



PUBLIC NOTICE

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DA 15-452
April 22, 2015

AUCTION OF FM BROADCAST CONSTRUCTION PERMITS SCHEDULED FOR JULY 23, 2015

NOTICE AND FILING REQUIREMENTS, MINIMUM OPENING BIDS, UPFRONT PAYMENTS, AND OTHER PROCEDURES FOR AUCTION 98

AU Docket No. 15-3

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I. GENERAL INFORMATION

A. Introduction

1. By this Public Notice, the Wireless Telecommunications Bureau (“WTB”) and the Media Bureau (“MB”) (collectively, the “Bureaus”) establish the procedures and minimum opening bid amounts for the upcoming auction of certain FM broadcast construction permits. This auction, which is designated as Auction 98, is scheduled to start on July 23, 2015. This Public Notice provides an overview of the procedures, terms and conditions governing Auction 98 and the post-auction application and payment processes.

2. On March 16, 2015, in accordance with section 309(j)(3) of the Communications Act of 1934, as amended (the “Act”),¹ the Bureaus released a public notice seeking comment on competitive bidding procedures to be used in Auction 98.² We received comments from four individuals in response to the *Auction 98 Comment Public Notice*.³

1. Construction Permits in Auction 98

3. Auction 98 will offer 131 construction permits in the FM broadcast service. The construction permits to be auctioned, which are listed in Attachment A, are for 113 new FM allotments and 18 construction permits that were offered but not sold or were defaulted upon in prior auctions. These construction permits are for vacant FM allotments, reflecting FM channels assigned to the Table of FM Allotments (“Table”)⁴ pursuant to the Commission’s established rulemaking procedures, and are designated for use in the indicated communities.

4. The set of construction permits listed in Attachment A to this Public Notice is unchanged from the list of construction permits that were proposed for this auction in the *Auction 98 Comment Public Notice*.⁵ Two commenters requested the addition of certain permits in Auction 98. Ted Austin Jr. requests that we offer in Auction 98 construction permits for three allotments, Channel 242A at Dubois, Wyoming, Channel 280A at McCall, Idaho, and Channel 228C1 at Huntington, Oregon.⁶ The Bureaus generally offer FM allotments at auction in the order they are added to the Table of Allotments, with older allotments being auctioned before those more recently added, though we may depart from that practice for reasons of administrative convenience. The McCall, Idaho allotment proposed for inclusion by Mr.

¹ 47 U.S.C. § 309(j)(3)(E)(i) (requirement to seek comment on proposed auction procedures); *see also* 47 U.S.C. § 309(j)(4)(F) (authorization to prescribe reserve price or minimum bid); 47 C.F.R. §§ 1.2104(c) and (d).

² “Auction of FM Broadcast Construction Permits Scheduled for July 23, 2015; Comment Sought on Competitive Bidding Procedures for Auction 98,” AU Docket No. 15-3, *Public Notice*, DA 15-25 (rel. March 16, 2015) (“*Auction 98 Comment Public Notice*”). A summary of this public notice was published at in the Federal Register at 80 Fed. Reg. 15715 (Mar. 25, 2015).

³ These comments are available under proceeding 15-3 in the Commission’s Electronic Comment Filing System (“ECFS”). The ECFS home page is publicly accessible at: <http://apps.fcc.gov/ecfs/>.

⁴ 47 C.F.R. § 73.202(b).

⁵ *See Auction 98 Comment Public Notice*, Attachment A. As discussed below, the bidding units, minimum opening bid and upfront payment amount for one permit has been adjusted in response to concerns raised by a commenter. *See* Section IV.B.2. “Reserve Price and Minimum Opening Bids,” below.

⁶ Comments of Ted Austin Jr. at 1, submitted March 30, 2015 (“Austin Comments”).

Austin is listed in the Auction 98 inventory, and will therefore be available for bidding in this auction. The other two allotments proposed for inclusion by Mr. Austin, Channel 242A at Dubois, Wyoming, and Channel 228C1 at Huntington, Oregon, are not currently listed in the Table of Allotments, and therefore cannot be offered in Auction 98.⁷ Similarly, Randy Hendrix requests that we add the allotment of deleted station DKSLK(FM), Channel 241A at Visalia, California.⁸ This allotment was subject to legal challenges until August 4, 2014,⁹ and has not been reinstated to the FM Table of Allotments. We are unable to grant Mr. Hendrix's request because we cannot offer a permit in an auction until the underlying allotment is added to the Table through a rulemaking.

5. Pursuant to the policies established in the *Broadcast First Report and Order*, applicants may apply for any vacant FM allotment listed in Attachment A.¹⁰ When two or more short-form applications (FCC Form 175) are submitted specifying the same FM allotment in Auction 98, mutual exclusivity exists for auction purposes¹¹ and that construction permit must be awarded by competitive bidding procedures.¹² Once mutual exclusivity exists for auction purposes, even if only one applicant is qualified to bid for a particular construction permit, that applicant is required to submit a bid in order to obtain the construction permit.¹³

⁷ Cochise Media Licenses, LLC, previously held a construction permit for Channel 242A at Dubois, Idaho, which it won in FM Broadcast Auction 91. See File No. BPH-20110630ADW. That permit was canceled on December 3, 2014. Likewise, Alex Media, Inc., previously held a construction permit for Channel 228C1 at Huntington, Oregon, which it also won in Auction 91. See File No. BPH-20110628ABE. That permit was also canceled on December 3, 2014. These now-vacant channels cannot be offered at auction until they are reinstated to the Table of Allotments, 47 C.F.R. § 73.202(b), by the Media Bureau.

⁸ Reply Comments of Randy Hendrix at 1, submitted April 6, 2015 ("Hendrix Reply Comments").

⁹ See New Visalia Broadcasting, Inc., *Memorandum Opinion and Order*, 29 FCC Rcd 9744 (2014).

¹⁰ See Implementation of Section 309(j) of the Communications Act – Competitive Bidding for Commercial Broadcast and Instructional Television Fixed Service Licenses, MM Docket No. 97-234, *First Report and Order*, FCC 98-194, 13 FCC Rcd 15920, 15923-25 ¶¶ 7-12, 15974 ¶ 142 (1998) ("*Broadcast First Report and Order*"), *Memorandum Opinion and Order*, FCC 99-74, 14 FCC Rcd 8724 (1999) ("*Broadcast First Reconsideration Order*"), *Memorandum Opinion and Order*, FCC 99-201, 14 FCC Rcd 12541 (1999), *aff'd*, *Orion Communications Ltd. v. FCC*, 221 F.3d 196, No. 98-1424, slip op. (D.C. Cir. June 13, 2000) (unpublished opinion available at 2000 WL 816046) (D.C. Cir.), *aff'd*, *Orion Communications Ltd. v. FCC*, 213 F.3d 761 (D.C. Cir. 2000). Attachment A also lists the reference coordinates for each vacant FM allotment. With regard to the FM service, the Commission gave applicants the opportunity to submit a set of preferred site coordinates as an alternative to the reference coordinates for the vacant FM allotment upon which they intend to bid. Further information regarding preferred site coordinates may be found in Attachment B to this public notice. See *Broadcast First Report and Order*, 13 FCC Rcd at 15974-75 ¶ 142 & n.153.

¹¹ See *Broadcast First Report and Order*, 13 FCC Rcd at 15974 ¶ 142, 15978-80 ¶¶ 149-154. See also Implementation of Section 309(j) of the Communications Act – Competitive Bidding, PP Docket No. 93-253, *Second Report and Order*, FCC 94-61, 9 FCC Rcd 2348, 2376 ¶ 165 (1994) ("*Competitive Bidding Second Report and Order*").

¹² *Broadcast First Report and Order*, 13 FCC Rcd at 15923-25 ¶¶ 7-12.

¹³ Any applicant that submits a short-form application but fails to timely submit an upfront payment will retain its status as an applicant in Auction 98 and will remain subject to the Commission's rules prohibiting certain communications, 47 C.F.R. §§ 1.2105(c) and 73.5002(d), but, having purchased no bidding eligibility, will not be eligible to bid. See *Broadcast First Report and Order*, 13 FCC Rcd at 15979-80 ¶ 153. An applicant that fails to become a qualified bidder for any other reason also will retain its status as an Auction 98 applicant and will remain subject to the rules prohibiting certain communications.

B. Rules and Disclaimers

1. Relevant Authority

6. Prospective applicants must familiarize themselves thoroughly with the Commission's general competitive bidding rules, including recent amendments and clarifications, as well as Commission decisions in proceedings regarding competitive bidding procedures, application requirements, and obligations of Commission licensees.¹⁴ Broadcasters should also familiarize themselves with the Commission's FM broadcast service rules contained in 47 C.F.R. §§ 73.201 – 73.333 and 73.1001 – 73.5009. Prospective bidders must also be familiar with the broadcast auctions and competitive bidding rules contained in 47 C.F.R. §§ 1.2101 – 1.2112 and 73.5000 – 73.5009. All bidders must also be thoroughly familiar with the procedures, terms and conditions contained in this Public Notice, the *Auction 98 Comment Public Notice*, the *Broadcast First Report and Order*,¹⁵ the *Broadcast First Reconsideration Order*,¹⁶ the *New Entrant Bidding Credit Reconsideration Order*,¹⁷ the *NCE Second Report and Order*, and the *NCE Memorandum Opinion and Third Order on Reconsideration*.¹⁸

7. 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. Copies of most auctions-related Commission documents, including public notices, can be retrieved from the FCC Auctions Internet site at <http://wireless.fcc.gov/auctions>. Additionally, documents are available for public inspection and copying between 8:00 a.m. and 4:30 p.m. Eastern Time (ET) Monday through Thursday or 8:00 a.m. to 11:30 a.m. ET Fridays at the FCC Reference Information Center, 445 12th Street, SW, Room CY-A257, Washington, DC 20554.

2. Prohibited Communications and Compliance with Antitrust Laws

8. To ensure the competitiveness of the auction process, section 1.2105(c) of the Commission's rules prohibits auction applicants for construction permits 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 Form 175) as parties with whom they have entered into agreements pursuant to section 1.2105(a)(2)(viii).¹⁹

¹⁴ See, e.g., Amendment of Part 1 of the Commission's Rules – Competitive Bidding Procedures, WT Docket No. 97-82, *Order on Reconsideration of the Third Report and Order, Fifth Report and Order, and Fourth Further Notice of Proposed Rule Making*, FCC 00-274, 15 FCC Rcd 15293 (2000) (“*Part 1 Fifth Report and Order*”)(modified by Erratum, DA 00-2475 (rel. Nov. 3, 2000)); *Seventh Report and Order*, FCC 01-270, 16 FCC Rcd 17546 (2001) (“*Part 1 Seventh Report and Order*”); *Eighth Report and Order*, FCC 02-34, 17 FCC Rcd 2962 (2002); *Second Order on Reconsideration of the Third Report and Order and Order on Reconsideration of the Fifth Report and Order*, FCC 03-98, 18 FCC Rcd 10180 (2003); *Second Order on Reconsideration of the Fifth Report and Order*, FCC 04-295, 20 FCC Rcd 1942 (2005).

¹⁵ *Broadcast First Report and Order*, 13 FCC Rcd at 15920.

¹⁶ *Broadcast First Reconsideration Order*, 14 FCC Rcd at 8724.

¹⁷ Implementation of Section 309(j) of the Communications Act – Competitive Bidding for Commercial Broadcast and Instructional Television Fixed Service Licenses, MM Docket No. 97-234, *Memorandum Opinion and Order*, FCC 99-201, 14 FCC Rcd 12541 (1999).

¹⁸ Reexamination of the Comparative Standard for Noncommercial Educational Applicants, MM Docket No. 95-31, *Second Report and Order*, FCC 03-44, 18 FCC Rcd 6691 (2003) (“*NCE Second Report and Order*”); *Memorandum Opinion and Third Order on Reconsideration*, FCC 08-219, 23 FCC Rcd 17423 (2008).

¹⁹ See 47 C.F.R. §§ 1.2105(a)(2)(viii), 1.2105(c)(1) and 73.5002; see also *Part 1 Seventh Report and Order*, 16 FCC Rcd at 17546.

a. Entities Subject to Section 1.2105

9. Section 1.2105(c)'s prohibition on certain communications will apply to any applicants that submit short-form applications seeking to participate in a Commission auction for construction permits in the same geographic license area. Thus, unless they have identified each other on their short-form applications as parties with whom they have entered into agreements under section 1.2105(a)(2)(viii), applicants for any of the same geographic license areas must affirmatively avoid all communications with or disclosures to each other that affect or have the potential to affect bids or bidding strategy.²⁰ In some instances, this prohibition extends to communications regarding the post-auction market structure. **This prohibition applies to all applicants regardless of whether such applicants become qualified bidders or actually bid.**²¹ In broadcast services, the "geographic license area" is the market designation of the particular service.²² For the FM service, the market designation is the particular vacant FM allotment (e.g., Hermitage, Arkansas, Channel 300A, MM-FM979-A). In Auction 98, this rule would apply to applicants designating any of the same FM allotments on the short-form application.

10. Applicants are also reminded that, for purposes of this prohibition on certain communications, section 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.²³ For example, where an individual served as an officer for two or more applicants, the Bureaus have found that the bids and bidding strategies of one applicant are conveyed to the other applicant, and, absent a disclosed bidding agreement, an apparent violation of section 1.2105(c) occurs.²⁴

11. Individuals and entities subject to section 1.2105(c) should take special care in circumstances where their employees may receive information directly or indirectly relating to any competing applicant's bids or bidding strategies. The Bureaus have not addressed a situation where non-principals (i.e., those who are not officers or directors, and thus not considered to be the applicant) receive information regarding a competing applicant's bids or bidding strategies and whether that information should be presumed to be communicated to the applicant.

12. An exception to the prohibition on certain communications allows non-controlling interest holders to obtain interests in more than one competing applicant without violating section 1.2105(c) provided specified conditions are met (including a certification that no prohibited

²⁰ See, e.g., Wireless Telecommunications Bureau Provides Guidance on the Anti-Collusion Rule for D, E and F Block Bidders, *Public Notice*, DA 96-1460, 11 FCC Rcd 10134 (WTB 1996).

²¹ See, e.g., *Star Wireless, LLC, Forfeiture Order*, DA 04-3026, 19 FCC Rcd 18626, 18628 ¶ 4 & n.19 (EB 2004), *order granted in part sub nom*, *Star Wireless, LLC and Northeast Communications of Wisconsin, Inc., Order on Review*, FCC 07-80, 22 FCC Rcd 8943 (2007) ("*Star and Northeast Review Order*"), *petition for review denied*, *Star Wireless, LLC v. FCC*, 522 F.3d 469 (D.C. Cir. 2008) (section 1.2105(c) applies to applicants regardless of whether they are qualified to bid); *Letter to Robert Pettit, counsel to Noverr Publishing, Inc., from Margaret W. Wiener, Chief, Auctions and Industry Analysis Division*, DA 00-2905, 16 FCC Rcd 10080 (WTB 2000) (declining to exempt an applicant's controlling interest from coverage by the communication prohibitions of section 1.2105(c), even though the applicant never made an upfront payment for the auction and was not listed as a qualified bidder).

²² *Part 1 Seventh Report and Order*, 16 FCC Rcd at 17549 n.12.

²³ 47 C.F.R. § 1.2105(c)(7)(i).

²⁴ See, e.g., *Letter to Colby M. May, TCCSA, Inc., d/b/a Trinity Broadcasting Network, from Barbara A. Kreisman, Chief, Video Division, Media Bureau, and Margaret W. Wiener, Chief, Auctions and Spectrum Access Division, Wireless Telecommunications Bureau*, DA 05-2445, 20 FCC Rcd 14648 (WTB/MB 2005) ("*Trinity*") (finding apparent violation of communication prohibitions of section 1.2105(c) where applicants with mutually exclusive applications reported sharing same individual as an officer and director and reported having no bidding agreement).

communications have occurred or will occur), but that exception does not extend to controlling interest holders.²⁵

13. Moreover, Auction 98 applicants are encouraged not to use the same individual as an authorized bidder. A violation of section 1.2105(c) 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. Similarly, if the authorized bidders are different individuals employed by the same organization (e.g., law firm, engineering firm or consulting firm), a violation similarly could occur.²⁶ 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 the applicant and its bidders will comply with section 1.2105(c).²⁷

b. Prohibition Applies Until Down Payment Deadline

14. Section 1.2105(c)'s prohibition on certain communications begins at the short-form application filing deadline and ends at the down payment deadline after the auction closes, which will be announced in a future public notice.²⁸

c. Prohibited Communications

15. Applicants must not communicate directly or indirectly about bids or bidding strategy to other applicants in this auction (as described above).²⁹ Section 1.2105(c) prohibits not only communication about an applicant's own bids or bidding strategy, it also prohibits communication of another applicant's bids or bidding strategy.³⁰ While section 1.2105(c) does not prohibit non-auction-related business negotiations among auction applicants, each applicant must remain vigilant so as not to directly or indirectly communicate information that affects, or could affect, bids, bidding strategy, or the negotiation of settlement agreements.

16. Applicants 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."³¹ Moreover, the Commission has found a violation of section 1.2105(c) where an applicant

²⁵ 47 C.F.R. § 1.2105(c)(4). Specifically, the Commission's rules permit a party holding a non-controlling, attributable interest in one applicant to acquire an ownership interest in or entering into a joint bidding arrangement with other applicants after the short-form application filing deadline, 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. 47 C.F.R. §§ 1.2105(c)(4)(i), (ii).

²⁶ See Application of Nevada Wireless, *Memorandum Opinion and Order*, DA 98-1137, 13 FCC Rcd 11973, 11977-78 ¶¶ 11-12 (WTB 1998) ("*Nevada Wireless Order*").

²⁷ *Id.*

²⁸ 47 C.F.R. § 1.2105(c)(1).

²⁹ *Part 1 Seventh Report and Order*, 16 FCC Rcd at 17553-54 ¶ 12. For a discussion of the term "applicant" within the meaning of section 1.2105(c), see Section I.B.2.a. "Entities Subject to Section 1.2105," above.

³⁰ See Notice of Apparent [L]iability for Forfeiture of Western PCS BTA 1 Corp., *Memorandum Opinion and Order*, FCC 99-385, 14 FCC Rcd 21571, 21574 ¶ 8 (1999).

³¹ Implementation of Section 309(j) of the Communications Act – Competitive Bidding, PP Docket No. 93-253, *Memorandum Opinion and Order*, FCC 94-295, 9 FCC Rcd 7684, 7689 ¶ 12 (1994) ("*Competitive Bidding Memorandum Opinion and Order*").

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,”³² 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.”³³ Applicants also should use caution in their dealings with other parties, such as members of the press, financial analysts, or others who might become conduits for the communication of prohibited bidding information. For example, an applicant’s statement to the press that it intends to stop bidding in the auction could give rise to a finding of a section 1.2105(c) violation.³⁴ Similarly, an applicant’s public statement of intent not to participate in Auction 98 bidding could also violate the rule. Applicants are hereby placed on notice that public disclosure of information relating to bids, or bidding strategies, or to post auction market structures may violate section 1.2105(c).

d. Disclosure of Bidding Agreements and Arrangements

17. 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 applications.³⁵ Applicants must 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 construction permits being auctioned, including any agreements relating to post-auction market structure.³⁶

18. If parties agree in principle on all material terms prior to the short-form application filing deadline, each party to the agreement must identify the other party or parties to the agreement on its short-form application under section 1.2105(c), even if the agreement has not been reduced to writing.³⁷ 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 negotiation, discussion or communication with any other applicants after the short-form application filing deadline.³⁸

19. Section 1.2105(c) does not prohibit non-auction-related business negotiations among auction applicants.³⁹ However, certain discussions or exchanges could touch upon impermissible subject matters because they may convey pricing information and bidding strategies. Such subject areas include,

³² Mercury PCS II, LLC, *Notice of Apparent Liability for Forfeiture*, FCC 97-388, 12 FCC Rcd 17970, 17974 ¶ 12, 17976 ¶ 17 (1997).

³³ Mercury PCS II, LLC, *Memorandum Opinion and Order*, FCC 98-203, 13 FCC Rcd 23755, 23760 ¶ 11 (1998).

³⁴ *Compare* Wireless Telecommunications Bureau Responds to Questions About the Local Multipoint Distribution Service Auction, *Public Notice*, DA 98-37, 13 FCC Rcd 341, 347-48 (1998) (“Public statements can give rise to collusion concerns. This has occurred in the antitrust context, where certain public statements can support other evidence which tends to indicate the existence of a conspiracy.”).

³⁵ 47 C.F.R. § 1.2105(c)(1).

³⁶ 47 C.F.R. §§ 1.2105(a)(2)(viii), (c)(1).

³⁷ Alvin Xex comments that the Commission should promote participation by smaller entities by encouraging partnerships with larger, more established companies. Comments of Alvin Xex at 1, submitted March 25, 2015 (“Xex Comments”). Such partnerships may be permissible under the Commission’s rules though such arrangements could result in attribution of the larger partner’s broadcast interests, possibly causing loss of bidding credit eligibility. *See* Section II.C. “New Entrant Bidding Credit,” below.

³⁸ *See* Wireless Telecommunications Bureau Clarifies Spectrum Auction Anti-Collusion Rules, *Public Notice*, DA 95-2244, 11 FCC Rcd 9645, 9646 (WTB 1995) (“*Section 1.2105(c) Clarification Public Notice*”).

³⁹ *See, e.g.*, Todd Stuart Noordyk, *Memorandum Opinion and Order*, FCC 01-275, 16 FCC Rcd 18113, 18116-17 ¶ 12 (2001).

but are not limited to, issues such as management, sales, local marketing agreements, rebroadcast agreements, and other transactional agreements.⁴⁰

e. Section 1.2105(c) Certification

20. By electronically submitting a short-form application, each applicant in Auction 98 certifies its compliance with sections 1.2105(c) and 73.5002. In particular, an applicant must certify under penalty of perjury it has 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 the applicant's bids, bidding strategies, or the particular construction permits on which it will or will not bid.⁴¹ However, the Bureaus caution that merely filing a certifying statement as part of an application will not outweigh specific evidence that a prohibited communication has occurred, nor will it preclude the initiation of an investigation when warranted.⁴² The Commission has stated that it "intend[s] to scrutinize carefully any instances in which bidding patterns suggest that collusion may be occurring."⁴³ Any applicant found to have violated section 1.2105(c) may be subject to sanctions.⁴⁴

f. Duty to Report Prohibited Communications

21. Section 1.2105(c)(6) provides that any applicant that makes or receives a communication that appears to violate section 1.2105(c) must report such communication in writing to the Commission immediately, and in no case later than five business days after the communication occurs.⁴⁵ The Commission has clarified that each applicant's obligation to report any such communication continues beyond the five-day period after the communication is made, even if the report is not made within the five-day period.⁴⁶

22. In addition, 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 of any substantial change that may be of decisional significance to that application.⁴⁷ Thus, section 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. An applicant is therefore required by section 1.65 to report to the Commission any communication the applicant has made to or received from another applicant after the short-form application filing deadline that affects or has the potential to affect bids or bidding strategy, unless such communication is made to or received from a party to an agreement identified under section 1.2105(a)(2)(viii).⁴⁸

23. Sections 1.65(a) and 1.2105(c) require each applicant in competitive bidding proceedings to furnish additional or corrected information within five days of a significant occurrence, or to amend its

⁴⁰ See Amendment of Part 1 of the Commission's Rules – Competitive Bidding Procedures, WT Docket No. 97-82, *Third Report and Order and Second Further Notice of Proposed Rule Making*, FCC 97-413, 13 FCC Rcd 374, 467-68 ¶ 163 (1997) (“*Part 1 Third Report and Order*”).

⁴¹ 47 C.F.R. § 1.2105(a)(2)(ix).

⁴² *Nevada Wireless Order*, 13 FCC Rcd at 11978 ¶ 13.

⁴³ *Competitive Bidding Memorandum Opinion and Order*, 9 FCC Rcd at 7689 ¶ 12.

⁴⁴ See 47 C.F.R. §§ 1.2105(c), 1.2107(d), and 1.2109(d).

⁴⁵ 47 C.F.R. § 1.2105(c)(6); see also *Part 1 Seventh Report and Order*, 16 FCC Rcd at 17553-55 ¶¶ 13-17.

⁴⁶ See Service Rules for the 698-746, 747-762 and 777-792 MHz Bands, WT Docket No. 06-150, *Second Report and Order*, FCC 07-132, 22 FCC Rcd 15,289, 15,395 ¶¶ 285-86 (2007).

⁴⁷ 47 C.F.R. § 1.65; see also *Part 1 Seventh Report and Order*, 16 FCC Rcd at 17550-51 ¶ 9.

⁴⁸ See *Part 1 Seventh Report and Order*, 16 FCC Rcd at 17550-51 ¶ 9.

short-form application no more than five days after the applicant becomes aware of the need for amendment.⁴⁹ These rules are intended to facilitate the auction process by making the information available promptly to all participants and to enable the Bureaus to act expeditiously on those changes when such action is necessary.⁵⁰

g. Procedure for Reporting Prohibited Communications

24. A party reporting any communication pursuant to sections 1.65, 1.2105(a)(2), or 1.2105(c)(6) must take care to ensure that any report of a prohibited communication does not itself give rise to a violation of section 1.2105(c). For example, a party's report of a prohibited communication could violate the rule by communicating prohibited information to other applicants through the use of Commission filing procedures that would allow such materials to be made available for public inspection.

25. Section 1.2105(c) requires parties to file only a single report concerning a prohibited communication and to file that report with Commission personnel expressly charged with administering the Commission's auctions.⁵¹ This rule is designed to minimize the risk of inadvertent dissemination of information in such reports. Any reports required by section 1.2105(c) must be filed consistent with the instructions set forth in this Public Notice.⁵² For Auction 98, such reports must be filed with the Chief of the Auctions and Spectrum Access Division, Wireless Telecommunications Bureau, by the most expeditious means available. Any such report should be submitted by e-mail to Ms. Wiener at the following e-mail address: auction98@fcc.gov. If you choose instead to submit a report in hard copy, any such report must be delivered only to: Margaret W. Wiener, Chief, Auctions and Spectrum Access Division, Wireless Telecommunications Bureau, Federal Communications Commission, 445 12th Street, SW, Room 6423, Washington, DC 20554.

26. A party seeking to report such a prohibited communication should consider submitting its report with a request that the report or portions of the submission be withheld from public inspection by following the procedures specified in section 0.459 of the Commission's rules.⁵³ Such parties also are encouraged to coordinate with the Auctions and Spectrum Access Division staff about the procedures for submitting such reports.⁵⁴ This Public Notice provides additional guidance on procedures for submitting application-related information below.⁵⁵

h. Winning Bidders Must Disclose Terms of Agreements

27. Each applicant that is a winning bidder will be required to disclose in its long-form applications the specific terms, conditions, and parties involved in any agreement it has entered into. This

⁴⁹ Procedural Amendments to Commission Part 1 Competitive Bidding Rules, WT Docket No. 10-18, *Order*, FCC 10-4, 25 FCC Rcd 521, 523 ¶ 8 (2010) ("*Part 1 Procedural Amendments Order*").

⁵⁰ *Id.*

⁵¹ *Id.*, 25 FCC Rcd at 522 ¶ 4. This process differs from filing procedures used in connection with other Commission rules and processes which may call for submission of filings to the Commission's Office of the Secretary or ECFS. Filing through the Office of Secretary or ECFS could allow the report to become publicly available and might result in the communication of prohibited information to other auction applicants.

⁵² *Part 1 Procedural Amendments Order*, 25 FCC Rcd at 522 ¶ 4.

⁵³ See 47 C.F.R. § 0.459 (requests that materials or information submitted to the Commission be withheld from public inspection). Filers requesting confidential treatment of documents must be sure that the cover page of the filing prominently displays that the documents seek confidential treatment. For example, a filing might include a cover page stamped with "Request for Confidential Treatment Attached" or "Not for Public Inspection." Any such request must cover all of the material to which the request applies. See 47 C.F.R. § 0.459 (a).

⁵⁴ See Section VII. "Contact Information," below.

⁵⁵ See Section II.J. "Maintaining Current Information in Short-Form Applications," below.

applies to any bidding consortia, joint venture, partnership, or agreement, understanding, or other arrangement entered into relating to the competitive bidding process, including any agreement relating to the post-auction market structure.⁵⁶ Failure to comply with the Commission's rules can result in enforcement action.

i. Additional Information Concerning Rule Prohibiting Certain Communications

28. A summary listing of documents issued by the Commission and the Bureaus addressing the application of section 1.2105(c) may be found in Attachment D. These documents are available on the Commission's auction web page at http://wireless.fcc.gov/auctions/prohibited_communications.

j. Antitrust Laws

29. Regardless of compliance with the Commission's rules, applicants remain subject to the antitrust laws, which are designed to prevent anticompetitive behavior in the marketplace.⁵⁷ Compliance with the disclosure requirements of section 1.2105(c) will not insulate a party from enforcement of the antitrust laws.⁵⁸ For instance, a violation of the antitrust laws could arise out of actions taking place well before any party submitted a short-form application.⁵⁹ Similarly, the Wireless Telecommunications Bureau previously reminded potential applicants and others that “[e]ven 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.”⁶⁰

30. To the extent the Commission becomes aware of specific allegations that suggest that violations of the federal antitrust laws may have occurred, the Commission may refer such allegations to the United States Department of Justice for investigation.⁶¹ 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.⁶²

⁵⁶ 47 C.F.R. § 1.2107(d).

⁵⁷ See Amendment of Part 1 of the Commission's Rules – Competitive Bidding Procedures, WT Docket No. 97-82, *Third Further Notice of Proposed Rulemaking*, FCC 99-384, 14 FCC Rcd 21558, 21560-61 ¶ 4 & n.17 (1999) quoting *Competitive Bidding Memorandum Opinion and Order*, 9 FCC Rcd at 7689 ¶ 12 (“[W]e wish to emphasize that all applicants and their owners continue to be subject to existing antitrust laws. Applicants should note that conduct that is permissible under the Commission's Rules may be prohibited by the antitrust laws.”); Implementation of Section 309(j) of the Communications Act – Competitive Bidding, PP Docket No. 93-253, *Fourth Memorandum Opinion and Order*, FCC 94-264, 9 FCC Rcd 6858, 6869 n.134 (1994)(“[A]pplicants will also be subject to existing antitrust laws.”) (“*Fourth Memorandum Opinion and Order*”).

⁵⁸ See *Competitive Bidding Memorandum Opinion and Order*, 9 FCC Rcd at 7689 ¶ 12. See also “Justice Department Sues Three Firms Over FCC Auction Practices,” *Press Release* 98-536 (DOJ Nov. 10, 1998).

⁵⁹ See, e.g., *Fourth Memorandum Opinion and Order*, 9 FCC Rcd at 6869 n.134. 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 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 market for the other. *Id.*

⁶⁰ *Section 1.2105(c) Clarification Public Notice*, 11 FCC Rcd at 9646.

⁶¹ See *Competitive Bidding Second Report and Order*, 9 FCC Rcd at 2388 ¶ 226.

⁶² See 47 C.F.R. § 1.2109(d); see also *Competitive Bidding Second Report and Order*, 9 FCC Rcd at 2388 ¶ 226.

3. Due Diligence

31. We remind each potential bidder that it is solely responsible for investigating and evaluating all technical and marketplace factors that may have a bearing on the value of the construction permits for broadcast facilities it is seeking in this auction. Each bidder is responsible for assuring that, if it wins a construction permit, it will be able to build and operate facilities in accordance with the Commission's rules. **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 permittee in a broadcast service, subject to certain conditions and regulations. These conditions include, but are not limited to, the condition that FCC licenses and other authorizations (whether awarded through competitive bidding or otherwise) are subject to the authority of the FCC, under the Communications Act of 1934, as amended, to modification through rulemaking and adjudicative proceedings. An FCC auction does not constitute an endorsement by the FCC of any particular service, technology, or product, nor does an FCC construction permit or license constitute a guarantee of business success.**

32. An applicant should perform its due diligence research and analysis before proceeding, as it would with any new business venture. In particular, the Bureaus strongly encourage each potential bidder to review all underlying Commission orders, such as the specific *Report and Order* amending the FM Table of Allotments and allotting the FM channel(s) on which it plans to bid.⁶³ A *Report and Order* adopted in an FM allotment rulemaking proceeding⁶⁴ may include information unique to the allotment such as site restrictions or expense reimbursement requirements. Additionally, each potential bidder should perform technical analyses or refresh their previous analyses to assure itself that, should it become a winning bidder for any Auction 98 construction permit, it will be able to build and operate facilities that will fully comply with all applicable technical and legal requirements. The Bureaus strongly encourage each applicant to inspect any prospective transmitter sites located in, or near, the service area for which it plans to bid, confirm the availability of such sites, and to familiarize itself with the Commission's rules regarding the National Environmental Policy Act.⁶⁵

33. The Bureaus strongly encourage each applicant to conduct its own research prior to Auction 98 in order to determine the existence of pending administrative or judicial proceedings, including pending allocation rulemaking proceedings that might affect its decision to participate in the auction. The Bureaus strongly encourage each participant in Auction 98 to continue such research throughout the auction. The due diligence considerations mentioned in this Public Notice do not comprise an exhaustive list of steps that should be undertaken prior to participating in this auction. As always, the burden is on the potential bidder to determine how much research to undertake, depending upon specific facts and circumstances related to its interests.

34. The Bureaus also remind each applicant that pending and future judicial proceedings, as well as certain pending and future proceedings before the Commission — including applications, applications for modification, petitions for rulemaking, requests for special temporary authority, waiver requests, petitions to deny, petitions for reconsideration, informal objections, and applications for review — may relate to particular applicants, incumbent permittees, incumbent licensees, or the construction permits available in Auction 98. Each prospective applicant is responsible for assessing the likelihood of

⁶³ See 47 C.F.R. § 73.202.

⁶⁴ See, e.g., Circleville, Ohio, *Second Report and Order*, FCC 67-578, 8 FCC 2d 159 (1967); Charlotte Amalie, Frederiksted, and Christiansted, Virgin Islands, MM Docket No. 00-102, *Report and Order*, DA 03-4120, 19 FCC Rcd 30 (MB 2004); Cheyenne, Wyoming and Gering, Nebraska, MM Docket No. 97-106, *Report and Order*, DA 00-865, 15 FCC Rcd 7528 (MMB 2000).

⁶⁵ 47 C.F.R. Chapter 1, Part 1, Subpart I.

the various possible outcomes and for considering the potential impact on construction permits available in this auction.

35. **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 the construction permits available in Auction 98.** Each potential bidder is responsible for undertaking research to ensure that any permits won in this auction will be suitable for its business plans and needs. Each potential bidder must undertake its own assessment of the relevance and importance of information gathered as part of its due diligence efforts.

36. Applicants may research the licensing database for the Media Bureau in order to determine which channels are already licensed to incumbent licensees or previously authorized to construction permittees. Licensing records are contained in the Consolidated Database System (CDBS) and may be researched on the Internet from <http://www.fcc.gov/encyclopedia/media-bureau-filing-systems-and-databases>. Potential bidders may query the database online and download a copy of their search results if desired. Instructions on using Station Search, Ownership Search, and Application Search and downloading query results are also available online via the above link. The database searches return either station or application data. The application search provides an application link that displays the complete electronically filed application in application format. An AL/TC search under the Application Search link permits searching for Assignment of License/Transfer of Control groups using the AL/TC group lead application. Potential bidders should direct questions regarding the search capabilities of CDBS to the Media Bureau help line at (202) 418-2662, or via e-mail at mbinfo@fcc.gov.

37. 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, it must 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.

4. Use of FCC Auction System

38. Bidders will be able to participate in Auction 98 over the Internet using the Commission's web-based 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.

5. Fraud Alert

39. As is the case with many business investment opportunities, some unscrupulous entrepreneurs may attempt to use Auction 98 to deceive and defraud unsuspecting investors. Common warning signals of fraud include the following:

- The first contact is a "cold call" from a telemarketer, or is made in response to an inquiry prompted by a radio or television infomercial.
- The offering materials used to invest in the venture appear to be targeted at IRA funds, for example, by including all documents and papers needed for the transfer of funds maintained in IRA accounts.

- The amount of investment is less than \$25,000.
- The sales representative makes verbal representations that: (a) the Internal Revenue Service, Federal Trade Commission (“FTC”), Securities and Exchange Commission (“SEC”), FCC, or other government agency has approved the investment; (b) the investment is not subject to state or federal securities laws; or (c) the investment will yield unrealistically high short-term profits. In addition, the offering materials often include copies of actual FCC releases, or quotes from FCC personnel, giving the appearance of FCC knowledge or approval of the solicitation.

40. Information about deceptive telemarketing investment schemes is available from the FCC as well as the FTC and SEC. Additional sources of information for potential bidders and investors may be obtained from the following sources:

- the FCC’s Consumer Call Center at (888) 225-5322 or by visiting <http://wireless.fcc.gov/csinfo#fraud>
- the FTC at (877) FTC-HELP ((877) 382-4357) or by visiting <http://ftc.gov/bcp/edu/pubs/consumer/invest/inv03.shtm>
- the SEC at (202) 942-7040 or by visiting <http://sec.gov/cgi-bin/txt-srch-sec?text=fraud§ion=Investor+Information>.

Complaints about specific deceptive telemarketing investment schemes should be directed to the FTC, the SEC, or the National Fraud Information Center at (800) 876-7060.

6. Environmental Review Requirements

41. Permittees or licensees must comply with the Commission’s rules regarding implementation of the National Environmental Policy Act and other federal environmental statutes.⁶⁶ The construction of a broadcast facility is a federal action, and the permittee or licensee must comply with the Commission’s environmental rules for each such facility.⁶⁷ These environmental rules require, among other things, that the permittee or licensee consult with expert agencies having environmental responsibilities, including the U.S. Fish and Wildlife Service, the State Historic Preservation Office, the U.S. Army Corps of Engineers, and the Federal Emergency Management Agency (through the local authority with jurisdiction over floodplains). In assessing the effect of facility construction on historic properties, the permittee or licensee must follow the provisions of the FCC’s Nationwide Programmatic Agreement Regarding the Section 106 National Historic Preservation Act Review Process.⁶⁸ The permittee or licensee must prepare environmental assessments for any facility 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. In addition, the permittee or licensee must prepare environmental assessments for facilities that include high intensity white lights in residential neighborhoods or excessive radio frequency emission.

C. Auction Specifics

1. Auction Start Date

42. Bidding in Auction 98 will begin on Thursday, July 23, 2015. Pre-auction dates and deadlines are listed below.

⁶⁶ 47 C.F.R. Chapter 1, Part 1, Subpart I.

⁶⁷ 47 C.F.R. §§ 1.1301-1.1319.

⁶⁸ 47 C.F.R. Part 1, Appendix C.

43. The initial schedule for bidding rounds will be announced by public notice at least one week before the auction starts. Moreover, unless otherwise announced, bidding on all construction permits will be conducted on each business day until bidding has stopped on all construction permits.

2. Auction Title

44. Auction 98 – FM Broadcast

3. Bidding Methodology

45. As discussed in more detail below, the bidding methodology for Auction 98 will be a simultaneous multiple round format.⁶⁹ The Commission will conduct this auction over the Internet using the FCC Auction System. Qualified bidders are permitted to bid electronically via the Internet or by telephone using the telephonic bidding option. All telephone calls are recorded.

4. Pre-Auction Dates and Deadlines

46. The following dates and deadlines apply:

Auction Tutorial Available (via Internet)	May 18, 2015
Short-Form Application (FCC Form 175)	
Filing Window Opens	May 18, 2015; 12:00 noon ET
Short-Form Application (FCC Form 175)	
Filing Window Deadline.....	May 28, 2015; prior to 6:00 p.m. ET
Upfront Payments (via wire transfer).....	June 29, 2015; 6:00 p.m. ET
Mock Auction	July 20, 2015
Auction Begins.....	July 23, 2015

5. Requirements for Participation

47. Those wishing to participate in this auction must:

- Submit a short-form application (FCC Form 175) electronically prior to 6:00 p.m. ET, on May 28, 2015, following the electronic filing procedures set forth in Attachment B to this Public Notice;
- Submit a sufficient upfront payment and an FCC Remittance Advice Form (FCC Form 159) by 6:00 p.m. ET, on June 29, 2015, following the procedures and instructions set forth in Attachment C to this Public Notice; and
- Comply with all provisions outlined in this Public Notice and applicable Commission rules.

II. SHORT-FORM APPLICATION (FCC FORM 175) REQUIREMENTS

A. General Information Regarding Short-Form Applications

48. An application to participate in an FCC auction, referred to as a short-form application or FCC Form 175, provides information used to determine whether the applicant is legally, technically, and financially qualified to participate in Commission auctions for licenses or permits.⁷⁰ The short-form application is the first part of the Commission's two-phased auction application process. In the first phase, parties desiring to participate in the auction must file a streamlined, short-form application in

⁶⁹ See Section IV.A.1. "Simultaneous Multiple Round Auction," below.

⁷⁰ 47 C.F.R. §§ 1.2105, 73.5002.

which they certify under penalty of perjury as to their qualifications.⁷¹ Eligibility to participate in bidding is based on the applicant's short-form application and certifications, and on its upfront payment, as explained below.⁷² In the second phase of the process, each winning bidder must file a more comprehensive long-form application.⁷³

49. Every entity and individual seeking a construction permit available in Auction 98 must file a short-form application electronically via the FCC Auction System prior to 6:00 p.m. ET on May 28, 2015, following the procedures prescribed in Attachment B to this Public Notice. If an applicant claims eligibility for a bidding credit, the information provided in its FCC Form 175 will be used to determine whether the applicant is eligible for the claimed bidding credit. Applicants filing a short-form application are subject to the Commission's rules against prohibited communications beginning at the deadline for filing, as described above.

50. Every applicant bears full responsibility for submitting an accurate, complete and timely short-form application. An applicant must certify on its short-form application under penalty of perjury that it is legally, technically, financially and otherwise qualified to hold a license.⁷⁴ Each applicant should read carefully the instructions set forth in Attachment B to this Public Notice and should consult the Commission's rules to ensure that, in addition to the materials described below, all the information required is included within its short-form application.⁷⁵

51. An individual or entity may not submit more than one short-form application for a single auction. If a party submits multiple short-form applications, only one application may be accepted for filing.

52. Each applicant 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.⁷⁶ 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.

B. Permit Selection

53. An applicant must select the construction permits on which it wants to bid from the "Eligible Permits" list on its short-form application. To assist in identifying construction permits of interest that will be available in Auction 98, the FCC Auction System includes a filtering mechanism that allows an applicant to filter the "Eligible Permits" list. Selections for one or more of the filter criteria can be made and the system will produce a list of construction permits satisfying the specified criteria. Any or all of the construction permits in the filtered results may be selected. Applicants will also be able to

⁷¹ *Id.*; see also *Competitive Bidding Second Report and Order*, 9 FCC Rcd at 2376 ¶ 165.

⁷² Section III.D. "Upfront Payments – Due June 29, 2015," below.

⁷³ 47 C.F.R. §§ 1.2107, 73.5005.

⁷⁴ 47 C.F.R. § 1.2105(a)(2)(v).

⁷⁵ As discussed generally in the *NCE Second Report and Order*, 18 FCC Rcd at 6691, the opening of a window for nonreserved vacant FM allotments provides a filing opportunity for both NCE and commercial applicants. However, as discussed in Section III.C. "Application Processing and Minor Corrections," below, while non-mutually exclusive NCE applications will not be resolved through competitive bidding, any application specifying NCE facilities that is mutually exclusive with any application specifying commercial facilities will be returned as unacceptable for filing. 47 C.F.R. § 73.5002(b).

⁷⁶ See 47 C.F.R. § 1.2105(b).

select construction permits from one set of filtered results and then filter on different criteria to select additional construction permits.

54. Applicants interested in participating in Auction 98 must have selected construction permit(s) available in this auction by the short-form application filing deadline. Applicants must review and verify their construction permit selections before the deadline for submitting short-form applications. Construction permit selections cannot be changed after the short-form application filing deadline.⁷⁷ The FCC Auction System will not accept bids on construction permits that were not selected on the applicant's short-form application.

C. New Entrant Bidding Credit

55. To promote the objectives of section 309(j) and further its long-standing commitment to the diversification of broadcast facility ownership, the Commission adopted a tiered New Entrant Bidding Credit for broadcast auction applicants with no, or very few, other media interests.⁷⁸

56. The interests of the applicant, and of any individuals or entities with an attributable interest in the applicant, in other media of mass communications are considered when determining an applicant's eligibility for the New Entrant Bidding Credit.⁷⁹ In Auction 98, the bidder's attributable interests and, thus, its maximum new entrant bidding credit eligibility are determined as of the short-form application filing deadline.⁸⁰ An applicant intending to divest a media interest or make any other ownership changes, such as resignation of positional interests, in order to avoid attribution for purposes of qualifying for the New Entrant Bidding Credit must have consummated such divestment transactions or have completed such ownership changes by no later than the short-form filing deadline.⁸¹ Each prospective bidder is reminded, however, that events occurring after the short-form filing deadline, such as the acquisition of attributable interests in media of mass communications, may cause diminishment or loss of the bidding credit, and must be reported immediately.⁸²

57. Under traditional broadcast attribution rules, those entities or individuals with an attributable interest in a bidder include:

- all officers and directors of a corporate bidder;

⁷⁷ 47 C.F.R. § 1.2105(b)(2).

⁷⁸ *Broadcast First Report and Order*, 13 FCC Rcd at 15994-95 ¶ 189 (adopting new entrant bidding credit to implement statutory provisions regarding opportunities for small, minority-owned and women-owned businesses).

⁷⁹ "Media of mass communications" include both commercial and noncommercial educational (NCE) full-power broadcast stations. See 47 C.F.R. § 73.5008.

⁸⁰ See 47 C.F.R. § 73.5007(a).

⁸¹ If, for example, on May 28, 2015, an FM applicant has a pending or granted application to assign or transfer control of a media interest, the applicant will not avoid attribution with respect to that interest. To avoid attribution, an applicant must have consummated the transaction before the short-form application filing deadline. Thus, an applicant could not qualify for a bidding credit, nor upgrade a previously claimed bidding credit, based upon ownership or positional changes occurring after the short-form filing deadline. See *Liberty Productions*, MM Docket No. 88-577, *Memorandum Opinion and Order*, FCC 01-129, 16 FCC Rcd 12061, 12077-79 ¶¶ 34-37, *stay denied*, *Order*, FCC 01-276, 16 FCC Rcd 18966 (2001), *aff'd sub nom*, *Biltmore Forest Broadcasting FM, Inc. v. FCC*, 321 F.3d 155 (D.C. Cir.), *cert. denied*, 540 U.S. 981 (2003) ("*Liberty Productions*").

⁸² 47 C.F.R. § 73.5007(a). We remind each applicant of its duty to continuously maintain the accuracy of information submitted in its auction application. 47 C.F.R. § 1.65. See *Vermont Tel. Co., Inc.*, DA 11-1536, *Notice of Apparent Liability for Forfeiture*, 26 FCC Red 14130 (EB 2011) ("*Vermont Telephone Company*") (finding Vermont Telephone Company apparently liable for forfeiture in the amount of \$34,000 for failing to submit accurate bidding credit information and failing to maintain the continuing accuracy of bidding credit information in its application for Broadband Radio Service Auction 86).

- any owner of 5 percent or more of the voting stock of a corporate bidder;
- all partners and limited partners of a partnership bidder, unless the limited partners are sufficiently insulated; and
- all members of a limited liability company, unless sufficiently insulated.⁸³

58. In cases where an applicant's spouse or close family member holds other media interests, such interests are not automatically attributable to the bidder. The Commission decides attribution issues in this context based on certain factors traditionally considered relevant.⁸⁴

59. Applicants are also reminded that, by the *New Entrant Bidding Credit Reconsideration Order*, the Commission further refined the eligibility standards for the New Entrant Bidding Credit, judging it appropriate to attribute the media interests held by very substantial investors in, or creditors of, an applicant claiming new entrant status. Specifically, the attributable mass media interests held by an individual or entity with an equity and/or debt interest in an applicant shall be attributed to that applicant for purposes of determining its eligibility for the New Entrant Bidding Credit, if the equity and debt interests, in the aggregate, exceed 33 percent of the total asset value of the applicant, even if such an interest is non-voting.⁸⁵

60. In the *Diversity Order*, the Commission relaxed the equity/debt plus ("EDP") attribution standard, to allow for higher investment opportunities in entities meeting the definition of "eligible entities."⁸⁶ An "eligible entity" is defined in Note 2(i) of section 73.3555.⁸⁷ On July 7, 2011, the United States Court of Appeals for the Third Circuit issued a decision⁸⁸ vacating the Commission's "eligible entity" definition, and remanding those provisions of the *Diversity Order*⁸⁹ that rely on the "eligible

⁸³ See 47 C.F.R. § 73.3555 Note 2.

⁸⁴ See Clarification of Commission Policies Regarding Spousal Attribution, *Policy Statement*, FCC 92-60, 7 FCC Rcd 1920 (1992). For a discussion of media attribution rules generally, see also Review of the Commission's Regulations Governing Attribution of Broadcast and Cable/MDS Interests, MM Docket No. 94-150, *Report and Order*, FCC 99-207, 14 FCC Rcd 12559 (1999) (revising media attribution policies, prior history omitted).

⁸⁵ See 47 C.F.R. § 73.5008(c).

⁸⁶ Promoting Diversification of Ownership In the Broadcasting Services, MB Docket No. 07-294, *Report and Order and Third Further Notice of Proposed Rule Making*, FCC 07-217, 23 FCC Rcd 5922 (2008) ("*Diversity Order*"). Pursuant to the *Diversity Order*, the Commission will now allow the holder of an equity or debt interest in the applicant to exceed the above-noted 33 percent threshold without triggering attribution provided (1) the combined equity and debt in the "eligible entity" is less than 50 percent; or (2) the total debt in the "eligible entity" does not exceed 80 percent of the asset value, and the interest holder does not hold any equity interest, option, or promise to acquire an equity interest in the "eligible entity" or any related entity.

⁸⁷ 47 C.F.R. § 73.3555, Note 2(i). An "eligible entity" shall include any entity that qualifies as a small business under the Small Business Administration's size standards for its industry grouping, as set forth in 13 C.F.R. § 121.201, and holds (i) 30 percent or more of the stock or partnership interests and more than 50 percent of the voting power of the corporation or partnership that will own the media outlet; or (ii) 15 percent or more of the stock or partnership interests and more than 50 percent of the voting power of the corporation or partnership that will own the media outlet, provided that no other person or entity owns or controls more than 25 percent of the outstanding stock or partnership interests; or (iii) more than 50 percent of the voting power of the corporation that will own the media outlet if such corporation is a publicly traded company.

⁸⁸ *Prometheus Radio Project v. FCC*, No. 08-3078, 652 F.3d 431 (3d Cir. July 7, 2011) ("*Court Decision*").

⁸⁹ *Diversity Order*, 23 FCC Rcd at 5922. To delineate the group receiving the benefits of the measures adopted in the *Diversity Order*, the Commission used the term "eligible entity" as defined in the Commission's 2002 *Biennial Review Order*. See 2002 Biennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996, MB Docket No. 02-277, *Report and Order and Notice of Proposed Rulemaking*, FCC 03-127, 18 FCC Rcd 13620, 13810-12 (2003). (continued....)

entity” definition. Consistent with the *Court Decision*, actions required on remand will be addressed within the Commission’s 2014 Quadrennial Regulatory Review of the media ownership rules.⁹⁰ Pending such review, the Media Bureau has suspended application of the eligible entity rule provisions and policies in all contexts, including broadcast auctions.⁹¹ Accordingly, the relaxed EDP rule for eligible entities as the basis for the New Entrant Bidding Credit will be unavailable in Auction 98.

61. Generally, media interests will be attributable for purposes of the New Entrant Bidding Credit to the same extent that such other media interests are considered attributable for purposes of the broadcast multiple ownership rules.⁹² However, attributable interests held by a winning bidder in existing low power television, television translator or FM translator facilities will not be counted among the applicant’s other mass media interests in determining its eligibility for a New Entrant Bidding Credit.⁹³ A medium of mass communications is defined in section 73.5008(b).⁹⁴ **Full service noncommercial educational stations, on both reserved and non-reserved channels, are included among “media of mass communications” as defined in section 73.5008(b).**⁹⁵

D. Application Requirements

62. In addition to the ownership information required pursuant to sections 1.2105 and 1.2112, applicants seeking a New Entrant Bidding Credit are required to establish on their short-form applications that they satisfy the eligibility requirements to qualify for the bidding credit.⁹⁶ In those cases, a certification under penalty of perjury must be provided in completing the short-form application. An applicant claiming that it qualifies for a 35 percent New Entrant Bidding Credit must certify that neither it nor any of its attributable interest holders have any attributable interests in any other media of mass communications. An applicant claiming that it qualifies for a 25 percent New Entrant Bidding Credit must certify that neither it nor any of its attributable interest holders has any attributable interests in more than three media of mass communications, and must identify and describe such media of mass communications.⁹⁷

(Continued from previous page) _____

Generally, “eligible entities” are defined to include all entities that qualify as small businesses under the standards of the Small Business Administration for industry groupings based on revenue.

⁹⁰ See 2014 Quadrennial Regulatory Review – Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996, MB Docket No.14-50, *Further Notice of Proposed Rulemaking and Report and Order*, FCC14-28, 29 FCC Rcd 4371 (2014).

⁹¹ See Media Bureau Provides Notice of Suspension of Eligible Entity Rule Changes and Guidance on the Assignment of Broadcast Station Construction Permits to Eligible Entities, *Public Notice*, DA 11-1232, 26 FCC Rcd 10370 (MB 2011).

⁹² Further, any bidder asserting new entrant status must have *de facto* as well as *de jure* control of the entity claiming the bidding credit. 47 C.F.R. § 73.5007. Typically, *de jure* control is evidenced by ownership of at least 50.1 percent of an entity’s voting stock or equivalent level of interest in cases where the bidder is not a corporate entity. *De facto* control is determined on a case-by-case basis.

⁹³ *Broadcast First Reconsideration Order*, 14 FCC Rcd at 8764 ¶ 75; 47 C.F.R. § 73.5007.

⁹⁴ See 47 C.F.R. § 73.5008(b).

⁹⁵ *Id.* See Minnesota Christian Broadcasters, Inc., *Memorandum Opinion and Order*, FCC 03-5, 18 FCC Rcd 614 (2003), *aff’d sub nom. Carol DeLaHunt v. FCC*, No. 03-1029, slip op. (D.C. Cir. Feb. 4, 2004) (unpublished opinion available at 2004 WL 288606 (D.C. Cir.) and *Minnesota Christian Broadcasters, Inc. v. FCC*, 411 F.3d 283 (D.C. Cir. 2005) (“Minnesota Christian Broadcasters”).

⁹⁶ See 47 C.F.R. §§ 1.2105(a), 73.3555 and Note 2, 73.5007, 73.5008.

⁹⁷ See 47 C.F.R. §§ 73.5007, 73.5008.

1. Bidding Credits

63. Applicants that qualify for the New Entrant Bidding Credit, as specified in the applicable rule,⁹⁸ are eligible for a bidding credit that represents the amount by which a bidder's winning bid is discounted. The size of a New Entrant Bidding Credit depends on the number of ownership interests in other media of mass communications that are attributable to the bidder-entity and its attributable interest-holders:

- A 35 percent bidding credit will be given to a winning bidder if it, and/or any individual or entity with an attributable interest in the winning bidder, has no attributable interest in any other media of mass communications, as defined in section 73.5008;
- A 25 percent bidding credit will be given to a winning bidder if it, and/or any individual or entity with an attributable interest in the winning bidder, has an attributable interest in no more than three mass media facilities, as defined in section 73.5008;
- No bidding credit will be given if any of the commonly owned mass media facilities serve the same area as the broadcast permit proposed in the auction, as defined in section 73.5007(b), or if the winning bidder, and/or any individual or entity with an attributable interest in the winning bidder, has attributable interests in more than three mass media facilities. For purposes of determining whether a broadcast permit offered in this auction is in the "same area" as an applicant's existing mass media facilities, the coverage area of the to-be-auctioned facility is calculated using maximum class facilities at the allotment reference coordinates, **not** any applicant-specified preferred site coordinates.⁹⁹

64. Bidding credits are not cumulative; qualifying applicants receive either the 25 percent or the 35 percent bidding credit, but not both. Attributable interests are defined in section 73.3555 and note 2 of that section.¹⁰⁰ Applicants should note that unjust enrichment provisions apply to a winning bidder that utilizes a bidding credit and subsequently seeks to assign or transfer control of its license or construction permit to an entity not qualifying for the same level of bidding credit.¹⁰¹

2. Installment Payments

65. Installment payments will not be available in Auction 98.

E. Ownership Disclosure Requirements

66. The Commission specified in the *Broadcast First Report and Order* that, for purposes of determining eligibility to participate in a broadcast auction, all applicants must comply with the uniform Part 1 ownership disclosure standards and provide information required by sections 1.2105 and 1.2112 of the Commission's rules.¹⁰² 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, **including both direct and indirect ownership interests of 10 percent or more**. The ownership disclosure standards for the short-form application are prescribed in sections 1.2105 and

⁹⁸ See 47 C.F.R. § 73.5007.

⁹⁹ Policies to Promote Rural Radio Service and to Streamline Allotment and Assignment Procedures, MB Docket No. 09-52, *First Report and Order and Further Notice of Proposed Rule Making*, FCC 10-24, 25 FCC Rcd 1583, 1609 ¶ 52 (2010) ("*Rural First Report and Order*"). See 47 C.F.R. § 73.5007 & Note 1.

¹⁰⁰ See 47 C.F.R. § 73.5008.

¹⁰¹ See 47 C.F.R. § 73.5007(c).

¹⁰² 47 C.F.R. § 1.2105 requires the disclosure on the short-form application of the applicant's ownership information as set forth in 47 C.F.R. §§ 1.2105 and 1.2112.

1.2112 of the Commission's rules.¹⁰³ Each applicant is responsible for ensuring that information submitted in its short-form application is complete and accurate.

67. In certain circumstances, 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 FCC Form 602 or in an FCC Form 175 filed for a previous auction using the FCC Auction System), will automatically be entered into its short-form application. Each applicant must carefully review any information automatically entered to confirm that it is complete and accurate as of the deadline for filing the short-form application. Any information that needs to be corrected or updated must be changed directly in the short-form application.

F. Provisions Regarding Former and Current Defaulters

68. Current defaulters or delinquents are not eligible to participate in Auction 98, but former defaulters or delinquents can participate so long as they are otherwise qualified and, as discussed in Section III.D.3, below, make upfront payments that are fifty percent more than would otherwise be necessary.¹⁰⁴ An applicant is considered a "current defaulter" or a "current delinquent" when it, any of its affiliates, any of its controlling interests, or any of the affiliates of its controlling interests, is in default on any payment for any Commission construction permit or license (including a down payment) or is delinquent on any non-tax debt owed to any Federal agency as of the filing deadline for short-form applications. An applicant is considered a "former defaulter" or a "former delinquent" when it, any of its affiliates, any of its controlling interests, or any of the affiliates of its controlling interests, have defaulted on any Commission construction permit or license or been delinquent on any non-tax debt owed to any Federal agency, but have since remedied all such defaults and cured all of the outstanding non-tax delinquencies.

69. On the short-form application, an applicant must certify under penalty of perjury that it, its affiliates, its controlling interests, and the affiliates of its controlling interests, as defined by section 1.2110 of the Commission's rules,¹⁰⁵ are not in default on any payment for a Commission construction permit or license (including down payments) and that it is not delinquent on any non-tax debt owed to any Federal agency.¹⁰⁶ Each applicant must also state under penalty of perjury whether it, its affiliates, its controlling interests, and the affiliates of its controlling interests, have ever been in default on any Commission construction permit or license or have ever been delinquent on any non-tax debt owed to any Federal agency.¹⁰⁷ 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.

¹⁰³ Section 73.5002 of the Commission's rules specifies the bidding procedures, certification requirements and the communication prohibition rules applicable to mutually exclusive applications for commercial broadcast services subject to auction. Subsection (b) of that rule requires the timely submission of short-form applications, along with the required certifications, information and exhibits, pursuant to the provisions of 47 C.F.R. § 1.2105(a) and any Commission public notices. 47 C.F.R. § 1.2105 requires the disclosure on the short-form application of the applicant's ownership information as set forth in 47 C.F.R. §§ 1.2105 and 1.2112.

¹⁰⁴ 47 C.F.R. §§ 1.2105(a)(2)(x), (xi), 1.2105(b)(1), and 1.2106(a); *see Part 1 Fifth Report and Order*, 15 FCC Rcd at 15317 ¶ 42 & n.142 ("If any one of an applicant's controlling interests or their affiliates...is in default on any Commission licenses or is delinquent on any non-tax debt owed to any Federal agency at the time the applicant files its FCC Form 175, the applicant will not be able to make the certification required by section 1.2105(a)(2)(x)...and will not be eligible to participate in Commission auctions.").

¹⁰⁵ 47 C.F.R. § 1.2110.

¹⁰⁶ 47 C.F.R. § 1.2105(a)(2)(x); *see also Part 1 Fifth Report and Order*, 15 FCC Rcd at 15317 ¶ 42 & n.142.

¹⁰⁷ 47 C.F.R. § 1.2105(a)(2)(xi); *see also Part 1 Fifth Report and Order*, 15 FCC Rcd at 15317 ¶ 42.

70. 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.¹⁰⁸ 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 sections 1.2105(a) and 1.2106(a) only after the expiration of a final payment deadline.¹⁰⁹ Therefore, with respect to regulatory or application fees, the provisions of sections 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.¹¹⁰ Parties are also encouraged to consult with the Wireless Telecommunications Bureau's Auctions and Spectrum Access Division staff if they have any questions about default and delinquency disclosure requirements.

71. 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 its obligations under the Debt Collection Improvement Act of 1996, which governs the collection of debts owed to the United States.¹¹¹ Under the red light rule, applications and other requests for benefits filed by parties that have outstanding debts owed to the Commission will not be processed. In the same rulemaking order, the Commission explicitly declared, however, that its competitive bidding rules "are not affected" by the red light rule.¹¹² As a consequence, the Commission's adoption of the red light rule does not alter the applicability of any of its competitive bidding rules, including the provisions and certifications of sections 1.2105 and 1.2106, with regard to current and former defaults or delinquencies.

72. Applicants are reminded, however, that the Commission's Red Light Display System, which provides information regarding debts currently owed to the Commission, may not be determinative of an auction applicant's ability to comply with the default and delinquency disclosure requirements of section 1.2105.¹¹³ Thus, while the red light rule ultimately may prevent the processing of long-form applications by auction winners, an auction applicant's lack of current "red light" status is not necessarily determinative of its eligibility to participate in an auction or of its upfront payment obligation.

¹⁰⁸ "Wireless Telecommunications Bureau Reminds Prospective Broadband PCS Spectrum Auction Applicants of Default and Delinquency Disclosure Requirements," *Public Notice*, DA 04-3491, 19 FCC Rcd 21920 (WTB 2004) ("*Auction Default Disclosure Public Notice*"). This public notice may be found at <http://wireless.fcc.gov/auctions/58/>.

¹⁰⁹ Letter to Cheryl A. Tritt, Esq., from Margaret Wiener, Chief, Auctions and Spectrum Access Division, Wireless Telecommunications Bureau, DA 04-3685, 19 FCC Rcd 22907 (WTB 2004) (clarifying the term "debt" or "non-tax debt" as referenced in 47 C.F.R. §§ 1.2105(a) and 1.2106(a)). This letter may be found at <http://wireless.fcc.gov/auctions/58/>.

¹¹⁰ Even where Commission rules expressly permit late payment, subject to payment of an additional late fee, and do not impose a final payment deadline, the Commission may in some cases issue a demand for payment by a date certain. See 47 C.F.R. § 1.1164(a). Failure to comply with the terms of a demand letter in the time period specified may render the subject debt delinquent, notwithstanding rules generally permitting late payment.

¹¹¹ Amendment of Parts 0 and 1 of the Commission's Rules; Implementation of the Debt Collection Improvement Act of 1996 and Adoption of Rules Governing Applications or Requests for Benefits by Delinquent Debtors, MD Docket No. 02-339, *Report and Order*, FCC 04-72, 19 FCC Rcd 6540 (2004) (implementing Pub. L. No. 104-134, 110 Stat. 1321, 1358 (1996)) ("*Debt Collection Report and Order*").

¹¹² *Debt Collection Report and Order*, 19 FCC Rcd at 6541 n.11 (specifically mentions 47 C.F.R. §§ 1.2105(a)(2)(x) and (xi) and states that "[t]hese rules are not affected by the red light rule.>").

¹¹³ *Auction Default Disclosure Public Notice*, 19 FCC Rcd at 21920 (addressing relationship between Commission's Red Light Display System and short-form application default and delinquency disclosure requirements for auction applicants).

73. Moreover, prospective applicants in Auction 98 should note that any long-form applications filed after the close of bidding will be reviewed for compliance with the Commission's red light rule,¹¹⁴ and such review may result in the dismissal of a winning bidder's long-form application.¹¹⁵

G. Optional Applicant Status Identification

74. Applicants owned by members of minority groups and/or women, as defined in section 1.2110(c)(3),¹¹⁶ and rural telephone companies, as defined in section 1.2110(c)(4),¹¹⁷ may identify themselves regarding this status in filling out their short-form applications. This applicant status information is collected for statistical purposes only and assists the Commission in monitoring the participation of "designated entities" in its auctions.¹¹⁸

H. Noncommercial Educational Status Election

75. In the *NCE Second Report and Order*, the Commission held that applications for noncommercial educational ("NCE") FM stations on non-reserved spectrum, filed during an FM filing window, will be returned as unacceptable for filing if mutually exclusive with any application for a commercial station.¹¹⁹ Accordingly, if an FCC Form 175 filed during the Auction 98 filing window identifying the application's proposed station as noncommercial educational is mutually exclusive with any application filed during that window for a commercial station,¹²⁰ the NCE application will be returned as unacceptable for filing.¹²¹ For this reason, each prospective applicant in this auction should consider carefully if it wishes to propose NCE operation for any FM station acquired in this auction. This NCE election cannot be reversed after the initial application filing deadline.¹²²

I. Minor Modifications to Short-Form Applications

76. After the deadline for filing initial applications, an Auction 98 applicant is permitted to make only minor changes to its application. Permissible minor changes include, among other things, 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. An applicant is not permitted to make a major modification to its application (e.g., change of construction permit selection, change control of the applicant, change the certifying official, claim eligibility for a higher percentage of bidding credit, or change the identification of the application's proposed facilities as noncommercial educational) after the

¹¹⁴ *Debt Collection Report and Order*, 19 FCC Rcd at 6540. See 47 C.F.R. § 1.1114.

¹¹⁵ Applicants that have their long-form application dismissed will be deemed to have defaulted and will be subject to default payments under 47 C.F.R. §§ 1.2104(g) and 1.2109(c).

¹¹⁶ 47 C.F.R. § 1.2110(c)(3).

¹¹⁷ 47 C.F.R. § 1.2110(c)(4).

¹¹⁸ Designated entities are defined as small businesses, businesses owned by members of minority groups and/or women, and rural telephone companies. See 47 C.F.R. § 1.2110(a).

¹¹⁹ *NCE Second Report and Order*, 18 FCC Rcd at 6699-6701 ¶¶ 21-24. See also 47 C.F.R. § 73.5002(b). Auction applications specifying the same FM station construction permit are considered mutually exclusive. *Broadcast First Report and Order*, 13 FCC Rcd at 15979 n.166.

¹²⁰ In the *NCE Second Report and Order*, the Commission determined that short-form applications that do not identify the facilities proposed in the FCC Form 175 as "noncommercial educational" will be considered, as a matter of law, applications for commercial broadcast stations. *NCE Second Report and Order*, 18 FCC Rcd at 6700 ¶ 22.

¹²¹ *NCE Second Report and Order*, 18 FCC Rcd at 6699-6701 ¶¶ 21-24. See also 47 C.F.R. § 73.5002(b).

¹²² 47 C.F.R. § 1.2105(b); see also *NCE Second Report and Order*, 18 FCC Rcd at 6700 ¶ 22.

initial application filing deadline.¹²³ Thus, any change in control of an applicant — resulting from a merger, for example — will be considered a major modification, and the application will consequently be dismissed.¹²⁴

77. If an applicant wishes to make permissible minor changes to its short-form application, such changes should be made electronically to its short-form application using the FCC Auction System whenever possible. For the change to be submitted and considered by the Commission, be sure to click on the SUBMIT button. After the revised application has been submitted, a confirmation page will be displayed stating the submission time, submission date, and a unique file number.¹²⁵

78. An applicant cannot use the FCC Auction System outside of the initial and resubmission filing windows to make changes to its short-form application for other than administrative changes (e.g., changing certain contact information or the name of an authorized bidder). If these or other permissible minor changes need to be made outside of these windows, the applicant must submit a letter briefly summarizing the changes and subsequently update its short-form application in the FCC Auction System once it is available. Moreover, after the filing window has closed, the system will not permit applicants to make certain changes, such as the applicant's legal classification and the identification of the application's proposed facilities as noncommercial educational.

79. Any letter describing changes to an applicant's short-form application must be submitted by e-mail to auction98@fcc.gov. The e-mail summarizing the changes must include a subject or caption referring to Auction 98 and the name of the applicant, for example, "Re: Changes to Auction 98 Short-Form Application of ABC Corp." The Bureaus request that parties format any attachments to e-mail as Adobe® Acrobat® (pdf) or Microsoft® Word documents. Questions about short-form application amendments should be directed to the Auctions and Spectrum Access Division at (202) 418-0660.

80. Any application amendment and related statements of fact must be certified by an authorized representative of the applicant having authority to bind the applicant.

81. Applicants must not submit application-specific material through the Commission's Electronic Comment Filing System, which was used for submitting comments regarding Auction 98.

J. Maintaining Current Information in Short-Form Applications

82. Sections 1.65 and 1.2105(b) of the Commission's rules require an applicant to maintain the accuracy and completeness of information furnished in its pending application and in competitive bidding proceedings to furnish additional or corrected information to the Commission within five days of a significant occurrence,¹²⁶ or to amend a short-form application no more than five days after the applicant becomes aware of the need for the amendment.¹²⁷ Changes that cause a loss of or reduction in the percentage of bidding credit specified on the originally-submitted application must be reported immediately, and no later than five business days after the change occurs.¹²⁸ If an amendment reporting

¹²³ 47 C.F.R. § 1.2105(b); *see also* Two Way Radio of Carolina, Inc., *Memorandum Opinion and Order*, FCC 99-189, 14 FCC Rcd 12035 (1999) ("*Two Way Radio*") (auction applicant not allowed to change its designated entity status after application filing deadline).

¹²⁴ We reiterate that, even if an applicant's short-form application is dismissed, the applicant would remain subject to the communication prohibitions of 47 C.F.R. § 1.2105(c) until the down-payment deadline, which will be established after the auction closes.

¹²⁵ The Bureaus advise applicants to print and retain a copy of this confirmation page.

¹²⁶ We remind each applicant of its duty to continuously maintain the accuracy of information submitted in its auction application. *See, e.g., Vermont Telephone Company*, 26 FCC Rcd at 14130.

¹²⁷ 47 C.F.R. §§ 1.65, 1.2105(b). *See also Part 1 Procedural Amendments Order*, 25 FCC Rcd at 523 ¶ 8.

¹²⁸ *See* 47 C.F.R. § 73.5007(a). *See also Rural First Report and Order*, 25 FCC Rcd at 1611-1614 ¶¶ 57-63. For example, if ownership changes result in the attribution of new interest holders that affect the applicant's (continued....)

changes is a “major amendment,” as defined by section 1.2105, the major amendment will not be accepted and may result in the dismissal of the application.¹²⁹ As noted above, after the short-form filing deadline, applicants may make only minor changes to their applications. For changes to be submitted and considered by the Commission, be sure to click on the SUBMIT button in the FCC Auction System. In addition, an applicant cannot update its short-form application using the FCC Auction System after the initial and resubmission filing windows close. If information needs to be submitted pursuant to section 1.65 after these windows close, a letter briefly summarizing the changes must be submitted by e-mail to auction98@fcc.gov. This e-mail must include a subject or caption referring to Auction 98 and the name of the applicant. The Bureaus request that parties format any attachments to e-mail as Adobe® Acrobat® (pdf) or Microsoft® Word documents.

III. PRE-AUCTION PROCEDURES

A. Online Auction Tutorial – Available May 18, 2015

83. By Monday, May 18, 2015, an interactive auction tutorial will be available on the Auction 98 web page for prospective bidders to familiarize themselves with the auction process. This online tutorial will provide information about pre-auction procedures, completing short-form applications, auction conduct, the FCC Auction Bidding System, auction rules, and broadcast services rules. The tutorial will also provide an avenue to ask FCC staff questions about the auction, auction procedures, filing requirements, and other matters related to this auction.

84. The Bureaus believe parties interested in participating in this auction will find the interactive, online tutorial an efficient and effective way to further their understanding of the auction process. The tutorial will allow viewers to navigate the presentation outline, review written notes, listen to audio recordings of the notes, and search for topics using a text search function. Additional features of this web-based tool include links to auction-specific Commission releases, e-mail links for contacting Commission licensing and auctions staff, a timeline with deadlines for auction preparation, and screen shots of the online application and bidding system. The tutorial will be accessible through a web browser with Adobe Flash Player.¹³⁰

85. The auction tutorial will be accessible from the FCC’s Auction 98 web page at <http://wireless.fcc.gov/auctions/98/> through an “Auction Tutorial” link. Once posted, this tutorial will remain available and accessible anytime for reference in connection with the procedures outlined in this Public Notice.

B. Short-Form Applications – Due Prior to 6:00 p.m. ET on May 28, 2015

86. In order to be eligible to bid in this auction, applicants must first follow the procedures set forth in Attachment B to this Public Notice to submit a short-form application (FCC Form 175) electronically via the FCC Auction System.¹³¹ This short-form application must be submitted prior to 6:00 p.m. ET on May 28, 2015. **Late applications will not be accepted.** No application fee is required, but an applicant must submit a timely upfront payment to be eligible to bid.¹³²

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qualifications for a new entrant bidding credit, such information must be clearly stated in the bidder’s amendment. *See Liberty Productions*, 16 FCC Rcd at 12077-79 ¶¶ 34-37. Events occurring after the application filing deadline, such as the acquisition of attributable interests in media of mass communications, may also cause diminishment or loss of the bidding credit, and must be reported immediately, and no later than five business days after the change occurs.

¹²⁹ 47 C.F.R. § 1.2105(b)(2).

¹³⁰ Most users will already have the Flash Player browser plug-in, which can be downloaded from <http://get.adobe.com/flashplayer/>.

¹³¹ 47 C.F.R. § 1.2105(a).

¹³² *See* Section III.D. “Upfront Payments – Due June 29, 2015,” below.

87. Applications may generally be filed at any time beginning at noon ET on May 18, 2015, until the filing window closes at 6:00 p.m. ET on May 28, 2015. Applicants are strongly encouraged to file early and are responsible for allowing adequate time for filing their applications. Applications can be updated or amended multiple times until the filing deadline on May 28, 2015.

88. An applicant must always click on the SUBMIT button on the “Certify & Submit” screen to successfully submit its FCC Form 175 and any modifications; otherwise the application or changes to the application will not be received or reviewed by Commission staff. Additional information about accessing, completing, and viewing the FCC Form 175 is included in Attachment B. FCC Auctions 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 8:00 a.m. to 6:00 p.m. ET. In order to provide better service to the public, all calls to Technical Support are recorded.

C. Application Processing and Minor Corrections

89. After the deadline for filing FCC Form 175 applications, the Commission will process all timely submitted applications to determine which are complete, and subsequently will issue a public notice identifying (1) those that are complete; (2) those that are rejected; and (3) those that are incomplete or deficient because of minor defects that may be corrected. The public notice will include the deadline for resubmitting corrected applications.

90. Non-mutually exclusive applications will be listed in a subsequent public notice to be released by the Bureaus. Such applications will not proceed to auction, but will proceed in accordance with instructions set forth in that public notice.¹³³ All mutually exclusive applications will be considered under the relevant procedures for conflict resolution. Mutually exclusive applications proposing commercial stations will proceed to auction.

91. As described above, after the application filing deadline on May 28, 2015, applicants can make only minor corrections to their applications.¹³⁴ They will not be permitted to make major modifications (e.g., change construction permit selection, change control of the applicant, change the certifying official, claim eligibility for a higher percentage of bidding credit, or change identification of the application’s proposed facilities as NCE).¹³⁵

92. Commission staff will communicate only with an applicant’s contact person or certifying official, as designated on the short-form application, unless the applicant’s certifying official or contact person notifies the Commission in writing that applicant’s counsel or other representative is authorized to speak on its behalf.¹³⁶ Authorizations may be sent by e-mail to auction98@fcc.gov.

D. Upfront Payments – Due June 29, 2015

93. In order to be eligible to bid in this auction, an upfront payment must be submitted and accompanied by an FCC Remittance Advice Form (FCC Form 159). After completing its short-form application, an applicant will have access to an electronic version of the FCC Form 159 that can be printed and sent by fax to U.S. Bank in St. Louis, Missouri. **All upfront payments must be made as instructed in this Public Notice and must be received in the proper account at U.S. Bank before 6:00 p.m. ET on June 29, 2015.**

¹³³ See 47 C.F.R. § 73.3573(f)(4).

¹³⁴ See Section II.I. “Minor Modifications to Short-Form Applications,” above.

¹³⁵ 47 C.F.R. § 1.2105(b); see also *Two Way Radio*, 14 FCC Red at 12035.

¹³⁶ In no event, however, will the FCC send auction registration materials to anyone other than the contact person listed on the applicant’s FCC Form 175 or respond to a request for replacement registration materials from anyone other than the authorized bidder, contact person, or certifying official listed on the applicant’s FCC Form 175. See Section III.F. “Auction Registration,” below.

1. Making Upfront Payments by Wire Transfer

94. Wire transfer payments must be received before 6:00 p.m. ET on June 29, 2015.¹³⁷ No other payment method is acceptable.¹³⁸ To avoid untimely payments, applicants should discuss arrangements (including bank closing schedules) with their bankers 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. The following information will be needed:

ABA Routing Number: 081000210

Receiving Bank: U.S. Bank
1005 Convention Plaza
St. Louis, MO 63101

BENEFICIARY: FCC/Account # 152308790392

Originating Bank Information (OBI Field): (Skip one space between each information item)
“AUCTIONPAY”

APPLICANT FCC REGISTRATION NUMBER (FRN): (same as FCC Form 159, block 21)

PAYMENT TYPE CODE: (same as FCC Form 159, block 24A: “U098”)

FCC CODE 1: (same as FCC Form 159, block 28A: “98”)

PAYER NAME: (same as FCC Form 159, block 2)

LOCKBOX NO: # 979085

NOTE: The BNF and Lockbox number are specific to the upfront payments for this auction. Do not use BNF or Lockbox numbers from previous auctions.

95. At least one hour before placing the order for the wire transfer (but on the same business day), applicants must fax a completed FCC Form 159 (Revised 2/03) to U.S. Bank at (314) 418-4232. On the fax cover sheet, write “Wire Transfer – Auction Payment for Auction 98.” In order to meet the upfront payment deadline, an applicant’s payment must be credited to the Commission’s account for Auction 98 before the deadline.¹³⁹

96. Each applicant is responsible for ensuring timely submission of its upfront payment and for timely filing of an accurate and complete FCC Remittance Advice Form (FCC Form 159). An applicant should coordinate with its financial institution well ahead of the due date regarding its wire transfer and allow sufficient time for the transfer to be initiated and completed prior to the deadline. The Commission repeatedly has cautioned auction participants about the importance of planning ahead to prepare for unforeseen last-minute difficulties in making payments by wire transfer.¹⁴⁰ **Each applicant also is responsible for obtaining confirmation from its financial institution that its wire transfer to U.S. Bank was successful and from Commission staff that its upfront payment was timely received and that it was deposited into the proper account.** To receive confirmation from Commission staff, contact Gail Glasser of the Office of Managing Director’s Revenue & Receivables Operations Group/Auctions at (202) 418-0578, or alternatively, Theresa Meeks at (202) 418-2945.

¹³⁷ An applicant must initiate the wire transfer through its bank, authorizing the bank to wire funds from the applicant’s account to the Commission’s auction payment lockbox bank, the U.S. Bank in St. Louis, Missouri.

¹³⁸ The Commission will not accept checks, credit cards, or automated clearing house (ACH) payments.

¹³⁹ Letter to Lee G. Petro, Esq., from Margaret W. Wiener, Chief, Auctions and Spectrum Access Division, Wireless Telecommunications Bureau, DA 10-1270, 25 FCC Rcd 9046 (Auc. Div. 2010).

¹⁴⁰ See, e.g., Letter to David G. O’Neil, Esq. from Margaret W. Wiener, Chief, Auctions and Spectrum Access Division, Wireless Telecommunications Bureau, DA 08-622, 23 FCC Rcd 4765 (2008); Letter to Patrick Shannon, Esq., Counsel for Lynch 3G Communications Corp., from Margaret W. Wiener, Chief, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, DA 03-1944, 18 FCC Rcd 11552 (2003).

97. Please note the following information regarding upfront payments:

- All payments must be made in U.S. dollars.
- All payments must be made by wire transfer.
- Upfront payments for Auction 98 go to a lockbox number different from the lockboxes used in previous FCC auctions.
- Failure to deliver a sufficient upfront payment as instructed by the June 29, 2015, deadline will result in dismissal of the short-form application and disqualification from participation in the auction.

2. FCC Form 159

98. An accurate and complete FCC Remittance Advice Form (FCC Form 159, Revised 2/03) must be faxed to U.S. Bank to accompany each upfront payment. Proper completion of this form is critical to ensuring correct crediting of upfront payments. Detailed instructions for completion of FCC Form 159 are included in Attachment C. An electronic pre-filled version of the FCC Form 159 is available after submitting the FCC Form 175. Payers using the 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 it must be filed with U.S. Bank by fax.

3. Upfront Payments and Bidding Eligibility

99. The Commission has delegated to the Bureaus the authority and discretion to determine appropriate upfront payments for each auction.¹⁴¹ Upfront payments help deter frivolous or insincere bidding, and provide the Commission with a source of funds in the event that the bidder incurs liability during the auction.

100. Applicants that are former defaulters, as described above, must pay upfront payments 50 percent greater than non-former defaulters.¹⁴² For purposes of this calculation, the “applicant” includes the applicant itself, its affiliates, its controlling interests, and affiliates of its controlling interests, as defined by section 1.2110 of the Commission’s rules.¹⁴³

101. Applicants must make upfront payments sufficient to obtain bidding eligibility on the construction permits on which they will bid. The Bureaus proposed, in the *Auction 98 Comment Public Notice*, 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.¹⁴⁴ Under the Bureaus’ proposal, in order to bid on a particular construction permit, a qualified bidder must have selected the construction permit on its FCC Form 175 and must have a current eligibility level that meets or exceeds the number of bidding units assigned to that construction permit. **At a minimum, therefore, an applicant’s total upfront payment must be enough to establish eligibility to bid on at least one of the construction permits selected on its FCC 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 construction permits the applicant selected on its FCC Form 175, but only enough to cover the maximum number of bidding units that are associated with construction permits on which they wish to place bids and hold provisionally

¹⁴¹ Amendment of Part 1 of the Commission’s Rules – Competitive Bidding Proceeding, WT Docket No. 97-82, *Order, Memorandum Opinion and Order and Notice of Proposed Rule Making*, FCC 97-60, 12 FCC Rcd 5686, 5697-98 ¶ 16 (1997); see also *Broadcast First Report and Order*, 13 FCC Rcd at 15971 ¶ 134.

¹⁴² *Part 1 Fifth Report and Order*, 15 FCC Rcd at 15316-17 ¶¶ 40-42; see also 47 C.F.R. § 1.2106(a); Section II.F. “Provisions Regarding Former and Current Defaulters,” above.

¹⁴³ 47 C.F.R. § 1.2110(c).

¹⁴⁴ *Auction 98 Comment Public Notice* at ¶ 17.

winning bids in any given round.¹⁴⁵ The total upfront payment does not affect the total dollar amount the bidder may bid on any given construction permit.

102. In the *Auction 98 Comment Public Notice*, the Bureaus proposed an upfront payment for each construction permit, taking into account various factors related to the efficiency of the auction process and the potential value of similar spectrum, and sought comment on this proposal. The Bureaus received no comments on the proposal. Therefore, the Bureaus adopt this proposal. Each applicant's upfront payment amount will determine that bidder's initial bidding eligibility.

103. The specific upfront payment amounts and bidding units for each construction permit are set forth in Attachment A of this Public Notice.¹⁴⁶

104. 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.¹⁴⁷ In order to make this calculation, an applicant should add together the bidding units for all construction permits 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.**

Example: Upfront Payments and Bidding Flexibility			
Construction Permit	Market Name	Bidding Units	Upfront Payment
MM-FM979-A	Hermitage, AR	1,500	\$1,500
MM-FM1002-A	Hornbeck, LA	2,500	\$2,500
If a bidder wishes to bid on both construction permits in a round, it must have selected both on its FCC Form 175 and purchased at least 4,000 bidding units (1,500 + 2,500) of bidding eligibility. If it only wishes to bid on one, but not both, purchasing 2,500 bidding units would meet the eligibility requirement for either construction permit. The bidder would be able to bid on either construction permit, but not both at the same time. If the bidder purchased only 1,500 bidding units, the bidder would have enough eligibility for the Hermitage, AR construction permit but not for the Hornbeck, LA construction permit.			

105. If an applicant is a former defaulter, it must calculate its upfront payment for all of its identified construction permits by multiplying the number of bidding units on which it wishes to be active

¹⁴⁵ Provisionally winning bids are bids that would become final winning bids if the auction were to close after the given round. See Section IV.B.4. "Provisionally Winning Bids," below.

¹⁴⁶ Note that, as discussed below, the upfront payment and minimum opening bid amount have been adjusted for one permit relative to the amounts proposed in the *Auction 98 Comment Public Notice* in response to comments submitted in this proceeding. See Section IV.B.2. "Reserve Price and Minimum Opening Bids," below.

¹⁴⁷ A qualified bidder's maximum eligibility will not exceed the sum of the bidding units associated with the total number of construction permits identified on its FCC Form 175. In some cases a qualified bidder's maximum eligibility may be less than the amount of its upfront payment because the qualified bidder has either previously been in default on a Commission construction permit or license or delinquent on non-tax debt owed to a Federal agency (see 47 C.F.R. § 1.2106(a)), or has submitted an upfront payment that exceeds the total amount of bidding units associated with the construction permits it selected on its FCC Form 175.

by 1.5.¹⁴⁸ 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.¹⁴⁹

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

106. To ensure that refunds of upfront payments are processed in an expeditious manner, the Commission is requesting that all pertinent information listed below be supplied. Applicants can provide the information electronically during the initial short-form application filing window after the form has been submitted. (Applicants are reminded that information submitted as part of an FCC Form 175 will be available to the public; for that reason, wire transfer information should not be included in an FCC Form 175.) Wire Transfer Instructions can also be faxed to the FCC, Financial Operations, Revenue & Receivables Operations Group/Auctions, Attn: Gail Glasser, at (202) 418-2980. Eligibility for refunds is discussed in Section V.E., below. 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. For additional information, please call Gail Glasser at (202) 418-0578.

Name of Bank
ABA Number
Address of Bank
Contact and Phone Number
Account Number to Credit
Name of Account Holder
FCC Registration Number (FRN)
Correspondent Bank (if applicable)
ABA Number
Account Number

F. Auction Registration

107. Approximately ten days before the auction, the Bureaus will issue a public notice announcing all qualified bidders for the auction. Qualified bidders are those applicants with submitted FCC Form 175 applications that are deemed timely-filed, accurate, and complete, provided that such applicants have timely submitted an upfront payment that is sufficient to qualify them to bid.

108. 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 "FCC Auction System Bidder's Guide," and the Auction Bidder Line phone number.

109. Qualified bidders that do not receive this registration mailing will not be able to submit bids. Therefore, if this mailing is not received by noon on Thursday, July 16, 2015, call the Auctions Hotline at (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 materials.

110. 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-

¹⁴⁸ 47 C.F.R. § 1.2106(a).

¹⁴⁹ If a former defaulter fails to submit a sufficient upfront payment to establish eligibility to bid on at least one of the construction permits selected on its FCC Form 175, the applicant will not be eligible to participate in the auction. *Broadcast First Report and Order*, 13 FCC Rcd at 15979-80 ¶ 153. This applicant will retain its status as an applicant in Auction 98 and will remain subject to 47 C.F.R. §§ 1.2105(c) and 73.5002(d). *See Star and Northeast Review Order*, 22 FCC Rcd at 8943.

form application may request replacements. To request replacement of these items, call Technical Support at (877) 480-3201, option nine; (202) 414-1250; or (202) 414-1255 (TTY).

G. Remote Electronic Bidding

111. The Commission will conduct this auction over the Internet, and telephonic bidding will be available as well. Only qualified bidders are permitted to bid. Each applicant should indicate its bidding preference — electronic or telephonic — on its FCC Form 175. In either case, each authorized bidder must have its own SecurID[®] token, which the Commission 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 “FCC Auction System Bidder’s Guide” are only mailed to the contact person at the contact address listed on the FCC Form 175.** Each SecurID[®] token is tailored to a specific auction. SecurID[®] tokens issued for other auctions or obtained from a source other than the FCC will not work for Auction 98.

112. Please note that the SecurID[®] tokens can be recycled and the Bureaus encourage bidders to return the tokens to the FCC. Pre-addressed envelopes will be provided to return the tokens once bidding has closed.

H. Mock Auction – July 20, 2015

113. All qualified bidders will be eligible to participate in a mock auction on Monday, July 20, 2015. The mock auction will enable bidders to become familiar with the FCC Auction System prior to the auction. The Bureaus strongly recommend that all bidders participate in the mock auction. Details will be announced by public notice.

IV. AUCTION

114. The first round of bidding for Auction 98 will begin on Thursday, July 23, 2015. The initial bidding schedule will be announced in a public notice listing the qualified bidders, which is released approximately 10 days before the start of the auction.

A. Auction Structure

1. Simultaneous Multiple Round Auction

115. In the *Auction 98 Comment Public Notice*, the Bureaus proposed to auction all construction permits in Auction 98 in a single auction using the Commission’s standard simultaneous multiple-round auction format.¹⁵⁰ This type of auction offers every construction permit for bid at the same time and consists of successive bidding rounds in which eligible bidders may place bids on individual construction permits. A bidder may bid on, and potentially win, any number of construction permits. The Bureaus received no comment on this proposal, and this proposal is adopted. Unless otherwise announced, bids will be accepted on all construction permits in each round of the auction until bidding stops on every construction permit.

2. Eligibility and Activity Rules

116. As discussed above, the Bureaus will use upfront payments to determine initial (maximum) eligibility (as measured in bidding units) for Auction 98.¹⁵¹ 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 construction permit is assigned a specific number of bidding units as listed in Attachment A. Bidding units assigned to each construction permit do not change as prices rise during the auction. Upfront payments are not attributed to specific construction

¹⁵⁰ *Auction 98 Comment Public Notice* at ¶ 8.

¹⁵¹ See Section III.D.3. “Upfront Payments and Bidding Eligibility,” above.

permits. Rather, a bidder may place bids on any of the construction permits selected on its FCC Form 175 as long as the total number of bidding units associated with those construction permits does not exceed the bidder's 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. At a minimum, an applicant's upfront payment must cover the bidding units for at least one of the construction permits it selected on its short-form application. The total upfront payment does not affect the total dollar amount a bidder may bid on any given construction permit.

117. 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. A bidder's activity level in a round is the sum of the bidding units associated with construction permits covered by the bidder's new and provisionally winning bids from the previous round.¹⁵²

118. 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 (as set forth under "Auction Stages" in Section IV.A.3 and "Stage Transitions" in Section IV.A.4. below) have proven successful in maintaining the pace of previous auctions, the Bureau adopts them for Auction 98. 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 additional bids in the auction.¹⁵³

3. Auction Stages

119. In the Auction 98 Comment Public Notice, the Bureaus propose to conduct the auction in two stages and employ an activity rule. Under the Bureaus' proposal a bidder desiring to maintain its current bidding eligibility would be required to be active on construction permits representing at least 80 percent of its current eligibility, during each round of Stage One, and at least 95 percent of its current bidding eligibility on Stage Two. The commission received no comments on this proposal.

120. The Bureaus have the discretion to further alter the activity requirements before and/or during the auction as circumstances warrant, and also have other mechanisms by which it may influence the speed of an auction. We find, for now, that an activity requirement consisting of two stages adequately balances the desire to conclude the auction quickly with the need to give sufficient time for bidders to consider the status of the bidding and to place bids. Therefore, we adopt the two stages as described in more detail immediately below.

121. **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.¹⁵⁴ 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 (5/4).

¹⁵² Provisionally winning bids are bids that would become final winning bids if the auction were to close after the given round. See Section IV.B.4. "Provisionally Winning Bids," below.

¹⁵³ See Section IV.A.5. "Activity Rule Waivers," below.

¹⁵⁴ See Section IV.A.5. "Activity Rule Waivers," below.

122. **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-nineteenths (20/19).

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.

123. When the Bureaus move the auction from Stage One to Stage Two, we will first alert bidders by announcement in the bidding system. The Bureaus have the discretion to further alter the activity requirements before and/or during the auction as circumstances warrant.

4. Stage Transitions

124. In the Auction 98 Comment Public Notice, the Bureaus proposed that they would advance the auction to the next stage (i.e., from Stage One to Stage Two) after considering a variety of measures of auction activity, including, but not limited to, the percentages of construction permits (as measured in bidding units) on which there are new bids, the number of new bids, and the increase in revenue. The Bureaus further proposed that they would retain the discretion to change the activity requirements during the auction. For example, the Bureaus could decide not to transition to Stage Two if they believe the auction is progressing satisfactorily under the Stage One activity requirement, or to transition to Stage Two with an activity requirement that is higher or lower than the 95 percent.¹⁵⁵ The Bureaus proposed to alert bidders of stage advancements by announcement during the auction. The Bureaus received no comments on this issue.

125. We adopt our proposal for stage transitions. Thus, the auction will start in Stage One.¹⁵⁶ The Bureaus will regulate the pace of the auction by announcement. The Bureaus retain the discretion to transition the auction to Stage Two, to add an additional stage with a higher activity requirement, not to transition to Stage Two, and to transition to Stage Two with an activity requirement that is higher or lower than 95 percent. This determination will be based on a variety of measures of auction activity, including, but not limited to, the number of new bids and the percentages of construction permits (as measured in bidding units) on which there are new bids.¹⁵⁷

¹⁵⁵ If the Bureaus implement a stage with an activity requirement other than 80 or 95 percent, a bidder's reduced eligibility for the next round will be calculated by multiplying that bidder's current round activity by the reciprocal of the activity requirement. For example, if there is a 98 percent activity requirement, the bidder's current round activity would be multiplied by 50/49; if there is a 100 percent activity requirement, the bidder's current round activity would become its bidding eligibility (current round activity would be multiplied by 1/1).

¹⁵⁶ The stage of the auction does not affect the auction stopping rules; the auction may conclude in Stage One. *See* Section IV.A.6. "Auction Stopping Rules," below

¹⁵⁷ For example, when monitoring activity to determine when to change stages, the Bureaus may consider the percentage of bidding units of the construction permits receiving new provisionally winning bids, excluding any FCC-held permits. In past auctions, the Bureaus have generally, but not always, changed stages when this measure was approximately twenty percent or below for three consecutive rounds of bidding.

5. Activity Rule Waivers

126. In the *Auction 98 Comment Public Notice*, the Bureaus proposed that each bidder in the auction be provided with three activity rule waivers.¹⁵⁸ The Bureaus received no comments on this issue.

127. Therefore, the Bureaus adopt this proposal to provide bidders with three activity rule waivers. 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 eligibility despite its 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 construction permit. Waivers can be either proactive or automatic 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.

128. The FCC Auction System assumes that a bidder 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 in which a bidder's activity level is below the minimum required unless (1) the bidder has no activity rule waivers remaining or (2) the bidder overrides the automatic application of a waiver by reducing eligibility. If no waivers remain and the activity requirement is not satisfied, the FCC Auction System will permanently reduce the bidder's eligibility, possibly curtailing or eliminating the ability to place additional bids in the auction.

129. A bidder with insufficient activity may wish to reduce its bidding eligibility rather than use an activity rule waiver. If so, the bidder 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 it into compliance with the activity rule described above. Reducing eligibility is an irreversible action; 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.

130. Finally, a bidder may apply an activity rule waiver proactively as a means to keep the auction open without placing a bid. If a proactive waiver is applied (using the "apply waiver" function in the FCC Auction System) during a bidding round in which no bids are placed, 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 or proactive waivers will not keep the auction open. A bidder cannot submit a proactive waiver after bidding in a round, and applying a proactive waiver will preclude it from placing any bids in that round. **Applying a waiver is irreversible; once a bidder submits a proactive waiver, the bidder cannot unsubmit the waiver even if the round has not yet ended.**

6. Auction Stopping Rules

131. For Auction 98, the Bureaus proposed to employ a simultaneous stopping rule approach, which means all construction permits remain available for bidding until bidding stops simultaneously on every construction permit.¹⁵⁹ More specifically, bidding will close on all construction permits after the first round in which no bidder submits any new bids or applies a proactive waiver.

132. We also sought comment on alternative versions of the simultaneous stopping rule for Auction 98:

Option 1. The auction would close for all construction permits after the first round in which no bidder applies a proactive waiver or places any new bids on any construction permit on which it is not the provisionally winning bidder. Thus, absent any other bidding activity, a bidder placing

¹⁵⁸ *Auction 98 Comment Public Notice* at ¶ 26.

¹⁵⁹ *Auction 98 Comment Public Notice* at ¶¶ 12-14.

a new bid on a construction permit for which it is the provisionally winning bidder would not keep the auction open under this modified stopping rule.

Option 2. The auction would close for all construction permits after the first round in which no bidder applies a waiver or places any new bids on any construction permit that is not FCC held. Thus, absent any other bidding activity, a bidder placing a new bid on a construction permit that does not already have a provisionally winning bid (an “FCC-held” construction permit) would not keep the auction open under this modified stopping rule.

Option 3. The auction would close using a modified version of the simultaneous stopping rule that combines (a) and (b) above.

Option 4. The auction would end after a specified number of additional rounds. If the Bureaus invoke this special stopping rule, it will accept bids in the specified final round(s), after which the auction will close.

Option 5. The auction would remain open even if no bidder places any new bids or applies a waiver. 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 lose bidding eligibility or use a waiver.

133. We proposed to exercise these options only in certain circumstances, for example, where the auction is proceeding unusually slowly or quickly, there is minimal overall bidding activity, or it appears likely that the auction will not close within a reasonable period of time or will close prematurely.¹⁶⁰ Before exercising these options, we are likely to attempt to change the pace of the auction. For example, the Bureaus may adjust the pace of bidding by changing the number of bidding rounds per day and/or the minimum acceptable bids.¹⁶¹ We proposed to retain the discretion to exercise any of these options with or without prior announcement during the auction.¹⁶² We received no comment on these proposals and adopt them for Auction 98.

7. Auction Delay, Suspension, or Cancellation

134. In the *Auction 98 Comment Public Notice*, the Bureaus proposed that, by public notice or by announcement during the auction, they 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.¹⁶³ We received no comment on this issue.

135. Because this approach has proven effective in resolving exigent circumstances in previous auctions, the Bureaus adopt these proposals regarding auction delay, suspension, or cancellation. By public notice or by announcement during the auction, we 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 Bureaus, in their sole discretion, may elect to resume the auction starting from the beginning of the current round or from some previous round, or cancel the auction in its entirety. Network interruption may cause the Bureaus to delay or suspend the auction. We emphasize that we will exercise of this authority solely at our discretion, and not as a substitute for situations in which bidders may wish to apply their activity rule waivers.

¹⁶⁰ *Id.* at ¶ 14.

¹⁶¹ *Id.*

¹⁶² *Id.*

¹⁶³ *Id.* at ¶ 15.

B. Bidding Procedures

1. Round Structure

136. 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 each day.

137. The Bureaus have the 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. We may change 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.

2. Reserve Price and Minimum Opening Bids

138. Section 309(j) of the Act 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 or construction permits 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.¹⁶⁴ Consistent with this mandate, the Commission directed the Bureaus to seek comment on the use of a minimum opening bid and/or reserve price prior to the start of each auction.¹⁶⁵ Among other factors, we 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.¹⁶⁶ The Commission concluded that the Bureaus should have the discretion to employ either or both of these mechanisms for future auctions.¹⁶⁷

139. In the *Auction 98 Comment Public Notice*, the Bureaus did not propose to establish reserve prices for the construction permits in Auction 98. This is consistent with policy applied in earlier broadcast spectrum auctions. We did, however, propose to establish minimum opening bids for each construction permit, reasoning that a minimum opening bid, which has been used in other auctions, is an effective tool for accelerating the competitive bidding process.¹⁶⁸ Specifically, a minimum opening bid was proposed for each construction permit by taking into account various factors relating to the efficiency of the auction and the potential value of the spectrum, including the type of service and class of facility offered, market size, population covered by the proposed FM broadcast facility, industry cash flow data, and recent broadcast transactions.

140. Paul W. Ploener requests that we reduce the minimum opening bid (and corresponding upfront payment amount) for the construction permit at Maysville, Georgia (Channel 265A, MM-FM1076-A) from \$75,000 to \$30,000.¹⁶⁹ Mr. Ploener insists that the proposed facility's 60 dB μ contour would cover a population of no more than 25,000. Although staff analysis shows that the population in the proposed facility's 60 dB μ contour is considerably greater than 25,000, we recognize that the facility would not cover any part of the Atlanta Urbanized Area, nor any part of the Athens-Clarke County

¹⁶⁴ 47 U.S.C. § 309(j)(4)(F).

¹⁶⁵ *Part 1 Third Report and Order*, 13 FCC Rcd at 455-56 ¶ 141.

¹⁶⁶ *Id.*

¹⁶⁷ *Id.*

¹⁶⁸ *Auction 98 Comment Public Notice* at ¶ 28-31.

¹⁶⁹ Comments of Paul W. Ploener at 1, submitted April 1, 2015 ("Ploener Comments").

Urbanized Area. After further consideration, we reduce the minimum opening bid for MM-FM1076-A, at Maysville, Georgia, to \$35,000.¹⁷⁰

141. For the rest of the construction permits, the Bureaus adopt the minimum opening bid amounts proposed in the *Auction 98 Comment Public Notice*. The specific minimum opening bid amount for each construction permit available in Auction 98 is specified in Attachment A of this Public Notice.

3. Bid Amounts

142. In the *Auction 98 Comment Public Notice*, the Bureaus proposed that in each round, an eligible bidder will be able to place a bid on a given construction permit in any of up to nine different amounts.¹⁷¹ Under the proposal, the FCC Auction System interface will list the nine acceptable bid amounts for each construction permit.¹⁷² The Bureaus received no comments on this proposal, and adopt this approach for Auction 98.

143. The first of the acceptable bid amounts is called the minimum acceptable bid amount. The minimum acceptable bid amount for a construction permit will be equal to its minimum opening bid amount until there is a provisionally winning bid for the construction permit. After there is a provisionally winning bid for a permit, the minimum acceptable bid amount will be a certain percentage higher. That is, the minimum acceptable bid amount will be calculated by multiplying the provisionally winning bid amount times one plus the minimum acceptable bid percentage. For example, if the minimum acceptable bid percentage is 10 percent, the minimum acceptable bid amount will equal (provisionally winning bid amount) * (1.10), rounded.¹⁷³

144. In the *Auction 98 Comment Public Notice*, we proposed to use a minimum acceptable bid percentage of 10 percent. We did not receive any comments on this proposal. Our experience in previous broadcast auctions assures us that a minimum acceptable bid percentage of 10 percent is sufficient to ensure active bidding. Therefore, we will begin the auction with a minimum acceptable bid percentage of 10 percent.

145. The eight additional bid amounts are calculated using the minimum acceptable bid amount and a bid increment percentage, which need not be the same as the percentage used to calculate the minimum acceptable amount. 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 5 percent, the calculation is (minimum acceptable bid amount) * (1 + 0.05), rounded, or (minimum acceptable bid amount) * 1.05, 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) * 1.10, 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) * 1.15, rounded; etc. We will round the results of these calculations using the standard rounding procedures for auctions.¹⁷⁴

¹⁷⁰ We have made corresponding changes to the upfront payment amount and the bidding units associated with this construction permit.

¹⁷¹ Bidders must have sufficient eligibility to place a bid on the particular construction permit. See Section III.D.3 “Upfront Payments and Bidding Eligibility,” above.

¹⁷² In the event of duplicate bid amounts due to rounding, the FCC Auction System will omit the duplicates and will list fewer acceptable bid amounts for the construction permit.

¹⁷³ Results are rounded using the Commission’s standard rounding procedure for auctions. Results above \$10,000 are rounded to the nearest \$1,000; results below \$10,000 but above \$1,000 are rounded to the nearest \$100; and results below \$1000 are rounded to the nearest \$10.

¹⁷⁴ *Id.*

146. In the *Auction 98 Comment Public Notice*, the Bureaus proposed to use a bid increment percentage of 5 percent, and received no comment on this issue. We believe that a bid increment percentage of 5 percent will give bidders the flexibility to speed up the pace of the auction, if appropriate. We therefore adopt this proposal, and will begin the auction with a bid increment percentage of 5 percent.

147. The Bureaus proposed to retain the discretion to change the minimum acceptable bid amounts, the minimum acceptable bid percentage, the bid increment percentage, and the number of acceptable bid amounts if we determine that circumstances so dictate. Further, the Bureaus proposed to retain the discretion to do so on a construction permit-by-construction permit basis. We also proposed to retain the discretion to limit (a) the amount by which a minimum acceptable bid for a construction permit may increase compared with the corresponding provisionally winning bid, and (b) the amount by which an additional bid amount may increase compared with the immediately preceding acceptable bid amount. For example, the Bureaus could set a \$10,000 limit on increases in minimum acceptable bid amounts over provisionally winning bids. Thus, if calculating a minimum acceptable bid using the minimum acceptable bid percentage results in a minimum acceptable bid amount that is \$12,000 higher than the provisionally winning bid on a construction permit, the minimum acceptable bid amount would instead be capped at \$10,000 above the provisionally winning bid.

148. The Bureaus did not receive any comments on their proposal to retain the discretion to change bid amounts as described above if they determine that circumstances so dictate. The Bureaus adopt this proposal. If we exercise this discretion, we will alert bidders by announcement in the FCC Auction System during the auction.

4. 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 construction permit. A provisionally winning bid will remain the provisionally winning bid until there is a higher bid on the same construction permit 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.¹⁷⁵

150. In the *Auction 98 Comment Public Notice*, the Bureaus 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 construction permit in a given round (i.e., tied bids).¹⁷⁶ No comments were received on this proposal.

151. Hence, the Bureaus adopt the tied bids proposal described above. The FCC Auction System will assign a random number to each bid upon submission. The tied bid with the highest random number wins the tiebreaker, and becomes the provisionally winning bid. Bidders, regardless of whether they hold a provisionally winning bid, 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 provisionally winning bid.

5. Bidding

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 98. Please 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.

¹⁷⁵ Section IV.A.2. “Eligibility and Activity Rules,” above.

¹⁷⁶ *Auction 98 Comment Public Notice* at ¶ 37.

153. A bidder's ability to bid on specific construction permits is determined by two factors: (1) the construction permits 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 construction permits 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 construction permit in any of up to nine pre-defined bid amounts.¹⁷⁷ For each construction permit, the FCC Auction System will list the acceptable bid amounts in a drop-down box.¹⁷⁸ 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 text files containing bid information to be uploaded.

156. Until a bid has been placed on a construction permit, the minimum acceptable bid amount for that permit will be equal to its minimum opening bid amount. Once there are bids on a permit, minimum acceptable bids for the following round will be determined as described in Section IV.B.3, above.

157. During a round, an eligible bidder may submit bids for as many construction permits as it wishes (providing that it is eligible to bid on the specific permits), remove bids placed in the current bidding round, or permanently reduce eligibility. If multiple bids are submitted for the same construction permit in the same round, the system takes the last bid entered as that bidder's bid for the round. Bidding units associated with construction permits for which the bidder has removed bids do not count towards current activity.

6. Bid Removal and Bid Withdrawal

158. In the *Auction 98 Comment Public Notice*, the Bureaus proposed bid removal procedures.¹⁷⁹ We proposed to provide each bidder with the option of removing any bids placed in a round provided that such bids are removed before the close of that bidding 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 because a removed bid no longer counts toward bidding activity for the round. The Bureaus received no comments on this issue of bid removals. These removal procedures will enhance bidder flexibility during the auction. Therefore, the Bureaus adopt their proposed procedures to permit bid removals for Auction 98. Once a round closes, a bidder may no longer remove a bid.

159. In the *Auction 98 Comment Public Notice*, the Bureaus proposed to prohibit bidders from withdrawing any bids after the round in which the bids were placed has closed.¹⁸⁰ This proposal was made in recognition of the site-specific nature and wide geographic dispersion of the permits available in this auction. Our experience with auctions generally, and with past FM auctions in particular, convinces us that bid withdrawals are unnecessary in FM broadcast auctions. Because of the stand-alone nature of FM facilities, it is not necessary for bidders to aggregate facilities being offered in the same FM auction

¹⁷⁷ Bidders must have sufficient eligibility to place a bid on the particular construction permit. See Section III.D.3. "Upfront Payments and Bidding Eligibility," above.

¹⁷⁸ See Section IV.B.3. "Bid Amounts," above.

¹⁷⁹ *Auction 98 Comment Public Notice* at ¶ 39.

¹⁸⁰ *Id.* at ¶¶ 40-42.

in order to realize full value from those facilities, or to put the spectrum to effective and efficient use. On the other hand, evidence suggests that some bidders may have used bid withdrawals improperly in prior auctions to keep new FM facilities out of the hands of competitors, thus delaying implementation of new service. The Bureaus received no comments regarding the proposal not to allow bid withdrawals in Auction 98. Accordingly, the Bureaus will prohibit bid withdrawals in Auction 98. Bidders are cautioned to select bid amounts carefully because no bid withdrawals will be allowed, even if a bid was mistakenly or erroneously made.

7. Round Results

160. Reports reflecting bidders' identities for Auction 98 will be available before and during the auction. Thus, bidders will know in advance of this auction the identities of the bidders against which they are bidding.

161. Bids placed during a round will not be made public until the conclusion of that round. After a round closes, the Bureaus will compile reports of all bids placed, current provisionally winning bids, new minimum acceptable bid amounts for the following round, whether the construction permit is FCC held, and bidder eligibility status (bidding eligibility and activity rule waivers), and will post the reports for public access.

8. Auction Announcements

162. The Commission will use auction announcements to report necessary information such as schedule changes. All auction announcements will be available by clicking a link in the FCC Auction System.

V. POST-AUCTION PROCEDURES

163. Shortly after bidding has ended, the Commission will issue a public notice declaring the auction closed, identifying the winning bidders, and establishing the deadlines for submitting down payments, final payments, and the long-form applications (FCC Forms 301).

A. Down Payments

164. Within ten business days after release of the auction closing public 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 98 to twenty percent of the net amount of its winning bids (gross bids less any applicable new entrant bidding credits).¹⁸¹

B. Final Payments

165. Each winning bidder will be required to submit the balance of the net amount of its winning bids within ten business days after the applicable deadline for submitting down payments.¹⁸²

C. Long-Form Application (FCC Form 301)

166. The Commission's rules¹⁸³ currently provide that within thirty days following the close of bidding and notification to the winning bidders, unless a longer period is specified by public notice, winning bidders must electronically submit a properly completed long-form application (FCC Form 301, Application for Construction Permit for Commercial Broadcast Station), and required exhibits for each construction permit won through Auction 98.¹⁸⁴ Winning bidders claiming new entrant status must

¹⁸¹ 47 C.F.R. § 1.2107(b).

¹⁸² 47 C.F.R. § 1.2109(a).

¹⁸³ 47 C.F.R. § 73.5005(a).

¹⁸⁴ The Commission's rules also provide that a winning bidder in a commercial broadcast spectrum auction is required to submit an application filing fee with its post-auction long-form application. *See* 47 C.F.R. § 1.2107(c).

include an exhibit demonstrating their eligibility for the bidding credit.¹⁸⁵ Further instructions on these and other filing requirements will be provided to winning bidders in the auction closing public notice.

D. Default and Disqualification

167. 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 section 1.2104(g)(2).¹⁸⁶ This default payment consists of a deficiency payment, equal to the difference between the amount of the Auction 98 bidder's winning bid and the amount of the winning bid the next time a construction permit covering the same allotment 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.

168. 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 98 Comment Public Notice*, the Bureaus proposed to set the additional default payment for this auction at twenty percent of the applicable bid. We received no comments on this proposal, and it is therefore adopted.

169. Finally, in the event of a default, the Commission has the discretion to re-auction the construction permit or offer it to the next highest bidder (in descending order) at its final bid amount.¹⁸⁷ 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 authorizations held by the applicant.¹⁸⁸

E. Refund of Remaining Upfront Payment Balance

170. After the auction, applicants that are not winning bidders or are winning bidders whose upfront payment exceeded the total net amount of their winning bids may be entitled to a refund of some or all of their upfront payment. 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. Bidders that drop out of the auction completely (have exhausted all of their activity rule waivers and have no remaining bidding eligibility) may request a refund of their upfront payments before the close of the auction.

171. Bidders are encouraged to file their refund information electronically using the **Refund Information** icon found on the *Auction Application Manager* page or through the **Wire Transfer for Refund Purposes** link available on the *Auction Application Submit Confirmation* page in the FCC Auction System. If an applicant has completed the refund instructions electronically, the refund will be sent automatically. If an applicant has not completed the refund instructions electronically, the applicant must send a written request including the following information:

Name, address, contact and phone number of Bank
ABA Number
Account Number to Credit
Name of Account Holder
FCC Registration Number (FRN)

¹⁸⁵ 47 C.F.R. §§ 1.2112(b), 73.5005.

¹⁸⁶ 47 C.F.R. § 1.2104(g)(2).

¹⁸⁷ 47 C.F.R. §§ 1.2109(b) - (c).

¹⁸⁸ 47 C.F.R. § 1.2109(d).

The refund request can be submitted by fax to the Revenue & Receivables Operations Group/Auctions at (202) 418-2980 or by mail to:

Federal Communications Commission
 Financial Operations
 Revenue & Receivables Operations Group/Auctions
 Gail Glasser
 445 12th Street, SW, Room 1-C864
 Washington, DC 20554

NOTE: Refund processing generally takes up to two weeks to complete. Bidders with questions about refunds should contact Gail Glasser at (202) 418-0578.

VI. PROCEDURAL MATTERS

A. Paperwork Reduction Act Analysis

172. This Public Notice contains no new or modified information collection requirements subject to the Paperwork Reduction Act of 1995, Public Law 104-13. Therefore, it does not contain any new or modified information collection burden for small business concerns with fewer than 25 employees, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198.¹⁸⁹

B. Congressional Review Act

173. Consistent with the requirements of the Congressional Review Act,¹⁹⁰ a copy of this Public Notice will be sent to Congress and the Government Accountability Office

C. Regulatory Flexibility Act Analysis

174. Consistent with the Regulatory Flexibility Act of 1980, as amended,¹⁹¹ a Supplemental Regulatory Flexibility Analysis appears in Attachment D to this Public Notice.

VII. CONTACT INFORMATION

175. Contact Information Table:

General Auction Information

General Auction Questions
 Auction Process and Procedures

FCC Auctions Hotline

(888) 225-5322, option two; or
 (717) 338-2868
 Hours of service: 8:00 a.m. – 5:30 p.m. ET,
 Monday through Friday

Auction 98 Process and Procedures

Auctions and Spectrum Access Division

(202) 418-0660
 Jeff Crooks (Analyst)
 Sue Sterner (Project Manager)

¹⁸⁹ See 44 U.S.C. 3506(c)(4)

¹⁹⁰ See 5 U.S.C. 801(a)(1)(A).

¹⁹¹ 5 U.S.C. § 604.

Auction 98 Legal Information

Auction Rules, Policies, Regulations, including
Reports of Section 1.2105(c) Violations and
Application Major Modifications

**Auctions and Spectrum Access Division
(202) 418-0660**

Lynne Milne (Attorney) or
Howard Davenport (Attorney)

Licensing Information

Service Rules, Policies, Regulations
Licensing Issues, Engineering Issues
Due Diligence, Incumbency Issues

Audio Division (202) 418-2700

Lisa Scanlan (Attorney)
Tom Nessinger (Attorney)

Technical Support

Electronic Filing
FCC Auction System (Hardware/Software
Issues)

FCC Auctions Technical Support Hotline

(877) 480-3201, option nine; or (202) 414-1250
(202) 414-1255 (TTY)
Hours of service: 8:00 a.m. – 6:00 p.m. ET,
Monday through Friday

Payment Information

Wire Transfers
Refunds

**FCC Revenue & Receivables Operations
Group/Auctions**

Gail Glasser at (202) 418-0578, or alternatively,
Theresa Meeks at (202) 418-2945, or
(202) 418-2980 (fax)

Auction Bidder Line

Will be furnished only to qualified bidders

Press Information

Cecilia Sulhoff (202) 418-0587

FCC Forms

(800) 418-3676 (outside Washington, DC)
(202) 418-3676 (in the Washington area)
<http://www.fcc.gov/formpage.html>

Accessible Formats

Braille, large print, electronic files, or
audio format for people with disabilities

Consumer and Governmental Affairs Bureau

(202) 418-0530 or (202) 418-0432 (TTY)
fcc504@fcc.gov

Small Businesses

Additional information for small and
disadvantaged businesses

**Office of Communications Business
Opportunities**

(202) 418-0990
<http://www.fcc.gov/ocbo/>

FCC Internet Sites

<http://www.fcc.gov>
<http://wireless.fcc.gov/auctions>
<http://www.fcc.gov/mb>
<http://apps.fcc.gov/ecfs/>

– FCC –

**ATTACHMENT A:
CONSTRUCTION PERMITS IN AUCTION 98**

This page was intentionally inserted as a placeholder for Attachment A, which is available as a separate file.

**ATTACHMENT B:
SHORT-FORM APPLICATION FILING INSTRUCTIONS**

This attachment provides instructions on submitting a short-form application and an upfront payment to participate in Auction 98. It also includes instructions for interested parties wishing to view the short-form applications filed.

I. APPLICATION PREPARATION AND SUBMISSION

Among other requirements, each applicant to participate in this auction must submit its short-form application (FCC Form 175) electronically, via the FCC Auction System. **Short-form applications for Auction 98 must be submitted and confirmed prior to 6:00 p.m. ET on Thursday, May 28, 2015.** Late applications or unconfirmed submissions of electronic data will not be accepted.

Applicants are reminded that all information required in connection with applications to participate in spectrum license auctions is necessary to determine each applicant's qualifications, and as such will be available for public inspection. Accordingly, unnecessary sensitive information, such as Taxpayer Identification Numbers or Social Security Numbers, should not be included in short-form applications. Applicants may request information submitted not be made routinely available for public inspection following the procedures set forth in section 0.459 of the Commission's Rules.¹⁹² Such requests must be included as an attachment to the applicant's FCC Form 175 and identify the specific information to which the request applies. Because the required information bears on each applicant's qualifications, confidentiality requests will not be routinely granted.¹⁹³

Applicants may make multiple changes to their short-form applications until the close of the filing window. However, they must press the **SUBMIT** button in the FCC Auction System for the changes to be submitted and considered by the Commission.

A. Minimum Software Requirements

The following software, at a minimum, is required to use the FCC Auction System:

- Web Browser, either of the following is recommended:
 - Microsoft® Internet Explorer 8.0.
 - Mozilla® Firefox® 3.5.
- PDF Viewer: Adobe Acrobat Reader 5.0 or higher (available at <http://www.adobe.com>)
- Minimum Screen Resolution: 1024 x 768

Currently, the Apple® Mac OS® is not supported.

B. Logging On

To submit a short-form application (FCC Form 175) electronically via the Internet, an applicant should start its web browser and point it to either <http://auctions.fcc.gov/> (primary location) or <http://auctions2.fcc.gov/> (secondary location). Once on the *FCC Auction System* page, the applicant may log in to create a short-form application using its FCC Registration Number ("FRN") and password.

¹⁹² 47 C.F.R. § 0.459.

¹⁹³ 47 C.F.R. § 0.459(a).

C. Application Filing Instructions

The short-form application (FCC Form 175) requests information needed to determine whether an applicant qualifies to participate in competitive bidding for Commission licenses or construction permits.¹⁹⁴ Pursuant to section 1.2105(a), the FCC Form 175 must be submitted electronically. Applicants must submit required information as entries in the data fields of the FCC Form 175 whenever a data field is available for that information. Attachments should not be used to provide information that can be supplied within the data fields of the FCC Form 175.

The screens comprising FCC Form 175 consist of six series, each requesting six separate types of information: 1) *Applicant Information*; 2) *Permit Selection*; 3) *New Entrant Bidding Credit Eligibility*; 4) *Agreements*; 5) *Ownership*; and 6) *Certify and Submit*. In addition, *Summary* screens, a seventh series, appear prior to the *Certify and Submit* screens. The *Summary* screens provide an overview of an applicant's FCC Form 175 that facilitates reviewing and revising specific information, as well as an automated check for certain inconsistencies and omissions in submitted information.

To simplify filling out FCC Form 175, certain initial information applicants provide is used to determine what additional information is needed, and what subsequent screens will appear to collect that information. For example, a corporate applicant, unlike an individual applicant, must identify a corporate officer or director responsible for the application (sometimes called a responsible party). If an applicant identifies itself as an individual, no additional information is needed regarding an additional responsible party, and screens requesting responsible party information will not appear. However, if the applicant identifies itself as a corporation, subsequent screens in the FCC Form 175 will ask for responsible party information.

Applicants must fill out FCC Form 175 by following the instructions below. Additional help in filling out FCC Form 175 can be accessed in two ways: 1) by clicking on the **Help** link in the upper right of any screen, which will open Auction Application Online Filing Help; or 2) by clicking on the text of any **Common Question** link appearing on the right side of the screen. The common questions displayed relate to the current screen and vary from screen to screen. In the event the assistance provided by these sources is insufficient, applicants should use the contact information provided in this Public Notice to obtain additional assistance.¹⁹⁵

1. Applicant Information

The *Applicant Information* screens are the first series of screens in FCC Form 175, in which the applicant will provide basic information including:

- the applicant's legal classification (e.g., individual, corporation, rural telephone cooperative, etc.)
- optional information regarding the applicant's status as a minority- or woman-owned business or a rural telephone company
- Whether the application identifies proposed facilities as Noncommercial Educational. This response (yes or no) is mandatory.¹⁹⁶
- the applicant's name, which will be used as the bidder name during the auction¹⁹⁷

¹⁹⁴ See generally, 47 C.F.R. § 1.2105.

¹⁹⁵ See Section VII. "Contact Information," above.

¹⁹⁶ Any application for a noncommercial educational station that is mutually exclusive with any application for a commercial station will be returned as unacceptable for filing. See *NCE Second Report and Order*, 18 FCC Rcd at 6699-6701 ¶¶ 21-24. Auction applications specifying the same FM station construction permit are considered mutually exclusive. *Broadcast First Report and Order*, 13 FCC Rcd at 15979 n.166.

¹⁹⁷ See 47 C.F.R. § 1.2105(a)(2)(ii)(A).

- citizenship for individuals, or jurisdiction of formation for legal entities
- for applicants classified as legal entities (e.g., corporations and partnerships), the name of and information regarding the entity's responsible individual¹⁹⁸
- the name, address, telephone and fax number of a contact person who will communicate with the Commission regarding the applicant's FCC Form 175¹⁹⁹
- the names of up to three persons authorized to bid for the applicant in the auction²⁰⁰
- the applicant's preference for electronic or telephonic bidding
- whether the applicant claims a new entrant bidding credit and the percentage claimed²⁰¹

Each screen will specify the information that the applicant must provide. Please note the following with respect to particular information requested:

- Applicants must indicate their legal classification before continuing to subsequent screens, because the legal classification will determine which subsequent screens will appear.
- P.O. Boxes may **not** be used for an applicant's address.
- To simplify filling out the FCC Form 175, an applicant that has the same address as its contact person can click on the **COPY APPLICANT ADDRESS** button to automatically fill in the contact person's address. P.O. Boxes may **not** be used for a contact person's address.
- Applicants must identify at least one authorized bidder. While applicants may change their authorized bidders at a later date, only those bidders listed on the FCC Form 175 will be authorized to place bids for the applicant during the auction.
- Any qualified bidder may bid either via the Internet or by telephone during the auction. Specifying a preference for electronic or telephonic bidding assists the Commission in determining the staff required in this auction for telephonic bidding.
- **Any application for a noncommercial educational station that is mutually exclusive with any application for a commercial station will be returned as unacceptable for filing.**²⁰²

2. Permit Selection

The *Permit Selection* screens make up the second series of screens in FCC Form 175. In these screens, the applicant will identify the construction permits offered on which it may wish to bid during the auction. While an applicant is not obligated to bid on all construction permits that it selects, it will not be able to bid on construction permits that it has not selected on its FCC Form 175.²⁰³ Be advised that there is no opportunity to change this list after the short-form application filing deadline.

¹⁹⁸ Section 1.2105(a)(2) requires that the name and title of an officer or director be reported if the applicant is a corporation. This rule requires disclosure of the name and title of a responsible person if a partner is not a natural person.

¹⁹⁹ FCC personnel will communicate only with an applicant's contact person or certifying official, as designated on the applicant's FCC Form 175, unless the applicant's certifying official or contact person notifies the Commission in writing that applicant's counsel or other representative is authorized to speak on its behalf. Authorizations may be sent by e-mail to auction98@fcc.gov.

²⁰⁰ See 47 C.F.R. § 1.2105(a)(2)(iii).

²⁰¹ See 47 C.F.R. §§ 1.2105(a)(2)(iv), 73.5002(b), 73.5007, 73.5008.

²⁰² See *NCE Second Report and Order*, 18 FCC Rcd at 6699-6701 ¶¶ 21-24.

²⁰³ 47 C.F.R. § 1.2105(a)(2)(i).

To participate in an auction, applicants must select at least one construction permit. Until a construction permit is selected, the applicant cannot submit the FCC Form 175. An applicant's permit selections cannot be changed after the initial filing window has closed. Therefore, during the initial filing window it is important to carefully review the construction permit selections to make sure all permits on which the applicant may wish to bid have been selected.

The *Permit Selection* screens contain a list of all available construction permits in the auction. Applicants can navigate within this screen by selecting the individual page links or the "Previous" and "Next" buttons above and below the list of available permits. In addition, pre-defined filters can be used to narrow down the list of permits to be selected and saved. Specifically, construction permits can be selected by: (1) clicking the check box next to the construction permit name, then selecting the "Save Selected Items" button; (2) clicking the "Save All Items" button to save all available construction permits; or (3) clicking the "Save All Filtered Items" button after applying a filter. Once the applicant has successfully saved a construction permit, the word "Saved" will appear next to the permit name to confirm it has been saved with the application.

Construction Permits can be removed by: (1) clicking the check box (to uncheck) next to a previously saved construction permit, then selecting the "Remove Selected Items" button; (2) clicking the "Remove All Items" button to remove all previously saved construction permits; or (3) clicking the "Remove All Filtered Items" button after applying a filter. Removed construction permits will not have the word "Saved" next to the permit name.

Applicants may view all saved construction permits by either clicking the **Edit Icon** next to "View Saved Items" at the top-right corner of the list, or by clicking the "CONTINUE" button at the bottom of the page.

Once construction permits have been saved, the *View/Edit Permit Selections* screen will be the first screen displayed when navigating to the Permit Selection step. This screen lists all construction permits the applicant has selected and saved for the auction. To select a new construction permit or remove a previously selected permit, an applicant can click the **Edit Icon** next to "Return to Permit Selection" at the top-right corner of the list, which will return it to the original *Select Permits* screen, as described above.

The reference coordinates are also displayed for each listed FM allotment. Once the applicant has selected and added an FM permit, the reference coordinates are followed by an "Edit" icon. Clicking this icon produces a screen on which the applicant can change the reference coordinate values to preferred site coordinates.²⁰⁴ If the applicant previously has selected construction permits, the initial *Permit Selection* screen will be the *View/Edit Permit Selections* screen. This screen lists the construction permits previously selected for this auction. To select a new construction permit or remove a previously selected permit, click the **Edit** icon next to Change Selection at the top-right corner of the list. This will take you to the original *Select Permits* screen, described above.

3. New Entrant Bidding Credit Eligibility

The *New Entrant Eligibility* screens are the third series of screens in FCC Form 175. On the initial screen of this series, applicants indicate whether they are claiming the New Entrant Bidding Credit and, if so, whether they are claiming a 25 percent or 35 percent New Entrant Bidding Credit. Applicants should ensure bidding credit information is consistent with the bidding credit eligibility information provided on the first *Applicant Information* screen.

²⁰⁴ See *Broadcast First Report and Order*, 13 FCC Rcd at 15974-75 ¶ 142 & n.153.

Applicants not seeking a New Entrant Bidding Credit will continue to the next series of screens.

The Commission's relaxed equity/debt plus ("EDP") attribution standard,²⁰⁵ adopted as the basis for the New Entrant Bidding Credit to allow for higher investment opportunities in entities meeting the definition of "eligible entities,"²⁰⁶ will be unavailable in Auction 98, as discussed previously in this Public Notice.²⁰⁷

Applicants seeking a 35 percent New Entrant Bidding Credit do not need to provide any additional information in the Form 175 regarding their claimed New Entrant Bidding Credit. Such applicants will continue to the next series of screens.

Applicants claiming a 25 percent New Entrant Bidding Credit must provide additional information regarding existing mass media facilities in which the applicant, or any individual or entity with an attributable interest in the applicant, has an attributable interest.²⁰⁸ Applicants must identify:

- the existing mass media facility or facilities;
- the individual or entity with an attributable interest in the existing mass media facility;
- the attributable interest in the facility; and
- whether any broadcast facilities proposed by the applicant in this auction are in the "same area" as existing mass media facilities, as defined by applicable Commission rules. *See* 47 C.F.R. §§ 73.5007, 73.5008.
- In the event that the applicant indicates that any of the broadcast facilities proposed in its application for this auction are in the "same area" as the identified existing mass media facility, the applicant must continue to an additional screen where the applicant must indicate which broadcast facility it proposed in the auction is in the "same area" as the identified existing mass media facility. Applicants must note that, for purposes of determining whether a broadcast facility identified for bidding in the auction is in the "same area" as an applicant's existing mass media facilities, the coverage area of the auction facility is calculated using maximum class facilities at the allotment reference coordinates, **not** applicant-specified preferred site coordinates.²⁰⁹

Once the applicant has identified all relevant existing mass media facilities, and all broadcast facilities proposed in its application that are located in the "same area" as each relevant existing mass media facility, it will continue to the View/Edit All Facilities screen. This screen lists the applicant's claimed New Entrant Bidding Credit of 25 percent, the relevant existing mass media facilities, and the Auction 98 broadcast facilities proposed by the applicant in the 'same area' as each relevant existing mass media facility. From this screen, options include:

- Clicking the **Edit** icon or the **Modify bidding credit selection** link to return to the initial New Entrant bidding credit eligibility screen.
- Modifying information about relevant mass media facilities by clicking on them.

²⁰⁵ *Diversity Order*, 23 FCC Rcd at 5922.

²⁰⁶ An "eligible entity" is defined in 47 C.F.R. § 73.3555, Note 2(i).

²⁰⁷ Section II.C. "New Entrant Bidding Credit," above.

²⁰⁸ Full-service noncommercial educational stations, on both reserved and nonreserved channels, are included among "media of mass communications" as defined in section 73.5008(b). *See Minnesota Christian Broadcasters*, 18 FCC Rcd at 614.

²⁰⁹ *Rural First Report and Order*, 25 FCC Rcd at 1609 ¶ 52.

- Clicking the **Delete This Facility** link to delete a facility and identified proposed broadcast facilities in the “same area.”
- Modifying information regarding a proposed broadcast facility by clicking on its identifier.
- Clicking the **Remove** icon next to information about a particular proposed broadcast facility in the “same area” to remove the corresponding facility.
- Clicking the **Add a proposed “Same Area” Facility to [an existing mass media facility]** link to add a new broadcast facility proposed in the application that is located in the “same area.”
- Clicking the **CREATE NEW MASS MEDIA FACILITY** button to add additional mass media facilities.

When all relevant existing mass media facilities, and proposed broadcast facilities in the “same area” as each relevant existing mass media facility, have been identified, click the **CONTINUE** button.

4. Agreements

The *Agreements* screens are the fourth series of screens in FCC Form 175. In these screens, applicants will provide information regarding auction-related agreements subject to disclosure under the Commission’s rules.²¹⁰

On the first screen, applicants must state whether the applicant has any agreements that are subject to disclosure under the Commission’s rules by responding “Yes” or “No” to a question asking whether the applicant has entered into a partnership, joint venture, consortia, or other agreement, arrangement or understanding of any kind relating to the construction permits being auctioned, including any such agreement relating to the post-auction market structure. When two applicants in this auction share one officer, or one director, or one individual with specified ownership interests,²¹¹ it is at this point in each application that the two applicants can indicate that there is a sharing of this one individual (officer, director, or owner) by responding to this “agreement” question with a “Yes.”²¹² If an applicant answers “No,” the applicant will continue to the *Ownership* series of screens, described below. If the applicant answers “Yes,” the applicant will continue with additional *Agreements* screens.

In the additional *Agreements* screens, applicants must provide an identifying name for the agreement and must identify the parties, other than the applicant, to the agreement. The agreement identifier can be a

²¹⁰ 47 C.F.R. § 1.2105(a)(2)(viii).

²¹¹ Applicants are reminded that, for purposes of the communication prohibitions of 47 C.F.R. § 1.2105(c), section 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.

²¹² As explained in the discussion above about the communication prohibitions of section 1.2105(c), the failure to report an agreement in both short-form applications when a specified individual is involved with two applicants in the same auction can result in a violation of section 1.2105(c). Where an individual served as an officer for two or more applicants, the Bureaus have found that the bids and bidding strategies of one applicant are necessarily conveyed to the other applicant, and, absent a disclosed bidding agreement, an apparent violation of section 1.2105(c) occurs. *See, e.g., Trinity*, 20 FCC Rcd at 14648 (finding apparent violation of communication prohibitions of section 1.2105(c) where applicants with mutually exclusive applications reported sharing same individual as an officer and director and reported having no bidding agreement).

brief description of the agreement or a simple reference name; however, each agreement identifier must be unique. Neither the name of the agreement nor its description should indicate construction permit designations for this auction.

Applicants may provide FRNs for the other parties to the agreement, if available. While providing the FRN is optional, it helps prevent identification errors resulting from parties having similar names or a single party using multiple names.

Up to three parties to the agreement (not including the applicant) can be identified on a single screen. Additional parties can be added by clicking the **ADD MORE PARTIES** button. In the event of an error, the name of a party and its associated FRN can be deleted from the form by clicking on the **RESET** button. After identifying all parties to a particular agreement, click the **FINISH THIS AGREEMENT** button.

The next screen, the *View/Edit Agreements* screen, lists the agreements and parties to each agreement that already have been entered. From this screen, the following options are available:

- Clicking the **Edit** icon or the **Agreements** link to return to the initial *Agreements* screen regarding whether or not the applicant has any agreements.
- Modifying agreement identifiers by clicking on them.
- Clicking the **Delete This Agreement** link to delete an agreement and associated parties.
- Modifying information regarding a particular party to an agreement by clicking on the party's name.
- Clicking the **Remove** icon next to information about a particular party to remove that corresponding party.
- Clicking the **Add Party to This Agreement** link to add a new party to an agreement.
- Clicking the **CREATE NEW AGREEMENT** button to add additional agreements.

When all agreements and the parties to each agreement have been identified, the applicant should click the **CONTINUE** button.

5. Ownership

The *Ownership* screens are the fifth series of screens in the FCC Form 175. In these screens, applicants will provide information regarding parties with ownership or controlling interests in the applicant that must be disclosed pursuant to Commission rules.²¹³ The disclosure and description of FCC-regulated businesses that are owned by the applicant and by parties with certain ownership interests in the applicant are also required.²¹⁴

a. Information Already on File with the Commission

Some applicants may have previously filed FCC Form 602 disclosing ownership information in connection with wireless services. In addition, some applicants may have filed a short-form application

²¹³ 47 C.F.R. §§ 1.2105(a)(2)(ii)(A)-(B), 1.2110, 1.2112, 73.5002.

²¹⁴ 47 C.F.R. § 1.2112.

(FCC Form 175) for a previous auction disclosing ownership information. To simplify filling out FCC Form 175, an applicant's most current ownership information on file with the Commission will automatically be entered into the applicant's short-form application, if it is 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). Applicants with ownership information automatically entered into FCC Form 175 will proceed directly to the *View/Edit Ownership* screen described below.

Each applicant is responsible for information submitted in its FCC Form 175 being complete and accurate. An applicant must carefully review any information automatically entered to confirm that it is complete and accurate as of the deadline for submitting its short-form application in this auction. Information must be corrected directly in the FCC Form 175. After the deadline for filing this FCC Form 175, submitted ownership information will be considered to be the applicant's most current information on file with the Commission for this auction.

b. Disclosable Interest Holders and FCC-Regulated Businesses

- Sections 1.2105 and 1.2112(a) of the Commission's rules list the interest holders in the applicant that must be disclosed in FCC Form 175.²¹⁵ **Applicants should note that holders of both direct and indirect interests must be reported.**
- Section 1.2112(a)(7) lists the FCC-regulated business entities, or applicants for an FCC license, that must be disclosed in FCC Form 175.²¹⁶

The initial *Ownership* screen enables the applicant to add information regarding either a disclosable interest holder or the FCC-regulated businesses in which the applicant has an interest or parties with 10% or more ownership interest in the applicant have an interest. Each screen will specify the information that the applicant must provide. Please note the following with respect to particular information requested:

- **If an application includes one or more disclosable interest holders with indirect ownership in the applicant,²¹⁷ the application must include an attachment describing the relationship between the indirect interest holder(s) and the applicant.** The attachment should provide an overview of the ownership chain that links the indirect owner(s) to the applicant, e.g., indirect owner X owns 50% of holding company Y; indirect owner Z owns 50% of holding company Y; and holding company Y owns 100% of the applicant.²¹⁸ One attachment connecting all indirect owners to the applicant is sufficient. Applicants should not provide separate attachments for each indirect owner. An overview of the ownership connections is sufficient. The attachment should not duplicate all the detailed information already provided in the data fields of the FCC Form 175.
- The "Percent of Interest Held in Applicant" should reflect the disclosable interest holder's aggregate ownership interest in the applicant (both direct and indirect). In some cases, e.g.,

²¹⁵ 47 C.F.R. §§ 1.2105, 1.2112(a). Section 73.5002 specifies the bidding procedures, certification requirements and communication prohibition rules applicable to applications for commercial broadcast services that are subject to auction. Subsection (b) requires the timely submission of Form 175 applications along with all required certifications, information and exhibits pursuant to 47 C.F.R. § 1.2105(a) and any Commission public notices. Section 1.2105 requires the disclosure on the short-form application of applicant ownership information as set forth in section 1.2112.

²¹⁶ 47 C.F.R. § 1.2112(a)(7).

²¹⁷ 47 C.F.R. § 1.2112(a)(6).

²¹⁸ *Id.*

circumstances where there is joint ownership or indirect ownership resulting in different owners sharing the same ownership interests, the sum of all the percentages held by disclosable interest holders may exceed 100%. In other cases, a disclosable interest holder may have a 0% ownership interest in the applicant.

- FCC-regulated businesses in which the applicant has a direct interest can be entered from the initial *Add Ownership Disclosure Information* screen. FCC-regulated businesses in which a disclosable interest holder has a direct interest can be entered from the *Add FCC Regulated Business* screen in the series of screens for entering information about a disclosable interest holder.
- When adding an FCC-regulated business, “Percent of Interest Held” refers to the percent of interest held directly by the applicant or disclosable interest holder, as applicable, in the FCC-regulated business. FCC-regulated businesses in which the applicant or disclosable interest holder has an indirect interest need not be reported in the FCC Form 175.
- To simplify filling out the FCC Form 175, applicants can click on the **Select Business(es) Already Submitted** link when entering an FCC-regulated business previously entered as an FCC-regulated business for the applicant or another disclosable interest holder. When doing so, be certain to enter the “Percent of Interest Held” in the FCC-regulated business by the current party, either the applicant or the disclosable interest holder, with respect to which the FCC-regulated business is being entered.

c. View/Edit Ownership Disclosure Information

The *View/Edit Ownership Disclosure Information* screen summarizes ownership information already entered in the FCC Form 175, either automatically from compatible ownership information on file with the Commission or directly by the applicant, and provides links enabling existing information to be revised and additional information to be added.

Existing ownership information is divided into two groups:

- Disclosable Interest Holders of this Applicant
- FCC-Regulated Businesses of this Applicant

To view the detailed information submitted regarding the applicant, a disclosable interest holder or FCC-regulated business, click on the relevant party’s name. To delete existing information or add a new entry in one of the categories, click on the relevant link. This screen also provides a link enabling applicants to add an FCC-regulated business directly to an existing disclosable interest holder, without needing to re-enter the disclosable interest holder’s information.

6. Summary

The *Summary* screens summarize information applicants have provided in previous screens, offering an overview of an applicant’s FCC Form 175 to help locate specific information. These screens will appear prior to the *Certify and Submit* screens, in order to permit the applicant to review all the information entered in previous screens and to provide an opportunity to check for certain inconsistencies or omissions in the information within the FCC Form 175.

The first *Summary* screen, the *Summary Overview* screen, lists the first five series of screens in the application and provides a **VIEW/EDIT** button to access each one.

- Clicking **VIEW/EDIT** for Applicant Information produces a *Detail for Applicant Information* screen showing the information entered for each data entry field. To change any data item, the applicant should click the **Edit** icon for the relevant data field.
- Clicking **VIEW/EDIT** for Permit Selection takes the applicant to the *View/Edit Permit Selection* screen discussed above in the Permit Selection section.
- Clicking **VIEW/EDIT** for New Entrant Eligibility takes you to the *View/Edit New Entrant Eligibility* screen discussed above in the New Entrant Bidding Credit section.
- Clicking **VIEW/EDIT** for Agreements takes the applicant to the *Agreements* screen discussed above in the Agreements section.
- Clicking **VIEW/EDIT** for Ownership takes the applicant to the *View/Edit Ownership Disclosure Information* screen discussed above in the Ownership section.

Clicking on the **CHECK ERRORS** button initiates an automated check of the application. If the automated check encounters certain inconsistencies or omissions in information within the FCC Form 175 that must be corrected before submitting the application, the inconsistency or omission will be listed in an Error box at the top of the screen. To correct one of these errors, click its corresponding **EDIT** button. In addition, if the automated check encounters certain apparent inconsistencies or omissions that might render the application incomplete or deficient if the application is submitted with current information, the apparent error will be listed in a Warning box. To revise the information related to the apparent inconsistency or omission, click its corresponding **EDIT** button.

Each applicant is solely responsible for providing complete and accurate information in its FCC Form 175. The automated check is provided to assist applicants in completing the FCC Form 175. However, the automated check cannot be relied upon to determine whether the information provided is complete or accurate. The automated check may not catch all errors and applicants cannot rely on the automated check to determine the completeness or the accuracy of submitted information.

If the automated check does not encounter certain inconsistencies or omissions, a box will appear displaying the message “**No Errors found - You may continue to Certify and Submit.**” Applicants may then click the **CONTINUE TO CERTIFY** button.

7. Attaching Additional Information

If an applicant needs to provide additional information not requested directly in the screens comprising the FCC Form 175, that information can be provided in an attachment.

The screen for adding an attachment to FCC Form 175 can be accessed by clicking on the **Attachments** link in the upper right of any screen. This screen requests information regarding the type of attachment to be added, the name of the file to be attached, and a brief description of the attachment.

NOTE: If the attachment is a request for a waiver or exemption of any of the Commission’s rules or procedures, the applicant must identify the “Type” of attachment as a “Waiver” to facilitate prompt processing.

Once the requested information is provided, applicants can add the attachment to the application by clicking on the **ADD ATTACHMENT** button. A list of any attachments already uploaded along with the applicant’s FCC Form 175 will appear at the bottom of the screen.

When uploading attachments, applicants may use a variety of file formats, including Word 2000 or earlier, WordPerfect 5.x or later, Adobe PDF, and ASCII text. Applicants must, however, verify that the files contain all attachment information, and files may be no larger than 10 Mb and must not be password-

protected. Graphics files (e.g., .bmp, .tiff, .jpg) and spreadsheets (e.g., Excel, Lotus) are supported but not recommended.

After the short-form application filing deadline, an application attachment may not be deleted or withdrawn.

8. Certify and Submit

The *Certify and Submit* screens are the sixth and final series of screens in FCC Form 175. In these screens, applicants provide certifications required of all participants in the Commission's competitive bidding processes.²¹⁹

The first *Certify and Submit* screen requires each applicant to indicate whether the applicant, any affiliate of the applicant, any controlling interest of the applicant, or any affiliate of a controlling interest has ever been in default on any Commission construction permit or license or has ever been delinquent on any non-tax debt owed to any Federal agency.²²⁰ Current defaulters or delinquents are not eligible to participate in this auction. Former defaulters or delinquents who have remedied all such defaults and cured all of the outstanding non-tax delinquencies can participate in this auction so long as they are otherwise qualified and make upfront payments that are equal to 50 percent more than otherwise required.²²¹

The second *Certify and Submit* screen lists the certifications required of all applicants in the Commission's competitive bidding processes and requests that the applicant's certifying official be identified and sign the application.

Who Can Certify. A short-form application can be certified by: (1) the applicant, if the applicant is an individual; (2) one of the partners, if the applicant is a partnership; (3) an officer, director, or duly-authorized employee, if the applicant is a corporation; (4) a member who is an officer, if the applicant is an unincorporated association; (5) the trustee, if the applicant is an amateur radio service club; or (6) a duly elected or appointed official who is authorized to make such certifications under the laws of the applicable jurisdiction, if the applicant is a governmental entity.²²²

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 Commission license.²²³ Applicants are reminded that submission of an FCC Form 175 constitutes a representation by the certifying official that he or she is an authorized representative of the applicant and has read the form's instructions and certifications, and that the contents of the application, its certifications and any attachments are true, complete and correct. 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. As noted above, a change of certifying official is considered a major change of the short-form application and will not be permitted after the application deadline.

Once the two *Certify and Submit* screens have been filled out, the application may be submitted by clicking on the **SUBMIT** button.

²¹⁹ See generally, 47 C.F.R. §§ 1.2105(a)(2) (iv)-(xi).

²²⁰ 47 C.F.R. § 1.2105(a)(2)(xi).

²²¹ 47 C.F.R. §§ 1.2105(a)(2)(xi), 1.2106(a).

²²² See 47 C.F.R. § 1.917; see also 47 C.F.R. § 73.3513.

²²³ 47 C.F.R. § 1.2105(a)(2)(v).

After the application has been submitted, a confirmation screen will be displayed that states the submission time and date, along with a unique file number. Applicants should print a copy of the confirmation page for their records. They may then view and print copies of their submitted applications by clicking on the **PRINT PREVIEW** button.

FCC Form 175 applications for Auction 98 must be submitted and confirmed prior to 6:00 p.m. ET on Thursday, May 28, 2015. Late applications or unconfirmed submissions of electronic data will not be accepted.

D. Withdrawing a Short-Form Application Before the Filing Deadline and Updating Existing Short-Form Applications

1. Withdrawing an Application

To withdraw a submitted application before the short-form application filing deadline, applicants should click on the **Withdraw Application** icon on the Auction Application Manager *Review or Modify Existing Short-Form Applications* page. All previously-submitted data will be deleted.

After the short-form application filing deadline, applications may not be withdrawn.

Applicants may choose to not submit an upfront payment, and therefore, will not be qualified to bid in the auction. However, an applicant remains subject to the prohibition on certain communications under section 1.2105(c), until the down payment deadline following the close of the auction.

2. Updating Existing Applications

The *Review or Modify Existing Short-Form Applications* page displays any application created or submitted within a filing window. This page shows the application status, the date and time the application was last updated, and the date and time the application was last submitted. It may be used as a reference to confirm the date and time of the most recent submission of the application.

To review or continue working on an existing short-form application, an applicant should click the application auction number, which will produce the application's *Summary* page in a view/edit mode. Applicants must go to the *Certify and Submit* screens and click the **SUBMIT** button to submit any changes made to their FCC Form 175 applications. After the revised application has been submitted, a confirmation page will display the application's file number and submission time and date. A copy of the confirmation page should be printed for your records. Applicants may then view and print copies of their submitted applications by clicking on the **PRINT PREVIEW** button.

After the filing deadline, an applicant may make only minor changes to its application. Major modifications will not be permitted (e.g., change its construction permit selection(s) or certifying official, change in ownership of the applicant that would constitute an assignment or transfer of control, change its identification of the application's proposed facilities as commercial, or claim eligibility for a higher percentage of bidding credit).²²⁴

VIII. UPFRONT PAYMENT SUBMISSION

A. Upfront Payment Calculator and Form 159

Applicants may access the **Upfront Payment Calculator and Form 159** from the *Review or Modify Existing Short-Form Applications* page and from the *Auction Application Submit Confirmation* page. Clicking the **Upfront Payment Calculator and Form 159** icon or link will provide a calculator to determine the appropriate upfront payment amount to submit with the FCC Form 159. From the

²²⁴ 47 C.F.R. § 1.2105(b).

Calculate Upfront Payment page, the applicant may click the **Form 159** button to obtain the FCC Form 159. For further instructions on how to submit the FCC Form 159, see Attachment C to this Public Notice.

B. Refund of Upfront Payment

On the *Auction Application Submit Confirmation* page, applicants can click on the **Wire Transfer for Refund Purposes** link to provide wire transfer instructions for purposes of refunds of upfront payments. The Commission will use this information to refund excess funds on deposit.

IX. MISCELLANEOUS

A. Access to View Short-Form Applications

After the deadline for filing short-form applications, the Commission will process all timely-submitted applications to determine which are complete, and subsequently will issue a public notice identifying: (1) those that are complete; (2) those that are rejected; and (3) those that are incomplete or deficient because of minor defects that may be corrected. Once that public notice is released, any interested parties may be able to view the short-form applications by searching for them in the FCC database.

To start a search, go to either <http://auctions.fcc.gov/> (primary location) or <http://auctions2.fcc.gov> (secondary location) and click the **Auction Application Search** link in the Public Access area on the *FCC Auction System* page.

B. Technical Support

For technical assistance with using FCC software, contact the FCC Technical Support Hotline at (877) 480-3201, option nine; (202) 414-1250; or (202) 414-1255 (TTY). The FCC Technical Support Hotline is available Monday through Friday from 8 a.m. to 6 p.m. ET. All calls to the FCC Technical Support Hotline are recorded.

Paperwork Reduction Act Approval: The FCC Form 175 was assigned control number 3060-0600 and was approved, as revised, by the Office of Management and Budget on November 1, 2006.

**ATTACHMENT C:
AUCTION-SPECIFIC INSTRUCTIONS FOR FCC REMITTANCE ADVICE
(FCC FORM 159-FEBRUARY 2003 EDITION)**

Upfront Payments

The following information supplements the standard instructions for FCC Form 159 (Revised 2/03), and is provided to help ensure correct completion of FCC Form 159 for upfront payments for Auction 98. Applicants need to complete FCC Form 159 carefully, because:

- **Mistakes may affect bidding eligibility; and**
- **Lack of consistency between information provided in FCC Form 159 (Revised 2/03), FCC Form 175, long-form application, and correspondence about an application may cause processing delays.**

Therefore appropriate cross-references between the FCC Form 159 Remittance Advice and the short-form application (FCC Form 175) are described below:

Block Number	Required Information
1	LOCKBOX # - Enter "979085"
2	Payer Name - Enter the name of the person or company making the payment. If the applicant itself is the payer, this entry would be the same as FCC Form 175.
3	Total Amount Paid - Enter the amount of the upfront payment associated with the FCC Form 159 (Revised 2/03).
4-8	Street Address, City, State, ZIP Code - Enter the street mailing address (not Post Office box number) where mail should be sent to the payer. If the applicant is the payer, these entries would be the same as FCC Form 175 from the Applicant Information section.
9	Daytime Telephone Number - Enter the telephone number of a person knowledgeable about this upfront payment.
10	Country Code - For addresses outside the United States, enter the appropriate postal country code (available from the Mailing Requirements Department of the U.S. Postal Service).
11	Payer FRN - Enter the payer's ten-digit FCC Registration Number ("FRN") registered in the Commission Registration System ("CORES").
21	Applicant FRN (Complete only if applicant is different than payer.) – Enter the applicant's ten-digit FRN registered in CORES.
24A	Payment Type Code - Enter "U098"
25A	Quantity - Enter the number "1"
26A	Fee Due - Amount of Upfront Payment
27A	Total Fee - Will be the same amount as 26A.
28A	FCC Code 1 - Enter the number "98" (indicating Auction 98).

NOTES:

- Do not use Remittance Advice (Continuation Sheet), FCC Form 159-C, for upfront payments.
- If applicant is different from the payer, complete blocks 13 through 21 for the applicant, using the same information shown on FCC Form 175. Otherwise leave them blank.
- Since credit card payments will not be accepted for upfront payments for an auction, leave Section E blank.

Winning Bidder Requirements, Down Payments and Final Payments

Specific information regarding down payments and final payments will be included in a post-auction public notice announcing the winning bidders.

**ATTACHMENT D:
SUPPLEMENTAL REGULATORY FLEXIBILITY ANALYSIS**

1. Consistent with the Regulatory Flexibility Act of 1980, as amended (RFA),²²⁵ as well as the Commission's obligations to small businesses under sections 309(j)(3)(B) and 309(j)(4)(D) of the Communications Act of 1934, as amended, the *Auction 98 Comment Public Notice* included an additional analysis to supplement the Commission's Initial and Final Regulatory Flexibility analyses completed in the underlying notices of proposed rulemaking and rulemaking orders, including the *Broadcast First Report and Order* and associated orders described above, which are hereby incorporated by reference.²²⁶ The Commission sought written public comment on the proposals in the *Auction 98 Comment Public Notice*, including comment on the supplemental analysis. None of the filed comments directly responded to the supplemental analysis in the *Auction 98 Comment Public Notice*.²²⁷ This supplemental analysis conforms to the RFA.²²⁸

2. **Need for, and Objectives of, the Proposed Competitive Bidding Procedures.** The Commission has established a framework of competitive bidding rules pursuant to which it has conducted auctions since the inception of the auction program in 1994 and will conduct Auction 98.²²⁹ The Commission has directed the Bureaus, under delegated authority, to promulgate the procedures, terms, and conditions of Commission auctions after seeking comment on a variety of auction-specific procedures prior to the start of each auction.²³⁰ This Public Notice establishes the procedures and minimum opening bid amounts for the upcoming auction of certain FM broadcast construction permits. As stated in the

²²⁵ 5 U.S.C. § 603. The Regulatory Flexibility Act, *see* 5 U.S.C. §§ 601-12, was amended by the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, Title II, 110 Stat. 857 (1996).

²²⁶ In promulgating auction rules, the Commission conducted numerous Regulatory Flexibility Act analyses to consider the possible impact of those rules on small businesses that might seek to participate in Commission auctions. *See, e.g.*, Implementation of Section 309(j) of the Communications Act – Competitive Bidding, PP Docket No. 93-253, *Notice of Proposed Rule Making*, FCC 93-455, 8 FCC Rcd 7635, 7666 Appendix (1993); Amendment of Part 1 of the Commission's Rules – Competitive Bidding Proceeding, WT Docket No. 97-82, *Order, Memorandum Opinion and Order and Notice of Proposed Rule Making*, FCC 97-60, 12 FCC Rcd 5686, 5749-53 Appendix C (1997) (“Part 1 Notice”); Implementation of Section 309(j) of the Communications Act – Competitive Bidding for Commercial Broadcast and Instructional Television Fixed Service Licenses, MM Docket No. 97-234, *Notice of Proposed Rulemaking*, FCC 97-397, 12 FCC Rcd 22363, 22416-22 Appendix B (1997); Implementation of the Commercial Spectrum Enhancement Act and Modernization of the Commission's Competitive Bidding Rules and Procedures, WT Docket No. 05-211, *Declaratory Ruling and Notice of Proposed Rule Making*, FCC 05-123, 20 FCC Rcd 11268, 11301-07 Appendix B (2005); Updating Part 1 Competitive Bidding Rules, WT Docket No. 14-170, *Notice of Proposed Rule Making*, FCC 14-146, 29 FCC Rcd 12426, 12488 Appendix B (2014) (“*Updating Part 1 Notice*”) (summarized at 79 Fed. Reg. 68172, 68194-99 (Nov. 14, 2014)). In addition, multiple Final Regulatory Flexibility Analyses (“FRFAs”) were included in the rulemaking orders which adopted or amended rule provisions relevant to this Public Notice. *See generally*, Implementation of the Commercial Spectrum Enhancement Act and Modernization of the Commission's Competitive Bidding Rules and Procedures, WT Docket No. 05-211, *Report and Order*, FCC 06-4, 21 FCC Rcd 891, 927-34 Appendix C (2006) (“*CSEA/Part 1 Report and Order*”); *Broadcast First Report and Order*, 13 FCC Rcd at 16015-27 Appendix B; *Part 1 Third Report and Order*, 13 FCC Rcd at 492-503 Appendix B; *Competitive Bidding Second Report and Order*, 9 FCC Rcd at 2400 ¶¶ 299-302.

²²⁷ One comment, however, expressed regret that “small players” or minorities had not acquired more FM station licenses in prior auctions. Xex Comments at 1.

²²⁸ *See* 5 U.S.C. § 604.

²²⁹ *See generally* 47 C.F.R. Part 1, Subpart Q. *See also* 47 C.F.R. §§ 73.5000, 73.5002-73.5003, 73.5005-73.5009.

²³⁰ 47 U.S.C. § 309(j)(3)(E)(i), 309(j)(4)(F); 47 C.F.R. § 1.2104(c), (d); *Part 1 Third Report and Order*, 13 FCC Rcd at 447-49 ¶¶ 123-25; *see Broadcast First Report and Order*, 13 FCC Rcd at 15967-15968 ¶¶ 127-28. *See generally*, 47 C.F.R. § 0.131; *Part 1 Order*, 12 FCC Rcd at 5697-98 ¶ 16.

Auction 98 Comment Public Notice, this process is intended to implement the Commission’s duty under section 309(j)(3)(e)(i) of the Communications Act of 1934, as amended, to provide notice and adequate time for potential applicants, including small businesses, to comment on some proposed auction procedures. As noted above, the Bureaus received four comments, with none directly addressing the Supplemental Regulatory Flexibility Analysis (“SRFA”) in the *Auction 98 Comment Public Notice*.²³¹ The objective of this Public Notice is to provide an overview of, and guidance on compliance with, the procedures, terms, and conditions governing Auction 98 and the post-auction application and payment processes for all potential Auction 98 participants, including small businesses.²³²

3. Under the procedures adopted to govern the conduct of Auction 98, each auction applicant must submit electronically through the FCC Auction System a complete, accurate and timely FCC Form 175, submit a timely and sufficient upfront payment, and use the FCC Auction System to place any bids. Auction 98 will be conducted using a simultaneous multiple-round auction format. Each bidder must place bids within bidding eligibility and activity requirements using minimum acceptable bid amounts and bid increments, and subject to bid removal procedures and a simultaneous stopping rule. In addition, any winning bidder that defaults or is disqualified after the auction must submit an additional default payment of 20 percent of the applicable bid under section 1.2104(g)(2).

4. **Summary of Significant Issues Raised by Public Comments in Response to the SRFA.** There were no comments directly addressing the supplemental analysis in the Comment Public Notice, and thus specific alternative procedures were not raised for consideration by the Bureaus. Nonetheless, the Bureaus carefully considered the potential impact of the auction procedures proposed in the SRFA on all potential participants, including small entities.

5. **Description and Estimate of the Number of Small Entities to which Specified Auction 98 Procedures Will Apply.** The RFA directs agencies to provide a description of and, where feasible, an estimate of the number of small entities that may be affected by rules proposed in that rulemaking proceeding, if adopted.²³³ The RFA generally defines the term “small entity” as having the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction.”²³⁴ In addition, the term “small business” has the same meaning as the term “small business concern” under the Small Business Act.²³⁵ A small business concern is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the Small Business Administration (“SBA”).²³⁶ Moreover, the SBA has created a small business size standard of \$38.5 million or less in annual receipts²³⁷ for “establishments primarily engaged

²³¹ Alvin Xex comments that the Commission should promote participation by smaller entities by encouraging partnerships with larger, more established companies. Xex Comments at 1. As noted elsewhere in this Public Notice, such partnerships may be permissible under the Commission’s rules though those arrangements could result in attribution of the larger partner’s broadcast interests, possibly causing loss of bidding credit eligibility. See note 37 above.

²³² See *Part 1 Third Report and Order*, 13 FCC Rcd at 447-49 ¶¶ 123-25; *Broadcast First Report and Order*, 13 FCC Rcd at 15967-68 ¶¶ 127-28; see also *Part 1 Order*, 12 FCC Rcd at 5697-98 ¶ 16.

²³³ 5 U.S.C. § 603(b)(3).

²³⁴ 5 U.S.C. § 601(6).

²³⁵ 5 U.S.C. § 601(3) (incorporating by reference the definition of “small business concern” in the Small Business Act, 15 U.S.C. § 632). Pursuant to 5 U.S.C. § 601(3), the statutory definition of a small business applies unless an agency, after consultation with the Office of Advocacy of the SBA, and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the Federal Register.

²³⁶ 15 U.S.C. § 632(a)(1996).

²³⁷ 13 C.F.R. § 121.201; North American Industrial Classification System (NAICS) code 515112.

in broadcasting aural programs.”²³⁸ The size data provided by the SBA, however, does not enable the Bureaus to make a meaningful estimate of the number of small entities who may apply to participate in Auction 98.

6. The procedures, terms, and conditions governing Auction 98 in this Procedures Public Notice will affect directly all applicants participating in Auction 98, including small businesses. The number of entities which may apply to participate in Auction 98 is unknown. However, the procedures, terms, and conditions described in this Public Notice will affect the same individuals and entities set forth in paragraphs 51 through 53 of the supplemental analysis undertaken in the *Auction 98 Comment Public Notice*.²³⁹ In that *Public Notice*, the Bureaus estimated that the number of applicants for Auction 98 may range from approximately 175 to 260 based on the numbers of applicants who filed short-form applications to participate in previous auctions of FM radio station construction permits (exclusive of closed auctions). However, the Bureaus also recognized that the number of auction applicants in Auction 98 could vary significantly as an applicant’s decision to participate at auction may be affected by factors outside of the Commission’s knowledge or control.²⁴⁰

7. We are unable to accurately ascertain the estimated number of small businesses that will participate in the Auction 98 based on the participation in previous auctions because the information collected does not correlate to a bidding credit based on businesses size (as is the case in auctions of licenses for wireless services). However, recent estimates by the Bureaus are instructive. The Bureaus recently estimated that 97 percent of radio broadcasters met the SBA’s prior definition of “small business concern,” based on annual revenues of \$7 million.²⁴¹ Moreover, the SBA has since increased that revenue threshold to \$38.5 million.²⁴² Based on this assessment, the Bureaus conclude that nearly all of Auction 98 applicants will likely meet the SBA’s definition of a small business concern.

8. **Description of Projected Reporting, Recordkeeping, and Other Compliance Requirements.** The Bureaus do not propose to implement any new reporting requirements, recordkeeping requirements or any other compliance requirements in this proceeding. As discussed in greater detail above, any individual or entity seeking to participate in an auction must submit electronically a short-form application (FCC Form 175).²⁴³ Additionally, if an applicant applies for a New Entrant Bidding Credit,²⁴⁴ the Commission uses information collected on its FCC Form 175 to determine whether the applicant is eligible for the Bidding Credit. If an applicant is a winning bidder, it is required to submit a more detailed long-form application (such as an FCC Form 301 for an FM station), including any additional information to demonstrate its eligibility for any bidding credit it may have claimed.

9. **Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered.** The RFA requires an agency to describe any significant alternatives beneficial to small entities considered in reaching a proposed approach, which may include the following four alternatives (among others): (1) establishment of differing compliance or reporting

²³⁸ U.S. Census Bureau, 2012 NAICS Definitions, “515112 Radio Stations,” at <http://www.census.gov/cgi-bin/sssd/naics/naicsrch>.

²³⁹ *Auction 98 Comment Public Notice* at ¶¶ 51-53.

²⁴⁰ *Id.*

²⁴¹ Revitalization of the AM Service, *Notice of Proposed Rule Making*, FCC 13-139, 28 FCC Red 15221, 15247 ¶ 6 (2013).

²⁴² 13 C.F.R. § 121.201; NAICS code 515112.

²⁴³ See 47 C.F.R. §§ 1.2105, 73.5002; see also Section II.A. “General Information Regarding Short-Form Applications,” above.

²⁴⁴ See 47 C.F.R. §§ 73.5007, 73.5008.

requirements or timetables that take into account the resources available to small entities; (2) clarification, consolidation, or simplification for small entities of compliance and reporting requirements; (3) use of performance, rather than design, standards; and (4) an exemption for small entities.²⁴⁵

10. In this Public Notice, the Bureaus describe the procedures, terms, and conditions governing Auction 98 and the post-auction process, which are summarized in paragraph 3 of this supplemental analysis. Throughout the auction process the Bureaus remain mindful of the Commission's statutory obligations to "ensure that small businesses, rural telephone companies, and businesses owned by members of minority groups and women are given the opportunity to participate in the provision of spectrum-based services."²⁴⁶ The statute also directs the Commission to promote "economic opportunity and competition . . . by avoiding excessive concentration of licenses and by disseminating licenses among a wide variety of applicants, including small businesses."²⁴⁷

11. Since the inception of the auction program in 1994, the Bureaus have taken steps to minimize the administrative burdens for applicants throughout the auction process while providing small businesses with the opportunity to participate in the provisioning of spectrum-based services. In Auction 98, these steps include, but are not limited to: (1) administration of a two-phase application process to minimize reporting and compliance requirements as well as to expedite the auction process, which in turn minimizes administrative costs for all applicants, including small businesses; (2) establishment of an Auctions website, CDBS, and other online resources containing guidance for prospective applicants available at no charge for auction applicants to conduct research concerning construction permits, auction mechanics, and Commission decisions and regulations; (3) operation of a web-based, interactive online tutorial and a mock auction online at no charge to facilitate applicant familiarization of the auction software and procedures; (4) conduct of bidding for Auction 98 electronically over the Internet, including online availability of round results and auction announcements; (5) availability of Commission staff to answer technical, legal, and other auction-related questions; and (6) a procedure for expedited return of an applicant's upfront payment by providing an online capability to request a refund before the close of the auction.

12. We also note that most of the Auction 98 rules would apply to all entities that choose to participate in FM broadcast auctions. However, based on the Bureaus' experience, applying the same rules equally in this context provides consistency and predictability to the auction process, and minimizes administrative burdens for all auction participants, including small businesses. For instance, the Bureaus will issue several further public notices prior to and after Auction 98 that seek to, among other things, clarify short-form application requirements and to clearly articulate the applicable procedures, Commission rules, and Federal statutes, in order to facilitate compliance by all applicants, including small businesses.

13. The Auction 98 process is designed to support the participation of small businesses. For instance, the Bureaus will publish public notices at key points of the auction process to keep applicants informed of auctions requirements and relevant deadlines. This Public Notice provides detailed guidance on how a small business can participate at auction and to ensure compliance with the Commission's competitive bidding rules. After the short-form application filing deadline, the Bureaus will inform applicants as to whether their short-form applications are complete, timely, and accurate, and will provide applicants with an opportunity to correct minor application deficiencies. About two weeks prior to the beginning of bidding in Auction 98, the Bureaus will announce the identities of those applicants that are qualified to bid in Auction 98. The timeline from the announcement of the Auction 98 to the execution of the Auction 98, including the publication of public notices, is designed to lower costs and burdens of

²⁴⁵ 5 U.S.C. § 603(c)(1) through (c)(4).

²⁴⁶ 47 U.S.C. § 309(j)(4)(D); *see also Updating Part 1 Notice*, 29 FCC Rcd at 12428 ¶ 4.

²⁴⁷ 47 U.S.C. § 309(j)(3)(B); *see also Updating Part 1 Notice*, 29 FCC Rcd at 12501 ¶ 37 Appendix B.

compliance with the Commission's competitive bidding rules for all applicants, including small businesses.

14. As described in greater detail above, Auction 98 will offer a New Entrant Bidding Credit for qualified entities, many of which may be small businesses.²⁴⁸ The New Entrant Biding Credit provides a qualifying new entrant with a percentage discount on auction winning bids and is designed to promote new entrant participation in the auction and the provision of FM broadcast service. Although the New Entrant Bidding Credit does not specifically target small businesses, as discussed above, we estimate that the majority of Auction 98 applicants will be small businesses.

15. Once Auction 98 bidding has closed, we will continue to provide information and services to auction applicants to facilitate compliance with the Bureaus' competitive bidding and media rules in the form of an additional public notice and continued support by Commission staff. At the conclusion of Auction 98, the Bureaus will release a public notice declaring the auction closed, identifying winning bidders, and establishing deadlines for submitting down payments, final payments and long-form applications, as well as posting on the Auction web site the auction results which will include the auction's winning bidders and winning bid amounts. In summary, a number of procedures which will be implemented in Auction 98 facilitate auction participation by all interested prospective FM applicants, including small entities.

16. **Federal Rules that May Duplicate, Overlap, or Conflict with the Procedures for which Comment is Solicited in this Public Notice.** None. These procedures for the conduct of Auction 98 constitute more specific implementation of the competitive bidding rules contemplated by Parts 1 and 73 of the Commission's rules and the foregoing orders, including the *Broadcast First Report and Order* and associated orders, and are fully consistent therewith.²⁴⁹

17. **Notice to Small Business Administration.** The Bureaus will send a copy of this Public Notice, including this supplemental analysis, to the Chief Counsel for Advocacy of the SBA. A summary of this Public Notice, including this supplemental analysis, will also be published in the Federal Register.²⁵⁰

²⁴⁸ See Section II.C. "New Entrant Bidding Credit" - Section II.D. "Application Requirements," above.

²⁴⁹ See note 226 above.

²⁵⁰ See 5 U.S.C. § 604(b).

**ATTACHMENT E:
SUMMARY LISTING OF JUDICIAL, COMMISSION AND BUREAU DOCUMENTS
ADDRESSING APPLICATION OF THE RULE PROHIBITING CERTAIN
COMMUNICATIONS, 47 C.F.R. § 1.2105(C)**

A. Judicial Decisions

Star Wireless, LLC v. FCC, 522 F.3d 469 (D.C. Cir. 2008).

High Plains Wireless, L.P. v. FCC, 276 F.3d 599 (D.C. Cir. 2002).

B. Commission Decisions

Procedural Amendments to Commission Part 1 Competitive Bidding Rules, *Order*, FCC 10-4, 25 FCC Rcd 521 (2010).

Service Rules for the 698-746, 747-762 and 777-792 MHz Bands, WT Docket No. 06-150, *Second Report and Order*, FCC 07-132, 22 FCC Rcd 15289, 15395 ¶¶ 285-86, 15489 (2007).

Star Wireless, LLC and Northeast Communications of Wisconsin, Inc., *Order on Review*, FCC 07-80, 22 FCC Rcd 8943 (2007).

Amendment of Part 1 of the Commission's Rules – Competitive Bidding Procedures, WT Docket No. 97-82, *Seventh Report and Order*, FCC 01-270, 16 FCC Rcd 17546 (2001).

Notice of Apparent Liability for Forfeiture of Western PCS BTA I Corp., *Memorandum Opinion and Order*, FCC 99-385, 14 FCC Rcd 21571 (1999); Application of Western PCS BTA I Corp., *Notice of Apparent Liability for Forfeiture*, FCC 98-42, 13 FCC Rcd 8305 (1998).

Notice of Apparent Liability for Forfeiture of US West Communications, Inc., *Order*, FCC 99-90, 14 FCC Rcd 8816 (1999); Application of US West Communications, Inc., *Notice of Apparent Liability for Forfeiture*, FCC 98-41, 13 FCC Rcd 8286 (1998).

Application of Mercury PCS II, LLC, *Memorandum Opinion and Order*, FCC 98-203, 13 FCC Rcd 23755 (1998); Applications of: Mercury PCS II, LLC, *Notice of Apparent Liability for Forfeiture*, FCC 97-388, 12 FCC Rcd 17970 (1997).

Amendment of Part 1 of the Commission's Rules – Competitive Bidding Procedures, WT Docket No. 97-82, *Third Report and Order and Second Further Notice of Proposed Rule Making*, FCC 97-413, 13 FCC Rcd 374, 463-469 ¶¶ 155-166 (1997).

Commercial Realty St. Pete, Inc., *Memorandum Opinion and Order*, FCC 96-400, 11 FCC Rcd 15374 (1996); Commercial Realty St. Pete, Inc., *Notice of Apparent Liability for Forfeiture*, FCC 95-58, 10 FCC Rcd 4277 (1995).

Implementation of Section 309(j) of the Communications Act – Competitive Bidding, PP Docket No. 93-253, *Memorandum Opinion and Order*, FCC 94-295, 9 FCC Rcd 7684, 7687-7689 ¶¶ 8-12 (1994).

Implementation of Section 309(j) of the Communications Act – Competitive Bidding, PP Docket No. 93-253, *Fourth Memorandum Opinion and Order*, FCC 94-264, 9 FCC Rcd 6858, 6866-6869 ¶¶ 47-60 (1994).

Implementation of Section 309(j) of the Communications Act – Competitive Bidding, PP Docket No. 93-253, *Second Memorandum Opinion and Order*, FCC 94-215, 9 FCC Rcd 7245, 7253-7254 ¶¶ 48-53 (1994).

Implementation of Section 309(j) of the Communications Act – Competitive Bidding, PP Docket No. 93-253, *Fifth Report and Order*, FCC 94-178, 9 FCC Rcd 5532, 5570-5571 ¶¶ 91-92 (1994).

Implementation of Section 309(j) of the Communications Act – Competitive Bidding, PP Docket No. 93-253, *Second Report and Order*, FCC 94-61, 9 FCC Rcd 2348, 2386-2388 ¶¶ 221-226 (1994).

C. Wireless Telecommunications Bureau Decisions

Lotus Communications Corp., *Order*, DA 08-1364, 23 FCC Rcd 9107 (Wireless Telecom. Bur. 2008).

Application of Nevada Wireless, *Memorandum Opinion and Order*, DA 98-1137, 13 FCC Rcd 11973 (Wireless Telecom. Bur. 1998).

Applications of High Plains Wireless, L.P., *Memorandum Opinion and Order*, DA 97-2451, 12 FCC Rcd 19627 (Wireless Telecom. Bur. 1997).

Applications of Mercury PCS II, LLC, *Memorandum Opinion and Order on Reconsideration*, DA 97-2324, 12 FCC Rcd 18093 (Wireless Telecom. Bur. 1997); Applications of Mercury PCS II, LLC, *Memorandum Opinion and Order*, DA 97-1782, 13 FCC Rcd 5756 (Wireless Telecom. Bur. 1997).

Applications of GWI PCS, Inc., *Memorandum Opinion and Order*, DA 97-674, 12 FCC Rcd 6441 (Wireless Telecom. Bur. 1997).

Amendment of Parts 21 and 74 of the Commission's Rules With Regard to Filing Procedures in the Multipoint Distribution Service and in the Instructional Television Fixed Service, MM Docket No. 94-131, *Order*, DA 95-2292, 11 FCC Rcd 9655 (Wireless Telecom. Bur. 1995).

1. Public Notices

Wireless Telecommunications Bureau Reminder of Anti-Collusion Rule Obligations, *Public Notice*, DA 04-3677, 19 FCC Rcd 22880 (Wireless Telecom. Bur. 2004).

Wireless Telecommunications Bureau Staff Provides Guidance on Completing the Short-Form Application (FCC Form 175) for Auction No. 40, Auction of Licenses for Lower and Upper Paging Bands, *Public Notice*, DA 01-2122, 16 FCC Rcd 16391 (Wireless Telecom. Bur. 2001).

Wireless Telecommunications Bureau Responds to Questions About the Local Multipoint Distribution Service Auction, *Public Notice*, DA 98-37, 13 FCC Rcd 341 (Wireless Telecom. Bur. 1998).

Wireless Telecommunications Bureau Provides Guidance on the Anti-Collusion Rule for D, E and F Block Bidders, *Public Notice*, DA 96-1460, 11 FCC Rcd 10134 (Wireless Telecom. Bur. 1996).

FCC Staff Clarifies Application of Anti-Collusion Rule to Broadband PCS "C" Block Reauction, *Public Notice*, DA 96-929, 11 FCC Rcd 7031 (Auc. Div. 1996).

Wireless Telecommunications Bureau Clarifies Spectrum Auction Anti-Collusion Rules, *Public Notice*, DA 95-2244, 11 FCC Rcd 9645 (Wireless Telecom. Bur. 1995).

2. Letters from the Office of General Counsel, the Wireless Telecommunications Bureau and the Media Bureau

Letter to John Cooper, Aurora Communications, Inc., from Margaret W. Wiener, DA 06-157, 21 FCC Rcd 523 (Auc. Div. 2006).

Letter to Howard A. Kalmenson, Lotus Communications Corp., from Margaret W. Wiener, DA 06-156, 21 FCC Rcd 520 (Auc. Div. 2006).

Letter to Colby M. May from Barbara A. Kreisman and Margaret W. Wiener, DA 05-2445, 20 FCC Rcd 14648 (Video and Auc. Divs. 2005).

Letter to Robert Pettit from Margaret W. Wiener, DA 00-2905, 16 FCC Rcd 10080 (Auc. Div. 2000).

Letter to John Reardon, Mobex Communications, Inc., from Amy J. Zoslov, DA 98-1861, 13 FCC Rcd 17877 (Auc. Div. 1998).

Letter to Elliott J. Greenwald from Christopher J. Wright, DA 98-644, 13 FCC Rcd 7132 (Gen. Counsel 1998).

Letter to David L. Nace from Kathleen O'Brien Ham, DA 96-1566, 11 FCC Rcd 11363 (Auc. Div. 1996).

Letter to Mark Grady from Kathleen O'Brien Ham, DA 96-587, 11 FCC Rcd 10895 (Auc. Div. 1996).

Letter to Jonathan D. Blake from Kathleen O'Brien Ham, DA 95-2404, 10 FCC Rcd 13783 (Auc. Div. 1995).

Letter to Leonard J. Kennedy from Rosalind K. Allen, Acting Chief, Commercial Radio Division, Wireless Telecommunications Bureau (released December 14, 1994).

Letter to R. Michael Senkowski from Rosalind K. Allen, Acting Chief, Commercial Radio Division, Wireless Telecommunications Bureau (released December 1, 1994).

Letter to Gary M. Epstein and James H. Barker from William E. Kennard, General Counsel, Federal Communications Commission (released October 25, 1994).

Letter to Alan F. Ciamporcero from William E Kennard, General Counsel, Federal Communications Commission (released October 25, 1994).

D. Enforcement Bureau Decisions

Cascade Access, L.L.C., *Notice of Apparent Liability for Forfeiture*, DA 09-207, 24 FCC Rcd 1350 (Enf. Bur. 2009).

Application of Star Wireless, LLC, *Forfeiture Order*, DA 04-3026, 19 FCC Rcd 18626 (Enf. Bur. 2004); Application of Star Wireless, LLC, *Notice of Apparent Liability for Forfeiture*, DA 03-2722, 18 FCC Rcd 17648 (Enf. Bur. 2003).

Application of Northeast Communications of Wisconsin, Inc., *Forfeiture Order*, DA 04-3027, 19 FCC Rcd 18635 (Enf. Bur. 2004); Application of Northeast Communications of Wisconsin, Inc., *Notice of Apparent Liability for Forfeiture*, DA 03-2723, 18 FCC Rcd 17672 (Enf. Bur. 2003).

E. Civil Actions Initiated by U.S. Department of Justice

USA v. Northeast Communications of Wisconsin, Inc., No. 07-C-715, 608 F.Supp.2d 1049 (E.D.Wis. June 25, 2008).

U.S. v. Omnipoint Corp., Proposed Final Judgments and Competitive Impact Statements, Department of Justice, 63 Fed. Reg. 65,228 (Nov. 25, 1998).

“Justice Department Sues Three Firms Over FCC Auction Practices,” *Press Release*, U.S. Department of Justice (Nov. 10, 1998).

Complaint, *U.S. v. Omnipoint Corp.*, No. 1:98CV02750 (D.D.C. Nov. 10, 1998).

Complaint, *U.S. v. Mercury PCS II, L.L.C.*, No. 1:98CV02751 (D.D.C. Nov. 10, 1998).

Complaint, *U.S. v. 21st Century Bidding Corp.*, No. 1:98CV02752 (D.D.C. Nov. 10, 1998).

How to Obtain Copies of Decisions Relating to Section 1.2105(c)

Many of the documents listed in this attachment can be retrieved from the following Commission web site: http://wireless.fcc.gov/auctions/prohibited_communications.

The documents may be located by using our search engine (select the link “search”). Documents retrieved from the web site are available in various formats including Word, WordPerfect, Acrobat Reader, Excel, and ASCII Text. To review a document in its entirety, including footnotes, it is necessary to access the document in WordPerfect, MS Word, or Acrobat Reader.

Additionally, documents are available for public inspection and copying between 8:00 a.m. and 4:30 p.m. Eastern Time (ET) Monday through Thursday or 8:00 a.m. to 11:30 a.m. ET Fridays at the FCC Reference Information Center, 445 12th Street, SW, Room CY-A257, Washington, DC 20554.