

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

## **Low Power Television (LPTV)**

### **Auction No. 81**

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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 low power television, television translator, and Class A television broadcast rules relating to application and auction procedures, and the procedures, terms and conditions contained in the Auction No. 81 public notices.



# Questions?

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

[auction81@fcc.gov](mailto:auction81@fcc.gov)



# Agenda

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

**Discuss** Auction #81 Rules and Procedures

**Review and Hands-on Demonstration** of the FCC Auction System



# Simultaneous Multiple Round (SMR) Auction Design

**Simultaneous** — All construction permits are offered at the same time

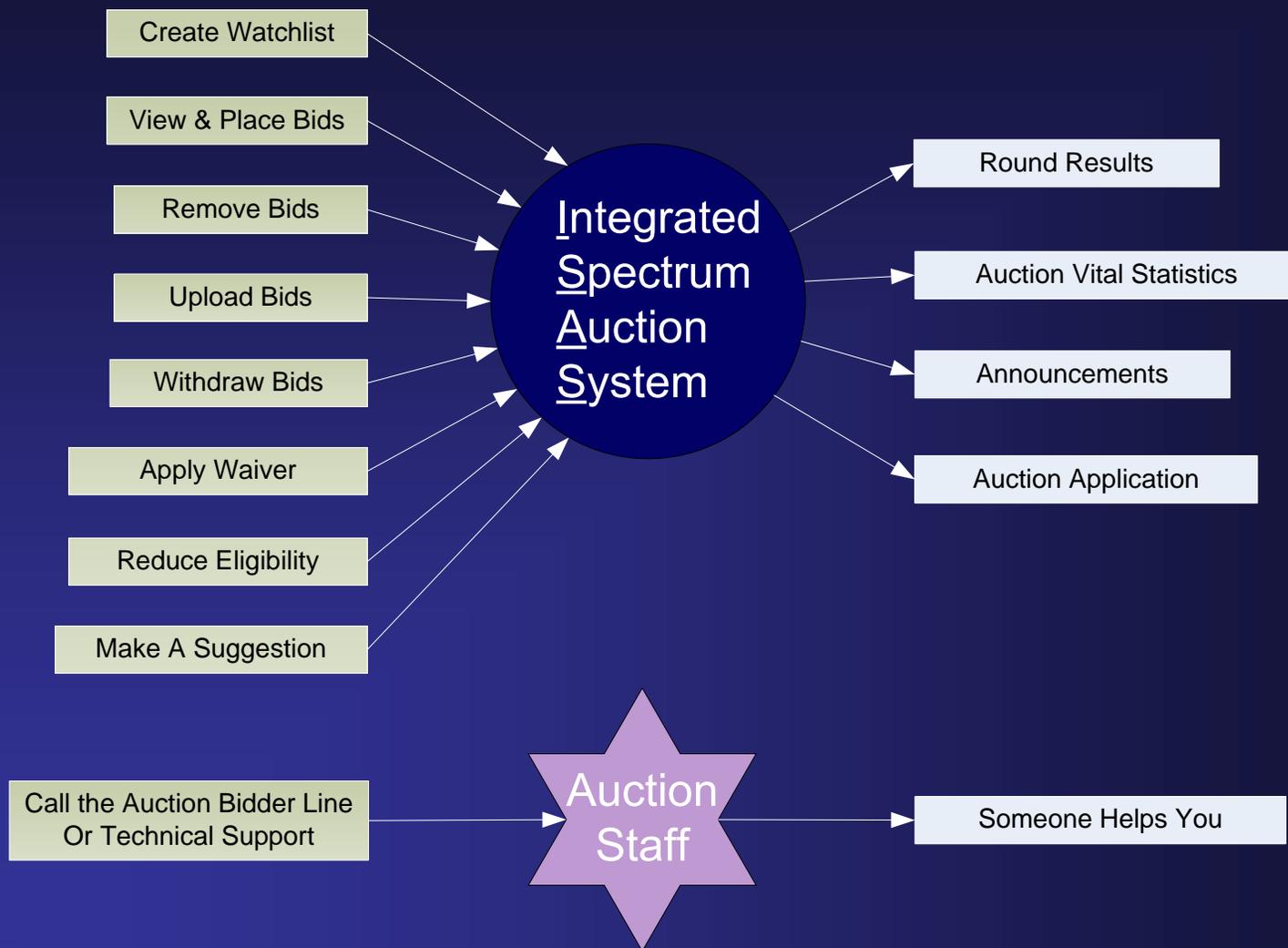
**Multiple Round** — Multiple discrete bidding rounds

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

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



# Auction Conceptual Design



# Bidding Units Defined

**Bidding Units-BUs:** Fixed number assigned to each construction permit 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 construction permit specific. A bidder may use its eligibility on any of a number of construction permit it has selected on its Form 175 application.

**Activity:** The sum of the bidding units for the construction permit(s) that a bidder has **provisionally winning bids** (PWBs) on from a previous round and construction permits 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's worth of eligibility and an 80% activity requirement of 80 BU's

Area	Description/Market	Bidding Units	Upfront Payment
MX001	Texas-01	100	\$100
MX002	Montana-01	80	\$80
MX003	Minnesota-01	10	\$10

**What can you bid on to maintain the activity requirement?**

Texas-01 or Montana-01 or Montana-01 and Minnesota-01, but not Minnesota-01 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 ten percent greater than the provisionally winning bid (PWB). The auction system allows for a total of nine bid increment amounts for each construction permit. Each of these increments are approximately 10% higher than the previous increment.

Bidding via:

**Internet**

**Auction Bidder Line (Phone number will be provided in one of the direct mailings)**

(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 Conceptual Design

