



Auction Anti-Collusion Rules Overview

LPTV and TV Translator Digital Companion Channels Auction 85

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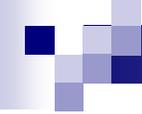
Disclaimer

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 an applicant's review of the Commission's relevant orders, rules and public notices. Applicants must familiarize themselves thoroughly and remain current with the Commission's rules, Orders, and Public Notices relating to the 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 85 public notices.



Anti-Collusion Rules

According to 47 Code of Federal Regulations Sections 1.2105(b) and 73.5002(d), unless an agreement is properly disclosed, a communication concerning a bid, bidding strategy, or settlement agreement (including a post-auction market structure) is prohibited among mutually-exclusive applicants in this auction.



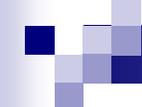
Anti-Collusion Rules

Each of the applicants in this auction certified, under penalties of perjury, in its short-form application that the applicant had not entered and will not enter into any explicit or implicit agreements, arrangements or understandings of any kind with any parties, other than those the applicant had identified in the short-form application, regarding the amount of its bids, bidding strategies or particular construction permits on which the applicant will or will not bid.



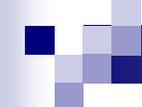
Anti-Collusion Rules

- The prohibition started at 6:00 PM Eastern Time on June 30, 2006, and continues until the down payment deadline, which will be specified in a future public notice. (Section 1.2105(c)(1))
- An applicant is prohibited from discussing a mutually-exclusive applicant's bids or bidding strategies, even if the first applicant does not discuss its own bids or bidding strategies.
- If two applicants are mutually-exclusive (MX) in one MX group, they cannot discuss a bid or bidding strategy for any MX group.



Anti-Collusion Rules

For purposes of the anti-collusion rules, the term “applicant” includes each officer and each director of the entity submitting a short-form application to participate in the auction, as well as each controlling interest of the applicant, each holder of a partnership or other ownership interest, and each holder of a stock interest of 10% or more in the applicant. (Sections 1.2105(c)(7) and 1.2110).



Anti-Collusion Rules

- Section 1.2105(c)(6) requires that applicants that make or receive a prohibited communication to report the communication immediately to the Commission in writing.
- Parties reporting a prohibited communication must be careful that such reports do not themselves violate the anti-collusion rule.
- A party seeking to report a prohibited communication should consider submitting its report with a request that it be withheld from public inspection.



Anti-Collusion Rules

Read paragraphs 8 through 18, on pages 5 through 9, in the Procedures Public Notice – DA 08-1944 – released September 2, 2008.

Auctions Division

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