

information collected; and (d) ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology.

DATES: Written Paperwork Reduction Act (PRA) comments should be submitted on or before January 22, 2007. If you anticipate that you will be submitting comments, but find it difficult to do so within the period of time allowed by this notice, you should advise the contact listed below as soon as possible.

ADDRESSES: You may submit your all Paperwork Reduction Act (PRA) comments by e-mail or U.S. postal mail. To submit your comments by e-mail send them to PRA@fcc.gov. To submit your comments by U.S. mail, mark them to the attention of Cathy Williams, Federal Communications Commission, Room 1-C823, 445 12th Street, SW., Washington, DC 20554.

FOR FURTHER INFORMATION CONTACT: For additional information about the information collection(s) send an e-mail to PRA@fcc.gov or contact Cathy Williams at (202) 418-2918.

SUPPLEMENTARY INFORMATION:

OMB Control Number: 3060-0029.

Title: Application for TV Broadcast Station License; Application for Construction Permit for Reserved Channel Noncommercial Educational (NCE) Broadcast Station; Application for Authority to Construct or Make Changes in an FM Translator or FM Booster Station.

Form Number: FCC Forms 302-TV, 340 and 349.

Type of Review: Revision of a currently approved collection.

Respondents: Business or other for-profit entities; Not-for-profit entities and institutions; State, local or tribal government.

Number of Respondents: 2,785.

Estimated Time per Response: 0.50-4 hours.

Frequency of Response: On occasion reporting requirement; Recordkeeping requirement; Third party disclosure requirement.

Total Annual Burden: 8,370 hours.

Total Annual Cost: \$19,253,725.

Nature of Response: Required to obtain or retain benefits.

Privacy Impact Assessment: No impact(s).

Needs and Uses: On November 3, 2006, the Commission adopted the *Report and Order* ("R&O"), Revision of Procedures Governing Amendments to FM Table of Allotments and Changes of Community of License in the Radio Broadcast Services, MB Docket 05-210,

FCC 06-163. In this *R&O*, the Commission extended to noncommercial educational FM licensees and permittees the same ability to request changes of community of license by first come-first served minor modification application as was being granted to other commercial full-service AM standard band and FM licensees and permittees. Previously, because a change in an NCE station's community of license was considered a major modification in the station's facilities, an NCE applicant had to await the opening of an announced Noncommercial Educational (NCE) new and major change application filing window. Filing on a first-come first-served basis will significantly reduce the risk of application mutual exclusivity. The application of this new procedure to NCE stations was not proposed in the Notice of Proposed Rule Making in this proceeding, but the Commission found it to be a logical outgrowth of a proposal in that proceeding based on comments received, and accordingly adopted the change in the *R&O*. Thus, the Commission proposes to revise FCC Form 340 to accommodate NCE applicants who seek to change their NCE station's community of license by minor modification application.

Specifically, the Commission revises the FCC Form 340 to reflect the requirement that NCE applicants employing this procedure must include an exhibit demonstrating that the proposed community of license change comports with the fair, efficient and equitable distribution of radio service policies under Section 307(b) of the Communications Act of 1934, as amended. NCE applicants proposing a change in community of license must provide Section 307(b) information demonstrating the merits of locating the station in the new community, as opposed to the current community of license. This form, FCC Form 340, is the only form being revised by the FCC's action in this information collection. FCC Forms 302-TV and 349 remain unchanged.

FCC Form 302-TV is used by licensees and permittees of TV broadcast stations to obtain a new or modified station license and/or to notify the Commission of certain changes in the licensed facilities of these stations.

FCC 340 is used to apply for authority to construct a new noncommercial educational FM or TV station or to make changes in the existing facilities of such a station. The FCC 340 is to be used if the broadcast station will operate on a channel that is reserved exclusively for noncommercial educational use and on

non-reserved channels if the applicant proposes to build and operate a NCE station.

FCC Form 349 is used to apply for authority to construct a new FM translator or FM booster broadcast station, or to make changes in the existing facilities of such stations. This form also includes the third party disclosure requirement of 47 CFR 73.3580 (3060-0031). Section 73.3580 requires local public notice in a newspaper of general circulation of all application filings for new or major change in facilities. This notice must be completed within 30 days of the tendering of the application. This notice must be published at least twice a week for two consecutive weeks in a three-week period. A copy of this notice must be placed in the public inspection file along with the application.

There is no need for confidentiality with this collection of information.

Federal Communications Commission.

Marlene H. Dortch,

Secretary.

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FEDERAL COMMUNICATIONS COMMISSION

[AU Docket No. 06-104; Report No. AUC-06-69-B (Auction No. 69); DA 06-2014]

Auction of 1.4 GHz Band Licenses Scheduled for February 7, 2007; Notice and Filing Requirements, Minimum Opening Bids, Upfront Payments and Other Procedures for Auction No. 69

AGENCY: Federal Communications Commission.

ACTION: Notice.

SUMMARY: This document announces the procedures and minimum opening bids for the upcoming auction of licenses in the paired 1392-1395 MHz and 1432-1435 MHz bands, and in the unpaired 1390-1392 MHz band. This document is intended to familiarize prospective bidders with the procedures and minimum opening bids for this auction.

DATES: Bidding for Auction No. 69 is scheduled to begin on February 7, 2007.

FOR FURTHER INFORMATION CONTACT: *Wireless Telecommunications Bureau, Auctions Spectrum and Access Division:* For legal questions: Howard Davenport at (202) 418-0660. For general auction questions: Roy Knowles or Barbara Sibert at (717) 338-2868.

Mobility Division: For questions: Erin McGrath or Michael Connelly (legal) or Keith Harper (technical) and Bettye Woodward (licensing) at (202) 418-

0620. To request materials in accessible formats (Braille, large print, electronic files, audio format) for people with disabilities, send e-mail to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at (202) 418-0530 or (202) 418-0432 (TTY).

SUPPLEMENTARY INFORMATION: This is a summary of the *Auction No. 69 Procedures Public Notice* released on November 2, 2006. The complete text of the *Auction No. 69 Procedures Public Notice*, including attachments, as well as related Commission documents, are available for public inspection and copying from 8 a.m. to 4:30 p.m. Eastern Time (ET) Monday through Thursday or from 8 a.m. to 11:30 a.m. on Friday at the FCC Reference Information Center, Portals II, 445 12th Street, SW., Room CY-A257, Washington, DC 20554. The *Auction No. 69 Procedures Public Notice* and related Commission documents may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc. (BCPI), Portals II, 445 12th Street, SW., Room CY-B402, Washington, DC, 20554, telephone 202-488-5300, facsimile 202-488-5563, or Web site: <http://www.BCPIWEB.com>. When ordering documents from BCPI please provide the appropriate FCC document number, for example, DA 06-2014 for the *Auction No. 69 Procedures Public Notice*. The *Auction No. 69 Procedures Public Notice* and related documents are also available on the Internet at the Commission's Web site: <http://wireless.fcc.gov/auctions/69/>.

I. General Information

A. Introduction

1. The Federal Communications Commission (Commission) announces the procedures and minimum opening bid amounts for the upcoming auction of 1.4 GHz band licenses in the paired 1392-1395 MHz and 1432-1435 MHz bands, and in the unpaired 1390-1392 MHz band scheduled to begin on February 7, 2007 (Auction No. 69). On August 28, 2006, the Wireless Telecommunications Bureau (Bureau) released a public notice seeking comment on reserve prices or minimum opening bid amounts and the procedures to be used in Auction No. 69 for this spectrum reallocated for non-government use to provide fixed and mobile services, except for aeronautical mobile services. The Bureau received two comments and no reply comments in response to the *Auction No. 69 Comment Public Notice* 71 FR 51817, August 31, 2006.

2. In the *Auction No. 69 Comment Public Notice*, the Bureau proposed to include all 64 1.4 GHz band licenses in a single auction using the Commission's standard simultaneous multiple-round (SMR) auction format. The Bureau sought comment on the feasibility and desirability of allocating the 1.4 GHz band licenses using the Commission's package bidding format. Based on the record and the particular circumstances of the auction of 1.4 GHz band licenses, the Bureau will include all 64 1.4 GHz licenses in a single auction using the Commission's standard SMR format, as proposed. Package bidding will not be used in Auction No. 69.

3. The Bureau also sought comment in the *Auction No. 69 Comment Public Notice* on whether to implement procedures that would withhold certain information on bidder interests, and bidder identities that typically has been revealed prior to and during past Commission auctions. In particular, the Bureau asked commenters to indicate what factors weigh for or against limiting disclosure of bidder interests and identities, and whether the Commission should condition the use of any disclosure limits on a measure of competition in the auction.

4. For Auction No. 69, the Bureau will determine the information procedures based primarily on the eligibility ratio, a measure of likely competition in the auction. The eligibility ratio is defined as the total number of bidding units of eligibility purchased by bidders through their upfront payments, divided by the total number of bidding units for the licenses in the auction. Specifically, if the eligibility ratio equals or exceeds three, the Bureau will use the information procedures typically used in past FCC auctions, since with sufficient likely competition, the anti-competitive behavior that limited information procedures aim to deter is unlikely to be successful. If the eligibility ratio is less than three, in general the Bureau will withhold certain information on bidder interests and bidder identities. However, if the eligibility ratio is less than three, the Commission reserves the discretion to use information procedures typically used in past FCC auctions if circumstances indicate that limited information procedures would not be an effective tool for deterring anti-competitive behavior.

5. In the event that the conditions described above result in the use of procedures under which certain information is withheld, the Bureau will release: (1) Each bidder's eligibility and upfront payment made prior to the start of the auction; and (2) the amounts of

all gross bids for each license (including the losing bids) after each round, but not the identities of the bidders placing the bids. The Bureau believes this provides bidders with information regarding license valuations without compromising the goal of reducing the potential for anti-competitive outcomes.

6. Pursuant to these procedures, information on the license selections of auction applicants will be withheld, at least until the upfront payment deadline has passed and the Commission determines the information procedures that will be used for the auction. Therefore, to enable applicants to comply with the Commission's anti-collusion rules, once the Bureau has conducted its initial review of applications to participate in Auction No. 69, each applicant with a short-form application to participate in the pending auction will receive a letter that lists the applicants in Auction No. 69 that have applied for licenses in any of the same geographic areas as the applicant. The list will identify the applicants by name but will not provide the license selections of the applicants.

7. *Spectrum Relocation Fund*. The upper half of paired frequencies for 1.4 GHz band licenses, i.e., 1432-1435 MHz, is spectrum covered by a Congressional mandate that requires that auction proceeds fund the estimated relocation costs of incumbent federal entities and restricts the conclusion of an auction of affected spectrum, based on 110 percent of the estimated relocation costs. On December 27, 2005, pursuant to the Commercial Spectrum Enhancement Act (CSEA), 71 FR 26245, May 4, 2006, the National Telecommunications and Information Administration (NTIA) notified the Commission that there are no costs associated with relocating federal operations from the 1432-1435 MHz band. Thus, the CSEA revenue requirement will not affect the Commission's ability to conclude Auction No. 69.

i. Background of Proceeding

8. In its *Report and Order*, 67 FR 41847, June 20, 2002, the Commission adopted service rules to govern the licensing of the paired 1392-1395 MHz and 1432-1435 MHz bands, and the unpaired 1390-1392 MHz band. The Commission provided for the assignment of the 1390-1392 MHz band by Major Economic Areas, and the 1392-1395 MHz and 1432-1435 MHz bands by Economic Area Groups (EAGs). Further, the Commission allowed open eligibility for initial licenses assigned by geographic area licensing, and adopted technical

standards that were consistent with the part 27 rules and provide licensees flexibility. The Commission set a ten-year license term from the date of grant. Licensees must demonstrate that they are providing substantial service when they file their renewal application. The Commission allowed licensees to partition and/or disaggregate their licenses and applied the general competitive bidding rules set forth in 47 CFR part 1, Subpart Q.

ii. Licenses to be Auctioned

9. Auction No. 69 will offer 64 licenses: 12 Economic Area Grouping (EAG) licenses and 52 Major Economic Area (MEA) licenses. A complete list of the 1.4 GHz band licenses available in Auction No. 69 is included in Attachment A of the *Auction No. 69 Procedures Public Notice*.

B. Rules and Disclaimers

i. Relevant Authority

10. Prospective applicants must familiarize themselves thoroughly with the Commission's general competitive bidding rules set forth in 47 CFR part 1, including recent amendments and clarifications; rules relating to the 1.4 GHz band contained in Title 47 CFR part 27; and rules relating to applications, practice and procedure contained in Title 47 CFR part 1. Prospective applicants must also be thoroughly familiar with the procedures, terms and conditions contained in the *Auction No. 69 Procedures Public Notice* and the Commission's decisions in proceedings regarding competitive bidding procedures, application requirements, and obligations of Commission licensees.

11. The procedures, terms and conditions 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.

ii. Prohibition of Collusion; Compliance with Antitrust Laws

12. To ensure the competitiveness of the auction process, 47 CFR 1.2105(c) prohibits applicants competing for licenses 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 Forms 175) as parties with whom they have entered into agreements pursuant to § 1.2105(a)(2)(viii). In Auction No. 69, the rule would apply to any applicants bidding for the same EAG or MEA. The rule would also apply to applicants bidding for licenses in overlapping EAGs and MEAs, such as a situation when one applicant applies for an EAG and a second applicant applies for a MEA covering any area within that EAG. The rule would preclude applicants that apply to bid for all markets from communicating with all other applicants. Thus, applicants that have applied for the same markets (unless they have identified each other on their FCC Form 175 applications as parties with whom they have entered into agreements under § 1.2105(a)(2)(viii)) must affirmatively avoid all communications with or disclosures to each other that affect or have the potential to affect bids or bidding strategy, which may include communications regarding the post-auction market structure. This prohibition begins at the short-form application filing deadline and ends at the down payment deadline after the auction. This prohibition applies to all applicants regardless of whether such applicants become qualified bidders or actually bid.

13. For purposes of this prohibition, § 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.

14. Applicants for licenses for any of the same geographic license areas must not communicate directly or indirectly about bids or bidding strategy. Accordingly, such applicants are encouraged not to use the same individual as an authorized bidder. A violation of the anti-collusion rule 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. Also, if the authorized bidders are different individuals employed by the same organization a violation similarly could occur. 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 applicants and their bidding agents will comply with the anti-collusion rule. A violation of the anti-collusion rule could occur in other contexts, such as an individual serving as an officer for two or more applicants. Moreover, the Commission has found a violation of the anti-collusion rule where a bidder 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, 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. Bidders are cautioned that the Commission remains vigilant about prohibited communications taking place in other situations. 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. Applicants are hereby placed on notice that public disclosure of information relating to bidder interests and bidder identities that typically has been revealed prior to and during past Commission auctions, but is confidential in this auction at the time of disclosure, may violate the anti-collusion rule. Thus, communication by an applicant to another applicant for one or more of the same licenses of the applicant's license selections on its short-form application, or of the fact that the applicant does not or does not hold provisionally winning bids on particular licenses, may well violate the anti-collusion rule. Bidders should use caution in their dealings with other individuals, such as members of the press, financial analysts, or others who might become a conduit for the communication of prohibited bidding information. For example, where limited information disclosure procedures are in place, as in this auction, an applicant's statement to the press that it has lost bidding eligibility and stopped bidding in the auction could give rise to a finding of an anti-collusion violation.

15. 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 application. If parties agree in principle on all material terms prior to the short-form filing deadline, each party to the agreement must identify the other party or parties to the agreement on its short-form application under § 1.2105(c), even if the agreement has not been reduced to writing. 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 negotiations, discussions or communications with any other applicants after the short-form filing deadline.

16. By electronically submitting its short-form application, each applicant certifies its compliance with § 1.2105(c). However, the Bureau cautions that merely filing a certifying statement as part of an application will not outweigh specific evidence that collusive behavior has occurred, nor will it preclude the initiation of an investigation when warranted. Any applicant found to have violated the anti-collusion rule may be subject to sanctions.

17. Applicants are also reminded that, regardless of compliance with the Commission's rules, they remain subject to the antitrust laws. Compliance with the disclosure requirements of the Commission's anti-collusion rule will not insulate a party from enforcement of the antitrust laws. To the extent the Commission becomes aware of specific allegations that may give rise to violations of the federal antitrust laws the Commission may refer such allegations to the United States Department of Justice for investigation. 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.

18. As required by 47 CFR 1.65, an applicant must maintain the accuracy and completeness of information furnished in its pending application and must notify the Commission within 30 days of any substantial change that may be of decisional significance to that application. Thus, § 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. Applicants are therefore required by § 1.65 to report to the Commission any communications they have made to or received from another applicant after the short-form filing

deadline that affect or have the potential to affect bids or bidding strategy unless such communications are made to or received from parties to agreements identified under § 1.2105(a)(2)(viii). In addition, § 1.2105(c)(6) provides that any applicant that makes or receives a communication prohibited by § 1.2105(c) must report such communication to the Commission in writing immediately, and in no case later than five business days after the communication occurs.

19. As required by 47 CFR 1.2107(d), applicants that are winning bidders will be required to disclose in their long-form applications the specific terms, conditions, and parties involved in any bidding consortia, joint ventures, partnerships, agreements and other arrangements entered into relating to the competitive bidding process.

iii. Protection of Incumbent Government and Non-Government Operations

20. Potential applicants are advised that there are several government operations that will continue to operate in these bands.

21. *The 1390–1392 MHz Band.* Radio astronomy observations may be assigned in the 1350–1400 MHz band on an unprotected basis at the 16 radio astronomy observatories identified at 47 CFR 2.106 note US311. In the 1390–1400 MHz band, government operations authorized as of March 22, 1995, at the 17 sites identified at 47 CFR 2.106 note US351 will continue to operate on a fully protected basis until January 1, 2009. All other government operations, except for medical telemetry (1395–1400 MHz), will operate on a non-interference basis to authorized non-Government operations and shall not hinder implementation of any non-Government operations.

22. *The 1392–1395 MHz and 1432–1435 MHz Bands.* Radio astronomy observations may be assigned in the 1350–1400 MHz band on an unprotected basis at the 16 radio astronomy observatories identified at 47 CFR 2.106 note US311. In the 1390–1400 MHz band, government operations authorized as of March 22, 1995, at the 17 sites identified at 47 CFR 2.106 note US351 will continue to operate on a fully protected basis until January 1, 2009. All other government operations, except for medical telemetry (1395–1400 MHz), will operate on a non-interference basis to authorized non-Government operations and shall not hinder implementation of any non-Government operations. In the 1432–1435 MHz band, government stations in the fixed and mobile services may operate indefinitely on a primary basis

at the 23 sites identified at 47 CFR 2.106 note US361. All other Government stations in the fixed and mobile services shall operate on a primary basis until re-accommodated in accordance with the National Defense Authorization Act of 1999.

a. International Coordination.

23. Operations in the paired 1392–1395 MHz and 1432–1435 MHz bands and in the unpaired 1390–1392 MHz band must not cause harmful interference across the borders with Mexico and Canada. Until such time as agreements between the United States, Mexico and Canada become effective, the same technical restrictions at the border that are adopted for operation between geographic service areas will apply, to the extent they are not in violation of current bilateral agreements and arrangements. When interim arrangements or agreements between the United States, Mexico and Canada are final and become effective, licensees in the paired 1392–1395 MHz and 1432–1435 MHz bands and in the unpaired 1390–1392 MHz band must comply with these agreements. In addition, if these agreements are modified in the future, licensees in the paired 1392–1395 MHz and 1432–1435 MHz bands and in the unpaired 1390–1392 MHz band must comply with these modifications. Current agreements and coordination arrangements between the United States and Canada or Mexico may be found on the Commission's Web site under <http://www.fcc.gov/ib/sand/agree/welcome.html>.

b. Quiet Zones.

24. As specified at 47 CFR 1.924, 1.4 GHz Band licensees must protect the radio quiet zones set forth in the Commission's rules. Licensees are cautioned that they must receive the appropriate approvals directly from the relevant quiet zone entity prior to operating within the areas described in the Commission's rules.

iv. Due Diligence

25. The Bureau cautions potential applicants formulating their bidding strategies to investigate and consider the extent to which 1.4 GHz band frequencies are occupied. Applicants and their investors should also understand that Commission rules and requirements place limitations on the ability of 1.4 GHz band licensees to use this spectrum. Government and non-government incumbent operations in the 1.4 GHz band must be protected. These limitations may restrict the ability of 1.4 GHz band geographic area licensees to use certain portions of the electromagnetic spectrum or provide service to certain areas in their

geographic license areas. Bidders should become familiar with the status of these operations, applicable Commission rules, orders and any pending proceedings related to the service, in order to make reasoned, appropriate decisions about their participation in Auction No. 69 and their bidding strategy.

26. 1.4 GHz band licensees must comply with the pertinent rule sections set forth in 47 CFR part 27. Potential bidders should be aware that as part of the 2007 World Radio Communications Conference, WRC-07, NTIA has proposed more stringent out-of-band emission limits than presently specified in 47 CFR 27.53(i) in the bands 1350–1400 MHz and 1427–1452 MHz. The potential for stricter emission limits could impact the operations in these bands.

27. Potential bidders are reminded that they are solely responsible for investigating and evaluating all technical and marketplace factors that may have a bearing on the value of the 1.4 GHz band licenses in this auction. 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 licensee in the 1.4 GHz band subject to certain conditions and regulations. An FCC auction does not constitute an endorsement by the FCC of any particular service, technology, or product, nor does an FCC license constitute a guarantee of business success. Applicants should perform their individual due diligence before proceeding as they would with any new business venture.

28. Potential bidders are strongly encouraged to conduct their own research prior to the beginning of bidding in Auction No. 69 in order to determine the existence of any pending administrative or judicial proceedings that might affect their decision regarding participation in the auction. Participants in Auction No. 69 are strongly encouraged to continue such research throughout the auction. In addition, potential bidders should perform technical analyses sufficient to assure themselves that, should they prevail in competitive bidding for a specific license, they will be able to build and operate facilities that will fully comply with the Commission's technical and legal requirements.

29. Applicants should also be aware that certain pending and future proceedings, including applications (including those for modification), petitions for rulemaking, requests for special temporary authority, waiver

requests, petitions to deny, petitions for reconsideration, informal oppositions, and applications for review, before the Commission may relate to particular applicants or incumbent licensees or the licenses available in Auction No. 69. In addition, pending and future judicial proceedings may relate to particular applicants or incumbent licensees, or the licenses available in Auction No. 69. Prospective bidders are responsible for assessing the likelihood of the various possible outcomes, and considering their potential impact on spectrum licenses available in this auction.

30. Applicants should perform due diligence to identify and consider all proceedings that may affect the spectrum licenses being auctioned and that could have an impact on the availability of spectrum for Auction No. 69. In addition, although the Commission may continue to act on various pending applications, informal objections, petitions, and other requests for Commission relief, some of these matters may not be resolved by the beginning of bidding in the auction.

31. Applicants are solely responsible for identifying associated risks and for investigating and evaluating the degrees to which such matters may affect their ability to bid on, otherwise acquire, or make use of licenses available in Auction No. 69. Potential applicants are strongly encouraged to physically inspect any prospective sites located in, or near, the service area for which they plan to bid, and also to familiarize themselves with environmental review obligations.

32. Applicants may obtain information about non-Federal Government incumbent licenses that may have an effect on availability of licenses in Auction No. 69 through the Bureau's licensing databases at <http://wireless.fcc.gov/uls>.

33. The Commission makes no representations or guarantees regarding the accuracy or completeness of information in its databases or any third party databases. To the extent the Commission's databases may not include all information deemed necessary or desirable by an applicant, applicants may 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.

v. Use of Integrated Spectrum Auction System

34. The Commission will make available a browser-based bidding system to allow bidders to participate in Auction No. 69 over the Internet using the Commission's Integrated Spectrum Auction System (ISAS or 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.

vi. Bidder Alerts

35. As is the case with many business investment opportunities, some unscrupulous entrepreneurs may attempt to use Auction No. 69 to deceive and defraud unsuspecting investors. Information about deceptive telemarketing investment schemes is available from the Commission as well as the Federal Trade Commission (FTC) and the Securities and Exchange Commission (SEC). Complaints about specific deceptive telemarketing investment schemes should be directed to the FTC, the SEC, or the National Fraud Information Center.

vii. Environmental Review Requirements

36. Licensees must comply with the Commission's rules regarding implementation of the National Environmental Policy Act and other federal environmental statutes. The construction of a wireless antenna facility is a federal action and the licensee must comply with the Commission's environmental rules for each such facility. The Commission's environmental rules require, among other things, that the licensee consult with expert agencies having environmental responsibilities, including the U.S. Fish and Wildlife Service, the State Historic Preservation Office, the Army Corps of Engineers and the Federal Emergency Management Agency (through the local authority with jurisdiction over floodplains). In assessing the effect of facilities

construction on historic properties, the licensee must follow the provisions of the Nationwide Programmatic Agreement Regarding the Section 106 National Historic Preservation Act Review Process, 47 CFR part 1, Appendix C. The licensee must prepare environmental assessments for facilities 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. The licensee also must prepare environmental assessments for facilities that include high intensity white lights in residential neighborhoods or excessive radio frequency emission.

C. Auction Specifics

i. Auction Date

37. Bidding in Auction No. 69 will begin on Wednesday, February 7, 2007. The initial schedule for bidding will be announced by public notice at least one week before the start of the auction. Unless otherwise announced, bidding on all licenses will be conducted on each business day until bidding has stopped on all licenses.

ii. Auction Title

38. Auction No. 69—1.4 GHz band

iii. Bidding Methodology

39. As discussed in more detail below, the bidding methodology for Auction No. 69 will be simultaneous multiple round bidding. The Commission will conduct this auction over the Internet using the FCC Auction System, and telephonic bidding will be available as well. Qualified bidders are permitted to bid electronically via the Internet or by telephone. All telephone calls are recorded.

iv. Pre-Auction Dates and Deadlines

40. Dates and Deadlines.

Auction Seminar November 29, 2006
Short-Form Application (FCC Form 175)
Filing Window Opens—November 29, 2006; 12 noon ET.

Short-Form Application (FCC Form 175)
Filing Window Deadline—December 11, 2006; 6 p.m. ET.

Upfront Payments (via wire transfer)—
January 12, 2007; 6 p.m. ET.

Mock Auction—February 5, 2007.

Auction Begins—February 7, 2007.

v. Requirements for Participation

41. Those wishing to participate in the auction must: (1) Submit a short-form application (FCC Form 175) electronically prior to 6 p.m. Eastern Time (ET), December 11, 2006,

following the electronic filing procedures set forth in Attachment C to the *Auction No. 69 Procedures Public Notice*; (2) submit a sufficient upfront payment and an FCC Remittance Advice Form (FCC Form 159) by 6 p.m. ET, January 12, 2007; and (3) comply with all provisions outlined in the *Auction No. 69 Procedures Public Notice* and applicable Commission rules.

II. Short-Form Application (FCC Form 175) Requirements

42. An application to participate in an FCC auction provides information used in determining whether the applicant is legally, technically, and financially qualified to participate in Commission auctions for licenses or permits. The short-form application is the first part of the Commission's two-phased auction application process. In the first phase of this process, parties desiring to participate in the auction file streamlined, short-form applications in which they certify under penalty of perjury as to their qualifications. Eligibility to participate in bidding is based on the applicants' short-form applications and certifications as well as their upfront payments. In the second phase of the process, winning bidders file a more comprehensive long-form application.

43. Entities seeking licenses available in Auction No. 69 must file a short-form application electronically via the FCC Auction System prior to 6 p.m. ET on December 11, 2006, following the procedures prescribed in Attachment C of the *Auction No. 69 Procedures Public Notice*. If an applicant claims eligibility for a bidding credit, the information provided in its FCC Form 175 will be used in determining whether the applicant is eligible for the claimed bidding credit. Applicants bear full responsibility for submitting accurate, complete and timely short-form applications. 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 license. Applicants should read the instructions set forth in Attachment C carefully and should consult the Commission's rules to ensure that, in addition to the materials described below, all the information that is required under the Commission's rules is included with their short-form applications.

44. An entity may not submit more than one short-form application for a single auction. In the event that a party submits multiple short-form applications, only one application will be accepted for filing.

45. Applicants also should note that submission of a short-form application 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. 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.

A. Preferences for Small Businesses and Others

i. Size Standards for Bidding Credits

46. A bidding credit represents the amount by which a bidder's winning bid will be discounted. For Auction No. 69, bidding credits will be available to small businesses and very small businesses, and consortia thereof, as follows: (1) A bidder with attributed average annual gross revenues that exceed \$15 million and do not exceed \$40 million for the preceding three years (small business) will receive a 15 percent discount on its winning bid; and (2) a bidder with attributed average annual gross revenues that do not exceed \$15 million for the preceding three years (very small business) will receive a 25 percent discount on its winning bid. Bidding credits are not cumulative; a qualifying applicant receives either the 15 percent or 25 percent bidding credit on its winning bid, but not both.

47. Every applicant that claims eligibility for a bidding credit as either a small business or a very small business, or a consortium of small businesses or very small businesses, will be required to provide information regarding revenues attributable to the applicant, its affiliates, its controlling interests, and the affiliates of its controlling interests on its FCC Form 175 short-form application to establish that it satisfies the applicable eligibility requirement. Applicants claiming eligibility as a designated entity in Auction No. 69 should review carefully the *CSEA/Part 1 Designated Entity FNPRM*, 71 FR 6992, February 10, 2006, and the *Designated Entity Second Report and Order*, 71 FR 26245, May 4, 2006. In that connection, the Commission adopted rules governing eligibility for designated entity benefits

in the *Designated Entity Second Report and Order*. The Commission's new rules regarding applicants seeking eligibility for designated entity benefits requires the disclosure of a list of all parties with which the applicant has entered into arrangements for the lease or resale (including wholesale agreements) of any of the capacity of any of the applicant's spectrum; and a list, separately and in the aggregate, of the gross revenues of entities with which the applicant has an attributable material relationship, as defined in 47 CFR 1.2110(b)(3)(iv)(B). Certain otherwise attributable material relationships may not be attributable pursuant to the provisions of 47 CFR 1.2110(b)(3)(iv)(C)(2).

ii. Tribal Lands Bidding Credit

48. To encourage the growth of wireless services in federally recognized tribal lands, the Commission has implemented a tribal lands bidding credit.

iii. Installment Payments

49. Installment payment plans will not be available in Auction No. 69.

B. License Selection

50. In Auction No. 69, applicants must select the licenses on which they want to bid from the eligible licenses list. In Auction No. 69, the FCC Form 175 will include a filtering mechanism that allows an applicant to filter the available licenses. The applicant will make selections for one or more of the filter criteria and the system will produce a list of licenses satisfying the specified criteria. The applicant may select all the licenses in the customized list or select individual licenses from the list. Applicants also will be able to select licenses from one customized list and then create additional customized lists to select additional licenses. There will be no opportunity to change license selection after the short-form filing deadline. It is critically important that an applicant confirm its license selections before submitting its short-form application because the FCC Auction System will not accept bids on licenses that an applicant has not selected on its FCC Form 175.

C. Disclosure of Bidding Arrangements

51. Applicants will be required to 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 licenses being auctioned, including any agreements relating to post-auction market structure. Applicants also will be required to certify under penalty of perjury in their short-form applications

that they have 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 their bids, bidding strategies, or the particular licenses on which they will or will not bid. If an applicant has had discussions, but has not reached a joint bidding agreement by the short-form application filing deadline, it would not include the names of parties to the discussions on its application and may not continue such discussions with any applicants after the deadline.

52. After the filing of short-form applications, the Commission's rules do not prohibit a party holding a non-controlling, attributable interest in one applicant from acquiring an ownership interest in or entering into a joint bidding arrangement with other applicants 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. While the anti-collusion rules do not prohibit non-auction-related business negotiations among auction applicants, applicants are reminded that certain discussions or exchanges could touch upon impermissible subject matters because they may convey pricing information and bidding strategies. Further, compliance with the disclosure requirements of the Commission's anti-collusion rule will not insulate a party from enforcement of the antitrust laws.

D. Ownership Disclosure Requirements

53. All applicants must comply with the uniform part 1 ownership disclosure standards and provide information required by 47 CFR 1.2105 and 1.2112. 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. The ownership disclosure standards for the short form are prescribed in §§ 1.2105 and 1.2112. Each applicant is responsible for information submitted in its short-form application being complete and accurate.

54. 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 on-line

FCC Form 602 or in an FCC Form 175 filed for a previous auction using ISAS) will automatically be entered into the applicant's short-form application. Applicants are responsible for ensuring that the information submitted in their FCC Form 175 for Auction No. 69 is complete and accurate. Accordingly, applicants should carefully review any information automatically entered to confirm that it is complete and accurate as of the deadline for filing the short-form application. Applicants can update any information that was entered automatically and needs to be changed directly in the short-form application.

E. Bidding Credit Revenue Disclosures

55. To determine which applicants qualify for bidding credits as small businesses or very small businesses, the Commission considers the gross revenues of the applicant, its affiliates, its controlling interests, and the affiliates of its controlling interests. Therefore, entities applying to bid as small businesses (or consortia of small businesses or very small businesses) will be required to disclose on their FCC Form 175 short-form applications the gross revenues of each of the following for the preceding three years: (1) The applicant, (2) its affiliates, (3) its controlling interests, and (4) the affiliates of its controlling interests. Certification that the average annual gross revenues of such entities and individuals for the preceding three years do not exceed the applicable limit is not sufficient. In order to comply with the Commission's disclosure requirements for bidding credit eligibility, an applicant must provide separately for itself, its affiliates, its controlling interests, and the affiliates of its controlling interests, the gross revenues for each of the preceding three years. If the applicant is applying as a consortium of small businesses or very small businesses, this information must be provided for each consortium member.

56. Controlling interests of an applicant include individuals and entities with either *de facto* or *de jure* control of the applicant. Typically, ownership of at least 50.1 percent of an entity's voting stock evidences *de jure* control. *De facto* control is determined on a case-by-case basis. The following are some common indicia of *de facto* control: (1) The entity constitutes or appoints more than 50 percent of the board of directors or management committee; (2) the entity has authority to appoint, promote, demote, and fire senior executives that control the day-to-day activities of the licensee; and (3)

the entity plays an integral role in management decisions.

57. Officers and directors of an applicant are also considered to have controlling interest in the applicant. The Commission does not impose specific equity requirements on controlling interest holders. Once the principals or entities with a controlling interest are determined, only the revenues of those principals or entities, the affiliates of those principals or entities, and the applicant and its affiliates will be counted in determining small business eligibility.

58. In recent years the Commission has made modifications to its rules governing the attribution of gross revenues for purposes of determining small business eligibility. These changes include exempting the gross revenues of the affiliates of a rural telephone cooperative's officers and directors from attribution to the applicant if certain specified conditions are met. The Commission has also clarified that, in calculating an applicant's gross revenues under the controlling interest standard, it will not attribute the personal net worth, including personal income, of its officers and directors to the applicant. However, to the extent that the officers and directors of the applicant are controlling interest holders of other entities, the gross revenues of those entities will be attributed to the applicant.

59. A consortium of small businesses or very small businesses is a conglomerate organization composed of two or more entities, each of which individually satisfies the definition of a small business or very small business as those terms are defined in the service-specific rules. Thus, each member of a consortium of small or very small businesses that applies to participate in Auction No. 69 must individually meet the definition of small business or very small business adopted by the Commission for the 1.4 GHz band. Each consortium member must disclose its gross revenues along with those of its affiliates, its controlling interests, and the affiliates of its controlling interests. Although the gross revenues of the consortium members will not be aggregated for purposes of determining the consortium's eligibility as a small business or very small business, this information must be provided to ensure that each individual consortium member qualifies for any bidding credit awarded to the consortium.

Significantly, the *CSEA/Part 1 Report and Order* modified the procedure by which a consortium that is a winning bidder will apply for a license. Applicants applying as consortia should

review that order, as well as 47 CFR 1.2107(g) and 1.2110(b)(3), for this license application procedure.

F. Provisions Regarding Former and Current Defaulters

60. Each applicant must state under penalty of perjury on its short-form application whether or not the applicant, its affiliates, its controlling interests, and the affiliates of its controlling interests, as defined by 47 CFR 1.2110, have ever been in default on any Commission license or have ever been delinquent on any non-tax debt owed to any Federal agency. In addition, each applicant must certify under penalty of perjury on its short-form application that as of the short-form filing deadline, the applicant, its affiliates, its controlling interests, and the affiliates of its controlling interests, as defined by § 1.2110, are not in default on any payment for a Commission license (including downpayments) and that they are not delinquent on any non-tax debt owed to any Federal agency. 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.

61. Former defaulters—*i.e.*, applicants, including any of their affiliates, any of their controlling interests, or any of the affiliates of its controlling interests, that in the past have defaulted on any Commission license or been delinquent on any non-tax debt owed to any Federal agency, but that have since remedied all such defaults and cured all of their outstanding non-tax delinquencies—are eligible to bid in Auction No. 69, provided that they are otherwise qualified. However, former defaulters are required to pay upfront payments that are fifty percent more than the normal upfront payment amounts.

62. Current defaulters—*i.e.*, applicants, including any of their affiliates, any of their controlling interests, or any of the affiliates of their controlling interests, that are in default on any payment for any Commission license (including downpayments) or are delinquent on any non-tax debt owed to any Federal agency as of the filing deadline for applications to participate in this auction—are not eligible to bid in Auction No. 69.

63. 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. 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 47 CFR 1.2105(a) and 1.2106(a) only after the expiration of a final payment deadline. Therefore, with respect to regulatory or application fees, the provisions of §§ 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. However, 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. Failure to comply with the terms of a particular demand letter in the time period provided may render the subject debt delinquent, notwithstanding rules generally permitting late payments.

64. 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 the Commission's obligations under the Debt Collection Improvement Act of 1996, which governs the collection of claims owed to the United States. Under the red light rule, the Commission will not process applications and other requests for benefits filed by parties that have outstanding debts owed to the Commission. In the same rulemaking order, the Commission explicitly declared, however, that the Commission's competitive bidding rules are not affected by the red light rule. As a consequence, the Commission's adoption of the red light rule does not alter the applicability of any of the Commission's competitive bidding rules, including the provisions and certifications of §§ 1.2105 and 1.2106, with regard to current and former defaults or delinquencies. Applicants are reminded, however, that the Commission's Red Light Display System, which provides information regarding debts owed to the Commission, may not be determinative of an auction applicant's ability to comply with the default and delinquency disclosure requirements of § 1.2105. Thus, while the red light rule ultimately may prevent the processing of long-form applications by auction winners, an auction applicant's red light

status is not necessarily determinative of its eligibility to participate in this auction or of its upfront payment obligation.

65. Prospective applicants in Auction No. 69 should note that any long-form applications filed after the close of competitive bidding will be reviewed for compliance with the Commission's red light rule, and such review may result in the dismissal of a winning bidder's long-form application. Applicants that have their long-form applications dismissed will be deemed to have defaulted and will be subject to default payments under 47 CFR 1.2104(g) and 1.2109(c).

G. Other Information

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

H. Minor Modifications to Short-Form Applications (FCC Form 175)

67. As of the deadline for filing short-form applications (FCC Forms 175) at 6:00 p.m. ET on December 11, 2006, applicants are permitted to make only minor changes to their applications. Applicants are not permitted to make major modifications to their applications (e.g., change their license selections, change control of the applicant, change the certifying official, or claim eligibility for a higher bidding credit). Permissible minor changes include deletion and addition of authorized bidders and revision of addresses and telephone numbers of the applicants and their contact persons.

68. Any application amendment and related statements of fact must 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) by 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.

69. An applicant must make permissible minor changes to its short-form application as such changes are

defined by 47 CFR 1.2105(b), electronically, using the FCC Auction System. Applicants must click on the Submit button in the FCC Auction System for the changes to be submitted and considered by the Commission. Note: After the filing window has closed, the auction system will not permit applicants to make certain changes, such as legal classification, and bidding credit.

70. In addition, an applicant should submit a letter briefly summarizing the changes and subsequently update their short-form applications in ISAS as soon as possible. Any letter describing changes to an applicant's short-form application should be submitted by electronic mail to the following address: auction69@fcc.gov. The electronic mail summarizing the changes must include a subject or caption referring to Auction No. 69 and the name of the applicant. The Bureau requests that parties format any attachments to electronic mail as Adobe® Acrobat® (pdf) or Microsoft® Word documents.

71. Applicants must not submit application-specific material through the Commission's Electronic Comment Filing System (ECFS), which was used for submitting comments regarding Auction No. 69 procedures.

I. Maintaining Current Information in Short-Form Applications (FCC Form 175)

72. 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 within 30 days of any substantial change that may be of decisional significance to that application. Changes that cause a loss of or reduction in eligibility for a bidding credit must be reported immediately. If an amendment reporting substantial changes is a major amendment, as defined by 47 CFR 1.2105, the amendment will not be accepted and may result in the dismissal of the short-form application.

73. After the short-form filing deadline, applicants may make only minor changes to their FCC Form 175 applications. Applicants must click on the SUBMIT button in the FCC Auction System for the changes to be submitted and considered by the Commission. In addition, applicants must submit a letter, briefly summarizing the changes, by electronic mail at the following address: auction69@fcc.gov. The electronic mail summarizing the changes must include a subject or caption referring to Auction No. 69 and the name of the applicant. The Bureau

requests that parties format any attachments to electronic mail as Adobe® Acrobat® (pdf) or Microsoft® Word documents.

74. Applicants must not submit application-specific material through the Commission's Electronic Comment Filing System (ECFS) into the record of the proceeding concerning Auction No. 69 procedures.

III. Pre-Auction Procedures

A. Auction Seminar—November 29, 2006

75. On Wednesday, November 29, 2006, the FCC will sponsor a free seminar for parties interested in participating in Auction No. 69 at the FCC headquarters, located at 445 12th Street, SW., Washington, DC. The seminar will provide attendees with information about pre-auction procedures, completing FCC Form 175, auction conduct, the FCC Auction System, auction rules, and the 1.4 GHz band rules. The seminar will also provide an opportunity for prospective bidders to ask questions of FCC staff concerning the auction, auction procedures, filing requirements and other matters related to this auction.

76. To register, please provide the information listed on Attachment B of the *Auction No. 69 Procedures Public Notice* by Monday, November 27, 2006. Registrations are accepted on a first-come, first-served basis.

77. For individuals who are unable to attend, an Audio/Video webcast of this seminar will be available from the FCC's Auction No. 69 Web page at <http://wireless.fcc.gov/auctions/69/>.

B. Short-Form Application (FCC Form 175)—Due Prior to 6 p.m. ET on December 11, 2006

78. In order to be eligible to bid in this auction, applicants must first submit an FCC Form 175 application electronically via the FCC Auction System. This application must be received at the Commission prior to 6 p.m. ET on December 11, 2006. Late applications will not be accepted. There is no application fee required when filing an FCC Form 175. However, to be eligible to bid, an applicant must submit an upfront payment.

79. Applications may generally be filed at any time beginning at noon ET on November 29, 2006, and the filing window will close at 6 p.m. ET on December 11, 2006. Applicants are strongly encouraged to file early and are responsible for allowing adequate time for filing their applications. Applicants may update or amend their applications multiple times until the filing deadline on December 11, 2006.

80. Applicants must always click on the SUBMIT button on the Certify & Submit screen of the electronic form to successfully submit their FCC Form 175's or modifications. Any form that is not submitted will not be reviewed by the FCC. Information about accessing, completing, and viewing the FCC Form 175 is included in Attachment C of the *Auction No. 69 Procedures Public Notice*. FCC Auctions Technical Support is available.

C. Application Processing and Minor Corrections

81. After the deadline for filing the FCC Form 175 applications has passed, the FCC will process all timely submitted applications to determine which are acceptable for filing, and subsequently will issue a public notice identifying: (1) Those applications accepted for filing; (2) those applications rejected; and (3) those applications which have minor defects that may be corrected, and the deadline for resubmitting corrected applications.

82. After the short-form filing deadline on December 11, 2006, applicants may make only minor corrections to their FCC Form 175 applications. Applicants will not be permitted to make major modifications to their applications (e.g., change their license selections, change control of the applicant, change certifying official, or claim eligibility for a higher bidding credit).

D. Upfront Payments—Due January 12, 2007

83. In order to be eligible to bid in the auction, applicants must submit an upfront payment accompanied by an FCC Remittance Advice Form (FCC Form 159). After completing the FCC Form 175, filers will have access to an electronic version of the FCC Form 159 that can be printed and sent by facsimile to Mellon Bank in Pittsburgh, PA. All upfront payments must be received in the proper account at Mellon Bank by 6 p.m. ET on January 12, 2007.

i. Making Auction Payments by Wire Transfer

84. Wire transfer payments must be received by 6 p.m. ET on January 12, 2007. To avoid untimely payments, applicants should discuss arrangements (including bank closing schedules) with their banker 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.

85. At least one hour before placing the order for the wire transfer (but on the same business day), applicants must

send by facsimile a completed FCC Form 159 (Revised 2/03) to Mellon Bank at (412) 209-6045. On the facsimile cover sheet, the applicant must write Wire Transfer—Auction Payment for Auction No. 69. In order to meet the Commission's upfront payment deadline, an applicant's payment must be credited to the Commission's account before the deadline. Applicants are responsible for obtaining confirmation from their financial institution that Mellon Bank has timely received their upfront payment and deposited it in the proper account.

86. Please note that: (1) All payments must be made in U.S. dollars; (2) all payments must be made by wire transfer; (3) upfront payments for Auction No. 69 go to a lockbox number different from the lockboxes used in previous FCC auctions, and different from the lockbox number to be used for post-auction payments; and (4) failure to deliver the upfront payment by the January 12, 2007 deadline, will result in dismissal of the application and disqualification from participation in the auction.

ii. FCC Form 159

87. A completed FCC Remittance Advice Form (FCC Form 159, Revised 2/03) must be sent by facsimile to Mellon Bank to accompany each upfront payment. Proper completion of FCC Form 159 (Revised 2/03) is critical to ensuring correct crediting of upfront payments. Detailed instructions for completion of FCC Form 159 are included in Attachment D of the *Auction No. 69 Procedures Public Notice*. The FCC Form 159 can be completed electronically, but must be filed with Mellon Bank via facsimile.

iii. Upfront Payments and Bidding Eligibility

88. In the *Auction No. 69 Comment Public Notice*, the Bureau proposed 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. In order to bid on a license, otherwise qualified bidders that selected that license on Form 175 must have a current eligibility level that meets or exceeds the number of bidding units assigned to that license. At a minimum, therefore, an applicant's total upfront payment must be enough to establish eligibility to bid on at least one of the licenses selected on its 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 licenses the applicant selected on its Form 175,

but rather to cover the maximum number of bidding units that are associated with licenses on which the bidder wishes to place bids and hold provisionally winning bids at any given time. Provisionally winning bids are bids that would become final winning bids if the auction were to close after the given round.

89. In the *Auction No. 69 Comment Public Notice*, the Bureau proposed to calculate upfront payments for Auction No. 69 on a license-by-license basis using the following formula:

$\$0.005 * \text{MHz} * \text{License Area Population with a minimum of } \$1,000 \text{ per license.}$ The Bureau set forth the specific upfront payments and bidding units for each license in Attachment A of the *Auction No. 69 Comment Public Notice* and sought comment on this proposal. The Bureau received no comments in response to the proposed upfront payments. The specific upfront payments and bidding units for each license are set forth in Attachment A of the *Auction No. 69 Procedures Public Notice*.

90. Applicants must make upfront payments sufficient to obtain bidding eligibility on the licenses on which they will bid. 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. In order to make this calculation, an applicant should add together the upfront payments for all licenses 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. In some cases, a qualified bidder's maximum eligibility may be less than the amount of its upfront payment because the qualified bidder, pursuant to 47 CFR 1.2106(a), has either previously been in default on a Commission license or delinquent on a non-tax debt owed to a Federal agency, or has submitted an upfront payment that exceeds the total amount of bidding units associated with the licenses the applicant selected on its FCC Form 175 application.

91. In the *Part 1 Fifth Report and Order*, 65 FR 52323, August 29, 2000, the Commission ordered that applicants that are former defaulters be required to pay upfront payments 50 percent greater than non-former defaulters. 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 47 CFR 1.2110.

Accordingly, former defaulters should calculate their upfront payment for all licenses by multiplying the number of bidding units on which they wish to be active by 1.5. 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. If a former defaulter fails to submit a sufficient upfront payment to establish eligibility to bid on at least one of the licenses applied for on its Form 175, the applicant will not be eligible to participate in the auction.

92.

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

93. To ensure that refunds of upfront payments are processed in an expeditious manner, the Commission is requesting that all pertinent information as specified in the *Auction No. 69 Procedures Public Notice* be supplied to the FCC. For example, the Commission must be provided with a Taxpayer Identification Number (TIN) before it can disburse refunds. 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 manually sent by facsimile to the FCC, Financial Operations Center, Auctions Accounting Group, ATTN: Gail Glasser. 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.

E. Auction Registration

94. Approximately ten days before the auction, the FCC will issue a public notice announcing all qualified bidders for the auction. Qualified bidders are those applicants whose FCC Form 175 applications have been accepted for filing and have timely submitted upfront payments sufficient to make them eligible to bid.

95. 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® cards that

will be required to place bids, the Integrated Spectrum Auction System (ISAS) Bidder's Guide, and the Auction Bidder Line phone number.

96. Qualified bidders that do not receive this registration mailing will not be able to submit bids. Therefore, any qualified bidder that has not received this mailing by noon on Thursday, February 1, 2007, should call (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 material.

97. In the event that SecurID® cards 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-form application may request replacement registration material. Qualified bidders requiring the replacement of these items must call Technical Support.

F. Remote Electronic Bidding

98. The Commission will conduct this auction over the Internet, and telephonic bidding will be available as well. Qualified bidders are permitted to bid electronically and telephonically. Each applicant should indicate its bidding preference—electronic or telephonic—on the FCC Form 175. In either case, each authorized bidder must have its own SecurID® card, which the FCC will provide at no charge. Each applicant with one authorized bidder will be issued two SecurID cards, while applicants with two or three authorized bidders will be issued three cards. For security purposes, the SecurID® cards, the telephonic bidding telephone number, and the Integrated Spectrum Auction System (ISAS) Bidder's Guide are only mailed to the contact person at the contact address listed on the FCC Form 175. Please note that each SecurID® card is tailored to a specific auction; therefore, SecurID® cards issued for other auctions or obtained from a source other than the FCC will not work for Auction No. 69.

G. Mock Auction—February 5, 2007

99. All qualified bidders will be eligible to participate in a mock auction on Monday, February 5, 2007. The mock auction will enable applicants to become familiar with the FCC Auction System prior to the auction. Participation by all bidders is strongly recommended. Details will be announced by public notice.

IV. Auction Event

100. The first round of bidding for Auction No. 69 will begin on

Wednesday, February 7, 2007. The initial bidding schedule will be announced in a public notice listing the qualified bidders, which is to be released approximately 10 days before the start of the auction.

A. Auction Structure

i. Simultaneous Multiple Round Auction

101. In the *Auction No. 69 Comment Public Notice*, the Bureau proposed to auction all 1.4 GHz band licenses in a single auction using the Commission's standard simultaneous multiple-round (SMR) auction format. This type of auction offers every license for bid at the same time and consists of successive bidding rounds in which eligible bidders may place bids on individual licenses. A bidder may bid on, and potentially win, any number of licenses. Typically, bidding remains open on all licenses until bidding stops on every license, unless a modified stopping rule is invoked.

102. The Bureau also sought comment on using a simultaneous multiple-round with package bidding (SMR-PB) format for Auction No. 69. A commenter advocated in its brief comments that the Bureau employ package bidding because bidders likely will wish to aggregate licenses to put together nationwide coverage or coverage of substantial parts of the country. However, the SMR format addresses such a need to aggregate spectrum licenses. The Bureau does not believe that the circumstances of Auction No. 69 present significant conflicting complementarities that could weigh more strongly in favor of package bidding.

103. Two comments were filed suggesting that package bidding be used and recommending modifications to the SMR-PB format as programmed in the FCC Auction System, noting that the current package bidding format may be too complex. The Bureau is not persuaded that the economic characteristics of the 1.4 GHz Band weigh in favor of package bidding and therefore, the Bureau will not use an SMR-PB format for Auction No. 69. As a result, the Bureau did not address the specifics of the SMR-PB format in the *Auction No. 69 Procedures Public Notice*.

104. The Bureau concludes that the standard SMR auction format will meet the needs of bidders in Auction No. 69, and the Bureau adopted its proposal to use a simultaneous multiple-round auction format without package bidding. Unless otherwise announced, bids will be accepted on all licenses in each round of the auction until bidding stops

on every license. This approach, the Bureau believes, allows bidders to take advantage of synergies that exist among licenses.

ii. Information Available to Bidders Before and During the Auction

105. In the *Auction No. 69 Comment Public Notice*, the Bureau sought comment on whether to implement procedures that would limit the disclosure of information on bidder interests and identities relative to the information procedures that have typically been used for Commission auctions. In that connection, the Bureau sought comment on whether technological considerations or the likely level of competition in Auction No. 69 weigh in favor of or against limiting the disclosure of information on bidder interests and identities relative to most past Commission spectrum auctions, or whether the Commission should condition the implementation of such limits on a measure of the competitiveness of the auction, such as the eligibility ratio or a modified version of the eligibility ratio. The Bureau received no comments on this issue.

106. Although the Commission has the option to limit the availability of information on an auction-by-auction basis, in the past, the Commission generally has elected not to limit such information. However, as discussed by the Commission in connection with Auction No. 66, there are potential harms as well as benefits from publicly revealing all information during the auction process. The potential harms from anti-competitive behavior facilitated by the release of certain information are likely to be greater when the auction is less competitive—that is, when the number of bidders and the level of upfront payments are relatively low compared to the number of licenses offered. Therefore, for Auction No. 69, the Bureau will use limited information procedures if it appears likely that the competitiveness of the auction will be low, and if the Bureau believes that limited information procedures will be effective in making anti-competitive behavior less likely to be successful. Alternatively, if the Bureau determines that the auction is likely to be sufficiently competitive, and therefore, that the risk of successful collusion is low, the Bureau will make available bidding information that the Bureau typically has made available in previous Commission auctions.

107. Specifically, the Bureau will estimate the likely level of competition in the auction by considering the eligibility ratio, defined as the total

number of bidding units of eligibility purchased by bidders through their upfront payments divided by the total number of bidding units for the licenses in the auction. If the eligibility ratio equals or exceeds three, the Bureau will use the information procedures typically used in past FCC auctions. If the eligibility ratio is less than three, in general the Bureau will withhold certain information on bidder interests and bidder identities.

108. However, if the eligibility ratio is less than three, the Bureau reserves the discretion to use information procedures typically used in past FCC auctions if circumstances indicate that limited information procedures would not be an effective tool for deterring anti-competitive behavior. The Bureau anticipates announcing the information disclosure procedures to be used at or about the time that the Bureau releases a public notice announcing the applicants that are qualified to participate in the bidding.

109. If it is determined that limited information procedures will be used, the Bureau will make available prior to the auction the total eligibility level for the auction as well as the eligibility of each bidder, but will not identify bidders' license selections. After each round of bidding, the amounts of each bid placed will be made available, but not the identities of the bidders. This information will give bidders an indication of demand for the licenses, so that bidders and their investors will be able to assess whether their bids are likely to be consistent with the valuations of other bidders, mitigating fear of the winner's curse. In addition, after each round bidders logged in to the FCC Auction System will be able to access reports indicating whether their own bids are provisionally winning.

110. *Other Issues.* The Bureau does not believe that the information disclosure procedures established for this auction will interfere with the administration of or compliance with the Commission's anti-collusion rule, 47 CFR 1.2105(c). In Auction No. 69, the Commission will not disclose information regarding license selection at least until the upfront payment deadline has passed and the Commission determines the information disclosure procedures to be used for the auction. The Commission will disclose the other portions of applicants' short-form applications, through its on-line database and certain application-based information through public notices. Thus, even without information regarding license selection, applicants would be able to comply with § 1.2105(c) by not disclosing bids or

bidding strategies to any other applicants in the auction. This approach, however, could inhibit otherwise lawful communications with applicants for licenses in other geographic license areas, which the Commission's rule permits.

Consequently, the Bureau will notify separately each applicant with short-form applications to participate in a pending auction, including but not limited to Auction No. 69, whether applicants in Auction No. 69 have applied for licenses in any of the same geographic areas as that applicant. Specifically, after the Bureau conducts its initial review of applications to participate in Auction No. 69, each applicant with a short-form application to participate in a pending auction will receive a letter that lists the applicants in Auction No. 69 that have applied for licenses in any of the same geographic areas as the applicant. The list will identify the Auction No. 69 applicant(s) by name but will not list the license selections of the Auction No. 69 applicant(s).

111. For purposes of the anti-collusion rule, the term applicant is defined in 47 CFR 1.2105(c)(7) to include all controlling interests, all parties with ownership interests greater than 10%, and all officers and directors of the applicant. As in past auctions, additional information regarding applicants in Auction No. 69 that is needed to comply with § 1.2105(c), such as, the identifies of controlling interests in the applicant and ownership interests greater than 10%, will be available through the publicly accessible on-line short-form application database.

iii. Eligibility and Activity Rules

112. In the *Auction No. 69 Comment Public Notice*, the Bureau proposed that the amount of the upfront payment submitted by a bidder would determine the initial (maximum) eligibility (as measured in bidding units) for each bidder. The Bureau received no comments on this issue.

113. The Bureau adopted the proposed use of upfront payments to determine initial (maximum) eligibility (as measured in bidding units) for Auction No. 69. 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. Each license is assigned a specific number of bidding units equal to the upfront payment listed in Attachment A of the *Auction No. 69 Procedures Public Notice* on a bidding unit per dollar basis. Bidding units for a given license do not change as prices rise during the

auction. A bidder's upfront payment is not attributed to specific licenses. Rather, a bidder may place bids on any of the licenses selected on its FCC Form 175 as long as the total number of bidding units associated with those licenses does not exceed its 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. The total upfront payment does not affect the total dollar amount a bidder may bid on any given license.

114. 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.

115. A bidder's activity level in a round is the sum of the bidding units associated with licenses on which the bidder is active. A bidder is considered active on a license in the current round if it is either the provisionally winning bidder at the end of the previous bidding round and does not withdraw the provisionally winning bid in the current round, or if it submits a bid in the current round. 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 have proven successful in maintaining the pace of previous auctions, the Bureau adopted them for Auction No. 69. 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 bids in the auction.

iv. Auction Stages

116. In the *Auction No. 69 Comment Public Notice*, the Bureau proposed to conduct the auction in two stages and employ an activity rule. The Bureau further proposed that, in each round of Stage One, a bidder desiring to maintain its current bidding eligibility would be required to be active on licenses representing at least 80 percent of its current bidding eligibility. Finally, the Bureau proposed that in each round of

Stage Two, a bidder desiring to maintain its current bidding eligibility would be required to be active on at least 95 percent of its current bidding eligibility. The Bureau received no comments on this proposal.

117. The Bureau adopted its proposals for the activity rules and stages. As explained further in the *Auction No. 69 Procedures Public Notice*, 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). 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). Because the procedures have proven successful in maintaining the proper pace in previous auctions, the Bureau adopted them for Auction No. 69.

118. Because activity requirements increase in Stage Two, bidders must check carefully their activity during the first round following a stage transition to ensure that they are meeting the increased activity requirements. 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 lost bidding eligibility inadvertently 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.

v. Stage Transitions

119. In the *Auction No. 69 Comment Public Notice*, the Bureau proposed that the auction would generally advance to the next stage (i.e., from Stage One to Stage Two) when the auction activity level, as measured by the percentage of bidding units receiving new provisionally winning bids, is approximately 20 percent or lower for three consecutive rounds of bidding. The Bureau further proposed that the Bureau would retain the discretion to change stages unilaterally by announcement during the auction. This determination, the Bureau proposed, would be based on a variety of measures of bidder activity, including, but not limited to, the auction activity level, the percentages of licenses (as measured in bidding units) on which there are new bids, the number of new bids, and the percentage increase in revenue. The

Bureau received no comments on this issue. The Bureau believes that these stage transition rules, having proven successful in prior auctions, are appropriate for use in Auction No. 69. The Bureau adopted its proposal. Thus, the auction will start in Stage One and will generally advance to Stage Two when, in each of three consecutive rounds of bidding, the provisionally winning bids have been placed on 20 percent or less of the licenses being auctioned (as measured in bidding units). (However, the stage of the auction does not affect the auction stopping rules; the auction may conclude in Stage One.) The Bureau will retain the discretion to regulate the pace of the auction by announcement.

vi. Activity Rule Waivers

120. In the *Auction No. 69 Comment Public Notice*, the Bureau proposed that each bidder in the auction be provided with three activity rule waivers. The Bureau received no comments on this issue. The Bureau is satisfied that providing three waivers over the course of the auction will give bidders a sufficient number of waivers and flexibility, while also safeguarding the integrity of the auction. Therefore, the Bureau adopted its proposal that each bidder be provided three activity rule waivers.

121. 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 current bidding eligibility despite the bidder's 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 license. Activity rule waivers can be either applied proactively by the bidder (a proactive waiver) or applied automatically by the FCC Auction System (an automatic waiver) 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.

122. The FCC Auction System assumes that 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 where a bidder's activity level is below the minimum required unless: (1) There are no activity rule waivers available; or (2) the bidder overrides the automatic application of a waiver by reducing eligibility. If a bidder has no waivers remaining and does not satisfy the activity requirement, the FCC Auction

System will permanently reduce the bidder's eligibility, possibly curtailing or eliminating the bidder's ability to place additional bids in the auction.

123. A bidder with insufficient activity that wants to reduce its bidding eligibility rather than use an activity rule waiver 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 the bidder into compliance with the activity rules. 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.

124. Finally, a bidder may apply an activity rule waiver proactively as a means to keep the auction open without placing a bid. If a bidder proactively applies an activity waiver during a bidding round in which no bids or withdrawals are submitted, 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, withdrawals, or proactive waivers will not keep the auction open. A bidder cannot submit a proactive waiver after submitting a bid in a round, and submitting a proactive waiver will preclude a bidder from placing any bids in that round. Applying a waiver is irreversible; once a proactive waiver is submitted that waiver cannot be unsubmitted, even if the round has not yet closed.

vii. Auction Stopping Rules

125. For Auction No. 69, the Bureau proposed to employ a simultaneous stopping rule approach. The Bureau also sought comment on a modified version of the simultaneous stopping rule (modified stopping rule). The modified stopping rule would close the auction for all licenses after the first round in which no bidder applies a waiver, places a withdrawal, or submits any new bids on any license on which it is not the provisionally winning bidder. Thus, absent any other bidding activity, a bidder placing a new bid on a license for which it is the provisionally winning bidder would not keep the auction open under this modified stopping rule.

126. The Bureau further proposed retaining the discretion to keep the auction open even if no new bids or proactive waivers are submitted and no provisionally winning bids are withdrawn in a round. 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 use an activity rule waiver (if it has any left) or lose bidding eligibility.

127. In addition, the Bureau proposed that it reserve the right to declare that the auction will end after a specified number of additional rounds (special stopping rule). If the Bureau invokes this special stopping rule, it will accept bids in the specified final round(s) and the auction will close.

128. The Bureau proposed to exercise these options only in circumstances such as where the auction is proceeding very slowly, where there is minimal overall bidding activity or where it appears likely that the auction will not close within a reasonable period of time.

129. The Bureau believes that the proposed stopping rules are appropriate for Auction No. 69, because experience in prior auctions demonstrates that these stopping rules balance interests of administrative efficiency and maximum bidder participation. The Bureau received no comments concerning the auction stopping rules. Therefore the Bureau adopted the stopping rule proposals made in the *Auction No. 69 Comment Public Notice*. Auction No. 69 will begin under the simultaneous stopping rule approach, and the Bureau will retain the discretion to employ the other versions of the stopping rule. Moreover, the Bureau will retain the discretion to use the modified stopping rule with or without prior announcement during the auction.

viii. Auction Delay, Suspension, or Cancellation

130. In the *Auction No. 69 Comment Public Notice*, the Bureau proposed that, by public notice or by announcement during the auction, the Bureau may delay, suspend, or cancel the auction in the event of natural disaster, technical obstacle, evidence of an auction security breach, unlawful bidding activity, administrative or weather necessity, or for any other reason that affects the fair conduct of competitive bidding. The Bureau received no comment on this issue.

131. Because the Bureau's approach to notification of delay during an auction has proven effective in resolving exigent circumstances in previous auctions, the Bureau adopted its proposals regarding auction delay, suspension, or cancellation. The Bureau, in its sole discretion, may elect to resume the auction starting from the beginning of the current round, resume the auction starting from some previous round, or cancel the auction in its entirety. The Bureau emphasizes that exercise of this authority is solely within the discretion of the Bureau, and its use is not

intended to be a substitute for situations in which bidders may wish to apply their activity rule waivers.

B. Bidding Procedures

i. Round Structure

132. 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 in a given day.

133. The Bureau has 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. The Bureau may increase or decrease the amount of time for the bidding rounds and review periods, or the number of rounds per day, depending upon the bidding activity level and other factors.

ii. Reserve Price and Minimum Opening Bids

a. Reserve Price.

134. Congress recently required the Commission to revise existing regulations regarding reserve prices for auctions involving eligible frequencies subject to CSEA. CSEA defines eligible frequencies as including frequencies from 1432–1435 MHz. Thus, twelve 1.4 GHz band licenses authorize use of frequencies half of which are subject to CSEA requirements. In CSEA, Congress directed the Commission to make revisions that would prescribe methods by which the total cash proceeds from any auction of licenses authorizing use of eligible frequencies shall equal at least 110 percent of the total estimated relocation costs provided to the Commission pursuant to CSEA. Accordingly, the Commission recently revised its reserve price rule.

135. CSEA also imposes other related requirements regarding the proceeds from an auction involving eligible frequencies. Pursuant to CSEA, the total cash proceeds attributable to eligible spectrum must be at least 110 percent of the total estimated relocation costs before the Commission may conclude the auction. If this condition is not met, CSEA requires that the Commission shall cancel the auction. Finally, in CSEA, Congress also directed that cash proceeds attributable to the auction of any eligible frequencies * * * shall be deposited in the Spectrum Relocation Fund created by CSEA. Pursuant to CSEA, on December 27, 2005, NTIA notified the Commission that there are

no costs associated with relocating federal operations from the 1432–1435 MHz band. Accordingly, a reserve price will not be used for this auction to cover relocation costs under CSEA.

b. Minimum Opening Bids.

136. The Bureau proposed in the *Auction No. 69 Comment Public Notice* to establish minimum opening bids for each license, while retaining discretion to lower the minimum opening bids. Specifically, for Auction No. 69, the Bureau proposed the following formula for calculating license-by-license minimum opening bids:

$\$0.005 * \text{MHz} * \text{License Area Population}$ with a minimum of \$1,000 per license. The Bureau sought comment on this proposal and, in the alternative, whether, the public interest would be served by having no minimum opening bid.

137. In Commission auctions, minimum opening bids are intended to serve as useful starting points for bidding. Minimum opening bids are not intended to be estimates of final auction prices or to reflect all differences between license values. Accordingly, differences in license characteristics, such as population density, that may result in different final prices do not always necessitate different minimum opening bids for the licenses.

138. A commenter proposed that the minimum opening bids should be reduced substantially, claiming that the proposed minimum opening bids do not take into account the amount of spectrum being auctioned. The commenter asserted that the proposed minimum opening bid levels are relatively high as compared with other auctions and will discourage bidders from participating. The commenter further suggested the value of this spectrum is constrained by other factors, such as the need to protect the radioastronomy service. Finally, the commenter argues that the proposed minimum opening bids for this auction are higher than those used for the auction of Multiple Address Systems spectrum (Auction No. 59), which, in the commenter's view, is more valuable spectrum than the 1.4 GHz band licenses offered here. The Bureau, however, was not persuaded that the commenter's comparison is apt in that it compares two completely different services with different bandwidth, geographic areas and band plans. The Bureau continued to believe that the previously-proposed minimum opening bids for this auction are reasonable. Accordingly, the Bureau adopted its proposal and set the minimum opening bids using the proposed formula of $\$0.005 * \text{MHz} * \text{license area population}$.

139. The Bureau did not receive any comments addressing its proposal that it retain the discretion to reduce minimum opening bid amounts. The Bureau adopted this proposal. The minimum opening bid amounts adopted for Auction No. 69 are reducible at the discretion of the Bureau. The Bureau emphasized, however, that such discretion will be exercised, if at all, sparingly and early in the auction, *i.e.*, before bidders lose all activity waivers. During the course of the auction, the Bureau will not entertain requests to reduce the minimum opening bid amount on specific licenses. The Bureau noted further that effectively the minimum opening bids operate as reserve prices.

140. The specific minimum opening bid amounts for each license available in Auction No. 69 calculated pursuant to the procedure describe above are set forth in Attachment A of the *Auction No. 69 Procedures Public Notice*.

iii. Bid Amounts

141. In the *Auction No. 69 Comment Public Notice*, the Bureau proposed that in each round, eligible bidders be able to place a bid on a given license in any of nine different amounts, if the bidder has sufficient eligibility to place a bid on the particular license. Under the proposal, the FCC Auction System interface will list the nine acceptable bid amounts for each license, unless rounding produces duplicate bid amounts. The Bureau received no comment on this issue. Based on experience in prior auctions, the Bureau adopted its proposals for Auction No. 69.

142. The first of the nine acceptable bid amounts is called the minimum acceptable bid amount. The minimum acceptable bid amount for a license will be equal to its minimum opening bid amount until there is a provisionally winning bid for the license. After there is a provisionally winning bid for a license, the minimum acceptable bid amount for that license will be equal to the amount of the provisionally winning bid plus a percentage of that bid amount calculated using the specified formula. In general, the percentage will be higher for a license receiving many bids than for a license receiving few bids. In the case of a license for which the provisionally winning bid has been withdrawn, the minimum acceptable bid amount will equal the second highest bid received for the license.

143. The percentage of the provisionally winning bid used to establish the minimum acceptable bid amount (the additional percentage) is calculated at the end of each round,

based on an activity index which is a weighted average of the number of bids in that round and the activity index from the prior round. (Because there is no prior round, for Round 1 calculations, the activity index from the prior round is zero.) Specifically, the activity index is equal to a weighting factor times the number of bids on the license in the most recent bidding round plus one minus the weighting factor times the activity index from the prior round. The additional percentage is determined as one plus the activity index times a minimum percentage amount, with the result not to exceed a given maximum. The additional percentage is then multiplied by the provisionally winning bid amount to obtain the minimum acceptable bid for the next round. The Commission will initially set the weighting factor at 0.5, the minimum percentage at 0.1 (10%), and the maximum percentage at 0.2 (20%). Hence, at these initial settings, the minimum acceptable bid for a license will be between 10% and 20% higher than the provisionally winning bid, depending upon the bidding activity for the license. Equations and examples are shown in Attachment E of the *Auction No. 69 Procedures Public Notice*.

144. The eight additional bid amounts are calculated using the minimum acceptable bid amount and a bid increment percentage. 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) * 1.1, 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. The Bureau will round the results of these calculations, as well as the calculations to determine the minimum acceptable bid amounts, using its standard rounding procedures. For Auction No. 69, the Bureau proposed to use a bid increment percentage of 5 percent to calculate the eight additional acceptable bid amounts. The Bureau received no comment on this issue and will begin the auction

with a bid increment percentage of 5 percent.

145. The Bureau did not receive any comments on its proposal to retain the discretion to change the minimum acceptable bid amounts, the parameters of the formula to determine the percentage of the provisionally winning bid used to determine the minimum acceptable bid, and the bid increment percentage if it determines that circumstances so dictate. The Bureau will do so by announcement in the FCC Auction System during the auction if circumstances warrant. The Bureau adopted this proposal.

iv. Provisionally Winning Bids

146. At the end of each bidding round, a provisionally winning bid will be determined based on the highest bid amount received for each license. A provisionally winning bid will remain the provisionally winning bid until there is a higher bid on the same license 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.

147. In the *Auction No. 69 Comment Public Notice*, the Bureau 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 license in a given round (e.g. tied bids). No comments were received on this proposal. Therefore, the Bureau adopted its proposal. A pseudo-random number generator based on the L'Ecuyer algorithms will be used to assign a random number to each bid. The tied bid with the highest random number wins the tiebreaker, and becomes the provisionally winning bid. The remaining eligible bidders, as well as the provisionally winning bidder, can submit higher bids in subsequent rounds. However, if the auction were to close with no other bids being placed, the winning bidder would be the one that placed the selected provisionally winning bid.

148. During a round, a bidder may submit bids for as many licenses as it wishes (providing that it is eligible to bid), withdraw provisionally winning bids from previous rounds, remove bids placed in the current bidding round, or permanently reduce eligibility. Bidders also have the option of submitting and removing multiple bids and withdrawing multiple provisionally winning bids (subject to the limitation on withdrawal rounds discussed below) during a round. If a bidder submits multiple bids for a single license in the

same round, the system takes the last bid entered as that bidder's bid for the round. Bidders should note that the bidding units associated with licenses for which the bidder has removed or withdrawn its bid do not count towards the bidder's current activity.

149. 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 No. 69. 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. Normally, five to ten minutes are necessary to complete a telephonic bid submission.

150. A bidder's ability to bid on specific licenses is determined by two factors: (1) the licenses 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 licenses the bidder selected on its FCC Form 175.

151. 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® card 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.

152. In each round, if there is sufficient eligibility to place a bid on the particular license, an eligible bidder will be able to place bids on a given license in any of nine different amounts. (In the event of duplicate bid amounts due to rounding, however, the FCC Auction System will omit the duplicates and will list fewer than nine acceptable bid amounts for the license.) For each license, the FCC Auction System will list the nine acceptable bid amounts in a drop-down box. 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 bidders to upload text files containing bid information.

153. Until a bid has been placed on a license, the minimum acceptable bid amount for that license will be equal to its minimum opening bid amount. Once there are bids on a license, minimum acceptable bids for a license will be determined.

154. Finally, bidders are cautioned to select their bid amounts carefully because, bidders that withdraw a provisionally winning bid from a

previous round, even if the bid was mistakenly or erroneously made, are subject to bid withdrawal payments.

v. Bid Removal and Bid Withdrawal

155. In the *Auction No. 69 Comment Public Notice*, the Commission proposed bid removal and bid withdrawal procedures. With respect to bid withdrawals, the Commission proposed limiting each bidder to withdrawals in no more than two rounds during the course of the auction. The round in which withdrawals are used would be at each bidder's discretion. The Bureau received no comments on this issue. In previous auctions, the Bureau has detected bidder conduct that, arguably, may have constituted anti-competitive behavior through the use of bid withdrawals. While the Bureau continues to recognize the important role that bid withdrawals may play in an auction, i.e., reducing risk associated with efforts to secure various licenses in combination, the Bureau concluded that, for Auction No. 69, adoption of a limit on the use of withdrawals to two rounds per bidder is appropriate and a reasonable compromise that will allow bidders to use withdrawals. The Bureau based its decision on this issue upon experience with bid withdrawals in prior auctions. The Bureau will therefore limit the number of rounds in which bidders may place withdrawals to two rounds.

156. *Procedures.* Before the close of a bidding round, a bidder has the option of removing any bids placed in that 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 for the round in which it is removed, i.e., a bid that is removed does not count toward bidding activity. These procedures will enhance bidder flexibility during the auction, and therefore the Bureau adopted them for Auction No. 69.

157. Once a round closes, a bidder may no longer remove a bid. However, in later rounds, a bidder may withdraw provisionally winning bids from previous rounds using the WITHDRAW BIDS function in the FCC Auction System (assuming that the bidder has not already withdrawn bids in a previous round). A provisionally winning bidder that withdraws its provisionally winning bid from a previous round during the auction is subject to the bid withdrawal payments specified in 47 CFR 1.2104(g). Once a withdrawal is submitted during a round,

that withdrawal cannot be unsubmitted even if the round has not yet ended.

158. The rounds in which a bidder may withdraw its bids will be at the bidder's discretion and there will be no limit on the number of bids that may be withdrawn in either of these rounds. Withdrawals during the auction will be subject to the bid withdrawal payments specified in 47 CFR 1.2104(g). Bidders should note that abuse of the Commission's bid withdrawal procedures could result in the denial of the ability to bid on a market.

159. If a provisionally winning bid is withdrawn, the minimum acceptable bid amount will equal the amount of the second highest bid received for the license, which may be less than, or in the case of tied bids, equal to, the amount of the withdrawn bid. To set the additional bid amounts, the second highest bid amount also will be used in place of the provisionally winning bid in the formula used to calculate bid increment amounts. The Commission will serve as a place holder provisionally winning bidder on the license until a new bid is submitted on that license. The Bureau retains the discretion to lower the minimum acceptable bid on such licenses in the next round or in later rounds.

160. *Calculation of Bid Withdrawal Payment.* Generally, the Commission imposes payments on bidders that withdraw high bids during the course of an auction. If a bidder withdraws its bid and there is no higher bid in the same or subsequent auction(s), the bidder that withdrew its bid is responsible for the difference between its withdrawn bid and the provisionally winning bid in the same or subsequent auction(s). Pursuant to 47 CFR 1.2104(g)(1), the payment will equal the lower of: (1) The difference between the net withdrawn bid and the subsequent net winning bid, or (2) the difference between the gross withdrawn bid and the subsequent gross winning bid.

161. In the case of multiple bid withdrawals on a single license, within the same or subsequent auction(s), the payment for each bid withdrawal will be calculated based on the sequence of bid withdrawals and the amounts withdrawn. No withdrawal payment will be assessed for a withdrawn bid if either the subsequent winning bid or any of the intervening subsequent withdrawn bids, in either the same or subsequent auction(s), equals or exceeds that withdrawn bid. Thus, a bidder that withdraws a bid will not be responsible for any withdrawal payments if there is a subsequent higher bid in the same or subsequent auction(s). The Bureau retains the

discretion to scrutinize multiple bid withdrawals on a single license for evidence of anti-competitive strategic behavior and take appropriate action when deemed necessary.

162. The payment obligations of a bidder that withdraws a high bid on a license during the course of an auction is specified in 47 CFR 1.2104(g)(1), which also provides for the assessment of interim bid withdrawal payments. In the *Auction No. 69 Comment Public Notice*, the Bureau proposed to establish the percentage at ten percent (10%) for the 1.4 GHz band auction and sought comment on the proposal. The Bureau received no comments on this issue and adopted its proposal. The Commission will assess an interim withdrawal payment equal to 10 percent of the amount of the withdrawn bids. The 10 percent interim payment will be applied toward any final bid withdrawal payment that will be assessed after subsequent auction of the license.

vi. Round Results

163. The identities of parties that are qualified to bid in Auction No. 69 will be available before the auction. Thus, bidders will know in advance of this auction the identities of the parties against which they may be bidding in the auction. If information is withheld in accordance with the procedures described in the *Auction No. 69 Procedures Public Notice*, limited information about the results of a round will be made public after the conclusion of the round. Specifically, after a round closes, the Bureau will make available for each license, its current provisionally winning bid amount, the minimum acceptable bid amount for the following round, the amounts of all bids placed on the license during the round, and whether the license is FCC held. The reports will be publicly accessible. Moreover, after the auction, the Bureau will make available complete reports of all bids placed during each round of the auction, including bidder identities.

164. If, however, limited information procedures are not used, more information will be provided after each round in the auction. Bids placed during a round, including bidder identities, will be made public at the conclusion of that round. Specifically, after a round closes, the Bureau will compile reports of all bids placed and which bidders made them, current provisionally winning bids, new minimum acceptable bid amounts, and bidder eligibility status (bidding eligibility and activity rule waivers) and will post the reports for public access.

vii. Auction Announcements

165. The Commission will use auction announcements to announce items such as schedule changes and stage transitions. All auction announcements will be available by clicking a link in the FCC Auction System.

V. Post-Auction Procedures

A. Down Payments

166. After bidding has ended, the Commission will issue a public notice declaring the auction closed and identifying winning bidders, down payments and final payments due.

167. Within ten business days after release of the auction closing 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 No. 69 to 20 percent of the net amount of its winning bids (gross bids less any applicable small business or very small business bidding credits).

B. Final Payments

168. Each winning bidder will be required to submit the balance of the net amount of its winning bids within 10 business days after the deadline for submitting down payments.

C. Long-Form Application (FCC Form 601)

169. Within ten business days after release of the auction closing notice, winning bidders must electronically submit a properly completed long-form application (FCC Form 601) for each license won through Auction No. 69. Winning bidders that are small businesses or very small businesses must demonstrate their eligibility for a small business or very small business bidding credit. Further filing instructions will be provided to auction winners at the close of the auction.

170. The *CSEA/Part 1 Report and Order* modifies the procedure by which a consortium that is a winning bidder in Auction No. 69 will apply for a license. In particular, (a) each member or group of members of a winning consortium seeking separate licenses will be required to file a separate long-form application for its respective license(s) and, in the case of a license to be partitioned or disaggregated, the member or group filing the applicable long-form application shall provide the parties' partitioning or disaggregation agreement in its long-form application; (b) two or more consortium members seeking to be licensed together shall first form a legal business entity; and (c) any such entity must meet the applicable

eligibility requirements in Commission rules for small business status. Applicants applying as consortia should review the *CSEA/Part 1 Report and Order* in detail and monitor any relevant future proceedings to understand how the members of the consortia will apply for a license in the event they are winning bidders.

D. Ownership Disclosure Information Report (FCC Form 602)

171. At the time it submits its long-form application (FCC Form 601), each winning bidder also must comply with the ownership reporting requirements as set forth in 47 CFR 1.913, 1.919 and 1.2112. An ownership disclosure record is automatically created in ULS for any applicant that submits an FCC Form 175. However, winning bidders will be required to review and confirm that it is complete and accurate as of the date of filing Form 601. Further instructions will be provided to auction winning bidders at the close of the auction.

E. Tribal Lands Bidding Credit

172. A winning bidder that intends to use its license(s) to deploy facilities and provide services to federally recognized tribal lands that are unserved by any telecommunications carrier or that have a wireline penetration rate equal to or below 85 percent is eligible to receive a tribal lands bidding credit as set forth in 47 CFR 1.2107 and 1.2110(f). A tribal lands bidding credit is in addition to, and separate from, any other bidding credit for which a winning bidder may qualify.

173. Unlike other bidding credits that are requested prior to the auction, a winning bidder applies for the tribal lands bidding credit after winning the auction when it files its long-form application (FCC Form 601). When initially filing the long-form application, the winning bidder will be required to advise the Commission whether it intends to seek a tribal lands bidding credit, for each market won in the auction, by checking the designated box(es). After stating its intent to seek a tribal lands bidding credit, the applicant will have 180 days from the close of the long-form filing window to amend its application to select the specific tribal lands to be served and provide the required tribal government certifications. Licensees receiving a tribal lands bidding credit are subject to performance criteria as set forth in 47 CFR 1.2110(f)(3)(vi).

174. For additional information on the tribal lands bidding credit, including how the amount of the credit is calculated, applicants should review the Commission's rule making proceeding

regarding tribal lands bidding credits and related public notices.

F. Default and Disqualification

175. 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 47 CFR 1.2104(g)(2). The payments include both a deficiency payment, equal to the difference between the amount of the bidder's bid and the amount of the winning bid the next time a license covering the same spectrum 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. Pursuant to recent modifications to the rule governing default payments, 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 No. 69 Comment Public Notice*, the Bureau proposed to set the additional default payment for the auction of 1.4 GHz band licenses at ten percent (10%) of the applicable bid. The Bureau sought comment on its proposal.

176. No comments were received on this issue. The Bureau therefore adopted its proposal and set the additional default payment for the auction of 1.4 GHz band licenses at ten percent (10%) of the applicable bid.

177. Finally, the Bureau noted that in the event of a default, the Commission may re-auction the license or offer it to the next highest bidder (in descending order) at its final bid amount. 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 licenses held by the applicant.

G. Refund of Remaining Upfront Payment Balance

178. All applicants that submit upfront payments but after the close of the auction are not winning bidders for a license in Auction No. 69 may be entitled to a refund of their remaining upfront payment balance after the conclusion of the auction. 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.

179. Bidders that drop out of the auction completely may be eligible for a refund of their upfront payments before the close of the auction. Qualified bidders that have exhausted all of their activity rule waivers, have no remaining bidding eligibility, and have not withdrawn a provisionally winning bid during the auction may also be eligible for a refund of their upfront payment before the close of the auction. 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 submit a written request for the refund and include wire transfer instructions, Taxpayer Identification Number (TIN) and FCC Registration Number (FRN). Send refund requests to: Federal Communications Commission, Financial Operations Center, Auctions Accounting Group, Gail Glasser, 445 12th Street, SW., Room 1-C864, Washington, DC 20554.

Federal Communications Commission.

Gary D. Michaels,

Deputy Chief, Auctions and Spectrum Access Division, WTB.

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FEDERAL MARITIME COMMISSION

Ocean Transportation Intermediary License Revocations

The Federal Maritime Commission hereby gives notice that the following Ocean Transportation Intermediary licenses have been revoked pursuant to section 19 of the Shipping Act of 1984 (46 U.S.C. chapter 409) and the regulations of the Commission pertaining to the licensing of Ocean Transportation Intermediaries, 46 CFR Part 515, effective on the corresponding date shown below:

License Number: 003121f.

Name: Aj International, Inc.

Address: 1300 Midland Avenue—B55, P.O. Box 818, Yonkers, NY 10704.

Date Revoked: October 27, 2006.

Reason: Surrendered License Voluntarily.

License Number: 003635f.

Name: F. Angel & Associates, Inc.

Address: 15231 SW 26th Terrace, Miami, FL 33185.

Date Revoked: November 6, 2006.