

Needs and Uses: FCC Form 477 seeks to gather information on the development of local competition and deployment of broadband service also known as advanced telecommunications services. The data are necessary to evaluate the status of developing competition in local exchange telecommunications markets and to evaluate the status of broadband deployment. The information is used by Commission staff to advise the Commission about the efficacy of Commission rules and policies adopted to implement the Telecommunications Act of 1996.

OMB Control No.: 3060-0853.

OMB Approval date: 1/26/2004.

Expiration Date: 1/31/2007.

Title: Receipt of Service Confirmation Form; Certification by Administrative Authority to Billed Entity of Compliance with Children's Internet Protection Act—Universal Service for Schools and Libraries; Certifications for Libraries Unwilling to Make a CIPA Cert. for 2003.

Form No.: FCC-479, FCC-486, FCC-486T.

Estimated Annual Burden: 40,000 responses; 75,000 total annual hours; 1-2 hours per respondent.

Needs and Uses: Following a district court decision that portions of CIPA were unconstitutional, the Commission modified FCC Forms 479 and 486 to remove certain language from the certifications for libraries. The Supreme Court reversed the district court decision and the Commission must revise the forms to enable libraries to certify their compliance with CIPA. The Commission will include FCC Form 486t, a one-page form, to be completed by libraries that do not intend to comply with CIPA, but wish to receive support for the month and half of Funding Year 2003 during which CIPA was not enforced against libraries. FCC Form 486t will not effect the burden or the number of respondents because respondents will file either FCC Form 486 or FCC Form 486t. FCC Form 486t will only be valid for Funding Year 2003. The Commission is requesting contact information to conform with the contact information requested in other Schools and Libraries Universal Service forms.

OMB Control No.: 3060-0856.

OMB Approval date: 1/26/2004.

Expiration Date: 1/31/2007.

Title: Universal Service—Schools and Libraries Universal Service Program Reimbursement Forms.

Form No.: FCC-472, FCC-473, FCC-474.

Estimated Annual Burden: 39,300 responses; 58,950 total annual hours; 1.5 hours per respondent.

Needs and Uses: The Telecommunications Act of 1996 contemplates that discounts on eligible services shall be provided to schools and libraries, and that service providers shall seek reimbursement of the amount of the discounts. FCC Forms 473 and 474 facilitate the reimbursement process. FCC Form 472 allows providers to confirm that they are actually providing the discounted services to eligible entities.

OMB Control No.: 3060-0952.

OMB Approval Date: 1/08/2004. a

Expiration Date: 1/31/2007.

Title: Proposed Demographic Information and Notifications, Second FNPRM, CC Docket No. 98-147 and Fifth NPRM, CC Docket No. 96-98.

Form No.: N/A.

Estimated Annual Burden: 1,400 response; 5,600 total annual hours; 4 hours per respondent.

Needs and Uses: The proposed requirements implement section 706 of the Communications Act of 1934, as amended, to promote deployment of advanced services without significantly degrading the performance of other services. In CC Docket No. 98-147, the Commission solicits comment on whether requesting carriers should receive demographic and other information from ILECs to determine whether they wish to collocate at particular remote terminals. In CC Docket No. 96-98 comment is sought on whether ILECs should provide certain notifications to competing carriers.

OMB Control No.: 3060-0972.

OMB Approval Date: 1/26/2004.

Expiration Date: 1/31/2007.

Title: Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers.

Form No.: FCC-507, FCC-508, FCC-509.

Estimated Annual Burden: 7,594 responses; 31,923 total annual hours; 3-5 hours per respondent.

Needs and Uses: The Commission modified the reporting requirements associated with the Interstate Common Line Support mechanism in order to reduce the burdens associated with the requirements and increase the accuracy of data reported.

OMB Control No.: 3060-1051.

OMB Approval Date: 1/30/2004.

Expiration Date: 1/31/2007.

Title: Certification Letter Accounting for Receipt of Federal Support—CC Docket Nos. 96-45 and 96-262.

Form No.: N/A.

Estimated Annual Burden: 52 responses; 56 total annual hours; 1 hour per respondent.

Needs and Uses: The Commission requires states to certify that carriers within the state had accounted for its receipt of federal support in its rates or otherwise used the support pursuant with Section 254 (e). In the Further Notice of Proposed Rulemaking, the Commission seeks comment to further develop the record on specific issues that relate to the rate review and expanded state certification process recommended by the Joint Board. The Commission also seeks comment on a proposal to further encourage states to preserve and advance universal service by making available additional targeted federal support for high-cost wire centers in states that implement explicit universal service mechanisms.

Federal Communications Commission.

Marlene H. Dortch,

Secretary.

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FEDERAL COMMUNICATIONS COMMISSION

[Report No. AUC-04-56-A (Auction No. 56); DA 04-196]

Auction of 24 GHz Service Licenses Scheduled for May 12, 2004; Comment Sought on Reserve Prices or Minimum Opening Bids and Other Auction Procedures

AGENCY: Federal Communications Commission.

ACTION: Notice.

SUMMARY: This document announces the auction of 880 24 GHz Service licenses in the 24.25-24.45 GHz and 25.05-25.25 GHz bands scheduled to commence on July 28, 2004 (Auction No. 56). This document also seeks comment on reserve prices or minimum opening bids and other auction procedures for Auction No. 56.

DATES: Comments are due on or before February 20, 2004 and reply comments are due on or before February 27, 2004.

ADDRESSES: Comments and reply comments must be sent by electronic mail to the following address: auction56@fcc.gov.

FOR FURTHER INFORMATION CONTACT: For legal questions: Howard Davenport (202) 418-0660. For general auction questions: Roy Knowles (717) 338-2888 or Barbara Sibert (717) 338-2888. For service rule questions, contact the Broadband Division, Wireless

Telecommunications Bureau, as follows: Nancy Zaczek or Michael Pollak, (202) 418-2487; or Steve Buenzow, (717) 338-2687.

SUPPLEMENTARY INFORMATION: This is a summary of the *Auction No. 56 Comment Public Notice* released on January 30, 2004. The complete text of the *Auction No. 56 Comment Public Notice*, including attachments, as well as related Commission documents, are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street SW., Room CY-A257, Washington, DC 20554. The *Auction No. 56 Comment Public Notice* and related Commission documents may also be purchased from the Commission's duplicating

contractor, Qualex International, Portals II, 445 12th Street SW., Room CY-B402, Washington, DC 20554, telephone (202) 863-2893, facsimile (202) 863-2898, or via e-mail qualexint@aol.com. When ordering documents from Qualex, please provide the appropriate FCC document number (for example, FCC 95-395 for the 900 MHz Second Order on Reconsideration and Order). The *Auction No. 56 Comment Public Notice* and related documents are also available on the Internet at the Commission's website: <http://wireless.fcc.gov/auctions/56/>.

I. General Information

1. The *Auction No. 56 Comment Public Notice* announces the auction of 880 24 GHz Service licenses in the 24.25-24.45 GHz and 25.05-25.25 GHz

bands scheduled to commence on July 28, 2004 (Auction No. 56). Auction No. 56 will offer five licenses in each of 172 Economic Areas ("EAs") and four EA-like areas: Guam and Northern Mariana Islands; Puerto Rico and the U.S. Virgin Islands; American Samoa; and the Gulf of Mexico. Stations in the 24 GHz Service may render any kind of digital fixed communications service consistent with the Commission's rules and the regulatory status of the station to provide services on a common carrier or non-common carrier basis. A complete list of licenses available for Auction No. 56 is included as Attachment A of *Auction No. 56 Comment Public Notice*.

2. The following table describes the licenses that will be auctioned:

Channel No.	Channel description	Frequency bands	Bandwidth (MHz)
EA Licenses			
35	Two paired 40 MHz frequency blocks	24,250-24,290/25,050-25,090 MHz	80
36	Two paired 40 MHz frequency blocks	24,290-24,330/25,090-25,130 MHz	80
37	Two paired 40 MHz frequency blocks	24,330-24,370/25,130-25,170 MHz	80
38	Two paired 40 MHz frequency blocks	24,370-24,410/25,170-25,210 MHz	80
39	Two paired 40 MHz frequency blocks	24,410-24,450/25,210-25,250 MHz	80
Grand Total ...			400

3. The Balanced Budget Act of 1997 requires the Commission to "ensure that, in the scheduling of any competitive bidding under this subsection, an adequate period is allowed . . . before issuance of bidding rules, to permit notice and comment on proposed auction procedures * * *." Consistent with the provisions of the Balanced Budget Act and to ensure that potential bidders have adequate time to familiarize themselves with the specific rules that will govern the day-to-day conduct of an auction, the Commission directed the Bureau, under its existing delegated authority, to seek comment on a variety of auction-specific procedures prior to the start of each auction. We therefore seek comment on the following issues relating to Auction No. 56.

II. Auction Structure

A. Simultaneous Multiple-Round Auction Design

4. The Bureau proposes to award all licenses included in Auction No. 56 in a simultaneous multiple-round auction. As described further, this methodology offers every license for bid at the same time with successive bidding rounds in which bidders may place bids. We seek comment on this proposal.

B. Upfront Payments and Bidding Eligibility

5. The Bureau has delegated authority and discretion to determine an appropriate upfront payment for each license being auctioned, taking into account such factors as the population in each geographic license area and the value of similar spectrum. As described further, the upfront payment is a refundable deposit made by each bidder to establish eligibility to bid on licenses. Upfront payments related to the specific spectrum subject to auction protect against frivolous or insincere bidding and provide the Commission with a source of funds from which to collect payments owed at the close of the auction.

6. For Auction No. 56, we propose to calculate upfront payments on a license-by-license basis using the following formula:

$$\$0.00015 * \text{MHz} * \text{License Area Population with a minimum of } \$2,500 \text{ per license.}$$

Accordingly, in Attachment A of the *Auction No. 56 Comment Public Notice* we list all licenses included in Auction No. 56 and the proposed upfront payment for each license. We seek comment on this proposal.

7. We further propose that the amount of the upfront payment submitted by a bidder will determine the maximum number of bidding units on which a bidder may place bids. This limit is a bidder's initial eligibility. Each license is assigned a specific number of bidding units equal to the upfront payment listed in Attachment A of the *Auction No. 56 Comment Public Notice*, on a bidding unit per dollar basis. This number does 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 combination of licenses as long as the total number of bidding units associated with those licenses does not exceed the bidder's current eligibility. Eligibility cannot be increased during the auction. 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 high bids on) in any single round, and submit an upfront payment covering that number of bidding units. We seek comment on this proposal.

C. Activity Rules

8. In order to ensure that the auction closes within a reasonable period of time, an activity rule requires bidders to

bid actively on a percentage of their current bidding eligibility during each round of the auction rather than waiting until the end to participate. A bidder that does not satisfy the activity rule will either lose bidding eligibility in the next round or must use an activity rule waiver (if any remain).

9. We propose to divide the auction into two stages, each characterized by an increased activity requirement. The auction will start in Stage One. We propose that the auction generally will 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 high bids, is approximately twenty percent or below for three consecutive rounds of bidding. However, we further propose that the Bureau retain the discretion to change stages unilaterally by announcement during the auction. In exercising this discretion, the Bureau will consider a variety of measures of bidder activity, including, but not limited to, the auction activity level, the percentage of licenses (as measured in bidding units) on which there are new bids, the number of new bids, and the percentage increase in revenue. We seek comment on these proposals.

10. For Auction No. 56, we propose the following activity requirements:

Stage One: In each round of the first stage of the auction, a bidder desiring to maintain its current eligibility is required to be active on licenses representing at least 80 percent of its current bidding eligibility. Failure to maintain the requisite activity level will result in a reduction in the bidder's bidding eligibility in the next round of bidding (unless an activity rule waiver is used). During Stage One, reduced eligibility for the next round will be calculated by multiplying the current round activity by five-fourths (5/4).

Stage Two: In each round of the second stage, a bidder desiring to maintain its current eligibility is required to be active on 95 percent of its current bidding eligibility. During Stage Two, reduced eligibility for the next round will be calculated by multiplying the current round activity by twenty-nineteenths (20/19).

11. We seek comment on these proposals. Commenters that believe these activity rules should be modified should explain their reasoning and comment on the desirability of an alternative approach. Commenters are advised to support their claims with analyses and suggested alternative activity rules.

D. Activity Rule Waivers and Reducing Eligibility

12. 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 level. An activity rule waiver applies to an entire round of bidding and not to a particular license. Activity waivers can be either proactive or automatic and are principally a mechanism for auction participants to avoid the loss of bidding eligibility in the event that exigent circumstances prevent them from placing a bid in a particular round. **Note:** Once a proactive waiver is submitted during a round, that waiver cannot be unsubmitted.

13. The FCC Automated Auction System assumes that bidders with insufficient activity would prefer to use an activity rule waiver (if available) rather than lose bidding eligibility. Therefore, the system will automatically apply a waiver (known as an "automatic waiver") at the end of any bidding period where a bidder's activity level is below the minimum required unless: (i) There are no activity rule waivers available; or (ii) the bidder overrides the automatic application of a waiver by reducing eligibility, thereby meeting the minimum requirements. **Note:** If a bidder has no waivers remaining and does not satisfy the required activity level, its current eligibility will be permanently reduced, possibly eliminating the bidder from the auction.

14. A bidder with insufficient activity may wish to reduce its bidding eligibility rather than use an activity rule waiver. If so, the bidder must affirmatively override the automatic waiver mechanism during the bidding period by using the "reduce eligibility" function in the bidding system. In this case, the bidder's eligibility is permanently reduced to bring the bidder into compliance with the activity rules as described. Once eligibility has been reduced, a bidder will not be permitted to regain its lost bidding eligibility.

15. A bidder may proactively use an activity rule waiver as a means to keep the auction open without placing a bid. If a bidder submits a proactive waiver (using the proactive waiver function in the bidding system) during a bidding period in which no bids or withdrawals are submitted, the auction will remain open and the bidder's eligibility will be preserved. An automatic waiver invoked in a round in which there are no new bids or withdrawals will not keep the auction open.

16. We propose that each bidder in Auction No. 56 be provided with three

activity rule waivers that may be used at the bidder's discretion during the course of the auction as set forth. We seek comment on this proposal.

E. Information Relating to Auction Delay, Suspension, or Cancellation

17. For Auction No. 56, we propose 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 and efficient conduct of competitive bidding. In such cases, 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. Network interruption may cause the Bureau to delay or suspend the auction. We emphasize 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. We seek comment on this proposal.

III. Bidding Procedures

A. Round Structure

18. The Commission will conduct Auction No. 56 over the Internet. Telephonic bidding will also be available. As a contingency plan, the FCC Wide Area Network will be available as well. The telephone number through which the backup FCC Wide Area Network may be accessed will be announced in a later public notice. Full information regarding how to establish such a connection will be provided in the public notice announcing details of auction procedures.

19. The initial bidding schedule will be announced in a public notice to be released at least one week before the start of the auction, and will be included in the registration mailings. The simultaneous multiple-round format will consist of sequential bidding rounds, each followed by the release of round results. Details regarding the location and format of round results will be included in the same public notice.

20. 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. We seek comment on this proposal.

B. Reserve Price or Minimum Opening Bid

21. The Balanced Budget Act calls upon the Commission to prescribe methods for establishing a reasonable reserve price or a minimum opening bid when FCC licenses are subject to auction, unless the Commission determines that a reserve price or minimum opening bid is not in the public interest. Consistent with this mandate, the Commission has directed the Bureau to seek comment on the use of a minimum opening bid and/or reserve price prior to the start of each auction.

22. Normally, a reserve price is an absolute minimum price below which an item will not be sold in a given auction. Reserve prices can be either published or unpublished. A minimum opening bid, on the other hand, is the minimum bid price set at the beginning of the auction below which no bids are accepted. It is generally used to accelerate the competitive bidding process. Also, the auctioneer often has the discretion to lower the minimum opening bid amount later in the auction. It is also possible for the minimum opening bid and the reserve price to be the same amount.

23. In light of the Balanced Budget Act's requirements, the Bureau proposes to establish minimum opening bids for Auction No. 56. The Bureau believes a minimum opening bid, which has been used in other auctions, is an effective bidding tool.

24. Specifically, for Auction No. 56, the Commission proposes the following license-by-license formula for calculating minimum opening bids:

$\$0.0003 \times \text{MHz} \times \text{License Area}$
Population with a minimum of
\$2,500 per license.

25. The specific minimum opening bid for each license available in Auction No. 56 is set forth in Attachment A of the *Auction No. 56 Comment Public Notice*. We seek comment on this proposal.

26. If commenters believe that these minimum opening bids will result in substantial numbers of unsold licenses, or are not reasonable amounts, or should instead operate as reserve prices, they should explain why this is so, and comment on the desirability of an alternative approach. Commenters are advised to support their claims with valuation analyses and suggested reserve prices or minimum opening bid levels or formulas. In establishing the

minimum opening bids, we particularly seek comment on such factors as the amount of spectrum being auctioned, levels of incumbency, the availability of technology to provide service, the size of the geographic service areas, issues of interference with other spectrum bands and any other relevant factors that could reasonably have an impact on valuation of the 24 GHz Service spectrum. We also seek comment on whether, consistent with the Balanced Budget Act, the public interest would be served by having no minimum opening bid or reserve price.

C. Minimum Acceptable Bids and Bid Increments

27. In each round, eligible bidders will be able to place bids on a given license in any of nine different amounts. The FCC Automated Auction System interface will list the nine acceptable bid amounts for each license. Until a bid has been placed on a license, the minimum acceptable bid for that license will be equal to its minimum opening bid. In the rounds after a bid is placed on a license, the minimum acceptable bid for that license will be equal to the standing high bid plus the defined increment.

28. Once there is a standing high bid on a license, the FCC Automated Auction System will calculate a minimum acceptable bid for that license for the following round. The difference between the minimum acceptable bid and the standing high bid for each license will define the bid increment. The nine acceptable bid amounts for each license consist of the minimum acceptable bid (the standing high bid plus one bid increment) and additional amounts calculated using multiple bid increments (*i.e.*, the second bid amount equals the standing high bid plus two times the bid increment, the third bid amount equals the standing high bid plus three times the bid increment, etc.).

29. Until a bid has been placed on a license, the minimum acceptable bid for that license will be equal to its minimum opening bid. The additional bid amounts for licenses that have not yet received a bid will be calculated differently, as explained.

30. For Auction No. 56, we propose to calculate minimum acceptable bids by using a smoothing methodology, as we have done in several other auctions. The smoothing formula calculates minimum acceptable bids by first calculating a percentage increment, not to be confused with the bid increment. The percentage increment for each license is based on bidding activity on that license in all prior rounds; therefore, a license that has received many bids throughout

the auction will have a higher percentage increment than a license that has received few bids.

31. The calculation of the percentage increment used to determine the minimum acceptable bids for each license for the next round is made at the end of each round. The computation is 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. The current activity index is equal to a weighting factor times the number of new bids received on the license in the most recent bidding round plus one minus the weighting factor times the activity index from the prior round. The activity index is then used to calculate a percentage increment by multiplying a minimum percentage increment by one plus the activity index with that result being subject to a maximum percentage increment. The Commission will initially set the weighting factor at 0.5, the minimum percentage increment at 0.1 (10%), and the maximum percentage increment at 0.2 (20%). Hence, at these initial settings, the percentage increment will fluctuate between 10% and 20% depending upon the number of bids for the license.

Equations

$$A_i = (C * B_i) + ((1 - C) * A_{i-1})$$

$$I_{i+1} = \text{smaller of } ((1 + A_i) * N) \text{ and } M$$

$$X_{i+1} = I_{i+1} * Y_i$$

Where,

A_i = activity index for the current round (round i)

C = activity weight factor

B_i = number of bids in the current round (round i)

A_{i-1} = activity index from previous round (round $i - 1$), A_0 is 0

I_{i+1} = percentage increment for the next round (round $i+1$)

N = minimum percentage increment or percentage increment floor

M = maximum percentage increment or percentage increment ceiling

X_{i+1} = dollar amount associated with the percentage increment

Y_i = high bid from the current round

Under the smoothing methodology, once a bid has been received on a license, the minimum acceptable bid for that license in the following round will be the high bid from the current round plus the dollar amount associated with the percentage increment, with the result rounded to the nearest thousand if it is over ten thousand or to the nearest hundred if it is under ten thousand.

Examples

License 1

$C=0.5$, $N = 0.1$, $M = 0.2$

Round 1 (2 new bids, high bid = \$1,000,000)

i. Calculation of percentage increment for round 2 using the smoothing formula:

$$A_1 = (0.5 * 2) + (0.5 * 0) = 1$$

$I_2 =$ The smaller of $((1 + 1) * 0.1) = 0.2$ or 0.2 (the maximum percentage increment)

ii. Calculation of dollar amount associated with the percentage increment for round 2 (using I_2):

$$X_2 = 0.2 * \$1,000,000 = \$200,000$$

iii. Minimum acceptable bid for round 2 = \$1,200,000.

Round 2 (3 new bids, high bid = \$2,000,000)

i. Calculation of percentage increment for round 3 using the smoothing formula:

$$A_2 = (0.5 * 3) + (0.5 * 1) = 2$$

$I_3 =$ The smaller of $((1 + 2) * 0.1) = 0.3$ or 0.2 (the maximum percentage increment)

ii. Calculation of dollar amount associated with the percentage increment for round 3 (using I_3):

$$X_3 = 0.2 * \$2,000,000 = \$400,000$$

iii. Minimum acceptable bid for round 3 = \$2,400,000

Round 3 (1 new bid, high bid = \$2,400,000)

iv. Calculation of percentage increment for round 4 using the smoothing formula:

$$A_3 = (0.5 * 1) + (0.5 * 2) = 1.5$$

$I_4 =$ The smaller of $((1 + 1.5) * 0.1) = 0.25$ or 0.2 (the maximum percentage increment)

ii. Calculation of dollar amount associated with the percentage increment for round 4 (using I_4):

$$X_4 = 0.2 * \$2,400,000 = \$480,000$$

iii. Minimum acceptable bid for round 4 = \$2,880,000.

32. As stated, until a bid has been placed on a license, the minimum acceptable bid for that license will be equal to its minimum opening bid. The additional bid amounts are calculated using the difference between the minimum opening bid times one plus the minimum percentage increment, rounded as described, and the minimum opening bid. That is, $I = (\text{minimum opening bid})(1 + N)\{\text{rounded}\} - (\text{minimum opening bid})$. Therefore, when N equals 0.1, the first additional bid amount will be approximately ten percent higher than the minimum opening bid; the second, twenty percent; the third, thirty percent; etc.

33. In the case of a license for which the standing high bid has been

withdrawn, the minimum acceptable bid will equal the second highest bid received for the license. The additional bid amounts are calculated using the difference between the second highest bid times one plus the minimum percentage increment, rounded, and the second highest bid.

34. The Bureau retains the discretion to change the minimum acceptable bids and bid increments if it determines that circumstances so dictate. The Bureau will do so by announcement in the FCC Automated Auction System. We seek comment on these proposals.

D. High Bids

35. At the end of a bidding round, a high bid for each license will be determined based on the highest gross bid amount received for the license. In the event of identical high bids on a license in a given round (*i.e.*, tied bids), we propose to use a random number generator to select a single high bid from among the tied bids. If the auction were to end with no higher bids being placed for that license, the winning bidder would be the one that placed the selected high bid. However, the remaining bidders, as well as the high bidder, can submit higher bids in subsequent rounds. If any bids are received on the license in a subsequent round, the high bid again will be determined by the highest gross bid amount received for the license. We seek comment on this proposal.

36. A high bid will remain the high bid until there is a higher bid on the same license at the close of a subsequent round. A high bid from a previous round is sometimes referred to as a "standing high bid." Bidders are reminded that standing high bids confer activity credit.

E. Information Regarding Bid Withdrawal and Bid Removal

37. For Auction No. 56, we propose the following bid removal and bid withdrawal procedures. Before the close of a bidding period, a bidder has the option of removing any bid placed in that round. By removing selected bids in the bidding 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 a withdrawal payment. Once a round closes, a bidder may no longer remove a bid.

38. A high bidder may withdraw its standing high bids from previous rounds using the withdraw function in the bidding system. A high bidder that withdraws its standing high bid from a previous round is subject to the bid withdrawal payment provisions of the

Commission rules. We seek comment on these bid removal and bid withdrawal procedures.

39. In the *Part 1 Third Report and Order*, 63 FR 770 (January 7, 1998), the Commission explained that allowing bid withdrawals facilitates efficient aggregation of licenses and the pursuit of efficient backup strategies as information becomes available during the course of an auction. The Commission noted, however, that, in some instances, bidders may seek to withdraw bids for improper reasons. The Bureau, therefore, has discretion, in managing the auction, to limit the number of withdrawals to prevent any bidding abuses. The Commission stated that the Bureau should assertively exercise its discretion, consider limiting the number of rounds in which bidders may withdraw bids, and prevent bidders from bidding on a particular market if the Bureau finds that a bidder is abusing the Commission's bid withdrawal procedures.

40. Applying this reasoning, we propose to limit each bidder in Auction No. 56 to withdrawing standing high bids in no more than two rounds during the course of the auction. To permit a bidder to withdraw bids in more than two rounds would likely encourage insincere bidding or the use of withdrawals for anti-competitive purposes. The two rounds in which withdrawals are utilized will be at the bidder's discretion; withdrawals otherwise must be in accordance with the Commission's rules. There is no limit on the number of standing high bids that may be withdrawn in either of the rounds in which withdrawals are utilized. Withdrawals will remain subject to the bid withdrawal payment provisions specified in the Commission's rules. We seek comment on this proposal.

F. Stopping Rules

41. The Bureau has discretion "to establish stopping rules before or during multiple round auctions in order to terminate the auction within a reasonable time." For Auction No. 56, the Bureau proposes to employ a simultaneous stopping rule approach. A simultaneous stopping rule means that all licenses remain available for bidding until bidding closes simultaneously on all licenses.

42. Bidding will close simultaneously on all licenses after the first round in which no new bids, proactive waivers, or withdrawals are received. Thus, unless circumstances dictate otherwise, bidding will remain open on all licenses until bidding stops on every license.

43. However, the Bureau proposes to retain the discretion to exercise any of the following options during Auction No. 56:

i. Utilize a modified version of the simultaneous stopping rule. The modified stopping rule would close the auction for all licenses after the first round in which no bidder submits a proactive waiver, withdrawal, or a new bid on any license on which it is not the standing high bidder. Thus, absent any other bidding activity, a bidder placing a new bid on a license for which it is the standing high bidder would not keep the auction open under this modified stopping rule. The Bureau further seeks comment on whether this modified stopping rule should be used at any time or only in stage two of the auction.

ii. Keep the auction open even if no new bids or proactive waivers are submitted and no previous high bids are withdrawn. In this event, the effect will be the same as if a bidder had submitted a proactive waiver. The activity rule, therefore, will apply as usual and a bidder with insufficient activity will either lose bidding eligibility or use a remaining activity rule waiver.

iii. 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) only for licenses on which the high bid increased in at least one of a specified preceding number of rounds.

44. The Bureau proposes to exercise these options only in certain circumstances, for example, where the auction is proceeding very slowly, there is minimal overall bidding activity, or it appears likely that the auction will not close within a reasonable period of time. Before exercising these options, the Bureau is likely to attempt to increase the pace of the auction by, for example, increasing the number of bidding rounds per day, and/or increasing the amount of the minimum bid increments for the limited number of licenses where there is still a high level of bidding activity. We seek comment on these proposals.

IV. Conclusion

45. Comments are due on or before February 20, 2004, and reply comments are due on or before February 27, 2004. Because of the disruption of regular mail and other deliveries in Washington, DC, the Bureau requires that all comments and reply comments be filed electronically. Comments and reply comments must be sent by electronic mail to the following

address: auction56@fcc.gov. The electronic mail containing the comments or reply comments must include a subject or caption referring to Auction No. 56 Comments and the name of the commenting party. The Bureau requests that parties format any attachments to electronic mail as Adobe® Acrobat® (pdf) or Microsoft® Word documents. Copies of comments and reply comments will be available for public inspection during regular business hours in the FCC Public Reference Room, Room CY-A257, 445 12th Street SW., Washington, DC 20554.

In addition, the Bureau requests that commenters fax a courtesy copy of their comments and reply comments to the attention of Kathryn Garland at (717) 338-2850.

46. This proceeding has been designated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules. Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentations must contain summaries of the substance of the presentations and not merely a listing of the subjects discussed. More than a one or two sentence description of the views and arguments presented is generally required. Other rules pertaining to oral and written *ex parte* presentations in permit-but-disclose proceedings are set forth in § 1.1206(b) of the Commission's rules.

Federal Communications Commission.

Gary Michaels,

Deputy Chief, Auctions and Spectrum Access Division, WTB.

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FEDERAL COMMUNICATIONS COMMISSION

[CC Docket No. 92-237; DA 04-237]

Next Meeting of the North American Numbering Council

AGENCY: Federal Communications Commission.

ACTION: Notice.

SUMMARY: On February 4, 2004, the Commission released a public notice announcing the March 16, 2004, meeting and agenda of the North American Numbering Council (NANC). The intended effect of this action is to make the public aware of the NANC's next meeting and its agenda.

DATES: Tuesday, March 16, 2004, 9 a.m.

ADDRESSES: Telecommunications Access Policy Division, Wireline Competition Bureau, Federal

Communications Commission, The Portals II, 445 12th Street, SW., Suite 5-A420, Washington, DC 20554. Requests to make an oral statement or provide written comments to the NANC should be sent to Deborah Blue.

FOR FURTHER INFORMATION CONTACT:

Deborah Blue, Special Assistant to the Designated Federal Officer (DFO) at (202) 418-1466 or Deborah.Blue@fcc.gov. The fax number is: (202) 418-2345. The TTY number is: (202) 418-0484.

SUPPLEMENTARY INFORMATION: Released: February 4, 2004.

The North American Numbering Council (NANC) has scheduled a meeting to be held Tuesday, March 16, 2004, from 9 a.m. until 5 p.m. The meeting will be held at the Federal Communications Commission, Portals II, 445 12th Street, SW., Room TW-C305, Washington, DC. This meeting is open to members of the general public. The FCC will attempt to accommodate as many participants as possible. The public may submit written statements to the NANC, which must be received two business days before the meeting. In addition, oral statements at the meeting by parties or entities not represented on the NANC will be permitted to the extent time permits. Such statements will be limited to five minutes in length by any one party or entity, and requests to make an oral statement must be received two business days before the meeting.

Proposed Agenda—Tuesday, March 16, 2004, 9 a.m.*

1. Announcements and Recent News
2. Approval of Minutes—Meeting of January 13, 2004
3. Report from NBANC
4. Report of NAPM, LLC
5. Report of the North American Numbering Plan Administrator (NANPA)
6. Report of National Thousands Block Pooling Administrator
7. Status of Industry Numbering Committee (INC) activities
8. Reports from Issues Management Groups (IMGs)
9. Report of Local Number Portability Administration (LNPA) Working Group—Wireless Number Portability Operations (WNPO) Subcommittee
10. Report of Numbering Oversight Working Group (NOWG)
11. Report of Cost Recovery Working Group
12. Special Presentations
13. Update List of NANC Accomplishments
14. Summary of Action Items