Code of Federal Regulations (CFR) part or section number.

iii. Explain why you agree or disagree; suggest alternatives and substitute language for your requested changes.

iv. Describe any assumptions and provide any technical information and/or data that you used.

v. If you estimate potential costs or burdens, explain how you arrived at your estimate in sufficient detail to allow for it to be reproduced.

vi. Provide specific examples to illustrate your concerns and suggest alternatives.

vii. Explain your views as clearly as possible, avoiding the use of profanity or personal threats.

viii. Make sure to submit your comments by the comment period deadline identified.

II. What Action is the Agency Taking?

EPA is printing a summary of a pesticide petition received under section 408 of the Federal Food, Drug, and Cosmetic Act (FFDCA), 21 U.S.C. 346a, proposing the establishment or amendment of regulations in 40 CFR part 180 for residues of pesticide chemicals in or on various food commodities. EPA has determined that this pesticide petition contains data or information regarding the elements set forth in FFDCA section 408(d)(2); however, EPA has not fully evaluated the sufficiency of the submitted data at this time or whether the data support granting of the pesticide petition. Additional data may be needed before EPA rules on this pesticide petition.

Pursuant to 40 CFR 180.7(f), a summary of the petition included in this notice, prepared by the petitioner is available on EPA's Electronic Docket at *http://www.regulations.gov*. To locate this information on the home page of EPA's Electronic Docket, select ''Quick Search'' and type the OPP docket ID number. Once the search has located the docket, clicking on the ''Docket ID'' will bring up a list of all documents in the docket for the pesticide including the petition summary.

New Exemption from Tolerance

PP 6E7028. Phyton Corporation, 7449 Cahill Road, Edina, MN 55439, proposes to establish an exemption from the requirement of a tolerance for residues of ammonium formate (CAS Reg. No. 540–69–2) in or on all food commodities when used as an inert ingredient in pesticide products. Because this petition is a request for an exemption from the requirement of a tolerance without numerical limitations, no analytical method is required.

List of Subjects

Environmental protection, Agricultural commodities, Feed additives, Food additives, Pesticides and pests, Reporting and recordkeeping requirements.

Dated: April 11, 2006.

Donald R. Stubbs,

Acting Director, Registration Division, Office of Pesticide Programs.

[FR Doc. E6–6011 Filed 4–20–06; 8:45 am]

BILLING CODE 6560–50–S

FEDERAL COMMUNICATIONS COMMISSION

[AU Docket No. 06–30; Report No. AUC–06–66–B; (Auction No. 66) FCC 06–47]

Auction of Advanced Wireless Services Licenses Scheduled for June 29, 2006; Notice of Filing Requirements, Minimum Opening Bids, Upfront Payments and Other Procedures for Auction No. 66

AGENCY: Federal Communications Commission.

ACTION: Notice.

SUMMARY: This document announces the procedures and minimum opening bids for the upcoming auction of Advanced Wireless Services licenses in the 1710–1755 MHz and 21102155 MHz bands. This document is intended to familiarize prospective bidders with the procedures, minimum opening bids and reserve price for this auction.

DATES: Auction No. 66 is scheduled to begin on June 29, 2006.

FOR FURTHER INFORMATION CONTACT: *For legal questions:* Scott Mackoul at (202) 418–0660. *For general auction questions:* Roy Knowles or Lisa Stover at (717) 338–2888. *For service rules questions:* David Hu or John Spencer at (202) 418–0200; Beth Fishel at (717) 338–2649.

SUPPLEMENTARY INFORMATION: This is a summary of the *Auction No. 66 Procedures Public Notice* released on April 12, 2006. The complete text of the *Auction No. 66 Procedures Public Notice*, including attachments and related Commission documents is available for public inspection and copying from 8 a.m. to 4:30 p.m. Monday through Thursday or from 8 a.m. to 11:30 a.m. on Friday at the FCC Reference Information Center, Portals II, 445 12th Street, SW., Room CY–A257, Washington, DC 20554. The *Auction No. 66 Procedures Public Notice* and related Commission documents may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc. (BCPI), Portals II, 445 12th Street, SW., Room CY–B402, Washington, DC 20554, telephone 202–488–5300, facsimile 202–488–5563, or you may contact BCPI at its Web site: *http://www.BCPIWEB.com.* When ordering documents from BCPI please provide the appropriate FCC document number, for example, FCC 06–47. The *Auction No. 66 Procedures Public Notice* and related documents are also available on the Internet at the Commission's Web site: *http://wireless.fcc.gov/auctions/66/.*

I. General Information

A. Introduction

1. The Federal Communications Commission (FCC or Commission) announces the procedures, minimum opening bids, and reserve price for the upcoming auction of Advanced Wireless Services licenses in the 1710–1755 MHz and 2110–2155 MHz bands (AWS–1) scheduled for June 29, 2006 (Auction No. 66). On January 31, 2006, in accordance with section 309(j)(3) of the Communications Act of 1934, as amended, the Wireless Telecommunications Bureau (Bureau) released a public notice seeking comment on a reserve price and minimum opening bid amounts and the procedures to be used in Auction No. 66. Interested parties submitted 54 comments and 16 reply comments in response to the *Auction No. 66 Comment Public Notice*, 71 FR 6486, February 8, 2006, as well as a number of ex parte or late-filed submissions.

2. In the *Auction No. 66 Comment Public Notice*, the Bureau proposed to include all 1,122 AWS–1 licenses in a single auction using the Commission's standard simultaneous multiple-round (SMR) auction format. The Bureau sought comment on the feasibility and desirability of allocating the AWS–1 licenses among two auctions, run concurrently, with one of the auctions using the standard SMR format and the other using the Commission's package bidding format (SMR–PB). Based on the record and the particular circumstances of the auction of AWS–1 licenses, the Commission, will include all 1,122 AWS–1 licenses in a single auction using the Commission's standard SMR format, as proposed. Package bidding will not be used in Auction No. 66.

3. The Bureau also proposed in the *Auction No. 66 Comment Public Notice* to withhold certain information on bidder interests, bids and bidder identities that typically has been revealed prior to and during past Commission auctions. The proposal was made in response to analysis suggesting

that under certain circumstances the competitiveness and economic efficiency of an SMR auction may be enhanced if such information is withheld until after the close of the auction.

4. Taking into account concerns raised in the record, the Commission has decided to modify its proposal. First, consistent with a suggested compromise between the proposal and the Commission's past practice that was the subject of extensive comment in the record, the Commission will withhold certain information unless it appears that the auction will be sufficiently competitive that any anti-competitive behavior addressed by the original proposal would be unlikely to be successful. To gauge the likely level of competition in this upcoming auction, the Commission will evaluate the level of prospective bidders' bidding eligibility. Specifically, if all the bidders' bidding eligibility, measured in bidding units (subject to a cap on the amount of any one bidder's eligibility) divided by all licenses in the auction, measured in bidding units is equal to or greater than three, the Commission believes the auction will be sufficiently competitive. For the purposes of determining the modified eligibility ratio, the bidding eligibility of any one bidder may be no more than 50 percent of the bidding units of all licenses in the auction. If the modified eligibility ratio is three or greater, the likely level of competition should be sufficient to make anti-competitive outcomes difficult to sustain. Second, if the modified eligibility ratio is less than three and, therefore, certain information is withheld, the Commission will follow the original proposal with two changes: (1) The Commission will release each bidder's eligibility and upfront payment made prior to the start of the auction; and (2) the Commission will release all gross bids for each license (including the losing bids) after each round, but not bidder identities. The Commission believes this compromise provides bidders with additional information regarding license valuations without compromising the proposal's goal of reducing the potential for anti-competitive outcomes.

5. Pursuant to these procedures, license selection information will be withheld, at least initially. Therefore, to enable applicants to comply with the Commission's anti-collusion rules, each applicant with a short-form application to participate in a pending auction will receive a letter that lists the applicants in Auction No. 66 that have applied for licenses in any of the same geographic areas as the applicant, once the Commission has conducted its initial review of applications to participate in Auction No. 66.

6. *The Auction No. 66 Comment Public Notice* proposed an aggregate reserve price of $1,029,534,343.20 for all AWS–1 licenses in order to implement a Congressional mandate to recover estimated relocation costs for government incumbent operators in the lower (1710–1755 MHz) AWS–1 spectrum band. Under the Commercial Spectrum Enhancement Act (CSEA), the Commission cannot conclude any auction of statutorily-defined eligible frequencies if the total cash proceeds attributable to such spectrum are less than 110 percent of the total estimated relocation costs of eligible federal entities assigned to the frequencies. The lower half of the frequencies covered by AWS–1 licenses, 1710–1755 MHz, are eligible frequencies. Accordingly, the Commission will cancel the auction if the winning bids net of applicable discounts at the end of bidding that are attributable to such spectrum are less than 110 percent of the total estimated relocation costs, or $1,029,534,343.20. Given that one-half of the frequencies authorized for use by each license are CSEA eligible frequencies, one-half of each winning bid, net of any applicable bidding credit discounts at the end of bidding (e.g., exclusive of tribal land bidding credits), will be counted toward meeting this reserve price. Therefore, the winning bids (net of bidding credits) in the auction must total at least approximately $2.06 billion in order for the Commission to conclude the auction and award the licenses.

i. Background of Proceeding

7. Growth in demand for mobile wireless services, coupled with the rise of the Internet and greater broadband availability, have increased the need for additional spectrum and advanced technologies capable of providing advanced wireless services, including wireless Internet access and other high-speed information and entertainment services. Enhancements to current wireless network technologies, as well as the development of new technologies, are continuing to improve and expand the deployment of wireless broadband.

8. In order to facilitate the rapid deployment of broadband technologies, the Commission has allocated spectrum to meet the demand for advanced wireless services. In the *Second Report and Order* in ET Docket No. 00–258, 66 FR 47618, September 13, 2001, the Commission allocated the 1710–1755, 2110–2150 and 2150–2155 MHz bands for AWS–1 and combined these latter two bands into a single 45-megahertz allocation (i.e., 2110–2155 MHz). The Commission subsequently adopted service rules for AWS in these bands, including application, licensing, operating and technical rules.

9. Making this spectrum available requires relocating incumbent operations, both Federal Government (Government) and non-Federal Government (non-Government). Relocation of Government operations is subject to the CSEA. For non-Government operations, the Commission's *Emerging Technologies* proceeding adopted a relocation policy designed to allow early entry for new technology providers into reallocated spectrum by allowing providers of new services to negotiate financial arrangements for reaccommodation of incumbent licensees.

ii. Licenses To Be Auctioned

10. Auction No. 66 will offer 1,122 licenses: 36 Regional Economic Area Grouping (REAG) licenses, 352 Economic Area (EA) licenses, and 734 Cellular Market Area (CMA) licenses. A complete list of the AWS–1 licenses available in Auction No. 66 can be found in Attachment A of *Auction No. 66 Procedures Public Notice*.

B. Rules and Disclaimers

i. Relevant Authority

11. Prospective applicants must familiarize themselves thoroughly with the Commission's general competitive bidding rules set forth in Title 47, part 1, of the Code of Federal Regulations, including recent amendments and clarifications; rules relating to the Advanced Wireless Services and emerging technologies contained in Title 47, parts 27 and 101, of the Code of Federal Regulations; and rules relating to applications, practice and procedure contained in Title 47, part 1, of the Code of Federal Regulations. Prospective applicants must also be thoroughly familiar with the procedures, terms and conditions contained in the *Auction No. 66 Procedures Public Notice* and the Commission's decisions in proceedings regarding competitive bidding procedures, application requirements, and obligations of Commission licensees.

12. The terms contained in the Commission's rules, relevant orders, and public notices are not negotiable. The Commission may amend or supplement the information contained in its public notices at any time, and will issue public notices to convey any new or supplemental information to applicants. It is the responsibility of all

applicants to remain current with all Commission rules and with all public notices pertaining to this auction.

ii. Prohibition of Collusion; Compliance With Antitrust Laws

13. To ensure the competitiveness of the auction process, § 1.2105(c) of the Commission's rules prohibit applicants competing for licenses in any of the same geographic license areas from communicating with each other about bids, bidding strategies, or settlements unless such applicants have identified each other on their short-form applications (FCC Forms 175) as parties with whom they have entered into agreements pursuant to § 1.2105(a)(2)(viii). In Auction No. 66, the rule would apply to any applicants bidding for the same CMA, EA, or REAG. The rule would also apply to applicants bidding for licenses in overlapping CMAs, EAs, and REAGs. In addition, the rule would preclude applicants that apply to bid for all markets from communicating with all other applicants. Applicants that have applied for the same markets (unless they have identified each other on their FCC Form 175 applications as parties with whom they have entered into agreements under § 1.2105(a)(2)(viii)) must affirmatively avoid all communications with or disclosures to each other that affect or have the potential to affect bids or bidding strategy, which may include communications regarding the post-auction market structure. This prohibition begins at the short-form application filing deadline and ends at the down payment deadline after the auction. This prohibition applies to all applicants regardless of whether such applicants become qualified bidders or actually bid.

14. For purposes of this prohibition, § 1.2105(c)(7)(i) defines applicant as including all officers and directors of the entity submitting a short-form application to participate in the auction, all controlling interests of that entity, as well as all holders of partnership and other ownership interests and any stock interest amounting to 10 percent or more of the entity, or outstanding stock, or outstanding voting stock of the entity submitting a short-form application.

15. Applicants for licenses for any of the same geographic license areas must not communicate directly or indirectly about bids or bidding strategy. Accordingly, such applicants are encouraged not to use the same individual as an authorized bidder. A violation of the anti-collusion rule could occur if an individual acts as the authorized bidder for two or more applicants, and conveys information concerning the substance of bids or bidding strategies between such applicants. Also, if the authorized bidders are different individuals employed by the same organization (*e.g.*, law firm or engineering firm or consulting firm), a violation similarly could occur. In such a case, at a minimum, applicants should certify on their applications that precautionary steps have been taken to prevent communication between authorized bidders and that applicants and their bidding agents will comply with the anti-collusion rule. Auction participants are hereby placed on notice that public disclosure of information on bidder interests, bids and bidder identities that typically has been revealed prior to and during past Commission auctions may violate the anti-collusion rule. Bidders should use caution in their dealings with other parties, such as members of the press, financial analysts, or others who might become a conduit for the communication of prohibited bidding information.

16. The Commission's rules do not prohibit applicants from entering into otherwise lawful bidding agreements before filing their short-form applications, as long as they disclose the existence of the agreement(s) in their short-form application. If parties agree in principle on all material terms prior to the short-form filing deadline, each party to the agreement must identify the other party or parties to the agreement on its short-form application under § 1.2105(c), even if the agreement has not been reduced to writing. If the parties have not agreed in principle by the short-form filing deadline, they should not include the names of parties to discussions on their applications, and they may not continue negotiations, discussions or communications with any other applicants after the short-form filing deadline. By electronically submitting its short-form application, each applicant certifies its compliance with § 1.2105(c). Any applicant found to have violated the anti-collusion rule may be subject to sanctions.

17. By electronically submitting its short-form application, each applicant certified its compliance with § 1.2105(c). However, the Commission cautions that merely filing a certifying statement as part of an application will not outweigh specific evidence that collusive behavior has occurred, nor will it preclude the initiation of an investigation when warranted. Any applicant found to have violated the anti-collusion rule may be subject to sanctions.

18. Applicants are also reminded that, regardless of compliance with the Commission's rules, they remain subject to the antitrust laws, which are designed to prevent anticompetitive behavior in the marketplace. Compliance with the disclosure requirements of the Commission's anti-collusion rule will not insulate a party from enforcement of the antitrust laws. To the extent the Commission becomes aware of specific allegations that may give rise to violations of the federal antitrust laws the Commission may refer such allegations to the United States Department of Justice for investigation. If an applicant is found to have violated the antitrust laws or the Commission's rules in connection with its participation in the competitive bidding process, it may be subject to forfeiture of its upfront payment, down payment, or full bid amount and may be prohibited from participating in future auctions, among other sanctions.

19. Section 1.65 of the Commission's rules requires an applicant to maintain the accuracy and completeness of information furnished in its pending application and to notify the Commission within 30 days of any substantial change that may be of decisional significance to that application. Applicants are therefore required by § 1.65 to report to the Commission any communications they have made to or received from another applicant after the short-form filing deadline that affect or have the potential to affect bids or bidding strategy unless such communications are made to or received from parties to agreements identified under § 1.2105(a)(2)(viii).

20. Applicants that are winning bidders will be required to disclose in their long-form applications the specific terms, conditions, and parties involved in all bidding consortia, joint ventures, partnerships, and other arrangements entered into relating to the competitive bidding process.

21. A summary listing of documents issued by the Commission and the Bureau addressing the application of the anti-collusion rule may be found in Attachment G of the *Auction No. 66 Procedures Public Notice.*

iii. Incumbency Issues

22. The AWS–1 bands are now being used for a variety of Government and non-Government services. The 1710–1755 MHz band is currently a Government band. The 2110–2150 MHz band is used by private (including state and local governmental public safety services) and common carrier fixed microwave services. The 2150–2155

MHz band is currently used by the Broadband Radio Service (BRS).

23. *Relocation of Government Incumbents; Spectrum Relocation Fund.* The 1710–1755 MHz spectrum is covered by a Congressional mandate that requires that auction proceeds fund the estimated relocation costs of incumbent Federal entities. Specifically, the CSEA established a Spectrum Relocation Fund (SRF), to which the cash proceeds attributable to eligible frequencies in the AWS–1 license auction will be deposited.

24. CSEA also prohibits the Commission from concluding any auction of eligible frequencies if the total cash proceeds attributable to such spectrum are less than 110 percent of the estimated relocation costs provided to the Commission by the National Telecommunications and Information Administration (NTIA). NTIA has collected estimates of the relocation costs for the eligible frequencies in the AWS–1 band. On December 27, 2005, pursuant to CSEA, NTIA notified the Commission of the estimated relocation costs and timelines for relocation of eligible Federal entities assigned to frequencies from 1710 to 1755 MHz. NTIA reported that the total estimated relocation costs equal $935,940,312.

25. *Relocation of Non-Government Incumbents.* The Commission is in the process of determining how to apply the policies adopted in the *Emerging Technologies* proceeding to the relocation of incumbent fixed microwave and BRS licensees in the 2110–2150 and 2150–2155 MHz bands, respectively. In the *Fifth Notice of Proposed Rule Making* (AWS Fifth Notice) in ET Docket No. 00–258, 70 FR 61752, October 26, 2005, the Commission is seeking comment on the specific relocation and cost-sharing procedures applicable to BRS operations in the 2150–2160/62 MHz band, which the Commission recently decided will be relocated to the newly restructured 2495–2690 MHz band. In the *AWS Fifth Notice,* the Commission is also seeking comment on cost-sharing obligations and procedures associated with relocation obligations for the 2110–2155 MHz band. In doing so, the *AWS Fifth Notice* also referenced an earlier request by the Commission for comments on the appropriate procedures for apportioning relocation costs among multiple AWS licensees in the 2110–2150 MHz band. The Commission is also currently considering petitions for reconsideration that raise issues concerning the conditions under which the 2495–2500 MHz band would be available to BRS and the suitability of that spectrum for BRS operations.

iv. Protection of Incumbent Government and Non-Government Operations

26. AWS licensees must comply with the technical and operational rules set forth in 47 CFR 27.50–27.66 and 27.1131–27.1135. The latter set of rules describes the procedures AWS licensees must follow to protect co-channel and adjacent channel incumbent Government and non-Government operations from interference.

27. *The 1710–1755 MHz band.* According to NTIA, this spectrum is used by the Federal Government for both military and non-military operations. Sixteen Department of Defense (DOD) facilities in the country are classified as protected facilities, and various types of systems operate at these locations. AWS licensees must protect systems operating at these facilities from interference until such systems are relocated to other spectrum. These restrictions shall apply until such time as the relocation of the Federal systems has been completed, and indefinitely in the case of systems at the Yuma, Arizona, and Cherry Point, North Carolina, locations. Furthermore, AWS licensees will be required to accept any interference received from operations at the 16 facilities. Such interference could occur at large distances outside the facilities' operating radii due to airborne operations within the radii.

28. The CSEA permits the Commission to grant commercial licenses in these bands prior to relocation of Federal government operations and the termination of a Federal entity's authorization. Until such time as the Government licensees have relocated to other spectrum, or NTIA de-authorizes an operation pursuant to CSEA, AWS operators shall be required to protect non-DOD Government systems operating in the 1710–1755 and 1755–1761 MHz bands in accordance with the provisions set forth in § 27.1134(b) of the Commission's rules.

29. AWS licensees operating fixed stations in the 1710–1755 MHz band, if notified that such stations are causing interference to radiosonde receivers operating in the Meteorological Aids Service in the 1675'1700 MHz band or meteorological-satellite earth receivers operating in the Meteorological-Satellite Service in the 1675–1710 MHz band, shall be required to modify the stations' location and/or technical parameters as necessary to eliminate the interference.

30. *The 2110–2155 MHz Band.* Fixed point-to-point microwave systems authorized under part 101 of the Commission's rules will maintain primary status in the 2110–2150 MHz band unless and until an AWS or other emerging technology licensee requires use of the spectrum. AWS licensees are required, prior to initiating operations from any base or fixed station, to coordinate their frequency usage with co-channel and adjacent channel incumbent part 101 fixed-point-to-point microwave licensees operating in the 2110–2150 MHz band. Similarly, BRS operations in the 2150–2160/62 MHz band will be relocated to other spectrum. Until that occurs, AWS licensees, prior to initiating operations from any base or fixed station, must coordinate their frequency usage with co-channel and adjacent channel incumbent BRS licensees operating in the 2150–2160 MHz band.

31. AWS licensees operating in the 2110–2155 MHz band must protect previously licensed Broadcast Auxiliary Service (BAS) and Cable Television Radio Service (CARS) operations in the adjacent 2025–2110 MHz band. In satisfying this requirement AWS licensees must, before constructing and operating any base or fixed station, determine the location and licensee of all BAS or CARS stations authorized in their area of operation, and coordinate their planned stations with those licensees.

32. The National Aeronautics and Space Administration (NASA) operates the Deep Space Network (DSN) in the 2110–2120 MHz band at Goldstone, California. NASA will continue its operations of high power transmitters (nominal EIRP of 105.5 dBW with EIRP up to 119.5 dBW used under emergency conditions) in this band at this location. AWS licensees must accept any interference received from the Goldstone DSN facility in this band.

a. International Coordination

33. Operations in the 1710–1755 and 2110–2155 MHz bands must not cause harmful interference across the borders with Mexico and Canada. Until such time as agreements between the United States, Mexico and Canada become effective, the same technical restrictions at the border that are adopted for operation between geographic service areas will apply, to the extent they are not in violation of current bilateral agreements and arrangements. When interim arrangements or agreements between the United States, Mexico and Canada are final and become effective, licensees in the 1710–1755 and 2110–2155 MHz bands must comply with these agreements. In addition, if these agreements are modified in the future, licensees in the 1710–1755 and 2110–2155 MHz bands must comply with these modifications.

b. Quiet Zones

34. Advanced Wireless Services licensees must protect the radio quiet zones set forth in the Commission's rules. Licensees are cautioned that they must receive the appropriate approvals directly from the relevant quiet zone entity prior to operating within the areas described in the Commission's rules.

v. Due Diligence

35. The Commission cautions potential applicants formulating their bidding strategies to investigate and consider the extent to which AWS frequencies are occupied. Operations in the AWS–1 bands must be protected and/or relocated to available frequencies typically in higher bands or to other media. These limitations may restrict the ability of AWS geographic area licensees to use certain portions of the electromagnetic spectrum or provide service to certain areas in their geographic license areas. Bidders should become familiar with the status of these operations and relocation requirements, and applicable Commission rules, orders and any pending proceedings related to the service, in order to make reasoned, appropriate decisions about their participation in Auction No. 66 and their bidding strategy.

36. Potential bidders are reminded that they are solely responsible for investigating and evaluating all technical and marketplace factors that may have a bearing on the value of the AWS–1 licenses in this auction. The FCC makes no representations or warranties about the use of this spectrum for particular services. Applicants should be aware that an FCC auction represents an opportunity to become an FCC licensee in the Advanced Wireless Services subject to certain conditions and regulations. An FCC auction does not constitute an endorsement by the FCC of any particular service, technology, or product, nor does an FCC license constitute a guarantee of business success. Applicants should perform their individual due diligence before proceeding as they would with any new business venture.

37. Potential bidders are strongly encouraged to conduct their own research prior to the beginning of bidding in Auction No. 66 in order to determine the existence of any pending administrative or judicial proceedings that might affect their decision regarding participation in the auction. Participants in Auction No. 66 are strongly encouraged to continue such research throughout the auction. In addition, potential bidders should perform technical analyses sufficient to assure themselves that, should they prevail in competitive bidding for a specific license, they will be able to build and operate facilities that will fully comply with the Commission's technical and legal requirements.

38. Applicants should also be aware that certain pending and future proceedings, including applications (including those for modification), petitions for rulemaking, requests for special temporary authority, waiver requests, petitions to deny, petitions for reconsideration, informal oppositions, and applications for review, before the Commission may relate to particular applicants or incumbent licensees or the licenses available in Auction No. 66. In addition, pending and future judicial proceedings may relate to particular applicants or incumbent licensees, or the licenses available in Auction No. 66. Prospective bidders are responsible for assessing the likelihood of the various possible outcomes, and considering their potential impact on spectrum licenses available in this auction.

39. Applicants should perform due diligence to identify and consider all proceedings that may affect the spectrum licenses being auctioned and that could have an impact on the availability of spectrum for Auction No. 66. In addition, although the Commission may continue to act on various pending applications, informal objections, petitions, and other requests for Commission relief, some of these matters may not be resolved by the time of the auction.

40. Applicants are solely responsible for identifying associated risks and for investigating and evaluating the degree to which such matters may affect their ability to bid on, otherwise acquire, or make use of licenses available in Auction No. 66.

41. Applicants may obtain information about non-Federal Government incumbent licenses that may have an effect on availability of licenses in Auction No. 66 through the Commission's licensing databases on the World Wide Web.

42. To further assist potential bidders in determining the scope of the new AWS entrants' relocation obligations in the 2150–2155 MHz band, the Commission ordered BRS licensees in the 2150–2160/62 MHz band to submit information on the locations and operating characteristics of BRS systems in that band. Each application will need to be viewed to determine if it is a BRS Channel 1, 2/ 2A Notification.

43. The Commission makes no representations or guarantees regarding the accuracy or completeness of information in its databases or any third party databases. The Commission's databases may not include all information deemed necessary or desirable by an applicant, applicants may obtain or verify such information from independent sources or assume the risk of any incompleteness or inaccuracy in said databases. Furthermore, the Commission makes no representations or guarantees regarding the accuracy or completeness of information that has been provided by incumbent licensees and incorporated into its databases.

44. Potential applicants are strongly encouraged to physically inspect any prospective sites located in, or near, the service area for which they plan to bid, and also to familiarize themselves with the environmental assessment obligations.

vi. Use of Integrated Spectrum Auction System

45. The Commission will make available a browser-based bidding system to allow bidders to participate in Auction No. 66 over the Internet using the Commission's Integrated Spectrum Auction System (ISAS or FCC Auction System). The Commission makes no warranty whatsoever with respect to the FCC Auction System. In no event shall the Commission, or any of its officers, employees or agents, be liable for any damages whatsoever (including, but not limited to, loss of business profits, business interruption, loss of business information, or any other loss) arising out of or relating to the existence, furnishing, functioning or use of the FCC Auction System that is accessible to bidders in connection with this auction. Moreover, no obligation or liability will arise out of the Commission's technical, programming or other advice or service provided in connection with the FCC Auction System.

vii. Bidder Alerts

46. As is the case with many business investment opportunities, some unscrupulous entrepreneurs may attempt to use Auction No. 66 to deceive and defraud unsuspecting investors. Information about deceptive telemarketing investment schemes is available from the Federal Trade Commission (FTC) and from the Securities and Exchange Commission (SEC).

viii. National Environmental Policy Act Requirements

47. Licensees must comply with the Commission's rules regarding implementation of the National

Environmental Policy Act (NEPA). The construction of a wireless antenna facility is a federal action and the licensee must comply with the Commission's NEPA rules for each such facility. The Commission's NEPA rules require, among other things, that the licensee consult with expert agencies having NEPA responsibilities, including the U.S. Fish and Wildlife Service, the State Historic Preservation Office, the Army Corps of Engineers and the Federal Emergency Management Agency. In assessing the effect of facilities construction on historic properties, the licensee must follow the provisions of the Nationwide Programmatic Agreement Regarding the Section 106 National Historic Preservation Act Review Process.

C. Auction Specifics

i. Auction Date

48. Bidding in Auction No. 66 will begin on Thursday, June 29, 2006, as announced in the *Auction No. 66 Comment Public Notice*. The initial schedule for bidding will be announced by public notice at least one week before the start of the auction.

49. Several commenters addressed the date on which bidding in Auction No. 66 will commence. Generally, commenters expressed support for commencing the auction on June 29, 2006. A few commenters, however, expressed concern about the start date.

50. The Commission does not find sufficient cause to delay the start of Auction No. 66, and therefore, will commence the competitive bidding as scheduled, i.e., on June 29, 2006. The Commission agrees with the majority of the parties who commented on this issue that it is in the public interest to make AWS spectrum available as soon as it is both reasonable and consistent with CSEA. Therefore, the concerns raised by some about time needed to prepare for package bidding are moot. The Commission has decided to proceed with standard, single SMR auction for the AWS–1 licenses.

51. Unless otherwise announced, bidding on all licenses will be conducted on each business day until bidding has stopped on all licenses.

ii. Auction Title

52. Auction No. 66—Advanced Wireless Services (AWS–1)

iii. Bidding Methodology

53. The bidding methodology for Auction No. 66 will be simultaneous multiple round bidding. The Commission will conduct this auction over the Internet using the FCC Auction System, and telephonic bidding will be available as well. Qualified bidders are permitted to bid electronically via the Internet or by telephone.

iv. Pre-Auction Dates and Deadlines

54. Dates and Deadlines:
Auction Seminar: April 24, 2006.
Short-Form Application (FCC Form 175) Filing Window Opens: April 24, 2006; 12 p.m. ET.
Short-Form Application (FCC Form 175) Filing Window Deadline: May 10, 2006; 6 p.m. ET.
Upfront Payments (via wire transfer): June 1, 2006; 6 p.m. ET.
Mock Auction: June 26, 2006.
Auction Begins: June 29, 2006.

v. Requirements for Participation

55. Those wishing to participate in the auction must: (a) Submit a short-form application (FCC Form 175) electronically prior to 6 p.m. Eastern Time (ET), May 10, 2006, following the electronic filing procedures set forth in Attachment D of the *Auction No. 66 Procedures Public Notice*; (b) submit a sufficient upfront payment and an FCC Remittance Advice Form (FCC Form 159) before 6 p.m. ET, June 1, 2006; and (c) comply with all provisions outlined in this Public Notice and applicable Commission rules.

vi. General Contact Information

56. See *Auction No. 66 Procedures Public Notice* for General Contract information table.

II. Short-Form Application (FCC Form 175) Requirements

57. An application to participate in an FCC auction, referred to as a short-form application or FCC Form 175, provides information used in determining whether the applicant is legally, technically, and financially qualified to participate in Commission auctions for licenses or permits.

58. Entities seeking licenses available in Auction No. 66 must file a short-form application electronically via the FCC Auction System before 6 p.m. ET on May 10, 2006, following the procedures prescribed in Attachment D of the *Auction No. 66 Procedures Public Notice*. If an applicant claims eligibility for a bidding credit, the information provided in its FCC Form 175 will be used in determining whether the applicant is eligible for the claimed bidding credit. Applicants bear full responsibility for submitting accurate, complete and timely short-form applications. All applicants must certify on their short-form applications under penalty of perjury that they are legally, technically, financially and otherwise qualified to hold a license.

59. An entity may not submit more than one short-form application for a single auction. In the event that a party submits multiple short-form applications, only one application will be accepted for filing. Applicants also should note that submission of a short-form application constitutes a representation by the certifying official that he or she is an authorized representative of the applicant, that he or she has read the form's instructions and certifications, and that the contents of the application, its certifications, and any attachments are true and correct. Submission of a false certification to the Commission may result in penalties, including monetary forfeitures, license forfeitures, ineligibility to participate in future auctions, and/or criminal prosecution.

A. Preferences for Small Businesses and Others

i. Size Standards for Bidding Credits

60. A bidding credit represents the amount by which a bidder's winning bid will be discounted. For Auction No. 66, bidding credits will be available to small businesses and very small businesses, and consortia thereof, as follows: (1) A bidder with attributed average annual gross revenues that exceed $15 million and do not exceed $40 million for the preceding three years (small business) will receive a 15 percent discount on its winning bid; (2) a bidder with attributed average annual gross revenues that do not exceed $15 million for the preceding three years (very small business) will receive a 25 percent discount on its winning bid.

61. Bidding credits are not cumulative; a qualifying applicant receives either the 15 percent or 25 percent bidding credit on its winning bid, but not both.

62. Every applicant that claims eligibility for a bidding credit as either a small business or a very small business, or a consortium of small businesses or very small businesses, will be required to provide information regarding revenues attributable to the applicant, its affiliates, its controlling interests, and the affiliates of its controlling interests on its FCC Form 175 short-form application to establish that it satisfies the applicable eligibility requirement. Applicants considering claiming eligibility as a designated entity in Auction No. 66 should review carefully the recently released *CSEA/Part 1 Designated Entity FNPRM*, 71 FR 6992, February 10, 2006. Applicants considering claiming eligibility as a designated entity in Auction No. 66 should monitor further proceedings

pursuant to the *CSEA/Part 1 Designated Entity FNPRM* to assure their ability to comply with any changes to the designated entity rules that the Commission may adopt that are applicable to applicants in Auction No. 66.

ii. Tribal Lands Bidding Credit

63. To encourage the growth of wireless services in federally recognized tribal lands the Commission has implemented a tribal land bidding credit. The Commission will award pro rata tribal lands bidding credits in the event that the sum of all net winning bids at the close of bidding, exclusive of tribal lands bidding credits, is not sufficient funds both to meet the reserve price and to award all eligible applicants full tribal lands bidding credits.

iii. Installment Payments

64. Installment payment plans will not be available in Auction No. 66.

B. License Selection

65. In Auction No. 66, applicants must select the licenses on which they want to bid from the Eligible Licenses list. In Auction No. 66, FCC Form 175 will include a filtering mechanism that allows an applicant to filter the available licenses. The applicant will make selections for one or more of the filter criteria and the system will produce a list of licenses satisfying the specified criteria. The applicant may select all the licenses in the customized list or select individual licenses from the list. Applicants also will be able to select licenses from one customized list and then create additional customized lists to select additional licenses. There will be no opportunity to change license selection after the short-form filing deadline. It is critically important that an applicant confirm its license selections before submitting its short-form application because the FCC Auction System will not accept bids on licenses that an applicant has not selected on its FCC Form 175.

C. Disclosure of Bidding Arrangements

66. Applicants will be required to identify in their short-form applications all parties with whom they have entered into any agreements, arrangements, or understandings of any kind relating to the licenses being auctioned, including any agreements relating to post-auction market structure. Applicants also will be required to certify under penalty of perjury in their short-form applications that they have not entered and will not enter into any explicit or implicit agreements, arrangements or understandings of any kind with any parties, other than those identified in the application, regarding the amount of their bids, bidding strategies, or the particular licenses on which they will or will not bid. If an applicant has had discussions, but has not reached a joint bidding agreement by the short-form application filing deadline, it would not include the names of parties to the discussions on its application and may not continue such discussions with any applicants after the deadline.

67. After the filing of short-form applications, the Commission's rules do not prohibit a party holding a non-controlling, attributable interest in one applicant from acquiring an ownership interest in or entering into a joint bidding arrangement with other applicants provided that (i) the attributable interest holder certifies that it has not and will not communicate with any party concerning the bids or bidding strategies of more than one of the applicants in which it holds an attributable interest, or with which it has entered into a joint bidding arrangement; and (ii) the arrangements do not result in a change in control of any of the applicants. While the anti-collusion rules do not prohibit non-auction related business negotiations among auction applicants, applicants are reminded that certain discussions or exchanges could touch upon impermissible subject matters because they may convey pricing information and bidding strategies. Further, as discussed above, compliance with the disclosure requirements of the Commission's anti-collusion rule will not insulate a party from enforcement of the antitrust laws.

D. Ownership Disclosure Requirements

68. All applicants must comply with the uniform Part 1 ownership disclosure standards and provide information required by §§ 1.2105 and 1.2112 of the Commission's rules. Specifically, in completing the short-form application, applicants will be required to fully disclose information on the real party or parties-in-interest and ownership structure of the applicant.

69. Applicants considering claiming eligibility as a designated entity in Auction No. 66 should review carefully and monitor the recently initiated rulemaking proceeding concerning the Commission's designated entity rules. The Commission also sought comment on whether to restrict the award of designated entity benefits where an otherwise qualified designated entity has a material relationship with a large entity that has a significant interest in communications services. The Commission stated that it intended any changes adopted in this proceeding to apply to AWS licenses to be offered in Auction No. 66. Depending upon the outcome of that proceeding, applicants may be required to disclose additional ownership information in order to comply with any changes to the designated entity rules that the Commission may adopt that are applicable to applicants in Auction No. 66.

70. Applicants are responsible for ensuring that the information submitted in their Form 175 for Auction No. 66 is complete and accurate. Accordingly, applicants should carefully review any information automatically entered to confirm that it is complete and accurate as of the deadline for filing the short-form application. Applicants can update any information that was entered automatically and needs to be changed directly in the short-form application.

E. Bidding Credit Revenue Disclosures

71. To determine which applicants qualify for bidding credits as small businesses or very small businesses, the Commission considers the gross revenues of the applicant, its affiliates, its controlling interests, and the affiliates of its controlling interests. Therefore, entities applying to bid as small businesses or very small businesses (or consortia of small businesses or very small businesses) will be required to disclose on their FCC Form 175 short-form applications the gross revenues of each of the following for the preceding three years: (1) The applicant, (2) its affiliates, (3) its controlling interests, and (4) the affiliates of its controlling interests. In order to comply with the Commission's disclosure requirements for bidding credit eligibility, an applicant must provide separately for itself, its affiliates, its controlling interests, and the affiliates of its controlling interests, the gross revenues for each of the preceding three years. If the applicant is applying as a consortium of small businesses or very small businesses, this information must be provided for each consortium member.

72. Applicants considering claiming eligibility as a designated entity in Auction No. 66 should review carefully the recently released *CSEA/Part 1 Designated Entity FNPRM*. Depending upon the outcome of that proceeding, applicants may be required to disclose additional information regarding gross revenues of related parties in order to comply with any changes to the designated entity rules that the Commission may adopt that are

applicable to applicants in Auction No. 66.

73. Controlling interests of an applicant include individuals and entities with either de facto or de jure control of the applicant. Typically, ownership of at least 50.1 percent of an entity's voting stock evidences de jure control. De facto control is determined on a case-by-case basis.

74. Officers and directors of an applicant are also considered to have controlling interest in the applicant. Once the principals or entities with a controlling interest are determined, only the revenues of those principals or entities, the affiliates of those principals or entities, and the applicant and its affiliates will be counted in determining small business eligibility.

75. Each member of a consortium of small or very small businesses that applies to participate in Auction No. 66 must individually meet the definition of small business or very small business adopted by the Commission for the Advanced Wireless Services. Each consortium member must disclose its gross revenues along with those of its affiliates, its controlling interests, and the affiliates of its controlling interests. Although the gross revenues of the consortium members will not be aggregated for purposes of determining the consortium's eligibility as a small business or very small business, this information must be provided to ensure that each individual consortium member qualifies for any bidding credit awarded to the consortium.

F. Provisions Regarding Former and Current Defaulters

76. Each applicant must state under penalty of perjury on its short-form application whether or not the applicant, its affiliates, its controlling interests, and the affiliates of its controlling interests, as defined by § 1.2110, have ever been in default on any Commission licenses or have ever been delinquent on any non-tax debt owed to any Federal agency. In addition, each applicant must certify under penalty of perjury on its short-form application that as of the short-form filing deadline, the applicant, its affiliates, its controlling interests, and the affiliates of its controlling interests, as defined by § 1.2110, are not in default on any payment for Commission licenses (including down payments) and that they are not delinquent on any non-tax debt owed to any Federal agency. Prospective applicants are reminded that submission of a false certification to the Commission is a serious matter that may result in severe penalties, including monetary forfeitures, license revocations, exclusion from participation in future auctions, and/or criminal prosecution.

77. Former defaulters, i.e., applicants, including any of their affiliates, any of their controlling interests, or any of the affiliates of its controlling interests, that in the past have defaulted on any Commission licenses or been delinquent on any non-tax debt owed to any Federal agency, but that have since remedied all such defaults and cured all of their outstanding non-tax delinquencies—are eligible to bid in Auction No. 66, provided that they are otherwise qualified.

78. Current defaulters, *i.e.*, applicants, including any of their affiliates, any of their controlling interests, or any of the affiliates of their controlling interests, that are in default on any payment for any Commission licenses (including down payments) or are delinquent on any non-tax debt owed to any Federal agency as of the filing deadline for applications to participate in this auction—are not eligible to bid in Auction No. 66.

79. Applicants are encouraged to review the Commission's previous guidance on default and delinquency disclosure requirements in the context of the short-form application process. Therefore, with respect to regulatory or application fees, the provisions of §§ 1.2105(a) and 1.2106(a) regarding default and delinquency in connection with competitive bidding are limited to circumstances in which the relevant party has not complied with a final Commission payment deadline.

80. The Commission considers outstanding debts owed to the United States Government, in any amount, to be a serious matter. The Commission adopted rules, including a provision referred to as the red light rule, that implement the Commission's obligations under the *Debt Collection Improvement Act of 1996*, which governs the collection of claims owed to the United States. Under the red light rule, the Commission will not process applications and other requests for benefits filed by parties that have outstanding debts owed to the Commission. In the same rulemaking order, the Commission explicitly declared, however, that the Commission's competitive bidding rules are not affected by the red light rule. As a consequence, the Commission's adoption of the red light rule does not alter the applicability of any of the Commission's competitive bidding rules, including the provisions and certifications of §§ 1.2105 and 1.2106, with regard to current and former defaults or delinquencies. Applicants are reminded, however, that the Commission's Red Light Display System, which provides information regarding debts owed to the Commission, may not be determinative of an auction applicant's ability to comply with the default and delinquency disclosure requirements of § 1.2105. Thus, while the red light rule ultimately may prevent the processing of long-form applications by auction winners, an auction applicant's red light status is not necessarily determinative of its eligibility to participate in this auction or of its upfront payment obligation.

81. Prospective applicants in Auction No. 66 should note that any long-form applications filed after the close of competitive bidding will be reviewed for compliance with the Commission's red light rule, and such review may result in the dismissal of a winning bidder's long-form application.

G. Other Information

82. Applicants owned by member of minority groups and/or women, as defined in § 1.2110(c)(3), may identify themselves in filling out their short-form applications regarding this status. This applicant status information is collected for statistical purposes only and assists the Commission in monitoring the participation of designated entities in its auctions.

H. Minor Modifications to Short-Form Applications (FCC Form 175)

83. After the deadline for filing short-form applications (FCC Forms 175) at 6 p.m. ET on May 10, 2006, applicants are permitted to make only minor changes to their applications. Applicants are not permitted to make major modifications to their applications (e.g., change their license selections, change control of the applicant, or claim eligibility for a higher bidding credit).

84. Any application amendment and related statements of fact must be certified by: (1) The applicant, if the applicant is an individual, (2) one of the partners if the applicant is a partnership, (3) an officer, director, or duly authorized employee, if the applicant is a corporation, (4) by a member who is an officer, if the applicant is an unincorporated association, (5) the trustee if the applicant is an amateur radio service club, or (6) a duly elected or appointed official who is authorized to make such certifications under the laws of the applicable jurisdiction, if the applicant is a governmental entity.

85. An applicant must make permissible minor changes to its short-form application as such changes are

defined by § 1.2105(b), on-line. In addition, in the event that changes cannot be made immediately in ISAS for any reason, an applicant should submit a letter briefly summarizing the changes and subsequently update their short-form applications in ISAS as soon as possible. Any letter describing changes to applicant's short-form application should be submitted by electronic mail to the following address: *auction66@fcc.gov*.

86. Applicants should not submit application-specific material through the Commission's Electronic Comment Filing System (ECFS), which was used for submitting comments regarding Auction No. 66 procedures.

I. Maintaining Current Information in Short-Form Applications (FCC Form 175)

87. Section 1.65 of the Commission's rules requires an applicant to maintain the accuracy and completeness of information furnished in its pending application and to notify the Commission within 30 days of any substantial change that may be of decisional significance to that application. Changes that cause a loss of or reduction in eligibility for a bidding credit must be reported immediately. If an amendment reporting substantial changes is a major amendment as defined by 47 CFR 1.2105, the major amendment will not be accepted and may result in the dismissal of the short-form application.

88. In the event that the new rules regarding applicants and applications become effective after the deadline for filing short-form applications (FCC Form 175), applicants may be required to submit additional information not required in the initial form. In this regard, applicants considering claiming eligibility as a designated entity in Auction No. 66 should review carefully the recently released *CSEA/Part 1 Designated Entity FNPRM*. The Commission stated in the *CSEA/Part 1 Designated Entity FNPRM* that it intends to complete that proceeding in time so that any resulting rule modifications will apply to Auction No. 66. Moreover, the Commission proposed that in the event that any designated entity applicants have filed an application to participate in an auction prior to the effective date of any designated entity rule changes adopted pursuant to the *CSEA/Part 1 Designated Entity FNPRM*, such applicants would be required to amend their applications on or after the effective date of the rule changes with a statement declaring, under penalty of perjury, that the applicant is qualified as a designated entity pursuant to § 1.2110 of the Commission's rules effective as of the date of the statement. Finally, the Commission noted that under this proposal the Bureau will establish any detailed procedures necessary for making required amendments and announce such procedures by public notice. Accordingly, applicants considering claiming eligibility as a designated entity in Auction No. 66 should monitor further proceedings pursuant to the *CSEA/Part 1 Designated Entity FNPRM*.

III. Pre-Auction Procedures

A. Auction Seminar—April 24, 2006

89. On Monday, April 24, 2006, the FCC will sponsor a seminar for parties interested in participating in Auction No. 66 at the FCC headquarters, located at 445 12th Street, SW., Washington, DC. For individuals who are unable to attend, an Audio/Video webcast of this seminar will be available from the FCC's Auction No. 66 Web page.

90. To register, complete the registration form Attachment C of the *Auction No. 66 Procedures Public Notice* and submit it by Thursday, April 20, 2006. Registrations are accepted on a first-come, first-served basis.

B. Short-Form Application (FCC Form 175)—Due Before 6:00 p.m. ET on May 10, 2006

91. In order to be eligible to bid in this auction, applicants must first submit an FCC Form 175 application electronically via the FCC Auction System. This application must be received at the Commission prior to 6 p.m. ET on May 10, 2006. Late applications will not be accepted. There is no application fee required when filing an FCC Form 175. However, to be eligible to bid, an applicant must submit an upfront payment.

92. Applications may generally be filed at any time beginning at noon ET on April 24, 2006, until 6 p.m. ET on May 10, 2006. Applicants are strongly encouraged to file early and are responsible for allowing adequate time for filing their applications. Applicants may update or amend their applications multiple times until the filing deadline on May 10, 2006. Information about accessing, completing, and viewing the FCC Form 175 is included in Attachment D of the *Auction No. 66 Procedures Public Notice.*

C. Application Processing and Minor Corrections

93. After the deadline for filing the FCC Form 175 applications has passed, the FCC will process all timely submitted applications to determine which are acceptable for filing, and subsequently will issue a public notice identifying: (1) Those applications accepted for filing; (2) those applications rejected; and (3) those applications which have minor defects that may be corrected, and the deadline for resubmitting corrected applications.

D. Upfront Payments—Due June 1, 2006

94. In order to be eligible to bid in the auction, applicants must submit an upfront payment accompanied by an FCC Remittance Advice Form (FCC Form 159). After completing the FCC Form 175, filers will have access to an electronic version of the FCC Form 159 that can be printed and sent by facsimile to Mellon Bank in Pittsburgh, PA. All upfront payments must be received in the proper account at Mellon Bank before 6 p.m. ET on June 1, 2006.

i. Making Auction Payments by Wire Transfer

95. Wire transfer payments must be received before 6 p.m. ET on June 1, 2006. To avoid untimely payments, applicants should discuss arrangements (including bank closing schedules) with their banker several days before they plan to make the wire transfer, and allow sufficient time for the transfer to be initiated and completed before the deadline.

96. At least one hour before placing the order for the wire transfer (but on the same business day), applicants must send by facsimile a completed FCC Form 159 (Revised 2/03) to Mellon Bank at (412) 209–6045. On the cover sheet of the facsimile, write Wire Transfer—Auction Payment for Auction No. 66. In order to meet the Commission's upfront payment deadline, an applicant's payment must be credited to the Commission's account before the deadline.

97. Please note that: (a) All payments must be made in U.S. dollars; (b) All payments must be made by wire transfer; (c) upfront payments for Auction No. 66 go to a lockbox number different from the lockboxes used in previous FCC auctions, and different from the lockbox number to be used for post-auction payments and (d) failure to deliver the upfront payment by the June 1, 2006, deadline will result in dismissal of the application and disqualification from participation in the auction.

ii. FCC Form 159

98. A completed FCC Remittance Advice Form (FCC Form 159, Revised 2/03) must be faxed to Mellon Bank to accompany each upfront payment. Proper completion of FCC Form 159

(Revised 2/03) is critical to ensuring correct crediting of upfront payments. Detailed instructions for completion of FCC Form 159 are included in Attachment E of the *Auction No. 66 Procedures Public Notice*. An electronic pre-filled version of the FCC Form 159 is available after submitting the FCC Form 175. The FCC Form 159 can be completed electronically, but must be filed with Mellon Bank via facsimile.

iii. Upfront Payments and Bidding Eligibility

99. In the *Part 1 Order*, 62 FR 13540, March 21, 1997, the Commission delegated to the Bureau the authority and discretion to determine appropriate upfront payment(s) for each auction. In addition, in the *Part 1 Fifth Report and Order*, 65 FR 52323, August 29, 2000, the Commission ordered that applicants that are former defaulters be required to pay upfront payments 50 percent greater than non-former defaulters. For purposes of this calculation, the applicant includes the applicant itself, its affiliates, its controlling interests, and affiliates of its controlling interests, as defined by 47 CFR 1.2110 of the Commission's rules.

100. In the *Auction No. 66 Comment Public Notice*, the Bureau proposed that the amount of the upfront payment would determine a bidder's initial bidding eligibility, the maximum number of bidding units on which a bidder may place bids. In order to bid on a license, otherwise qualified bidders that selected that license on Form 175 must have a current eligibility level that meets or exceeds the number of bidding units assigned to that license. At a minimum, therefore, an applicant's total upfront payment must be enough to establish eligibility to bid on at least one of the licenses selected on its Form 175, or else the applicant will not be eligible to participate in the auction. An applicant does not have to make an upfront payment to cover all licenses the applicant selected on its Form 175, but rather to cover the maximum number of bidding units that are associated with licenses on which the bidder wishes to place bids and hold provisionally winning bids at any given time.

101. In the *Auction No. 66 Comment Public Notice*, the Bureau proposed to calculate upfront payments for Auction No. 66 on a license-by-license basis using the following formula:

$0.05 * MHz * License Area Population.

The Bureau set forth the specific upfront payments and bidding units for each license in Attachment A of the *Auction No. 66 Comment Public Notice* and sought comment on the proposal.

102. Commenters presented a number of views on the proposed level of upfront payments. Some comments support the proposed upfront payments. Others argue for lowering upfront payments for specific licenses, usually either for all CMA licenses (Metropolitan Statistical Service Areas (MSAs) and Rural Service Areas (RSAs)) or only for the rural RSA licenses. Other comments propose lowering upfront payments for bidders that qualify as designated entities or replacing the upfront payment proposal with a straight percentage deposit.

103. Upfront payments help deter frivolous or insincere bidding. In addition, upfront payments provide the Commission with a source of funds in the event that the bidder incurs liability during the auction. Applicants must make upfront payments sufficient to obtain bidding eligibility on the licenses on which they will bid.

104. In connection with minimum opening bids, the Commission is persuaded by the arguments of numerous commenters that for Auction No. 66, the formula to determine upfront payments and minimum opening bids should not apply the same figure to a rural population unit as it does to an urban population unit. Commenters assert that because of higher buildout costs, upfront payments and minimum opening bids for less densely populated areas should be calculated at a lower rate than those for higher density areas. More specifically, many commenters contend that upfront payments on licenses covering RSAs should be lowered from $0.05 per MHz*Pop to $0.01, 0.02, or 0.025 per MHz*Pop.

105. The Commission will reduce upfront payments for RSA licenses by forty percent (40%) from the initial proposal, i.e., to $0.03 per MHz*Pop. While some commenters argue for an even greater reduction, the Commission is not persuaded that it should lower upfront payments any further. With respect to licenses for the more densely populated MSAs, the Commission will not reduce the proposed upfront payments. The Commission adopts the initial proposal with respect to such licenses and set the upfront payments for MSAs using the proposed formula, i.e., $0.05 per MHz*Pop.

106. The Commission also will lower the number of bidding units associated with the RSA licenses by 40%, in order to maintain the one-to-one relationship between bidding units and upfront payment amounts. The number of bidding units associated with the MSA licenses will remain unchanged since the upfront payment amounts for those licenses are unchanged.

107. In order to take into account that rural and urban populations are mixed within a single license in the larger geographic licensing areas, the Commission will apply the lower upfront payment formula for rural areas on a county-by-county basis for all licenses. More specifically, the Commission will first break down the larger geographic areas into their component counties. The lower upfront payment formula of $0.03 per MHz*Pop will be applied to the population of those counties that are included in an RSA. The formula of $0.05 per MHz*Pop will be applied to the population of the remaining counties. The upfront payment amount for an EA or REAG license will be calculated as the sum of upfront payments for the counties in the EA or REAG. The Commission will maintain the one-to-one relationship between bidding units and upfront payment amounts, so that bidding unit amounts will change with the changes in upfront payments.

108. The Commission is not persuaded by comments proposing that the Commission alter its upfront payment proposal in other ways. A commenter argues that designated entities should be able to make lower upfront payments than other bidders. In light of the purpose of the upfront payments, the Commission does not believe a different upfront payment for designated entities is appropriate. Finally, another commenter suggests that the Commission forego its usual procedure of determining upfront payments and bidding eligibility and replace it with a requirement that bidders have a certain percentage of their bids on deposit with the Commission. The Commission believes, however, that the use of upfront payments in connection with bidding eligibility in past auctions has been successful and no radical departure is needed.

109. The specific upfront payment amounts and associated bidding units for each license available in Auction No. 66 calculated pursuant to the procedures as well as the aggregate reserve price for all AWS–1 licenses, are set forth in Attachment A of the *Auction No. 66 Procedures Public Notice*.

110. In calculating its upfront payment amount, an applicant should determine the maximum number of bidding units on which it may wish to be active (bid on or hold provisionally winning bids on) in any single round, and submit an upfront payment amount covering that number of bidding units.

In order to make this calculation, an applicant should add together the upfront payments for all licenses on which it seeks to be active in any given round. Applicants should check their calculations carefully, as there is no provision for increasing a bidder's eligibility after the upfront payment deadline.

111. Former defaulters should calculate their upfront payment for all licenses by multiplying the number of bidding units on which they wish to be active by 1.5. In order to calculate the number of bidding units to assign to former defaulters, the Commission will divide the upfront payment received by 1.5 and round the result up to the nearest bidding unit. If a former defaulter fails to submit a sufficient upfront payment to establish eligibility to bid on at least one of the licenses applied for on its Form 175, the applicant will not be eligible to participate in the auction.

iv. Applicant's Wire Transfer Information for Purposes of Refunds of Upfront Payments

112. The Commission will use wire transfers for all Auction No. 66 refunds. To ensure that refunds of upfront payments are processed in an expeditious manner, the Commission is requesting that all pertinent information listed below be supplied to the FCC. Applicants can provide the information electronically during the initial short-form filing window after the form has been submitted.

E. Auction Registration

113. Approximately ten days before the auction, the FCC will issue a public notice announcing all qualified bidders for the auction. Qualified bidders are those applicants whose FCC Form 175 applications have been accepted for filing and have timely submitted upfront payments sufficient to make them eligible to bid.

114. All qualified bidders are automatically registered for the auction. Registration materials will be distributed prior to the auction by overnight mail. The mailing will be sent only to the contact person at the contact address listed in the FCC Form 175 and will include the SecurID® cards that will be required to place bids, the Integrated Spectrum Auction System (ISAS) Bidder's Guide, and the Auction Bidder Line phone number.

115. Qualified bidders that do not receive this registration mailing will not be able to submit bids. Therefore, any qualified bidder that has not received this mailing by noon on Thursday, June 22, 2006, should call (717) 338–2868. Receipt of this registration mailing is critical to participating in the auction, and each applicant is responsible for ensuring it has received all of the registration material.

116. In the event that SecurID® cards are lost or damaged, only a person who has been designated as an authorized bidder, the contact person, or the certifying official on the applicant's short-form application may request replacement registration material. Qualified bidders requiring the replacement of these items must call Technical Support.

F. Remote Electronic Bidding

117. The Commission will conduct this auction over the Internet, and telephonic bidding will be available as well. Qualified bidders are permitted to bid electronically and telephonically. Each applicant should indicate its bidding preference—electronic or telephonic—on the FCC Form 175. In either case, each authorized bidder must have its own SecurID® card, which the FCC will provide at no charge. Each applicant with one authorized bidder will be issued two SecurID cards, while applicants with two or three authorized bidders will be issued three cards. For security purposes, the SecurID® cards, the telephonic bidding phone number, and the Integrated Spectrum Auction System (ISAS) Bidder's Guide are only mailed to the contact person at the contact address listed on the FCC Form 175. Please note that each SecurID® card is tailored to a specific auction; therefore, SecurID® cards issued for other auctions or obtained from a source other than the FCC will not work for Auction No. 66.

G. Mock Auction—June 26, 2006

118. All qualified bidders will be eligible to participate in a mock auction on Monday, June 26, 2006. The mock auction will enable applicants to become familiar with the FCC Auction System prior to the auction. Participation by all bidders is strongly recommended. Details will be announced by public notice.

IV. Auction Event

119. The first round of bidding for Auction No. 66 will begin on Thursday, June 29, 2006. The initial bidding schedule will be announced in a public notice listing the qualified bidders, which is to be released approximately 10 days before the start of the auction.

A. Auction Structure

i. Simultaneous Multiple Round Auction

120. In the *Auction No. 66 Comment Public Notice*, the Bureau proposed to auction all AWS–1 licenses in a single auction using the Commission's standard simultaneous multiple-round (SMR) auction format. This type of auction offers every license for bid at the same time and consists of successive bidding rounds in which eligible bidders may place bids on individual licenses. A bidder may bid on, and potentially win, any number of licenses. Typically, bidding remains open on all licenses until bidding stops on every license, unless a modified stopping rule is invoked.

121. The Bureau also sought comment on the feasibility and desirability of allocating the AWS–1 licenses among two auctions, run concurrently, with one of the auctions using the standard SMR format and the other using the FCC's package bidding format (SMR–PB). Under the SMR–PB format, bidders can place bids on groups of licenses they wish to win in combination, with the result that they win either all of the licenses in a group or none of them, in contrast to the license-by-license bidding in the FCC's SMR format. In the SMR–PB auction format, each bidder can have at most a single winning bid, so that in order to win any particular license combination, the bidder must have placed a package bid on that license or specific group of licenses.

122. Based on the record and the Commission's belief that a single SMR auction offers bidders a simple and effective means of bidding on single or multiple licenses without the additional complications that participating in two concurrent auctions would involve, the Commission will proceed with its proposal to auction all AWS–1 licenses in a single auction using the Commission's standard SMR auction format.

123. Nearly all of the parties commenting on the issue of auction format support its proposal for one SMR auction for AWS–1. While some express concern or opposition to using package bidding generally, nearly all commenters oppose the option of running a package bidding auction concurrently with an SMR auction. Those concerned with the complexity in bidding in two auctions at the same time stress difficulty in managing eligibility between the two, submitting upfront payments to participate in both, and keeping track of bidding among the auctions. The complexity level increases further given that the two concurrent

auctions would have different auction designs.

124. A number of commenters express concern that smaller bidders, including rural carriers and new entrants, would be hardest hit by the increased complexity of two concurrent auctions and package bidding. Some commenters raise the possibility that an auction using a package bidding format, due to the so-called threshold problem, may not assign licenses to the entities that value them most highly. Only two commenters favor allocating some AWS–1 licenses to a second auction with package bidding. A commenter suggests that package bidding would allow bidders to aggregate licenses more efficiently in order to acquire a nationwide footprint. The Commission agrees with those commenters who assert that an SMR auction of the AWS–1 licenses, which includes several large regional area blocks, will provide opportunities for bidders to aggregate licenses in order to obtain nationwide coverage.

125. While a commenter supports package bidding for the E and F Block AWS–1 licenses, it advocates that the auctions be run sequentially, not concurrently. In particular, the commenter suggests that the Commission run the SMR auction for A to D Blocks first using the standard SMR auction, followed shortly by an auction for the E and F blocks, allowing for package bidding. Comments filed jointly agree in principle with sequential auctions, but specifically advocate the reverse order—i.e., run the SMR–PB auction before the standard SMR one.

126. The Commission finds the choice of sequential auctions undesirable in these circumstances. First, it eliminates flexibility for the bidders, as the results from the first auction will stand regardless of how the second auction plays out. Second, the AWS–1 licenses are subject to the CSEA aggregate reserve. Determining whether this is met is made much more difficult if two sequential auctions are held.

127. The Commission concludes that it is operationally feasible and appropriate to auction the AWS–1 licenses through a single auction using the Commission's standard SMR auction format. Unless otherwise announced, bids will be accepted on all licenses in each round of the auction until bidding stops on every license. This approach, the Commission believes, allows bidders to take advantage of synergies that exist among licenses and is administratively efficient.

128. The Commission's decision not to employ an SMR–PB format for some AWS–1 licenses does not reflect on future use of package bidding in Commission auctions.

ii. Information Available to Bidders Before and During the Auction

129. In the *Auction No. 66 Comment Public Notice*, the Bureau proposed to withhold certain information on bidder interests, bids and bidder identities that typically has been revealed prior to and during past FCC auctions, in the event that a single SMR auction is held. In particular, the Bureau proposed not to reveal until the close of the auction: (1) Bidders' license selections on their short form applications and the amount of their upfront payments; (2) the amounts of non-provisionally winning bids and the identities of bidders placing those bids; and (3) the identities of bidders making provisionally winning bids.

130. The proposal attracted a number of comments, both in support of the Bureau's proposal and opposed to it. The Commission believes, as the Bureau noted in the *Auction No. 66 Comment Public Notice*, that there are benefits as well as potential harms from publicly revealing all information during the auction process. Also as stated in the *Auction No. 66 Comment Public Notice,* the Commission believes that the potential harms from anti-competitive behavior facilitated by the release of extensive information relating to bidder interests, bids, and bidder identities is likely to be greater when the auction is less competitive—that is, when the number of bidders and the level of upfront payments are relatively low compared to the number of licenses offered. Therefore, in balancing the likely disadvantages of making such information available with the potential advantages to bidders from being able to formulate more accurate assessments of license values, the Commission will make its approach contingent on the likely competitiveness of the auction. If the Commission determines that the auction is likely to be highly competitive based on the number of bidders and upfront payments, and therefore, that the risk of successful collusion is low, the Commission will make available bidding information that the Commission typically have made available in previous Commission auctions. If, on the other hand, it appears that the auction may be less competitive, making it easier for bidders to signal and enforce cooperative divisions of the market, the Commission will limit the information relating to bids and bidder identities in a manner that is largely consistent with its proposal in the *Auction No. 66 Comment Public Notice*. In this way, unless it appears that the costs to providing information is likely to be particularly high, the Commission will provide bidders with information that may enhance their abilities to participate confidently and effectively in the auction.

131. The Commission will estimate the level of competition in the auction by calculating a modified eligibility ratio based on upfront payments submitted by bidders. Using this estimate, the Commisssion will determine the information procedures that will apply during bidding rounds. Specifically, if a modified eligibility ratio, defined as the total number of bidding units of eligibility purchased by bidders, relative to the total number of bidding units for the licenses in the auction, is equal to at least three, the auction will proceed under the information procedures typically used for past FCC auctions. For the purposes of calculating the modified eligibility ratio, a single bidder's eligibility will be capped at 50% of the total bidding units in the auction.

132. Alternatively, if the level of competition appears insufficient, that is if the modified eligibility ratio is less than three, the Commission will limit the information that is released prior to and during the auction in a way that is substantially consistent with, but not identical to its proposal in the *Auction No. 66 Comment Public Notice*. The Commission will make available the total eligibility level for the auction as well as bidder-specific eligibility, although the Commission will not identify bidders' license selections. After each round of bidding, the amounts of each bid placed will be made available, but not the identities of the bidders. Under the the original proposal, for each license only the amounts of the provisionally winning bids and the number of bids on the license, not the amounts of non-provisionally winning bids, were to have been made available.

133. Discussion. As stated in the *Auction No. 66 Comment Public Notice*, the Commission has reserved the option to limit the availability of information on an auction-by-auction basis, and the Bureau retains discretion to limit the information disclosed to bidders. With a single early exception, the Commission has elected not to limit such information. Notwithstanding past decisions, the Commission believes that the public interest will best be served by limiting certain information relating to bidder interests, bids, and bidder identities in Auction No. 66, when it appears that the competitiveness of the auction is likely to be relatively low, as

measured by the modified eligibility ratio.

134. This decision to make the availability of information contingent upon competitiveness is supported by a number of commenters. The notion of using a measure of likely competitiveness to determine how much information would be made available was first proposed by a commenter. Subsequently, other commenters have voiced support for compromise proposals that involve, among other criteria, basing the decision on information availability on a similar measure of total eligibility.

135. A number of commenters oppose the proposal to withhold certain information for the AWS–1 licenses, challenging the need to undertake measures to deter anti-competitive behavior in FCC auctions generally, and in particular, they question making changes to an established auction process immediately prior to a large auction of licenses suitable for high-valued uses. Some commenters note that the Commission has already modified its auction design to deter signaling, and claim that there is little or no evidence of coordinated bidding behavior in recent auctions.

136. In response, the Commission notes that it is in large part because the upcoming AWS–1 auction will make available a significant number of potentially valuable licenses that the Commission will modify its usual bid and bidder information procedures at this time, if it appears that the auction may not be sufficiently competitive. With fewer bidders, the chances are greater that signaling and retaliatory behavior will be successful, with the result that licenses may not be assigned to the entities that value them most highly. The AWS–1 licenses open up a new band to commercial wireless services, and represent a sizeable portion of existing spectrum available for innovative wireless services. Licensees will have considerable flexibility to respond to consumer demand for innovative advanced services, and the Commission feels particularly obligated to assure that these licenses are assigned to those entities that will put them to their highest valued uses.

137. With respect to arguments that the Commission has already eliminated the possibility of bid signaling and has no evidence on which to base its beliefs that such behavior may occur in Auction No. 66, the Commission notes that at least two papers mentioned in this proceeding rely on signaling consistent with the Commission's current standard SMR auction format. Furthermore, since some types of signaling and coordinated bidding are very hard to detect in auction data, making it difficult to pursue enforcement actions after such alleged activity has occurred, it is important to reduce the potential for such collusive bidding behavior to occur in the first place, in circumstances in which the Commission believes collusion is most likely to occur.

138. At the same time, the Commission recognizes that the information that has typically been provided during FCC auctions may be of value in helping bidders to form more accurate and confident assessments of license values, thus allowing them to participate more effectively in the auction. The Commission believes that, under circumstances in which collusion is less likely to be successful, the benefits to bidders from making information available are likely to outweigh the potential harms from facilitating collusive behavior. As a result, the Commission will not adopt its proposal to limit information when the auction is expected to be competitive as indicated by the modified eligibility ratio of three or more—that is, when coordinated bidding activity is unlikely to be sustainable.

139. A number of commenters addressed the various benefits that information provides to bidders, especially to bidders with fewer resources, including many new entrants and rural carriers. In particular, these commenters suggest that knowing the identities of bidders active in particular markets yields useful data on such factors as the potential for negotiating roaming agreements; on the likelihood that infrastructure and equipment for certain technologies will be available; and on whether the structure of competition in a given market is likely to support the bidder's business plan. Some of the commenters also claim that the uncertainty inherent in opening up a new spectrum band for as yet unknown services and technologies makes it all the more useful to participants to have such information as may be available, including round-by-round information on bids and bidders identities.

140. Some commenters opposing the proposal to withhold information state that the advantages gained by knowing bidder identities are particularly important to small and mid-sized entities and to new entrants and that consequently, they argue, limiting bid and bidder information will disadvantage those bidders disproportionately. Specifically, commenters suggest that smaller businesses rely more heavily on the need to negotiate agreements with neighboring service providers and therefore have a greater interest in knowing who adjacent licensees are likely to be. Some point out that niche service providers, and their financial backers, are particularly interested in knowing whether another entity targeting the same demographic population is likely to be competing in a given market. In addition, commenters say that financial backers of smaller firms trust that a bid by a market leader reflects a well-researched valuation and are more likely to be comfortable investing in a smaller entity if the smaller firm's bids are not out of line with those of the large entities. Accordingly, they claim, if investors do not have the reassurance of knowing how the large bidders are bidding, the additional risk will reduce the amount of capital they are willing to lend and, consequently, reduce what smaller firms are able to bid for and win at auction.

141. Commenters also suggest that the additional uncertainty about the value of licenses introduced by the lack of information on bidder identities will increase bidders' fear of the winners curse, leading them to bid below their valuations for the licenses. Some assert that those most affected by the uncertainty will scale back their bids more than proportionately and that therefore, small bidders may fail to win licenses for which they are the highest valuing bidder, thereby lowering auction efficiency.

142. The costs to releasing information as some commenters request, however, likely will outweigh the potential advantages of releasing the information, if the level of competition in the auction seems insufficient to make cooperative divisions of the market difficult to signal and sustain. Accordingly, if the auction is not sufficiently competitive as indicated by the modified eligibility ratio, the Commission will not provide the information, notwithstanding any potential benefits doing so might provide to some bidders.

143. Parties opposing the proposal to limit information point out a number of other factors which the Commission also does not regard as sufficient to dissuade it from its decision to limit the information that will be made available if the modified eligibility ratio is below three for Auction No. 66. Some commenters warn that deliberate and inadvertent disclosures of information may represent a threat to the validity of the auction. The Commission does not believe that significant disclosures are

likely to occur, in part because revealing bids or bid strategies violates the Commission's anti-collusion rules, and in part because bidders will regard it as being in their interest to preserve the secrecy of their bidding activity. Furthermore, if an occasional disclosure does occur, the Commission does not believe the auction is likely to be affected in a way which will compromise its validity. With respect to bidding data, much of the data that is generated after a round of a large SMR auction is superseded by data for the next round, so that the advantage to a bidder from knowing improperly disclosed information is likely to disappear within several hours.

144. Several commenters suggest that a policy of limiting information relating to bidder interests prior to the auction, and limiting bidder identities during the auction constitutes a departure from the Commission's traditional commitment to a transparent auction process. The Commission disagrees. As discussed in the *Auction No. 66 Comment Public Notice*, the Commission plans to release all withheld information at the close of the auction. Bidders and the public will be able to examine all round-by-round bidding activity, and any allegations of irregular bidding conduct will be investigated. The Commission notes that, even when bid and bidder information is not withheld, it is its policy generally to address any such concerns after the close of an auction, when there is greater opportunity for investigation of such allegations.

145. Commenters present various arguments regarding what information should be released and when, in the event that the Commission limits the information revealed in any way, as will be the case if the modified eligibility ratio is less than three. Some argue that particular information should be released, while others argue that the Commission should release all information but do so only at intervals. While these proposals may achieve some benefits by disclosing information, the Commission is not persuaded any of them would be effective in preventing coordinated and retaliatory bidding, especially when competition in the auction is relatively weak, e.g., the modified eligibility ratio is less than three, and, therefore, the risk of collusion is greatest.

146. The Commission notes again that even if the limited information procedures are in effect, it plans to make available during the auction the amounts of all bids placed on each license in each round. Even absent bidder identities, this information will give bidders an indication of demand for the licenses. Bidders and their investors will be able to observe the bids for licenses in the six offered spectrum blocks, which will help them assess whether their bids are likely to be consistent with the valuations of other bidders. This information will reduce uncertainty about license valuations, mitigating fear of the winner's curse for bidders and their financial backers.

147. Other Issues. The Commission does not believe that the information disclosure procedures established for this auction will interfere with the administration of or compliance with the Commission's anti-collusion rule. § 1.2105(c)(1) of the Commission's rules provides that after the short-form application filing deadline, all applicants for licenses in any of the same geographic license areas are prohibited from disclosing to each other in any manner the substance of bids or bidding strategies until after the down payment deadline, subject to specified exceptions. In past auctions, each applicant's selection of licenses has been publicly available through the Commission's on-line short-form application database. In Auction No. 66, however, the Commission may not disclose information regarding license selection until after the auction closes. As in the past, the Commission will disclose the other portions of applicants' short-form applications, through its on-line database and certain application-based information through public notices. Thus, even without information regarding license selection, applicants would be able to comply with § 1.2105(c) by not disclosing bids or bidding strategies to any other applicants in the auction. This approach, however, could inhibit otherwise lawful communications with applicants for licenses in other geographic license areas, which the Commission's rule permits. Consequently, the Commission will notify separately each applicant with short-form applications to participate in a pending auction, including but not limited to Auction No. 66, whether applicants in Auction No. 66 have applied for licenses in any of the same geographic areas as that applicant. After the Commission conducts its initial review of applications to participate in Auction No. 66, each applicant with a short-form application to participate in a pending auction will receive a letter that lists the applicants in Auction No. 66 that have applied for licenses in any of the same geographic areas as the applicant. The list will identify the Auction No. 66 applicant(s) by name but will not list the license selections of the Auction No. 66 applicant(s). As in past auctions, additional information regarding applicants in Auction No. 66 that is needed to comply with § 1.2105(c), e.g., the identities of controlling interest in the applicant and ownership interests greater than ten percent (10%), will be available through the publicly accessible on-line short-form application database.

148. Finally, the Commission does not agree with commenters that suggest that SEC rules requiring bidders to disclose material financial information might require bidders to disclose bidding information during the auction. Until the SEC addresses the issue, the Commission will not presume that SEC rules require public disclosure of information about bidding while an auction is still underway.

iii. Eligibility and Activity Rules

149. In the *Auction No. 66 Comment Public Notice*, the Bureau proposed that the amount of the upfront payment submitted by a bidder would determine the initial (maximum) eligibility (as measured in bidding units) for each bidder. One commenter suggested that the Commission eliminate the use of bidding units. A commenter suggests that the Commission define a bidder's eligibility simply as a multiple of the amount the bidder places on deposit with the Commission. This proposal ignores the Commission's use of bidding units to measure bidder participation in the auction pursuant to the Commission's activity rules. The Commission uses activity rules to move the auction at an appropriate speed while providing sufficient flexibility to permit bidders to pursue a wide range of alternative bidding strategies. The Commission believes its activity rules serve an important purpose and decline to adopt the suggestion of the commenter, which would undermine those rules.

150. Accordingly, the Commission adopts the proposed use of upfront payments to determine initial (maximum) eligibility (as measured in bidding units) for Auction No. 66. The amount of the upfront payment submitted by a bidder determines initial bidding eligibility, the maximum number of bidding units on which a bidder may be active. Each license is assigned a specific number of bidding units equal to the upfront payment listed in Attachment A of the *Auction No. 66 Procedures Public Notice* on a bidding unit per dollar basis. Bidding units for a given license do 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 of the licenses selected on its FCC Form 175 as long as the total number of bidding units associated with those licenses does not exceed its current eligibility. Eligibility cannot be increased during the auction; it can only remain the same or decrease. 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 provisionally winning bids on in any single round, and submit an upfront payment amount covering that total number of bidding units. The total upfront payment does not affect the total dollar amount a bidder may bid on any given license.

151. In order to ensure that an auction closes within a reasonable period of time, an activity rule requires bidders to bid actively throughout the auction, rather than wait until late in the auction before participating. Bidders are required to be active on a specific percentage of their current bidding eligibility during each round of the auction.

152. A bidder's activity level in a round is the sum of the bidding units associated with licenses on which the bidder is active. A bidder is considered active on a license in the current round if it is either the provisionally winning bidder at the end of the previous bidding round and does not withdraw the provisionally winning bid in the current round, or if it submits a bid in the current round. The minimum required activity is expressed as a percentage of the bidder's current eligibility, and increases by stage as the auction progresses. A commenter urges that no minimum activity requirements be imposed on designated entities that apply to bid on less than one percent (1%) of the licenses available in Auction No. 66. In addition, the commenter urges that a reduced minimum activity requirement should apply to all designated entities. No persuasive reason has been presented for applying different activity requirements to bidders that are designated entities than to other bidders. The Commission's activity rule paces the auction by requiring bidders to bid actively. There is no reason to modify this requirement based on either the number of licenses for which the bidder has applied or the bidder's status as a designated entity. Bidders applying for few licenses or that are designated entities suffer no disadvantage from complying with the same activity rule as other bidders. Because these procedures have proven successful in maintaining the pace of previous auctions the Commission adopts them for Auction No. 66.

iv. Auction Stages

153. In the *Auction No. 66 Comment Public Notice*, the Bureau proposed to conduct the auction in two stages and employ an activity rule. The Bureau further proposed that, in each round of Stage One, a bidder desiring to maintain its current bidding eligibility would be required to be active on licenses representing at least 80 percent of its current bidding eligibility. Finally, the Bureau proposed that in each round of Stage Two, a bidder desiring to maintain its current bidding eligibility would be required to be active on at least 95 percent of its current bidding eligibility. One commenter directly addresses the Bureau's proposal, expressing support.

154. The Commission adopts the proposals for the activity rules and stages. The Commission reserves the discretion to further alter the activity percentages before and/or during the auction.

155. Stage One: During the first stage of the auction, a bidder desiring to maintain its current bidding eligibility will be required to be active on licenses representing at least 80 percent of its current bidding eligibility in each bidding round. Failure to maintain the required 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 bidder's current round activity (the sum of bidding units of the bidder's provisionally winning bids and bids during the current round) by five-fourths (5/4).

156. Stage Two: During the second stage of the auction, a bidder desiring to maintain its current bidding eligibility is required to be active on 95 percent of its current bidding eligibility. Failure to maintain the required 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 Two, reduced eligibility for the next round will be calculated by multiplying the bidder's current round activity (the sum of bidding units of the bidder's provisionally winning bids and bids during the current round) by twenty-nineteenths (20/19).

157. CAUTION: Since activity requirements increase in Stage Two, bidders must carefully check their activity during the first round following a stage transition to ensure that they are meeting the increased activity requirement. This is especially critical for bidders that have provisionally winning bids and do not plan to submit new bids. In past auctions, some bidders have inadvertently lost bidding eligibility or used an activity rule waiver because they did not re-verify their activity status at stage transitions. Bidders may check their activity against the required activity level by logging into the FCC Auction System.

158. Because the foregoing procedures have proven successful in maintaining the proper pace in previous auctions, the Commission adopts them for Auction No. 66.

v. Stage Transitions

159. In the *Auction No. 66 Comment Public Notice*, the Bureau proposed that the auction would generally 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 provisionally winning bids, is approximately 20 percent or lower for three consecutive rounds of bidding. The Bureau further proposed that it would retain the discretion to change stages unilaterally by announcement during the auction. This determination, the Bureau proposed, would be based on a variety of measures of bidder activity, including, but not limited to, the auction activity level, the percentages of licenses (as measured in bidding units) on which there are new bids, the number of new bids, and the percentage increase in revenue. The one commenter addressing the proposal directly supports it.

160. The Commission adopts the proposal. Thus, the auction will start in Stage One and will generally advance to Stage Two when, in each of three consecutive rounds of bidding, the provisionally winning bids have been placed on 20 percent or less of the licenses being auctioned (as measured in bidding units). In addition, the Commission will retain the discretion to regulate the pace of the auction by announcement.

vi. Activity Rule Waivers

161. In the *Auction No. 66 Comment Public Notice*, the Bureau proposed that each bidder in the auction be provided with three activity rule waivers. Three commenters address the proposal. One commenter supports the proposal and two argue that designated entities should receive additional waivers, to have the ability to take a time out during the late stages of the auction. The comments requesting additional waivers do not demonstrate why the proposed three waivers are insufficient, or why designated entities might have a greater need for a time out than any other bidder. The Commission adopts the

proposal that each bidder be provided three activity rule waivers. The Commission is satisfied that providing three waivers over the course of the auction will give bidders a sufficient number of waivers and flexibility, while also safeguarding the integrity of the auction.

162. Bidders may use an activity rule waiver in any round during the course of the auction. 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 activity level. An activity rule waiver applies to an entire round of bidding and not to a particular license. Activity rule waivers can be either applied proactively by the bidder (a proactive waiver) or applied automatically by the FCC Auction System (an automatic waiver) 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.

163. The FCC Auction System assumes that bidders with insufficient activity would prefer to apply an activity rule waiver (if available) rather than lose bidding eligibility. Therefore, the system will automatically apply a waiver at the end of any bidding round where a bidder's activity level is below the minimum required unless: (1) There are no activity rule waivers available; or (2) the bidder overrides the automatic application of a waiver by reducing eligibility. If a bidder has no waivers remaining and does not satisfy the activity requirement, the FCC Auction System will permanently reduce the bidder's eligibility, possibly curtailing or eliminating the bidder's ability to place additional bids in the auction.

164. A bidder with insufficient activity that wants to reduce its bidding eligibility rather than use an activity rule waiver must affirmatively override the automatic waiver mechanism during the bidding round by using the reduce eligibility function in the FCC Auction System. In this case, the bidder's eligibility is permanently reduced to bring the bidder into compliance with the activity rules as described in Auction Stages. Once eligibility has been reduced, a bidder will not be permitted to regain its lost bidding eligibility even if the round has not yet closed.

165. Finally, a bidder may apply an activity rule waiver proactively as a means to keep the auction open without placing a bid. If a bidder proactively applies an activity waiver (using the apply waiver function in the FCC Auction System) during a bidding round in which no bids or withdrawals are submitted, the auction will remain open and the bidder's eligibility will be preserved. However, an automatic waiver applied by the FCC Auction System in a round in which there are no new bids or withdrawals will not keep the auction open. A bidder cannot submit a proactive waiver after submitting a bid in a round, and submitting a proactive waiver will preclude a bidder from placing any bids in that round.

Note: Applying a waiver is irreversible; once a proactive waiver is submitted that waiver cannot be unsubmitted, even if the round has not yet closed.

vii. Auction Stopping Rules

166. For Auction No. 66, the Bureau proposed to employ a simultaneous stopping rule approach. The Bureau also sought comment on a modified version of the simultaneous stopping rule. The modified version of the stopping rule would close the auction for all licenses after the first round in which no bidder applies a waiver, places a withdrawal, or submits any new bids on any license on which it is not the provisionally winning bidder. Thus, absent any other bidding activity, a bidder placing a new bid on a license for which it is the provisionally winning bidder would not keep the auction open under this modified stopping rule.

167. The Bureau further proposed retaining the discretion to keep the auction open even if no new bids or proactive waivers are submitted and no provisionally winning bids are withdrawn in a round. In this event, the effect will be the same as if a bidder had applied a waiver. Thus, the activity rule will apply as usual, and a bidder with insufficient activity will either use an activity rule waiver (if it has any left) or lose bidding eligibility.

168. In addition, the Bureau proposed that it reserve the right to 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) and the auction will close.

169. The Bureau proposed to exercise these options only in circumstances such as where the auction is proceeding very slowly, where there is minimal overall bidding activity or where it appears likely that the auction will not close within a reasonable period of time. The Bureau noted that 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.

170. In comments filed in response to the *Auction No. 66 Comment Public Notice,* a commenter asserts that the Commission should modify its simultaneous stopping rule to avoid the possibility that the stopping rule might close bidding before the net winning bids meet the reserve price. The commenter suggests that in the event the net winning bids do not meet the reserve price at the close of a round that would otherwise trigger the stopping rule, the Commission should announce that fact and hold the auction open for at least one more round. If subsequently the net winning bids do not meet the reserve price at the close of a round that would otherwise trigger the stopping rule, the Commission could close bidding and, if necessary, cancel the auction pursuant to statute. In a subsequent reply comment, a comment supported the suggestion.

171. The Commission believes that it would retain its discretion to keep the auction open even if no new bids or proactive waivers are submitted and no provisionally winning bids are withdrawn in a round is sufficient to address the concerns raised in the comments. This differs from the commenter's proposal to the extent that the decision to keep bidding open will be within the Bureau's discretion. Unlike a fixed rule that the auction will remain open at least one more round, this discretionary approach will not unnecessarily encourage bidders to wait and see if other bidders will raise bids to meet the reserve.

172. The Commission believes that the proposed stopping rules are appropriate for Auction No. 66, because of the Commission's experience in prior auctions demonstrates that these stopping rules balance interests of administrative efficiency and maximum bidder participation. Therefore the Commission adopts the proposals made in the *Auction No. 66 Comment Public Notice*. Auction No. 66 will begin under the simultaneous stopping rule approach, and the Commission will retain the discretion to employ the other versions of the stopping rule.

viii. Auction Delay, Suspension, or Cancellation

173. In the *Auction No. 66 Comment Public Notice,* the Bureau proposed 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 conduct of competitive bidding. The Commission received no comment on this issue.

174. Because the Commission's approach to notification of delay during an auction has proven effective in resolving exigent circumstances in previous auctions, the Commission adopts the proposed rules regarding auction delay, suspension, or cancellation. By public notice or by announcement during the auction, the Commission 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 competitive conduct of competitive bidding. In such cases, the Commission or the Bureau, in their 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 Commission to delay or suspend the auction. The Commission emphasizes that exercise of this authority is solely within the discretion of the Commission or 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.

B. Bidding Procedures

i. Round Structure

175. The initial schedule of bidding rounds will be announced in the public notice listing the qualified bidders, which is released approximately 10 days before the start of the auction. Each bidding round is followed by the release of round results. Multiple bidding rounds may be conducted in a given day. Details regarding round results formats and locations will also be included in the qualified bidders public notice.

176. 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.

ii. Reserve Price and Minimum Opening Bids

177. Section 309(j) of the Communications Act of 1934, as amended, calls upon the Commission to prescribe methods by which a reasonable reserve price will be required or a minimum opening bid established when applications for FCC licenses are subject to auction (i.e., because they are mutually exclusive), unless the Commission determines that a reserve price or minimum opening bid is not in the public interest. Consistent with this mandate, the Commission 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. Among other factors, the Commission must consider the amount of spectrum being auctioned, levels of incumbency, the availability of technology to provide service, the extent of interference with other spectrum bands, and any other relevant factors that could have an impact on the spectrum being auctioned. The Commission concluded that the Bureau should have the discretion to employ either or both of these mechanisms for future auctions.

178. Congress recently required the Commission to revise existing regulations regarding reserve prices for auctions involving eligible frequencies subject to CSEA. CSEA defines eligible frequencies as including frequencies from 1710–1755 MHz. Thus, each AWS–1 license authorizes use of frequencies, one-half of which are subject to CSEA requirements. In CSEA, Congress directed the Commission to make revisions that would to prescribe methods by which the total cash proceeds from any auction of licenses authorizing use of eligible frequencies shall equal at least 110 percent of the total estimated relocation costs provided to the Commission pursuant to CSEA. Accordingly, the Commission recently revised its reserve price rule.

179. CSEA also imposes other related requirements regarding the proceeds from an auction involving eligible frequencies. Pursuant to CSEA, the total cash proceeds attributable to eligible spectrum must be at least 110 percent of the total estimated relocation costs before the Commission may conclude the auction. If this condition is not met, CSEA requires that the Commission shall cancel the auction.

a. Reserve Price

180. Pursuant to CSEA, on December 27, 2005, NTIA notified the Commission of the estimated relocation costs and timelines for relocation of eligible Federal entities assigned to frequencies from 1710 to 1755 MHz. NTIA reported that the total estimated relocation costs equal $935,940,312.

181. Accordingly, in the *Auction No. 66 Comment Public Notice,* the Bureau proposed to establish an aggregate reserve price of $1,029,534,343.20 for all AWS–1 licenses. This aggregate reserve price is 110 percent of total estimated relocation costs of $935,940,312 and therefore the minimum reserve price required by CSEA.

182. For purposes of determining whether a CSEA revenue requirement has been met, the Commission has determined that total cash proceeds means winning bids net of any applicable bidding credit discounts at the end of bidding (*e.g.,* exclusive of tribal land bidding credits). Given that one-half of the frequencies authorized for use by each AWS–1 license is subject to CSEA, the Bureau proposed in the *Auction No. 66 Comment Public Notice,* that one-half of each relevant bid for each license would be considered attributable to eligible frequencies for purposes of CSEA. Accordingly, for determining whether the reserve price is met in Auction No. 66, one-half of each winning bid, net of any applicable bidding credit discounts at the end of bidding (e.g., exclusive of tribal land bidding credits) would be counted toward meeting the reserve price. Furthermore, consistent with the statute, the same amount would determine whether the auction may conclude pursuant to CSEA.

183. A few commenters disagree with the Bureau's proposal to consider one-half of each relevant bid when determining whether the reserve price has been met. A commenter objects that the proposal wrongly ''assumes that precisely one-half of any AWS–1 bid can be attributed to one-half the spectrum.'' The Commenter also argues that by attributing only half of each relevant bid to meeting the reserve, the Commission is improperly ''mandat[ing] how those funds should be apportioned over the 45 MHz of spectrum that will be cleared'' and ''ensur[ing] that a minimum of additional funds be secured for auctioning other spectrum separate from this band [i.e., the other half of each license.'' This, according to the commenter, amounts to the Commission ''attempt[ing] to assess a value [of] the spectrum being auctioned.'' In reply comments, two commenters second the arguments. The Commission is not persuaded by these arguments.

184. CSEA plainly provides that the Commission may attribute a portion of bids for licenses that authorize use of both eligible and non-eligible

frequencies to the amounts used to determine whether CSEA requirements have been met. Furthermore, it is reasonable to attribute one-half of relevant bids to determine whether the CSEA-required reserve price is met given that every AWS–1 license authorizes use of frequencies of which one-half are eligible frequencies. The fact that some parties may not value a license authorizing use of one-half of the frequencies of an AWS–1 license at precisely one-half the value of the corresponding AWS–1 license does not make this proposal unreasonable.

185. Attributing one-half of relevant bids to meeting the CSEA-required reserve price means that the reserve price only will be met if the full amount of relevant bids is double the reserve price. As reflected by the commenters arguments, this could be viewed as effectively establishing a reserve price on the non-CSEA-eligible frequencies covered by the AWS–1 licenses. Contrary to the commenter, however, any effective reserve price for non-CSEA-eligible spectrum is well within the Commission's authority. Moreover, under present circumstances, the amount of the effective reserve is appropriate.

186. The Communications Act expressly contemplates that the Commission may adopt a reserve price in any competitive bidding for licenses and construction permits, not only when CSEA eligible frequencies are involved. The Commission's authority to do so furthers the Commission's statutory mandate to recover for the public a portion of the value of the public spectrum resource. The commenter alleges that the proposed reserve price attempts to set the value of non-CSEA-eligible frequencies, which the commenter contends the Commission should not do. In the present circumstances, however, the amount of the effective reserve price on non-CSEA-eligible spectrum is determined by the reserve price on CSEA eligible spectrum. That amount, in turn, is based on NTIA's estimates of relocation costs to reimburse eligible federal entities. Thus, the reserve price does not attempt to, and does not set the value of the non-CSEA eligible spectrum, any more than it sets the value of the CSEA eligible spectrum.

187. Finally, the Commission believes that effectively requiring that the full amount of relevant bids to be twice the estimated relocations costs of eligible federal entities is consistent with CSEA. The AWS–1 licenses were defined prior to the adoption of CSEA and Congress knew when it referred to proceeds attributable to eligible frequencies that the Commission intended to make available licenses combining eligible and non-eligible frequencies.

188. The Commission adopts the proposal in the *Auction No. 66 Comment Public Notice*. The Commission will apply an aggregate reserve price of $1,029,534,343.20 to all AWS–1 licenses in Auction No. 66. Given that one-half of the frequencies authorized for use by each license are CSEA eligible frequencies, one-half of each winning bid, net of any applicable bidding credit discounts at the end of bidding (e.g., exclusive of tribal land bidding credits), will be counted toward meeting the reserve price.

189. In light of the proposed procedures regarding information available to bidders, the Bureau also sought comment in the *Auction No. 66 Comment Public Notice* on whether the Commission should announce before the close of bidding whether the reserve price has been met. In comments, a commenter stated that if the Commission proceeds with its proposal to limit information regarding provisionally winning bids, it should make an announcement when the reserve price has been met.

190. If information on net bids is withheld during the auction (i.e., if the modified eligibility ratio is less than three), the Commission agrees with the commenter that an announcement should be made when the reserve price has been met. Therefore, if information regarding net bids is not provided, the Commission will issue an announcement in the FCC Auction System stating that the reserve has been met immediately following the first round in which that occurs. Both the registered bidders and the general public will be able to view such announcements through the Commission's website. The Commission cautions, however, that an announcement that the reserve price has been met following a round of the auction does not guarantee that the reserve price will continue to be met. Accordingly, after making the initial announcement that the reserve has been met, the Commission will make a further announcement in the FCC Auction System after any round in which the reserve price status changes. As noted in the *Auction No. 66 Comment Public Notice,* the amount of net winning bids may decline during an auction, if either provisionally winning bids are withdrawn or a higher gross but lower net bid displaces a prior provisional winner.

b. Minimum Opening Bids

191. In addition to proposing an aggregate reserve price, the Bureau proposed in the *Auction No. 66 Comment Public Notice* to establish minimum opening bids for each license, while retaining discretion to lower the minimum opening bids. Specifically, for Auction No. 66, the Bureau proposed the following formula for calculating license-by-license minimum opening bids: $0.05 * MHz * License Area Population.

The Bureau sought comment on this proposal and, in the alternative, whether, consistent with the section 309(j), the public interest would be served by having no minimum opening bid.

192. The Bureau received a variety of comments on the proposed level of minimum opening bids. Some commenters support the Bureau's proposal. A few commenters assert that no minimum opening bids should be established, given the use of a reserve price. Numerous commenters believe that the formula to determine upfront payments and minimum opening bids should not apply the same figure to a rural population as it does to an urban population. They assert that because of higher buildout costs, upfront payments and minimum opening bids for less densely populated areas should be lower than those for more densely populated areas. More specifically, many commenters contend that minimum opening bids for licenses covering RSAs should be lowered from $0.05 per MHz*Pop to $0.01, 0.02, or 0.025 per MHz*Pop.

193. In addition, some commenters have argued that prior auction results and private market sales indicate that the proposed minimum opening bids for sparsely populated areas may exceed the market price of the license, potentially resulting in a number of unsold licenses.

194. In Commission auctions, minimum opening bids are intended to serve as useful starting points for bidding. Minimum opening bids are not intended to be estimates of final auction prices or to reflect all differences between license values. Accordingly, differences in license characteristics, such as population density, that may result in different final prices do not always necessitate different minimum opening bids for the licenses.

195. The Commission is persuaded by the record, however, that minimum opening bids based on its proposal may be too high for licenses covering low density RSAs. The Commission concludes that it is appropriate to

reduce minimum opening bids for RSAs by forty percent (40%) from its initial proposal, i.e. to $0.03 per MHz*Pop. While some commenters argue for an even greater reduction, the Commission is not persuaded that it should lower minimum opening bids any further.

196. No equivalent evidence supports a similar reduction in the minimum opening bids for licenses covering MSAs. Accordingly, the Commission will adopt its initial proposal with respect to such licenses and set the minimum opening bids using the proposed formula, i.e., $0.05 per MHz*Pop.

197. In order to take into account that rural and urban populations are covered by a single license in larger geographic area licenses, the Commission will apply the lower minimum opening bid formula for rural areas on a county-by-county basis for all licenses. More specifically, the Commission first will break down the larger geographic areas into their component counties. The lower minimum opening bid formula of $0.03 per MHz*Pop will be applied to the population of those rural counties that are included in an RSA. The formula of $0.05 per MHz*Pop will be applied to the population of the remaining counties. The minimum opening bid for an EA or REAG license will be calculated as the sum of minimum opening bids for the counties in the EA or REAG. Finally, the Commission has made corresponding changes in the upfront payments and bidding units for each license.

198. The Bureau did not receive any comments addressing its proposal that it retain the discretion to reduce minimum opening bid amounts. The Commission adopts this proposal. The minimum opening bid amounts the Commission adopts for Auction No. 66 is reducible at the discretion of the Bureau. The Commission emphasizes, however, that such discretion will be exercised, if at all, sparingly and early in the auction, i.e., before bidders lose all activity waivers. During the course of the auction, the Commission will not entertain requests to reduce the minimum opening bid amount on specific licenses.

199. The specific minimum opening bid amounts for each license available in Auction No. 66 calculated pursuant to the procedure describe above, as well as the aggregate reserve price for all AWS–1 licenses, are set forth in Attachment A of the *Auction No. 66 Procedures Public Notice*.

iii. Bid Amounts

200. In each round, each eligible bidder will be able to place a bid on a particular license for which it applied in any of nine different amounts. The FCC Auction System will list the nine bid amounts for each license. The nine bid amounts for each license consist of the minimum acceptable bid amount calculated using an activity-based formula and additional amounts calculated using a bid increment percentage.

a. Minimum Acceptable Bid Amounts and Bid Increment Amounts

201. In the *Auction No. 66 Comment Public Notice*, the Bureau proposed that the minimum acceptable bid amount for a license would be equal to its minimum opening bid amount until there is a provisionally winning bid for the license. After there is a provisionally winning bid for a license, the minimum acceptable bid amount for that license would be equal to the amount of the provisionally winning bid plus an additional amount calculated using an activity-based formula described below. The Bureau further proposed to retain the discretion to change the minimum acceptable bid amounts and bid increment amounts if circumstances so dictated. A commenter supports the proposal. Another commenter suggests that the Commission should reduce the percentage used to determine the minimum acceptable bid as the ratio of bidder eligibility to licenses, measured in bidding units, declines. In subsequent reply comments, a commenter supports this suggestion. In light of the Bureau's discretion to change the percentages during the auction, this suggestion can be taken into account without modifying the original proposal. The Commission will consider the suggestion as it exercises its discretion during the auction.

202. A commenter argues that the Commission should use a smaller percentage to determine acceptable bids for designated entities, in order to encourage designated entities to remain in the auction. Pursuant to the proposal, the Bureau has discretion to change the percentage in appropriate circumstances. It may be appropriate to reduce the percentage to encourage bidders to continue bidding on a license in certain circumstances. However, the Commission is not persuaded that the percentage should be reduced solely for designated entities, or any other particular class of bidder. The Commission does not believe it is necessary or appropriate to supplement the bidding credits the Commission provides to designated entities with customized bidding procedures.

203. As another alternative, a commenter argues that the Commission should simplify the determination of minimum acceptable bids using a simple percentage in place of an activity-based formula. It further argues that the Commission should permit bidders to bid in any amount above the minimum. The Commission declines to adopt these alternatives. Determining minimum acceptable bid amounts based in part on bidding activity on a license helps pace the auction. The Commission cannot be certain in advance of an auction that using a simple percentage will approximate results based on activity. Accordingly, the Commission believes it is appropriate to use an activity-based formula to determine minimum acceptable bids, as well as additional bid amounts. Finally, with respect to amounts greater than the minimum acceptable bid, providing specified bid amounts both prevents bidders from sending signals in their bids and helps bidders avoid errors when inputting their bids. The Commission has successfully used this procedure to help achieve these purposes.

204. Based on the Commission's experience in prior auctions and taking into account the comments submitted on this issue, the Commission adopts its original proposals for Auction No. 66. The activity-based formula calculates minimum acceptable bid amounts by first calculating a percentage increment. The percentage increment for each license is a function of bidding activity on that license in prior rounds; therefore, a license that has received many bids will have a higher percentage increment than a license that has received few bids. This allows the minimum acceptable bid amounts to be tailored to the activity on a license, decreasing the number of rounds it takes for license receiving many bids to reach their final prices. Equations and examples are shown in Attachment F of the *Auction No. 66 Procedures Public Notice.*

205. The calculation of the percentage increment used to determine the minimum acceptable bid amounts 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 bidders that submit bids 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 Bureau proposed to 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. The Commission will round the result using its standard rounding procedures.

206. In the case of a license for which the provisionally winning bid has been withdrawn, the minimum acceptable bid amount will equal the second highest bid received for the license.

207. The minimum acceptable bid amount for a license will be equal to its minimum opening bid amount until there is a provisionally winning bid for the license. After there is a provisionally winning bid for a license, the minimum acceptable bid amount for that license will be equal to the amount of the provisionally winning bid plus an additional amount. Using the activity-based formula described above, the FCC Auction system will calculate a percentage increment at the end of each round to determine the minimum acceptable bid amount for each license for the next round.

b. Additional Bid Amounts

208. The acceptable bid amounts in addition to the minimum acceptable bid amount for each license are calculated using a bid increment percentage. The first additional acceptable bid amount equals the minimum acceptable bid amount times one plus the bid increment percentage, rounded—e.g., if the increment percentage is 10 percent, the calculation is (minimum acceptable bid amount) * (1 + 0.10), rounded, or (minimum acceptable bid amount) * 1.10, rounded; the second additional acceptable bid amount equals the minimum acceptable bid amount times one plus two times the bid increment percentage, rounded, or (minimum acceptable bid amount) * 1.20, rounded; the third additional acceptable bid amount equals the minimum acceptable bid amount times one plus three times the bid increment percentage, rounded, or (minimum acceptable bid amount) * 1.30, rounded; etc. The Bureau will begin the auction with a bid increment percentage of 10 percent.

209. The Bureau retains the discretion to change the minimum acceptable bid amounts, the parameters of the formula to determine the percentage increment, and the bid increment percentage if it determines that circumstances so dictate. The Bureau will do so by announcement in the FCC Auction System during the auction. The Bureau may also use its discretion to adjust the minimum bid increment amount without prior notice if circumstances warrant.

iv. Provisionally Winning Bids

210. At the end of each bidding round, a provisionally winning bid will be determined based on the highest bid amount received for each license. A provisionally winning bid will remain the provisionally winning bid until there is a higher bid on the same license at the close of a subsequent round. Provisionally winning bids at the end of the auction become the winning bids. Bidders are reminded that provisionally winning bids count toward activity for purposes of the activity rule.

211. In the *Auction No. 66 Comment Public Notice*, the Bureau proposed to use a random number generator to select a single provisionally winning bid in the event of identical high bid amounts being submitted on a license in a given round (*i.e.*, tied bids). One commenter addressed the Bureau's proposed method for breaking ties. A commenter asserts that the use of a random number generator to break ties among bids amounts to using a system of random selection beyond the Commission's statutory authority to assign licenses. The Commission disagrees. Using a random number generator to break ties among bids submitted as part of a system of competitive bidding does not amount to random assignment of licenses. The statutory provision cited by the commenter, which terminates the Commission's prior authority pursuant to section 309(i) of the Communications Act, simply does not apply to the Commission's authority to conduct competitive bidding pursuant to section 309(j) of the Communications Act. Moreover, the random number generator only determines the provisionally winning bid after a round in which bidders submit tie bids. Bidders that lose a tie-break in one round are able to raise their bids in subsequent rounds. Consequently, a license only will be awarded to a bid that wins a tie-break if other bidders decline to raise their bids. This does not amount to a system of random selection. The Commission did not receive any comments addressing the merits of the proposed method of breaking ties. In light of its successful use in prior auctions, the Commission adopts the proposal.

v. Bid Removal and Bid Withdrawal

212. In the *Auction No. 66 Comment Public Notice*, the Commission proposed bid removal and bid withdrawal procedures. With respect to bid withdrawals, the Commission proposed limiting each bidder to withdrawals in no more than two rounds during the course of the auction. The round in which withdrawals are used would be at each bidder's discretion. One commenter expressed support for the Bureau's proposal concerning bid withdrawals. The Commission adopts the proposal.

213. *Procedures.* Before the close of a bidding round, a bidder has the option of removing any bids placed in that round. Removing a bid will affect a bidder's activity for the round in which it is removed, *i.e.*, a bid that is removed does not count toward bidding activity. These procedures will enhance bidder flexibility during the auction, and therefore the Commission adopts them for Auction No. 66.

214. Once a round closes, a bidder may no longer remove a bid. However, in later rounds, a bidder may withdraw provisionally winning bids from previous rounds using the withdraw bids function in the FCC Auction System. A provisionally winning bidder that withdraws its provisionally winning bid from a previous round during the auction is subject to the bid withdrawal payments specified in 47 CFR 1.2104(g).

215. In previous auctions, the Commission has detected bidder conduct that, arguably, may have constituted anti-competitive behavior through the use of bid withdrawals. While the Commission continues to recognize the important role that bid withdrawals may play in an auction, the Commission concludes that, for Auction No. 66, adoption of a limit on the use of withdrawals to two rounds per bidder is appropriate. By doing so the Commission believes it strikes a reasonable compromise that will allow bidders to use withdrawals. The Commission based its decision on this issue upon its experience with bid withdrawals in prior auctions, including PCS D, E and F block and 800 MHz SMR, and FM broadcast auctions.

216. The Commission will therefore limit the number of rounds in which bidders may place withdrawals to two rounds. These rounds will be at the bidder's discretion and there will be no limit on the number of bids that may be withdrawn in either of these rounds. Withdrawals during the auction will be subject to the bid withdrawal payments specified in 47 CFR 1.2104(g). Bidders should note that abuse of the Commission's bid withdrawal procedures could result in the denial of the ability to bid on a market.

217. If a provisionally winning bid is withdrawn, the minimum acceptable bid amount will equal the amount of the second highest bid received for the license, which may be less than, or in the case of tied bids, equal to, the amount of the withdrawn bid. To set the additional bid amounts, the second highest bid amount also will be used in place of the provisionally winning bid in the formula used to calculate bid increment amounts. The Commission will serve as a place holder provisionally winning bidder on the license until a new bid is submitted on that license.

218. *Calculation*. Generally, the Commission imposes payments on bidders that withdraw high bids during the course of an auction. If a bidder withdraws its bid and there is no higher bid in the same or subsequent auction(s), the bidder that withdrew its bid is responsible for the difference between its withdrawn bid and the provisionally winning bid in the same or subsequent auction(s). In the case of multiple bid withdrawals on a single license, within the same or subsequent auctions(s), the payment for each bid withdrawal will be calculated based on the sequence of bid withdrawals and the amounts withdrawn. No withdrawal payment will be assessed for a withdrawn bid if either the subsequent winning bid or any of the intervening subsequent withdrawn bids, in either the same or subsequent auctions(s), equals or exceeds that withdrawn bid. Thus, a bidder that withdraws a bid will not be responsible for any withdrawal payments if there is a subsequent higher bid in the same or subsequent auction(s). This policy allows bidders most efficiently to allocate their resources as well as to evaluate their bidding strategies and business plans during an auction while, at the same time, maintaining the integrity of the auction process. The Bureau retains the discretion to scrutinize multiple bid withdrawals on a single license for evidence of anti-competitive strategic behavior and take appropriate action when deemed necessary.

219. Section 1.2104(g)(1) of the rules sets forth the payment obligations of a bidder that withdraws a high bid on a license during the course of an auction, and provides for the assessment of interim bid withdrawal payments. The Commission recently revised § 1.2104(g)(1) to provide that in advance of each auction it shall establish the percentage of the withdrawn bid to be assessed as an interim bid withdrawal payment between three percent (3%) and twenty percent (20%). Further, the rule provides that the Commission will set the percentage of withdrawn bids to be assessed as interim bid withdrawal payments prior to each auction. In the *Auction No. 66 Comment Public Notice*, the Bureau proposed to establish the percentage at ten percent (10%) for the AWS–1 auction and sought comment on the proposal.

220. Commenters divided on the proposed interim bid withdrawal percentage, with some arguing that it would be too high, others too low, and others supporting the Bureau's proposal.

221. The Commission adopts the proposal. The Commission will assess an interim withdrawal payment equal to ten percent (10%) of the amount of the withdrawn bids. The ten percent (10%) interim payment will be applied toward any final bid withdrawal payment that will be assessed after subsequent auction of the license. Assessing an interim bid withdrawal payment ensures that the Commission receives a minimal withdrawal payment pending assessment of any final withdrawal payment. § 1.2104(g) provides specific examples showing application of the bid withdrawal payment rule.

vi. Round Results

222. The information available after each round will vary depending on whether the modified eligibility ratio indicates the strong likelihood of a highly competitive auction. If the modified eligibility ratio is less than three and information is withheld in accordance with the proposed as modified above, information about the results of a round will be made public after the conclusion of the round. Specifically, after a round closes, the Commission will compile a report listing each license, its current provisionally winning bid amount, the minimum acceptable bid amount for the following round, the number of bids placed on the license during the round, and whether the license is FCC held. The Commission will post the report so that it is publicly accessible. Moreover, after the auction, the Commission will release complete reports of all bids placed during each round of the auction, including bidder identities. The Commission will post those reports so that they are publicly accessible.

223. If, however, the modified eligibility ratio indicates the strong likelihood of a highly competitive auction (i.e., the modified eligibility ratio is three or greater), information will be provided in the same fashion typically provided after each round in the auction. Bids placed during a round will be made public at the conclusion of that round. Specifically, after a round closes, the Commission will compile reports of all bids placed and which bidders made them, current provisionally winning bids, new minimum acceptable bid amounts, and bidder eligibility status (bidding eligibility and activity rule waivers) and will post the reports for public access.

vii. Auction Announcements

224. The Commission will use auction announcements to announce items such as schedule changes and stage transitions. All Commission auction announcements will be available by clicking a link in the FCC Auction System.

viii. Maintaining the Accuracy of FCC Form 175 Information

225. After the short-form filing deadline, applicants may make only minor changes to their FCC Form 175 applications. In addition, applicants should submit a letter, briefly summarizing the changes, by electronic mail to the attention of Margaret Wiener, Chief, Auctions and Spectrum Access Division, at the following address: *auction66@fcc.gov*. The electronic mail summarizing the changes must include a subject or caption referring to Auction No. 66 and the name of the applicant.

226. Applicants should not submit application-specific material through ECFS into the record of the proceeding concerning Auction No. 66 procedures.

V. Post-Auction Procedures

A. Down Payments

227. After bidding has ended, the Commission will issue a public notice declaring the auction closed and identifying winning bidders, down payments and final payments due.

228. Within ten business days after release of the auction closing notice, each winning bidder must submit sufficient funds (in addition to its upfront payment) to bring its total amount of money on deposit with the Commission for Auction No. 66 to 20 percent of the net amount of its winning bids (gross bids less any applicable small business or very small business bidding credits).

B. Final Payments

229. Each winning bidder will be required to submit the balance of the net amount of its winning bids within 10 business days after the deadline for submitting down payments.

C. Long-Form Application (FCC Form 601)

230. Within ten business days after release of the auction closing notice, winning bidders must electronically

submit a properly completed long-form application (FCC Form 601) for each license won through Auction No. 66. Winning bidders that are small businesses or very small businesses must demonstrate their eligibility for a small business or very small business bidding credit.

231. The recently adopted *CSEA/Part 1 Report and Order,* 71 FR 6214, February 7, 2006, modifies the procedure by which a consortium that is a winning bidder in Auction No. 66 will apply for a license. In particular, (a) each member or group of members of a winning consortium seeking separate licenses will be required to file a separate long-form application for its respective license(s) and, in the case of a license to be partitioned or disaggregated, the member or group filing the applicable long-form application shall provide the parties' partitioning or disaggregation agreement in its long-form application; (b) two or more consortium members seeking to be licensed together shall first form a legal business entity; and (c) any such entity must meet the applicable eligibility requirements in the Commission's rules for small business or entrepreneur status. Applicants applying as consortia should review the *CSEA/Part 1 Report and Order* in detail and monitor any relevant future proceedings to understand how the members of the consortia will apply for a license in the event they are winning bidders.

D. Ownership Disclosure Information Report (FCC Form 602)

232. At the time it submits its long-form application (FCC Form 601), each winning bidder also must comply with the ownership reporting requirements as set forth in 47 CFR 1.913, 1.919, and 1.2112. An ownership disclosure record is automatically created in the Universal Licensing System (ULS) for any applicant that submits an FCC Form 175. However, winning bidders will be required to review and confirm that it is complete and accurate as of the date of filing Form 601.

E. Tribal Lands Bidding Credit

233. A winning bidder that intends to use its license(s) to deploy facilities and provide services to federally recognized tribal lands that are unserved by any telecommunications carrier or that have a wireline penetration rate equal to or below 85 percent is eligible to receive a tribal lands bidding credit (TLBC) as set forth in 47 CFR 1.2107 and 1.2110(f). A TLBC is in addition to, and separate from, any other bidding credit for which a winning bidder may qualify.

234. Unlike other bidding credits that are requested prior to the auction, a winning bidder applies for the TLBC after winning the auction when it files its long-form application (FCC Form 601). When initially filing the long-form application, the winning bidder will be required to advise the Commission whether it intends to seek a TLBC, for each market won in the auction, by checking the designated box(es). After stating its intent to seek a TLBC, the applicant will have 180 days from the close of the long-form filing window to amend its application to select the specific tribal lands to be served and provide the required tribal government certifications. Licensees receiving a TLBC are subject to performance criteria as set forth in 47 CFR 1.2110(f)(3)(vi).

235. After all such applications have been finally resolved, the Commission will recalculate the amount of pro rata credits using the aggregate amount of actual full credits—*i.e.*, the TLBCs for which the applicants would have qualified absent the limitations resulting from the reserve price—rather than the hypothetical maximum aggregate amount for which all applicants might have qualified. In other words, the ratio of (a) each applicant's recalculated pro rata credit to (b) the total funds available for TLBCs will equal the ratio of (a) the applicant's full credit (the TLBC for which that applicant would have qualified absent limitations resulting from the reserve price) to (b) the aggregate amount of the actual full credits. In the event that the recalculated pro rata credit is larger than the initial pro rata credit, the Commission will award the difference. If the second calculation produces a different result from the first, it will reflect the fact that when the amount of any one applicant's portion of the fixed funds available for TLBCs decreases, the amounts of other applicants' portions should increase. An applicant's portion of the fixed funds might decrease, for example, if it reaches agreements with tribal governments regarding service for less than the full area of tribal land covered by the license. Consequently, that applicant may be eligible for a credit smaller than the largest credit possible.

F. Default and Disqualification

236. Any high bidder that defaults or is disqualified after the close of the auction (*i.e.*, fails to remit the required down payment within the prescribed period of time, fails to submit a timely long-form application, fails to make full payment, or is otherwise disqualified) will be subject to the payments described in 47 CFR 1.2104(g)(2). The payments include both a deficiency payment, equal to the difference between the amount of the bidder's bid and the amount of the winning bid the next time a license covering the same spectrum is won in an auction, plus an additional payment equal to a percentage of the defaulter's bid or of the subsequent winning bid, whichever is less. Pursuant to recent modifications to the rule governing default payments, the percentage of the applicable bid to be assessed as an additional payment for defaults in a particular auction will be established in advance of the auction. Accordingly, in the *Auction No. 66 Comment Public Notice,* the Bureau proposed to set the additional default payment for the auction of AWS–1 licenses at ten percent (10%) of the applicable bid. The Bureau sought comment on its proposal.

237. Some commenters supported the proposal as setting an appropriate deterrent to default. Others contend that there is no reason to increase the percentage of the additional default payment from three percent (3%) as provided under prior rules. As these comments reflect, the primary purpose of setting the additional default payment is to deter defaults. The precise level of deterrence provided by any particular percentage is difficult to determine. However, continued defaults in past Commission auctions indicate that the prior level of three percent (3%) is not sufficient. Moreover, as noted in the *Auction No. 66 Comment Public Notice,* the public interest in rapid deployment of new advanced wireless services using licenses available for the first time in Auction No. 66 would be adversely affected by defaults. The Commission continues to believe its proposal to increase the percentage from three percent (3%) to ten percent (10%) is in the public interest. The Commission therefore adopts its proposal and set the additional default payment for the auction of AWS–1 licenses at ten percent (10%) of the applicable bid.

238. Finally, the Commission notes that in the event of a default, it may re-auction the license or offer it to the next highest bidder (in descending order) at its final bid amount. In addition, if a default or disqualification involves gross misconduct, misrepresentation, or bad faith by an applicant, the Commission may declare the applicant and its principals ineligible to bid in future auctions, and may take any other action that it deems necessary, including institution of proceedings to revoke any existing licenses held by the applicant.

G. Refund of Remaining Upfront Payment Balance

239. All applicants that submit upfront payments but after the close of the auction are not winning bidders for a license in Auction No. 66 may be entitled to a refund of their remaining upfront payment balance after the conclusion of the auction.

240. Bidders that drop out of the auction completely may be eligible for a refund of their upfront payments before the close of the auction. Qualified bidders that have exhausted all of their activity rule waivers, have no remaining bidding eligibility, and have not withdrawn a provisionally winning bid during the auction must submit a written refund request. If the applicant has completed the refund instructions electronically, then a written request for the refund is not necessary. If not, the request must be in writing and include wire transfer instructions, Taxpayer Identification Number (TIN) and FCC Registration Number (FRN). Send refund requests to: Federal Communications Commission, Financial Operations Center, Auctions Accounting Group, Attn: Gail Glasser, 445 12th Street, SW., Room 1–C864, Washington, DC 20554.

Federal Communications Commission.

Marlene H. Dortch,

Secretary.

[FR Doc. 06–3819 Filed 4–20–06; 8:45 am]

BILLING CODE 6712–01–P

FEDERAL RESERVE SYSTEM

Change in Bank Control Notices; Acquisition of Shares of Bank or Bank Holding Companies

The notificants listed below have applied under the Change in Bank Control Act (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire a bank or bank holding company. The factors that are considered in acting on the notices are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

The notices are available for immediate inspection at the Federal Reserve Bank indicated. The notices also will be available for inspection at the office of the Board of Governors. Interested persons may express their views in writing to the Reserve Bank indicated for that notice or to the offices of the Board of Governors. Comments must be received not later than May 8, 2006.

A. Federal Reserve Bank of Atlanta (Andre Anderson, Vice President) 1000 Peachtree Street, N.E., Atlanta, Georgia 30303:

1. Robin and Cherie Arkley Revocable Algiers Bancorp Stock Trust, Eureka, California, with Robin P. Arkley II and Cherie P. Arkley, Eureka, California, as trustees; the Allison E. Arkley Trust No. 5, Eureka, California, with Russell N. Bacon, managing member of CTT, LLC, Eureka, California, and John L. Piland as trustees; and the Elizabeth A. Arkley Trust No. 5, with Russell N. Bacon, managing member of CTT, LLC, Eureka, California, and John L. Piland as trustees; and Jack J. Mendheim and Stephanie C. Mendheim, Folsom, Louisiana; to acquire voting shares of Algiers Bancorp, Inc., Baton Rouge, Louisiana, and thereby indirectly acquire voting shares of StatewideBank, Terrytown, Louisiana.

B. Federal Reserve Bank of Chicago (Patrick M. Wilder, Assistant Vice President) 230 South LaSalle Street, Chicago, Illinois 60690-1414:

1. The Valley Community Bancorp, Inc. Voting Trust, Robert Hoge, Kenneth Kaergard, and Larry Breon, trustees, all of St. Charles, Illinois; to acquire voting shares of Valley Community Bancorp, Inc., St. Charles, Illinois, and thereby indirectly acquire voting shares of Valley Community Bank, St. Charles, Illinois.

Board of Governors of the Federal Reserve System, April 18, 2006.

Robert deV. Frierson,

Deputy Secretary of the Board.

[FR Doc. E6–5996 Filed 4–20–06; 8:45 am]

BILLING CODE 6210–01–S

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States. Additional information on all bank holding companies may be obtained from the National Information Center website at *www.ffiec.gov/nic/*.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than May 18, 2006.

A. Federal Reserve Bank of San Francisco (Tracy Basinger, Director, Regional and Community Bank Group) 101 Market Street, San Francisco, California 94105-1579:

1. RiverBank Holding Company, Spokane, Washington; to become a bank holding company by acquiring 100 percent of the voting shares of RiverBank, Spokane, Washington (in organization).

Board of Governors of the Federal Reserve System, April 18, 2006.

Robert deV. Frierson,

Deputy Secretary of the Board.

[FR Doc. E6–5997 Filed 4–20–06; 8:45 am]

BILLING CODE 6210–01–S

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

Board of Scientific Counselors, National Center for Infectious Diseases

In accordance with section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92–463), the Centers for Disease Control and Prevention (CDC) announces the following committee meeting.

Name: Board of Scientific Counselors (BSC), National Center for Infectious Diseases (NCID).

Times and Dates: 9 a.m.–5:30 p.m., May 11, 2006. 8:30 a.m.–2 p.m., May 12, 2006.

Place: CDC, Building 19, 1600 Clifton Road, NE., Atlanta, Georgia 30333.

Status: Open to the public, limited only by the space available.

Purpose: The BSC, NCID, provides advice and guidance to the Director, CDC, and Director, NCID, in the following areas: Program goals and objectives; strategies; program organization and resources for