



# PUBLIC NOTICE

Federal Communications Commission  
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DA 01-1443  
June 15, 2001

## VHF PUBLIC COAST AND LOCATION AND MONITORING SERVICE SPECTRUM AUCTION CLOSES

### Winning Bidders Announced

Down Payments Due June 29, 2001  
FCC Forms 601 and 602 Due June 29, 2001  
*Ten-Day Petition to Deny Period*

### Report No. AUC-39-E (Auction No. 39)

On June 13, 2001, the Federal Communications Commission completed the auction of 16 VHF Public Coast licenses and 241 multilateration Location and Monitoring Service (“LMS”) licenses in the VHF Public Coast and Location and Monitoring Service Spectrum Auction (“Auction No. 39”), raising (in net high bids) a total of \$1,144,755 for the U.S. Treasury. Seven winning bidders won a total of 16 VHF Public Coast licenses and 201 LMS licenses in this auction.

This *Public Notice* provides detailed information concerning winning bidders, down payments, bid withdrawal payments and/or deposits, FCC Forms 601 and 602 filing requirements, requests for rule waivers, and licensing matters. Key information appears in the following attachments:

- Attachment A:** “Round Results, High Bids” lists winning bidders and both the gross and net high winning bid amounts.
- Attachment B:** “Bidder Payment/Refund Report” lists down payments and withdrawal bid payments owed by winning bidders, if any.
- Attachment C:** “Withdrawal/Payment Report” lists withdrawal bid payments owed by all bidders.
- Attachment D:** “Default Payment Report” contains total default payments based upon reconciliation of final results of Auction No. 21 and Auction No. 39.
- Attachment E:** “Multi-Auction Withdrawal Payment Report” contains amount due/refund due based upon reconciliation of final results of Auction No.

20, Auction No. 21 and Auction No. 39.

- Attachment F1:** “Instructions for Completing FCC Form 601 for VHF Public Coast License Applicants” provides detailed information about how a winning bidder should complete the required FCC Form 601 and FCC Form 602 for Public Coast license applications.
- Attachment F2:** “Instructions for Completing FCC Form 601 for LMS License Applicants” provides detailed information about how a winning bidder should complete the required FCC Form 601 and FCC Form 602 for LMS license applications.
- Attachment G:** “Instructions for Using ULS to Register TIN and Call Signs With FCC and File FCC Form 601 Electronically.”
- Attachment H:** “Accessing the FCC Network using Windows 95/98 for Universal Licensing System Filing.”

A copy of this *Public Notice* will be sent via overnight mail to each winning bidder.

**A. Down Payments.**

The Commission’s rules require that within ten business days after the release of this *Public Notice*, in this case **6:00 p.m. ET on June 29, 2001**, winning bidders in Auction No. 39 must have on deposit with Mellon Bank in Pittsburgh, Pennsylvania, enough funds to cover 1) down payments on winning bids, and 2) payments for withdrawn bids, if applicable. If a winning bidder’s upfront payment is not sufficient to meet both of these requirements, the winning bidder must deposit additional funds. *See* 47 C.F.R. §§ 1.2104(g), 1.2107(b).<sup>1</sup>

The amount now due from each winning bidder, if any, is set out in the last column of **Attachment B**. *Note that a payment and FCC Form 159 are necessary only if a winning bidder’s upfront payment **does not** cover the required total of down payments and withdrawn bid payments (as reflected in Attachment B)*. Each winning bidder’s down payment must be a total of any withdrawal payments (if applicable) plus twenty (20) percent of its net winning bid(s).

**B. Final Payments.**

After the termination of the licensing pleading cycle (*see* 47 C.F.R. § 1.2108), the Commission will issue a public notice announcing that it is prepared to grant the licenses. Within ten business days after the date of that public notice, winning bidders will be required to make full payment of the balance of their winning bids. *See* 47 C.F.R. §§ 1.2107(b), 1.2109. Licenses will be granted only after the full and timely payment of winning bids and any applicable late fees, in accordance with Section 1.2109(a). *See* 47 C.F.R. §1.2109(a).

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<sup>1</sup> In the event a bidder has withdrawn a bid(s) and is subject to a bid withdrawal payment(s), the bidder’s upfront payment will be first applied to satisfy the withdrawal payment(s) before being applied toward its down payment.

### C. Method of Payment.

All payments must be in U.S. dollars and made in the form of a wire transfer. No personal checks, credit card payments, or other forms of payment will be accepted. All payments must be accompanied by a completed FCC Remittance Advice Form (FCC Form 159).<sup>2</sup> If applicable, a partially completed copy of the FCC Form 159 will be sent along with this *Public Notice* to facilitate submission of the correct down payment. Questions regarding FCC Form 159 should be addressed to Tim Dates or Gail Glasser at 202-418-1995. **Please note, however, that winning bidders are ultimately responsible for insuring the verification and submission of the correct down payment from their bank to Mellon bank.**

**Wire transfer payments** must be **received** by Mellon Bank by **6:00 p.m. ET, on June 29, 2001**. Winning bidders should coordinate with their bankers ahead of time regarding their wire transfers, and allow sufficient time for the wire transfer to **be initiated and completed prior to the deadline**.

To submit funds by wire transfer, winning bidders will need the following information:

ABA Routing Number: 043000261  
Receiving Bank: Mellon Pittsburgh  
BNF: 911-6106  
OBI Field: (Skip one space between each information item) "AUCTIONPAY"  
TAXPAYER IDENTIFICATION NO. (same as FCC Form 159, Block 12)  
PAYMENT TYPE CODE (enter "A39D")  
FCC CODE 1 (same as FCC Form 159, Block 28A: "39")  
PAYOR NAME (same as FCC Form 159, Block 2)  
LOCKBOX NO.: 358850

Winning bidders must fax a completed FCC Form 159 to Mellon Bank at 412-209-6045 at least one hour before placing the order for the wire transfer (but on the same business day).

Proper completion of the FCC Form 159 is critical to ensuring correct credit of bidder deposits. **Winning bidders must use the same Taxpayer Identification Number used on their FCC Form 175.**<sup>3</sup> Questions concerning the calculation and submission of down payments should be directed to Gail Glasser at 202-418-1995.

### D. Withdrawal, Default and Disqualification Payments.

The Commission imposes payments on bidders that withdraw high bids during the course of an auction, default on payments due after an auction closes, or those that are disqualified. *See* 47 C.F.R. §§ 1.2104(g), 1.2109. Certain bidders may be in violation of the Commission's Rules for this service, and disqualified from holding one or more licenses. *See* 47 C.F.R. § 90.353.

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<sup>2</sup> Copies of the FCC Form 159 may be obtained by calling the Commission's Forms Distribution Center at 1-800-418-3676 (outside Washington, D.C.) or 202-418-3676 (in the Washington D.C. area). Copies of the FCC Form 159 can also be obtained via the Internet (<http://www.fcc.gov/formpage.html>) or by Fax-On-Demand (202-418-2830).

<sup>3</sup> If, subsequent to final submission of its FCC Form 175, a bidder has provided the Commission with a written correction of its Taxpayer Identification Number, the bidder should use the corrected number.

1. *Bid Withdrawal Payments.* A bidder (Bidder X) that withdraws a high bid during the course of an auction is subject to a bid withdrawal payment equal to the difference between the amount withdrawn and the amount of the subsequent winning bid. No withdrawal payment will be assessed for a withdrawn bid if either the subsequent winning bid or any of the intervening subsequent withdrawn bids equals or exceeds that withdrawn bid. If a high bid is withdrawn on a license that remains unsold at the close of the auction, Bidder X will be required to make an interim payment equal to three (3) percent of the net amount of the withdrawn bid.<sup>4</sup> This payment amount is deducted from any upfront payments or down payments that Bidder X has deposited with the Commission. If, in a subsequent auction, that license receives a valid bid in an amount equal to or greater than the withdrawn bid amount, then no final bid withdrawal payment will be assessed, and upon appropriate request, the Commission will refund the interim three (3) percent payment. If, in a subsequent auction, the winning bid amount for that license is less than Bidder X's withdrawn bid amount, then Bidder X will be required to make a final bid withdrawal payment equal to either the difference between Bidder X's net withdrawn bid and the subsequent net winning bid, or the difference between Bidder X's gross withdrawn bid and the subsequent gross winning bid, whichever is less. The three (3) percent interim payment will be applied toward the withdrawal payment.

**Attachment C** identifies bidders that owe withdrawal payments to the Commission as a result of bid withdrawals made in Auction No. 39. Any upfront payments or down payments that the withdrawing bidder has deposited with the Commission will first be applied to satisfy the withdrawal payment(s) amount before being applied towards a winning bidder's down payment. *See* 47 C.F.R. 1.2104(g)(1). In addition, now that Auction No. 39 is complete, we are in a position to calculate and assess final bid withdrawal payments owed as a result of withdrawals on licenses in Auction No. 20 and No. 21. These final bid withdrawal payments are identified in **Attachment E**. Forthcoming orders will assess such payments.

2. *Bid Default/Disqualification Payments.* If a high bidder defaults or is disqualified after the close of the auction, the defaulting bidder will be subject to the same bid withdrawal payment obligations as described above, plus an additional payment equal to three (3) percent of the subsequent winning bid or three (3) percent of the defaulted bid, whichever is less. Where a bidding credit applies to the winning bid in either the original or the subsequent auction, the calculation of the three percent payment is based on the smaller of the two gross bids or smaller of the two net bids, whichever basis (gross or net) was used to figure the first component. Thus, if the difference between the gross bids is less than the difference between the net bids, the three percent payment will be computed on the lower of the gross bids. If the difference between the net bids is less than or equal to the difference between the gross bids, the three percent payment will be computed on the lower of the net bids. However, if the differences between both the gross bids and the net bids are less than or equal to zero, the three percent payment will be computed on the lower of the net bids.

If a winning bidder fails to remit the required down payment within ten (10) business days after the Commission has released this *Public Notice*, in this case by June 29, 2001, the bidder will be deemed to have defaulted, its application will be dismissed, and it will be liable for a default payment as described above. In such event, the Commission, at its discretion, may either auction the spectrum to existing or

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<sup>4</sup> *See* Implementation of Section 309(j) of the Communications Act – Competitive Bidding, PP Docket No. 93-253, *Fifth Report and Order*, 9 FCC Rcd 5532, 5563 n.51 (1994); *see also* “Phase II 220 MHz Service Auction Closes, Winning Bidders in the Auction of 908 Phase II 220 MHz Service Licenses,” *Public Notice*, 14 FCC Rcd 605 (1999).

new applicants, or offer it to the other highest bidders (in descending order) at their final bids. *See* 47 C.F.R. § 1.2109(b).

If a winning bidder fails to pay the balance of its winning bids in a lump sum by the applicable deadline as specified by the Commission, it will be allowed to make payment within ten (10) business days after the payment deadline provided that it also pays a late fee equal to five (5) percent of the amount due. When a winning bidder fails to pay the balance of its winning bid plus late fee by the late payment deadline, it is considered to be in default on its license(s) and subject to the applicable default payments. Licenses will be awarded upon the full and timely payment of winning bids and any applicable late fees. *See* 47 C.F.R. § 1.2109(a). A winning bidder that is found unqualified to be a licensee, fails to remit the balance of its winning bid in a timely manner, or defaults or is disqualified for any reason after having made the required down payment, will be deemed to have defaulted and will be liable for the payment set forth in Section 1.2104(g)(2). In such event, the Commission may either auction the spectrum to existing or new applicants or offer it to the other highest bidders (in descending order) at their final bids. *See* 47 C.F.R. § 1.2109(c).

Additionally, bidders that are found to have violated the antitrust laws or the Commission's rules in connection with their participation in the competitive bidding process may be subject, in addition to any other applicable sanctions, to forfeiture of their upfront payment, down payment, or full bid amount, and may be prohibited from participating in future auctions. *See* 47 C.F.R. § 1.2109(d).

Because Auction No. 39 is now complete, the Commission is in a position to calculate and assess final default payments owed as a result of defaults on licenses in Auction No. 21. These payments are identified in Attachment D. Forthcoming orders will assess such payments.

#### **E. Refund of Excess Upfront Payments.**

Upfront monies on deposit that are in excess of the required down payment, withdrawal and/or default payment amounts will be refunded to the payer of record as identified on FCC Form 159 promptly upon receipt of the necessary wire transfer instructions. Such instructions must be faxed to Gail Glasser at 202-418-2843. Any questions concerning refunds should be referred to Gail Glasser or Tim Dates at 202-418-1995.

#### **F. FCC Form 601.**

By **6:00 p.m. ET on June 29, 2001**, winning bidders must submit a completed long-form license application(s) covering each license for which they were the winning high bidder. Bidders winning licenses in both Public Coast and LMS must complete a separate FCC Form 601 for each radio service. Instructions for completing the FCC Form 601 for Public Coast licenses can be found in **Attachment F1**. Instructions for LMS applications can be found in **Attachment F2**. Applications **must** be filed electronically. Detailed instructions for filing the Form 601 electronically are set out in **Attachment G**.

**Failure to timely file FCC Form 601 will result in default. Late-filed applications will not be accepted without a showing of good cause.**<sup>5</sup>

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<sup>5</sup> 47 C.F.R. § 1.2107(c).

### **G. Tribal Land Bidding Credit.**

The Commission has implemented a tribal land bidding credit to encourage the growth of wireless services in federally recognized tribal lands. For information relating to the tribal land bidding credit, *see* Attachment F1 for Public Coast or Attachment F2 for LMS.

### **H. FCC Form 602.**

Pursuant to Section 1.919 of the Commission's rules, an applicant for a license in an auctionable service must have on file with the Commission a current FCC Form 602 regarding ownership information of the applicant. *See* 47 C.F.R. § 1.919. Therefore, unless the applicant already has a current FCC Form 602 on file with the Commission, the applicant must submit one at the time the FCC Form 601 is filed. Any late-filed FCC Form 602 must contain a request for waiver of the filing requirement in 47 C.F.R. § 1.919.

FCC Form 602 must be filed **manually** (not electronically), and may be obtained from the Internet at <http://www.fcc.gov/formpage.html> or by calling the FCC's Form Distribution Center at 1-800-418-FORM (3676). For more detailed information on FCC Form 602, *see* "Wireless Telecommunications Bureau Answers Frequently Asked Questions Concerning Reporting of Ownership Information on FCC Form 602," *Public Notice*, DA 99-1001 (rel. May 25, 1999).

Applicants that do not have a current FCC Form 602 on file should send the form to:

Federal Communications Commission  
1270 Fairfield Road  
Gettysburg, PA 17325-7245

Filing an FCC Form 602 is a separate requirement from, and in addition to, the ownership reporting requirements associated with filing FCC Form 601, Exhibit A, as set forth in Attachment F1 for Public Coast or Attachment F2 for LMS.

However, to avoid duplication, applicants may provide certain information required in Exhibit A by attaching a copy of their FCC Form 602 (in Adobe PDF Format) to their FCC Form 601 submission. Applicants are reminded, however, that an original FCC Form 602 still must be filed manually in Gettysburg, PA. For further information, see Instructions in Attachment F1 for Public Coast or Attachment F2 for LMS.

### **I. Applications for Multiple Licenses.**

Applicants winning licenses in both Public Coast and LMS must complete a separate FCC Form 601 for each radio service. Applicants winning multiple licenses may submit one FCC Form 601 per service (including all required schedules, attachments, and exhibits) and Form 602 if **all** filing information (name and address information, all ownership and eligibility attachments, and waiver requests) associated with the application is identical **except** for the market designator and market name. Licensing information such as market designator, channel block, and/or market name may be different (*i.e.*, (PCVPC010-Grand Forks; PCVPC011-Minot) or (LSBEA001A-Bangor; LSBEA014B - Salisbury)).

Filers whose name and address, ownership, eligibility, and waiver requests are identical for some licenses but different for other licenses must submit a separate Form 601 and 602 for those licenses for which filing information is unique. The streamlined filing procedure described in the above paragraph may only

be used for licenses that have identical radio services and filing information.

Applicants seeking a tribal land bidding credit for one or more markets are encouraged to submit two applications. One application would include markets in which the applicant intends to apply for a tribal land bidding credit. The other application would include those markets in which the applicant is not seeking a tribal land bidding credit. Applicants that intend to seek a tribal land bidding credit on both Public Coast and LMS licenses would need to submit two applications per service.

#### **J. Maintaining Accuracy of Information.**

After the auction closes, applicants are required to make all changes in the ULS system (Forms 601/602). Applicants are no longer required to maintain accuracy and completeness of information furnished on their FCC Form 175 and exhibits.

#### **K. Application Processing and License Grant.**

Pursuant to 47 C.F.R. § 1.2108(b) and the Balanced Budget Act of 1997, Pub. L. 105-33, 111 Stat. 251 (1997), interested parties will have **ten (10) days** to file petitions to deny after the Commission releases a public notice announcing the FCC Forms 601 and 602 are acceptable for filing. An applicant may file an opposition to any petition to deny within **five (5) business days** after the time for filing petitions to deny has expired. *See* 47 C.F.R. §1.2108(c). The petitioner may file a reply to such opposition within **five (5) business days** after the time for filing oppositions has expired. *See* 47 C.F.R. §1.2108(c). If the Commission determines an applicant is qualified and there is no substantial and material issue of fact concerning that determination, the Commission will issue a public notice announcing that it is prepared to grant the application conditioned upon the full and timely payment of the remaining balance of the applicant's winning bid. Once the Commission has received full payment of the applicant's winning bid, it will issue a public notice announcing grant of the license (or licenses) to the applicant.

*Frivolous Pleadings.* The Commission reminds parties to our proceedings and their attorneys that the Commission intends to use its authority fully to discourage and deter the filing of frivolous pleadings. *See* Commission Taking Tough Measures Against Frivolous Pleadings, *Public Notice*, 11 FCC Rcd 3030 (1996).

#### **L. Anti-collusion Rules.**

To ensure the competitiveness of the auction process, the Commission's rules prohibit applicants for the same geographic license area from communicating with each other during the auction about bids, bidding strategies, or settlements. As explained more fully in the *Auction No. 39 Procedural Public Notice*,<sup>6</sup> this prohibition began with the filing of short-form applications and ends on the down payment due date.<sup>7</sup> The prohibition ends on the down payment due date whether or not a high bidder must supplement its upfront payment to cover its down payment. Applicants certified their compliance with Section 1.2105(c) when their FCC Form 175 short-form applications were signed.

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<sup>6</sup> *See* "VHF Public Coast and Location and Monitoring Service Spectrum Auction Scheduled for June 6, 2001; Notice and Filing Requirements for 16 Licenses in the VHF Public Coast and 241 Licenses in the Location and Monitoring Service Auction; Minimum Opening Bids, Upfront Payments and Other Procedural Issues," *Public Notice*, DA 01-746 (rel. March 26, 2001) ("*Auction No. 39 Procedural Public Notice*").

<sup>7</sup> *Id.* at 4-5.

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**For further information, contact**

News Media: Meribeth McCarrick at 202-418-0654

Technical Support Hotline: Technical Support Personnel at  
202-414-1250 (V)  
or 202-414-1255 (text telephone (TTY))

Office of the Managing Director  
Auctions Accounting Group  
(Payment, FCC Form 159 and refund  
questions) Gail Glasser or Tim Dates  
at 202-418-1995

Wireless Telecommunications Bureau,  
Public Safety and Private Wireless Division  
(FCC Form 601 and 602 questions) Kim Kleppinger, Industry Analyst, at  
717-338-2666  
Keith Fickner, Attorney, at 202-418-7308,

Wireless Telecommunications Bureau,  
Commercial Wireless Division  
(FCC Form 601 and 602 questions) Bettye Woodward, Industry Analyst, at 202-418-  
1345,  
Gary Oshinsky, Attorney, at 202-418-7167 or  
Erin McGrath, Attorney, at 202-418-2042  
Amal Abdallah, Attorney, at 202-418-7307

Wireless Telecommunications Bureau,  
Auctions and Industry Analysis Division  
Auctions (Auction-related questions) Linda Sanderson, Project Manager at 717-338-  
2888, Kenneth Burnley, Attorney, at 202-418-  
0660

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