bureau therefore adopts its proposal and sets the additional default payment for the auction of Phase II 220 MHz spectrum licenses at ten percent of the applicable bid.

179. Finally, the Bureau notes that in the event of a default, the Commission may re-auction the license or offer it to the next highest bidder (in descending order) at its final bid amount. In addition, if a default or disqualification involves gross misconduct, misrepresentation, or bad faith by an applicant, the Commission may declare the applicant and its principals ineligible to bid in future auctions, and may take any other action that it deems necessary, including institution of proceedings to revoke any existing licenses held by the applicant.

#### *G. Refund of Remaining Upfront Payment Balance*

180. All applicants that submit upfront payments but after the close of the auction are not winning bidders for a license in Auction No. 72 may be entitled to a refund of their remaining upfront payment balance after the conclusion of the auction. All refunds will be returned to the payer of record, as identified on the FCC Form 159, unless the payer submits written authorization instructing otherwise.

181. Bidders that drop out of the auction completely may be eligible for a refund of their upfront payments before the close of the auction.

182. Following the close of the auction, the Commission may refund upfront monies on deposit that exceed the required total payments owned by the winning bidders. Such refunds will be made to the payer of record as identified on the FCC Form 159, provided the necessary refund request and wire transfer instructions have been received.

Federal Communications Commission.

**Gary D. Michaels,**

*Deputy Chief, Auctions and Spectrum Access Division, WTB.*

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## FEDERAL MARITIME COMMISSION

### Notice of Agreements Filed

The Commission hereby gives notice of the filing of the following agreements under the Shipping Act of 1984.

Interested parties may submit comments on agreements to the Secretary, Federal Maritime Commission, Washington, DC 20573, within ten days of the date this notice appears in the **Federal Register**. Copies of agreements are available through the Commission's Office of Agreements (202-523-5793 or [tradeanalysis@fmc.gov](mailto:tradeanalysis@fmc.gov)).

*Agreement No.:* 011324-019.

*Title:* Transpacific Space Utilization Agreement.

*Parties:* American President Lines Ltd./APL Co. Pte Ltd.; Evergreen Marine Corporation; Hanjin Shipping Co., Ltd.; Hapag-Lloyd AG; Hyundai Merchant Marine Co., Ltd.; Kawasaki Kisen Kaisha Ltd.; Mitsui O.S.K. Lines, Ltd.; Nippon Yusen Kaisha; Orient Overseas Container Line Limited; Westwood Shipping Lines; and Yangming Marine Transport Corp.

*Filing Party:* Wayne R. Rohde, Esq.; Sher & Blackwell; 1850 M Street, NW., Suite 900; Washington, DC 20036.

*Synopsis:* The amendment would delete Evergreen Marine Corporation and add Evergreen Line Joint Service Agreement, FMC No. 011982, as a party.

*Agreement No.:* 011325-038.

*Title:* Westbound Transpacific Stabilization Agreement.

*Parties:* American President Lines, Ltd./APL Co. Pte Ltd.; COSCO Container Lines Company Limited; COSCO Container Lines (Hong Kong) Co., Limited; Evergreen Marine Corporation (Taiwan), Ltd.; Hanjin Shipping Co., Ltd.; Hapag-Lloyd AG; Hyundai Merchant Marine Co. Ltd.; Kawasaki Kisen Kaisha, Ltd.; Nippon Yusen Kaisha Line; Orient Overseas Container Line Limited; and Yangming Marine Transport Corp.

*Filing Party:* Wayne R. Rohde, Esq.; Sher & Blackwell, LLP; 1850 M Street, NW., Suite 900; Washington, DC 20036.

*Synopsis:* The amendment would delete Evergreen Marine Corporation (Taiwan) Ltd. and add Evergreen Line Joint Service Agreement, FMC No. 011982, as a party. It would also delete COSCO Container Lines (Hong Kong) Co., Limited and the accompanying note and add COSCO Container Lines Company Limited.

*Agreement No.:* 011353-033.

*Title:* The Credit Agreement.

*Parties:* APL Co. PTE Ltd.; A.P. Moller-Maersk A/S; Caribbean General Maritime, Ltd.; Crowley Liner Services, Inc.; Dole Ocean Cargo Express;

Evergreen Marine Corporation (Taiwan) Ltd.; King Ocean Services de Venezuela/ King Ocean Services Limited; Seaboard Marine of Florida, Inc.; and Seaboard Marine Ltd.

*Filing Party:* Wayne R. Rohde, Esq.; Sher & Blackwell; 1850 M Street, NW., Suite 900; Washington, DC 20036.

*Synopsis:* The amendment updates A.P. Moller-Maersk A/S' trade name. It also would delete Evergreen Marine Corporation (Taiwan) Ltd. and add Evergreen Line Joint Service Agreement, FMC Agreement No. 011982, as a party.

*Agreement No.:* 011409-015.

*Title:* Transpacific Carrier Services Inc. Agreement.

*Parties:* American President Lines, Ltd./APL Co. Pte Ltd.; CMA CGM, S.A.; China Shipping Container Lines Co., Ltd.; COSCO Container Lines Co., Ltd.; Evergreen Marine Corporation; Hanjin Shipping Co., Ltd.; Hapag-Lloyd AG; Hyundai Merchant Marine Co., Ltd.; Kawasaki Kisen Kaisha, Ltd.; Mitsui O.S.K. Lines, Ltd.; Nippon Yusen Kaisha, Ltd.; Orient Overseas Container Line Limited; and Yang Ming Marine Transport Corp.

*Filing Party:* Wayne R. Rohde, Esq.; Sher & Blackwell; 1850 M Street, NW., Suite 900; Washington, DC 20036.

*Synopsis:* The amendment would delete Evergreen Marine Corporation and add Evergreen Line Joint Service Agreement, FMC No. 011982, as a party. It would also delete COSCO Container Lines (Hong Kong) Co., Limited and the accompanying note.

*Agreement No.:* 011679-008.

*Title:* ASF/SERC Agreement.

*Parties:* American President Lines, Ltd./APL Co. Pte Ltd.; ANL Singapore Pte Ltd.; China Shipping (Group) Company/China Shipping Container Lines, Co. Ltd.; COSCO Container Lines Company, Ltd.; COSCO Container Lines (Hong Kong) Co., Limited; Evergreen Marine Corp. (Taiwan) Ltd.; Hanjin Shipping Co., Ltd.; Hyundai Merchant Marine Co., Ltd.; Kawasaki Kisen Kaisha, Ltd.; Mitsui O.S.K. Lines, Ltd.; Nippon Yusen Kaisha; Orient Overseas Container Line Ltd.; Sinotrans Container Lines Co., Ltd.; Wan Hai Lines Ltd.; and Yang Ming Marine Transport Corp.

*Filing Party:* Wayne R. Rohde, Esq.; Sher & Blackwell; 1850 M Street, NW., Suite 900; Washington, DC 20036.

*Synopsis:* The amendment would delete Evergreen Marine Corp. (Taiwan) Ltd. and add Evergreen Line Joint Service Agreement, FMC Agreement No. 011982, as a party. It would also delete COSCO Container Lines (Hong Kong) Co., Limited and the accompanying note.

*Agreement No.:* 011870-004.