



PUBLIC NOTICE

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DA 08-84
January 14, 2008

AUCTION OF 700 MHz BAND LICENSES

Additional Information Regarding the FCC Auction System and Results Files for Auctions 73 and 76

AU Docket No. 07-157

Report No. AUC-08-73-H

By this Public Notice the Wireless Telecommunications Bureau (“Bureau”) provides additional information regarding certain details of Auctions 73 and 76 and the FCC Integrated Spectrum Auction System (“FCC Auction System” or “ISAS”). The Bureau also announces the availability of new sample round results files and provides additional information about round results files for Auctions 73 and 76.

I. CAP ON INCREASES IN BID AMOUNTS

In the *Auction 73/76 Procedures Public Notice*, the Bureau announced that Auction 73 will begin with a \$100 million cap on increases in bid amounts.¹ Here we provide additional details on how the cap will be implemented.

First, the cap will apply to minimum acceptable bids (MABs) and to additional bid amounts when there is more than one acceptable bid amount per license. The cap will limit the amount by which an MAB for a license may increase compared with the corresponding current price estimate (CPE).² For licenses with more than one acceptable bid amount — the C Block licenses³ — the cap will also limit the amount by which bid amounts above the MAB may increase compared with the immediately preceding acceptable bid amount.⁴ This can be shown using the following table:

¹ The percentage of the current price estimate (CPE) used to establish the minimum acceptable bid (MAB) amount (the “additional percentage”) is calculated at the end of each round. The dollar amount of the additional percentage is limited by the cap and added to the CPE to determine the MAB. See “Auction of 700 MHz Band Licenses Scheduled for January 24, 2008; Notice and Filing Requirements, Minimum Opening Bids, and other Procedures for Auctions 73 and 76,” *Public Notice*, 22 FCC Rcd 18,141, 18,200-03, 18,309-10 ¶¶ 216-227 and Attachment G (“*Auction 73/76 Procedures Public Notice*”).

² In most cases, the CPE equals the provisionally winning bid (PWB) amount.

³ *Auction 73/76 Procedures Public Notice*, 22 FCC Rcd at 18,204 ¶ 232.

⁴ *Id.* at 18,202-03 ¶¶ 226-227. See also “Auction of 700 MHz Band Licenses Scheduled for January 16, 2008; Comment Sought on Competitive Bidding Procedures for Auction 73,” *Public Notice*, 22 FCC Rcd 15,004, 15,026 ¶ 68.

CPE (previous round)	MAB	Bid Amount 2	Bid Amount 3
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Moving from left to right in the table, the difference from each amount to the next is limited by the cap.

Secondly, we clarify that the cap is not applied separately to package MABs, which are calculated as the sum of the MABs for the licenses in the package. The cap is applied to the calculation of the MABs at the individual license level. Hence, the MAB for a package may exceed the provisionally winning bid (PWB) from the previous round by more than the amount of the cap, but the increase will generally not exceed the amount of the cap times the number of licenses in the package. For example, with a cap of \$100 million dollars, the MAB for a package of eight licenses may exceed the corresponding provisionally winning bid by more than \$100 million but generally not by more than \$800 million.

Finally, while the cap limits the amount by which an MAB for a license may increase compared with the corresponding CPE, one result of the cap is that license MABs usually do not increase over the previous round's MABs by more than the amount of the cap. There are situations, however, in which the MAB for a license can increase over the previous round's MAB by more than the amount of the cap, even when no bids above the MABs are placed. This can occur if the CPE is greater than the previous round's MAB because a package bid is provisionally winning and there is not a PWB for a license.⁵ Since the CPE may be higher than the previous round's MAB, adding the capped dollar amount of the additional percentage to the CPE may result in an MAB that differs from the previous round's MAB by more than the amount of the cap.

II. DROPPED BIDS

In the *Auction 73/76 Procedures Public Notice*, the Bureau explained that bidders may drop non-provisionally winning bids on packages and on licenses subject to package bidding in no more than one round of the auction. The Bureau also listed restrictions on the circumstances under which bids may be dropped and restrictions on the bidder's subsequent bidding activity. These restrictions are repeated below with an additional restriction that was previously omitted (shown underlined).⁶

- (1) A bidder that drops its bids on a license or package will not be permitted to submit further bids on that particular license or package during the auction.
- (2) A bidder that drops its bids on a license will not be permitted to submit any bids on packages containing that license for the duration of the auction.
- (3) A bidder that is a provisionally winning bidder on a package will not be permitted to drop bids on licenses that are included in the package.
- (4) A bidder cannot drop bids on licenses, packages, or licenses contained within packages upon which it has bid in the current round.

⁵ The CPE for a license may be greater than the previous round's MAB because it includes a share of the provisionally winning package bid. See *Auction 73/76 Procedures Public Notice*, 22 FCC Rcd at 18,200-03, 18,309-14 ¶¶ 216-227 and Attachments G and H. Note that if there were no bids on packages and no bids above the MABs, the MAB for a round would equal the PWB, which in turn would equal the CPE.

⁶ *Id.* at 18,208-10 ¶¶ 257-265.

III. CONSIDERED BIDS

As described in the *Auction 73/76 Procedures Public Notice*, when determining the provisionally winning bids after each round, the FCC Auction System considers the bids shown below.⁷

For licenses not subject to package bidding.....the bids placed in the round and the PWBs from the previous round

For licenses subject to package bidding.....each bidder’s highest bid on each license and (C Block licenses) package submitted up to that point in the auction

Additionally, we reiterate that the FCC Auction System considers a set of “FCC bids.” There is an FCC bid on each license and package, and the amount of each FCC bid is slightly below the minimum opening bid amount.⁸ These FCC bids are not displayed in the FCC Auction System or in any of the results files. They are used as placeholder bids to ensure that each item has at least one considered bid in the winner determination process.

IV. RESULTS FILES

Several reports will be available in the FCC Auction System for viewing and downloading. Some of these reports will consist of public information and will be available on the Results page in the FCC Auction System. Other reports, the “My Bid Reports,” will be available on the Bidding page in the FCC Auction System only to bidders that are logged in. Information in “My Bid Reports” allows only the respective bidder to view all of its actions in the current and previous rounds of the auction. These reports are listed below.

A. Publicly-Available Information

1. Viewable Reports

- Considered Bids
- Dropped Bids
- Item
- Minimum Acceptable Bids
- New Bids
- Provisionally Winning Bids
- Withdrawn Bids

2. Downloadable Reports

- Auction Admin
- Considered Bids
- CPE Calculation Report

⁷ *Id.* at 18,204 ¶ 234.

⁸ *Id.* at 18,311-14 Attachment H.

- Dropped Bids
- Hierarchical Package Content Report
- Item
- Minimum Acceptable Bids
- New Bids
- Provisionally Winning Bids
- Withdrawn Bids
- XML Database Cumulative
- XML Database Round
- XML Spreadsheet

3. Additional Downloadable Files

- XSD for use with XML Files
- CPE Calculation Template

B. “My Bid Reports”

- New Bids
- Active Bids
- Considered Bids
- Provisionally Winning Bids
- Removed Bids
- Withdrawn Bids
- Dropped Bids
- Highest Non Provisionally Winning Bids
- Round Summary

The “My Bid Reports” are viewable on screen and are downloadable as tab-delimited text files. The publicly-available downloadable reports are also tab-delimited text files, except for the XML files. The XML files include most of the information contained in the other downloadable reports. One notable exception is the information contained in the CPE Calculation Report; the current price estimates are not in the XML files.⁹

A bidder’s activity, eligibility, and eligibility reduction amounts will not be provided in any of the downloadable files for Auctions 73. However, a bidder logged in to the FCC Auction System will have

⁹ For most licenses, the CPE equals the amount of the provisionally winning bid. The XML files do include the PWB amounts.

full access to its own activity, eligibility, and eligibility reduction information via the on-screen Round Summary report. Additionally, a status bar will be prominently displayed when a bidder is logged in to the FCC Auction System, regardless of where the bidder navigates within the system. This status bar displays the following information for the bidder: required activity, activity, eligibility, maximum exposure (the highest possible dollar total of the bidder's bids), waivers left, drop rounds left, and withdrawal rounds left.

We note that the contents of some of the “My Bid Reports” will vary depending on whether a bidder views the report during or after a round. For example, in the Considered Bids and New Bids reports, the Selection Number field will be blank for bids placed during a round for which results have not yet been processed. After round results have been processed, however, the Selection Number field will be populated.

V. SAMPLE RESULTS FILES

Concurrent with the seminar for Auction 73, the Bureau posted some sample results files to the web page for the seminar. The Bureau has made some software modification since the seminar, however, and those files have become outdated. The Bureau now announces the availability of a complete set of new sample results files. To download the new sample results files, go to the Auction 73 web page at <http://wireless.fcc.gov/auctions/73/>, scroll down to the General Information section of the page, and click on the [Sample Results Files](#) link.

The appendix to this Public Notice describes the XML file formats for Auctions 73 and 76.

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