



Federal Communications Commission  
Washington, D.C. 20554

December 13, 2019

DA 19-1270

AU Docket No. 19-101

Mr. William Quimby  
2517 US Route 44, 11-222  
Salt Point, NY 12578

Re: 833 Auction Application of William Quimby

Dear Mr. Quimby:

On October 18, 2019, you filed an application to participate in the auction of certain toll free numbers in the 833 code (833 Auction).<sup>1</sup> On December 10, 2019, Somos, Inc. (Somos), the auctioneer for the 833 Auction, released a Public Notice announcing the applicants that are qualified to bid in the auction.<sup>2</sup> In that Public Notice, you were found to be non-qualified to bid in the 833 Auction. This letter explains the reasons for that determination.

In preparation for the 833 Auction, the Commission adopted procedures that limit the amount and type of information that may be shared by auction applicants until after the close of bidding and announcement of auction results. Specifically, the Commission stated that, among other things, “the amount of any upfront payment made by or on behalf of an applicant for the 833 Auction” will not be made public until after bidding has closed.<sup>3</sup> Applicants in the 833 Auction are also prohibited from communicating with any other applicant in any manner, the substance of its own, or one another’s, or any other competing applicant’s bids or bidding strategies.<sup>4</sup> The prohibition on certain communications became applicable for the 833 Auction at the auction application filing deadline on October 18, 2019, and will remain applicable until the post-auction final payment with late fee deadline.<sup>5</sup> The *833 Auction Procedures Public Notice* cautioned applicants that communicating non-public bidding information publicly or privately to another applicant may violate the prohibition on certain communications.<sup>6</sup> The procedures for the 833 Auction also prohibit certain agreements among applicants in the 833 Auction. Specifically, the prohibition applies to any agreements, arrangements, or understandings of any kind to which the applicant is a party relating to the toll free numbers being auctioned that address or

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<sup>1</sup> Auction application of William Quimby, Auction ID 39033466 (filed Oct. 18 2019) and amendment (filed Nov. 18, 2019). The auction applications of all 833 Auction applicants may be viewed online at [auction.somos.com](http://auction.somos.com).

<sup>2</sup> See Somos, *Auction of Toll Free Numbers in the 833 Code, 44 Applicants Qualified to Bid in 833 Auction* (Dec. 10, 2019), <https://auction.somos.com/sites/default/files/2019-12/qbnp.pdf> (*833 Auction Qualified Bidder Public Notice*).

<sup>3</sup> *Auction of Toll Free Numbers in the 833 Code; Notice and Filing Requirements, Upfront Payments, and Other Procedures for the 833 Auction; Bidding Scheduled to Begin December 17, 2019*, AU Docket No. 19-101, WC Docket No. 17-192, CC Docket No. 95-155, Public Notice, 34 FCC Rcd 6560, 6577, para. 54 (2019) (*833 Auction Procedures Public Notice*).

<sup>4</sup> *Id.* at 6568, para. 22.

<sup>5</sup> *Id.* at 6569, para. 24-25.

<sup>6</sup> *Id.* at 6571, para. 32.

communicate directly or indirectly bids, bidding strategies, or the post-auction market for toll free numbers.<sup>7</sup>

Based on information provided to Somos with the upfront payment of another applicant, John Thorn, and information conveyed by you in a voice mail message to Somos on November 27, 2019,<sup>8</sup> and your and Mr. Thorn's separate telephone conversations with FCC and Somos staff, on December 5, 2019 (December 5 conversations), you were listed as a non-qualified bidder in the *833 Auction Qualified Bidder Public Notice* because you and Mr. Thorn violated the 833 Auction rules and procedures set forth above. First, in the December 5 conversations, you and Mr. Thorn acknowledged entering into an agreement, arrangement or understanding in which you agreed to loan money to Mr. Thorn for the purpose of funding his upfront payment and therefore his participation in the 833 Auction. Such an arrangement is an agreement between applicants relating to the toll free numbers being auctioned that directly or indirectly addresses or communicates bids, bidding strategy, or the post-auction market for toll free numbers, and thus is an arrangement of the type prohibited between applicants in the 833 Auction.<sup>9</sup>

Second, you and Mr. Thorn violated the limited information procedures in place for the 833 Auction by revealing at least one applicant's upfront payment amount prior to the close of the auction. In the December 5 conversations, you and Mr. Thorn admitted that you made Mr. Thorn's upfront payment for the 833 Auction, which directly would have determined his bidding eligibility in the auction. Therefore, you gained direct knowledge of the amount of Mr. Thorn's upfront payment (and thus his bidding eligibility) because you made the payment.<sup>10</sup> The Commission specifically stated that such information should remain non-public until after the close of bidding.<sup>11</sup> Thus, by sharing that non-public information between two applicants, you violated the limited information procedures in place for the 833 Auction.

Finally, both you and Mr. Thorn engaged in communications after the auction application deadline that affect or have the potential to affect bids or bidding strategy of one or both applicants. In the December 5 conversations, you and Mr. Thorn conceded communicating information related to Mr. Thorn's upfront payment shortly before the upfront payment deadline of November 27, 2019, which was clearly within the prohibited communications period for the 833 Auction. The prohibition on certain communications is intended to, among other things,

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<sup>7</sup> *Id.* at 6575, para. 46.

<sup>8</sup> The deadline for submitting an upfront payment to participate in the 833 Auction was 6:00 p.m. Eastern Time on November 27, 2019.

<sup>9</sup> The Commission has received comments in the Toll Free Assignment Modernization docket and 833 Auction docket (WC Docket No. 17-192 and AU Docket No. 19-101) from parties stating that they paid for or placed orders with you to bid on 833 Auction numbers. If that is true, you should have disclosed such arrangements in your auction application, and by failing to do so, you may have violated additional 833 Auction rules and procedures. *See 833 Auction Procedures Public Notice*, 34 FCC Red at 6576, paras. 52-53, 6580-81, paras. 66-69, 6582-83, paras. 73-76.

<sup>10</sup> We also note for the record that you acknowledged that you attempted to make a cash upfront payment on Mr. Thorn's behalf to Somos's bank account, but because such a cash payment contravened the bank's procedures, the upfront payment was wired to Somos from an account you opened at the bank for this purpose. Thus, the bank's wire transfer to Somos noted that you were the payor. *See also 833 Auction Procedures Public Notice*, 34 FCC Red at 6589-90, para. 106 (allowing payment only by wire transfer or ACH under a certain threshold).

<sup>11</sup> *Id.* at 6577, para. 54.

facilitate detection of collusive conduct and deter anticompetitive behavior.<sup>12</sup> The amount of one's upfront payment, and thus bidding eligibility for an auction, has the potential to affect the bids or bidding strategy of one or both applicants. Communications between two applicants in the auction during the prohibited communications period that involve the bidding eligibility of one or both applicants is the type of communications that the prohibited communications procedure is intended to prevent. Furthermore, you failed to report this communication to the Commission and Somos within the five-day period required by the rules applicable to the 833 Auction. Specifically, any applicant that makes or receives a communication that appears to violate the prohibition on certain communications must report such communication in writing to the Commission and Somos staff immediately, and in no case later than five business days after the communication occurs.<sup>13</sup>

Because of these violations of the 833 Auction rules and procedures, you were found unqualified to participate in the bidding.

Sincerely,

Margaret W. Wiener  
Chief  
Auctions Division  
Office of Economics and Analytics

Pamela Arluk  
Chief  
Competition Policy Division  
Wireline Competition Bureau

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<sup>12</sup> See *Toll Free Assignment Modernization, Toll Free Service Access Codes*, Report and Order, 33 FCC Rcd 9274, 9292, para. 50 (2018) (citing *Expanding the Economic and Innovation Opportunities of Spectrum through Incentive Auctions*, Report and Order, 29 FCC Rcd 6567, 6736, para. 397 (2014); *Implementation of Section 309(j) of the Communications Act — Competitive Bidding*, 9 FCC Rcd at 2386-88, paras. 221, 225 (1994)).

<sup>13</sup> *833 Auction Procedures Public Notice*, 34 FCC Rcd at 6573, para. 39.