



PUBLIC NOTICE

Federal Communications Commission
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DA 05-1267
May 2, 2005

**COMMENT SOUGHT ON EXPERIMENTAL DESIGN
FOR EXAMINING PERFORMANCE PROPERTIES OF
SIMULTANEOUS MULTIPLE ROUND SPECTRUM LICENSE AUCTIONS
WITH AND WITHOUT COMBINATORIAL BIDDING**

COMMENTS: JUNE 1, 2005

REPLY COMMENTS: JUNE 15, 2005

By this public notice, the Wireless Telecommunications Bureau (“Bureau”) seeks comment on the accompanying proposed design for economic experiments to examine the performance properties of its designs for conducting simultaneous multiple round auctions of spectrum licenses both with and without combinatorial (also known as package) bidding. Experimental economics involves the study, in a controlled laboratory setting, of how financially motivated persons make decisions when confronted with real economic choices. Economic experiments increasingly are used to test the validity of economic theories, and to shed new light on complex economic situations in cases where theory has little to say. Economic experiments offer laboratory control, replicability, and a potential to establish cause and effect. The Bureau seeks to use economic experiments to test possible auction designs in order to observe the reactions of real people in situations where they must make bidding decisions in the presence of uncertainty, market complexity, and economic incentives. Detailed analysis of the experimental outcomes may help in making auction design choices for upcoming spectrum license auctions, and may suggest ways to fine tune the rules and procedures for the chosen mechanism.

To this end, the Bureau recently commissioned a study by independent outside experts to propose an experimental design that would specify the analytical procedures, the economic environments, and the criteria by which to evaluate package and non-package bidding in the Commission’s simultaneous multiple round auction format. The study was conducted by Prof. Jacob K. Goeree from the California Institute of Technology and Prof. Charles A. Holt from the University of Virginia. Their experimental design study is attached to this public notice. The Bureau invites interested parties to file comments on this study. Specifically, interested parties are asked to comment on the study’s conceptualization, underlying assumptions, and methodology. Interested parties are strongly encouraged to provide support for any offered comments on the study, and where possible, propose a solution to any identified issues.

Comments are due on or before June 1, 2005, and reply comments are due on or before June 15, 2005. Because of the disruption of regular mail and other deliveries in Washington, DC, the Bureau requires that all comments and reply comments be filed electronically. Comments and reply comments

and copies of material filed pertaining to this public notice must be sent by electronic mail to the following address: experimental_design@fcc.gov.¹ The electronic mail containing the comments or reply comments must include a subject or caption referring to Experimental Design Comments and the name of the commenting party. The Bureau requests that parties format any attachments to electronic mail as Adobe® Acrobat® (pdf) or Microsoft® Word documents.

Copies of this public notice, the attached proposed design, and comments and reply comments will be posted on the web at http://wireless.fcc.gov/auctions/about_isas and will be available for public inspection during regular business hours in the FCC Reference Information Center, Room CY-B402, 445 12th Street, SW, Washington, DC 20554. Copies of the comments and other filings in this docket may be obtained from Best Copy and Printing, Inc. in person at 445 12th Street, SW, Room CY-B402, Washington, DC 20554, via telephone at (202) 488-5300, via facsimile at (202) 488-5563, or via e-mail at FCC@BCPIWEB.COM. 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 or call the Consumer and Governmental Affairs Bureau at (202) 418-0530 or (202) 418-0432 (TTY).

This proceeding has been designated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules.² Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentations must contain summaries of the substance of the presentations and not merely a listing of the subjects discussed. More than a one or two sentence description of the views and arguments presented is generally required.³ Other rules pertaining to oral and written *ex parte* presentations in permit-but-disclose proceedings are set forth in Section 1.1206(b) of the Commission’s rules.⁴

For further information concerning this proceeding, contact:

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Dr. William Sharkey, Office of Strategic Planning and Policy Analysis, (202) 418-2743

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¹ Comments and reply comments in response to this public notice may not be filed using the Commission’s Electronic Comment Filing System, which is used for the Commission’s docketed rule making proceedings.

² 47 C.F.R. §§ 1.1200(a), 1.1206.

³ 47 C.F.R. § 1.1206(b).

⁴ *Id.*