



PUBLIC NOTICE

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DA 18-700
July 6, 2018

MOCK AUCTION INFORMATION FOR THE CONNECT AMERICA FUND PHASE II AUCTION (AUCTION 903)

AU Docket No. 17-182
WC Docket No. 10-90

1. The Rural Broadband Auctions Task Force, in conjunction with Wireless Telecommunications Bureau and Wireline Competition Bureau (Bureaus), will conduct one Connect American Fund Phase II Auction (Auction 903) mock auction for all applicants listed as qualified to bid in the *Qualified Bidders Public Notice*.¹ The mock auction will be held on July 18-19, 2018. Participants will be able to use and become familiar with all features of the CAF II Bidding System that they will use during the actual bidding. The mock auction is designed so that, within several rounds of bidding, bidders will experience key auction events. The Task Force and Bureaus strongly recommend that all qualified bidders participate in the mock auction.

2. For the mock auction, each qualified bidder will be assigned a set of states and performance tier and latency combinations for which it may bid. A qualified bidder's assigned states and performance tier and latency combinations in the mock auction will not represent the actual states and performance tier and latency combinations for which it is qualified to bid in Auction 903.² The mock auction bidding scenarios and auction configuration, described below, do not predict actual bidding in the auction but are designed to provide qualified bidders with useful experience with the CAF II Bidding System.

3. Qualified bidders will be able to use their Auction 903 registration materials to access the bidding system environment for the mock auction starting at 10:00 a.m. ET on July 17, 2018.³ This will allow each qualified bidder to see the states(s) and performance tier and latency combination(s) it is assigned for the mock auction. Commission staff will be available for questions at the Auction Bidder Line phone number provided in the registration materials.

4. *Bidding Schedule.* Bidding in the mock auction will begin on July 18, 2018, and end on July 19, 2018. The mock auction will begin with round 1 and proceed through **six** rounds of bidding, with the following schedule:

¹ See *220 Applicants Qualified to Bid in the Connect America Fund Phase II Auction (Auction 903)*, Public Notice, DA 18-658 (WCB/WTB 2018) (*Auction 903 Qualified Bidders Public Notice*).

² Consistent with the anonymous bidding procedures in effect for Auction 903, states and performance tier and latency combinations will be confidentially assigned to each qualified bidder through the CAF II Bidding System environment that will be used for the mock auction. These data will be assigned randomly within the parameters described below.

³ See *Auction 903 Qualified Bidders Public Notice*, at 3, paras. 7-8.

<u>Bidding Round</u>	<u>Date</u>	<u>Time</u>
1	July 18	10:00 a.m. - 11:00 a.m. ET
2	July 18	1:00 p.m. - 2:00 p.m. ET
3	July 18	3:00 p.m. - 4:00 p.m. ET
4	July 19	10:00 a.m. - 11:00 a.m. ET
5	July 19	1:00 p.m. - 2:00 p.m. ET
6	July 19	3:00 p.m. - 4:00 p.m. ET

5. *State Selections.* Each Auction 903 qualified bidder will be assigned the same number of states for which it is eligible to bid in the actual auction, up to a maximum of 10 states. For example, if a qualified bidder is eligible to bid on eight states, it will be assigned eight states for the mock auction. If a qualified bidder is eligible to bid on more than 10 states, it will be assigned 10 states for the mock auction scenario. The states will be randomly selected for each qualified bidder.

6. *Performance Tier and Latency Combination Selections.* Each Auction 903 qualified bidder will be assigned the same number of performance tier and latency combinations as the maximum number of performance tier and latency combinations for which it is eligible to bid in any state in the actual auction, up to a maximum of four combinations. For example, if a qualified bidder is eligible to bid on at most two different performance tier and latency combinations, it will be assigned two performance tier and latency combinations for the mock auction scenario. If a qualified bidder is eligible to bid on more than four performance tier and latency combinations in any state, it will be assigned four performance tier and latency combinations for the mock auction. For the mock auction, qualified bidders will be assigned only performance tier and latency combinations with T+L weights less than or equal to 40, regardless of the T+L weights for which they are eligible in the actual bidding. For example, a bidder may be assigned gigabit performance tier with low latency, because the corresponding T+L weight is 0, which does not exceed 40. As another example, a bidder will not be assigned minimum performance tier and high latency, because the corresponding T+L weight is 90, which exceeds 40.

7. *Auction Configuration.* The opening base clock percentage for the mock auction will be set at 140 percent. The decrement percentage will be set at 20 percent for the first two rounds, and at 10 percent for the following rounds.⁴ That is, the base clock percentage for round 1 will be 120%, the base clock percentage for round 2 will be 100%, and the base clock percentage for round 3 will be 90%. In all other respects (e.g., annual budget, maximum switching percentage), the procedures for the start of Auction 903 will apply for the start of the mock auction.

8. For further information on the mock auction, contact Craig Bomberger, craig.bomberger@fcc.gov, or Martha Stancill, martha.stancill@fcc.gov. For Auction 903 legal questions, contact Mark Montano, mark.montano@fcc.gov, or Angela Kung, angela.kung@fcc.gov. All aforementioned staff also can be reached at (202) 418-0660. For general auction questions, contact Auction Hotline, (717) 338-2868. Press contact: Mark Wigfield, mark.wigfield@fcc.gov, (202) 418-0253. Additional information about the Connect America Fund Phase II auction is available at www.fcc.gov/auction/903.

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⁴ In contrast, at the start of Auction 903, the decrement percentage will be set at ten percent. See *Auction 903 Bidding Procedures Public Notice*, 33 FCC Rcd 1428, 1497, para. 216 (2018).