



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
1919 M STREET, N.W.
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ERRATUM TO FREQUENTLY ASKED QUESTIONS REGARDING THE ORDER ON RECONSIDERATION OF THE SECOND REPORT AND ORDER CONCERNING THE BROADBAND PERSONAL COMMUNICATIONS SERVICES (PCS) C AND F BLOCK INSTALLMENT PAYMENT PLANS

This Erratum corrects one of the answers given in the Public Notice, *Frequently Asked Questions Regarding the Order on Reconsideration of the Second Report and Order Concerning the Broadband Personal Communications Services (PCS) C and F Block Installment Payment Plans*, DA 98-947, which was released on May 18, 1998. The advice and rule interpretations provided in this Public Notice constitute informal staff opinion and are not official Commission decisions or rulings.¹

Background: The Affordability Exception

If a C block licensee elects the prepayment option, or elects the disaggregation option and chooses to prepay the retained spectrum, then the licensee must prepay all of its BTA licenses in the chosen MTA.² Under the affordability exception, however, a C block licensee that cannot afford to prepay all of its BTA licenses in an MTA may purchase all of its BTA licenses in the MTA that it can afford to prepay and surrender the remaining licenses in the MTA that it cannot afford to prepay.³ A licensee can "afford" as many BTA licenses within an MTA that it can prepay using only its Prepayment Credit.⁴ A licensee's Prepayment Credit consists of two parts: (1) a percentage of the licensee's down payments on licenses returned to the Commission, plus (2) installment payments previously paid on licenses returned to the Commission.⁵

¹ See *220 Television Inc.*, 81 FCC 2d 575, 577 (1980); see also *AMOR Family Broadcasting Group v. FCC*, 918 F.2d 960, 962 (D.C. Cir. 1990); *AAT Electronics Corp. v. FCC*, 743 F.2d 918, 931 (D.C. Cir. 1984).

² See Amendment of the Commission's Rules Regarding Installment Payment Financing for Personal Communications Services (PCS) Licensees, WT Docket 97-82, *Order on Reconsideration of the Second Report and Order*, FCC 98-46 (released March 24, 1998) at ¶¶ 41, 54.

³ *Id.* at ¶¶ 43, 55.

⁴ *Id.*

⁵ *Id.* at ¶ 41.

Q: DO I GET ANY CREDIT FOR THE DOWN PAYMENT ON A LICENSE THAT I SURRENDER UNDER THE AFFORDABILITY EXCEPTION?

A: The correct answer is yes. The Prepayment Credit includes a 70 percent credit for your down payment on any license you surrender under the affordability exception.⁶

Note that if you made installment payments on the licenses you choose to surrender, the down payment portion of your Prepayment Credit will be applied toward the prepayment of licenses before the installment payment portion of the Prepayment Credit is applied. The Commission will refund any installment payment amounts (but no down payment amounts) that remain unspent after all licenses selected for prepayment have been prepaid.⁷

If you have additional questions, please contact: Rachel Kazan or Rita Cookmeyer, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, (202)418-0660, or Jack Zinman, Commercial Wireless Division, Wireless Telecommunications Bureau, (202) 418-7240.

⁶ See, e.g., *id.* at n.101.

⁷ See Public Notice, *Implementation Procedures for the Order on Reconsideration of the Second Report and Order Concerning the Broadband Personal Communications Services (PCS) C and F Block Installment Payment Plans*, DA 98-946 (released May 18, 1998), at p. 4.