

Overview of Auction Process & Integrated Spectrum Auction System (ISAS)

Lower 700 MHz Band Auction No. 60

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Disclaimer

Nothing herein is intended to supersede any provision of the Commission's rules or public notices. These slides should not be used as a substitute for a prospective applicant's review of the Commission's relevant orders, rules, and public notices. Prospective applicants must familiarize themselves thoroughly and remain current with the Commission's rules relating to Lower 700 MHz Band spectrum, rules relating to application and auction procedures, and the procedures, terms and conditions contained in the Auction No. 60 public notices.



Questions?

If you are viewing this presentation live over the web, please feel free to email your questions to...

auction60@fcc.gov



Agenda

Overview the FCC's Simultaneous Multiple Round (SMR) Auction Design and Terminology

Discuss Auction #60 Rules and Procedures

Review and Hands-on Demonstration of the FCC Auction System



Simultaneous Multiple Round (SMR) Auction Design

Simultaneous — All licenses offered at the same time

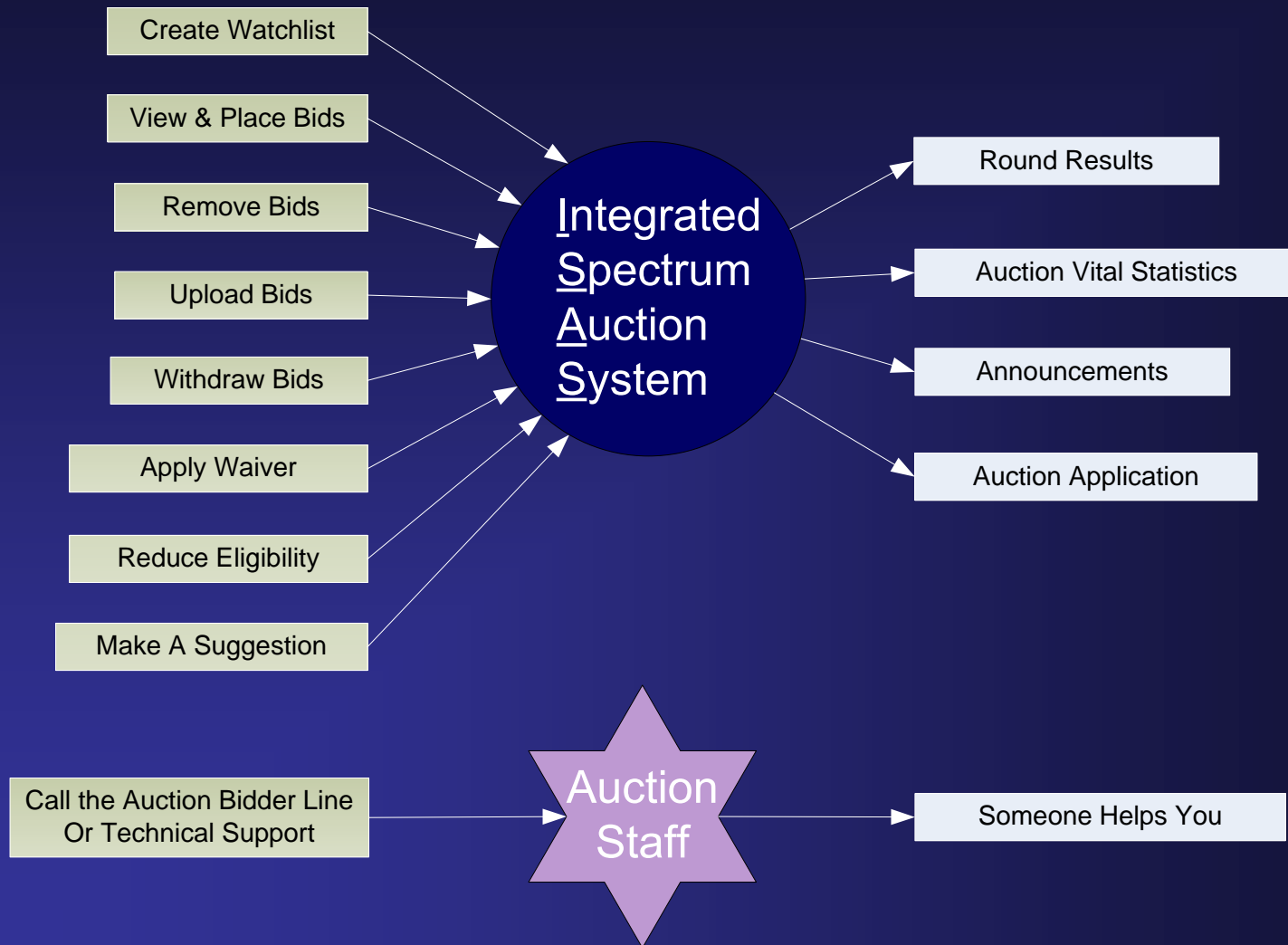
Multiple Round — Multiple discrete bidding rounds

Bidding continues until there is one round in which there is “no activity” on any licenses

No new **bids**, **withdrawals** or **proactive waivers**



Auction Conceptual Design



Bidding Units Defined

Bidding Units-BUs: Fixed number assigned to each license in the auction as listed in Attachment A of the Procedures Public Notice. BUs are used to measure bidders' eligibility and activity. BUs also serve as a mechanism in which the FCC can monitor and control the general pace of the auction.



Eligibility and Activity Defined

Eligibility: The *maximum* number of bidding units a bidder can bid on. It is established by a bidder's Upfront Payment and **cannot be increased**. Eligibility is not license specific. A bidder may use its eligibility on any of a number of licenses it has selected on its 175 application.

Activity: The sum of the bidding units for the license(s) that a bidder has provisionally winning bids (PWBs) on from a previous round and licenses which new bids are placed on in the current round. The activity requirement is based on the stage of the auction and is the *minimum* number of bidding units a bidder can be active on.



Stages and Activity

Two (2) Stage Auction Event

Stage 1: 80% activity requirement

If a bidder has 10,000 bu worth of eligibility, its activity requirement will be 8,000 bu in Stage 1

Stage 2: 95% activity requirement

If a bidder has 10,000 bu worth of eligibility, its activity requirement will be 9,500 bu in Stage 2



Bidding Units in Action

Example: You have 100 bu worth of eligibility and an 80% activity requirement of 80 bu

Area	Description/Market	Bidding Units	Upfront Payment
CMA169	Mayaguez, PR	100	\$100
CMA202	Arecibo, PR	80	\$80
CMA727	Ceiba, PR	10	\$10

What can you bid on to maintain the activity requirement? Mayaguez or Arecibo or Arecibo and Ceiba, but not Ceiba by itself; auction application selection dependent.

How much can you bid? Any one of the nine pre-defined dollar amounts. Your bidding budget is not related to the dollar amount you provided in upfront payment to FCC.



Auction Rules and Procedures

Three (3) Activity Rule Waivers

Proactive versus Automatic

One (1) Withdrawal Round

Withdrawals are not the same as removals

Bid removal is an “undo” of bids placed within a given round
(check required activity)

Bid withdrawal is an “undo” of provisionally winning bids
(PWBs) from a previous round (check required activity and
know that withdrawals may have monetary consequences)



Auction Rules and Procedures

Bid increments determined by fixed **10%** increment

Minimum acceptable bids will be approximately 10 percent greater than the provisionally winning bid (PWB). The auction system allows for a total of nine bid increment amounts for each license.

Bidding via:

Internet

Auction Bidder Line

(live humans: auction experts and bid assistants)



The SecurID Card



Multiple cards sent to all bidders via FCC mailing

Random number refreshes every 60 seconds

Countdown indicator

Please return to the FCC for recycling



To Ensure a Positive Auction Experience

Do your homework

Read all Public Notices related to this auction

Participate in the Mock Auction

Test backup strategies and activate all SecurID cards

Use Auction Bidder Line to ask “what if” questions

Check for and read ALL announcements to stay informed

Bidding schedule

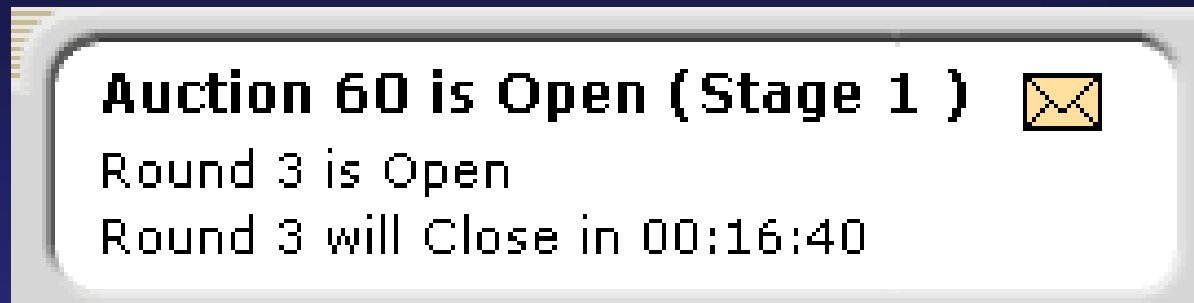
Auction parameter changes

Bid Early!

Print Round Summaries



Auction Timer Information...



Status of auction and respective round

Stage the Auction is in

Notification of new announcements



Auction Conceptual Design

