



# PUBLIC NOTICE

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DA 99-2624  
November 23, 1999

## AUCTION OF LICENSES FOR FIXED POINT-TO-POINT MICROWAVE SERVICES IN THE 38.6 to 40.0 GHz (39 GHz) BAND SCHEDULED FOR APRIL 11, 2000

### COMMENT SOUGHT ON RESERVE PRICES OR MINIMUM OPENING BIDS AND OTHER AUCTION PROCEDURAL ISSUES

#### Report No. AUC-99-30-A (Auction No. 30)

By this Public Notice, the Wireless Telecommunications Bureau ("Bureau") announces the auction of licenses for fixed point-to-point microwave services in the 38.6 to 40.0 GHz band ("39 GHz Auction"), scheduled to commence on April 11, 2000.<sup>1</sup> As discussed in greater detail herein, the Bureau proposes that the 39 GHz Auction be composed of 2,450 licenses in the

<sup>1</sup> The Commission released a *Memorandum Opinion and Order* that modified the interim rules for fixed point-to-point microwave services in the 39 GHz band. See Amendment of the Commission's Rules Regarding the 37.0-38.6 GHz and 38.6-40.0 GHz Bands, ET Docket No. 95-183, *Memorandum Opinion and Order*, 12 FCC Rcd 2910 (1997), 62 Fed. Reg. 14015 (March 25, 1997) ("*First Memorandum Opinion and Order*"). On November 3, 1997, the Commission released a *Report and Order and Second Notice of Proposed Rule Making* that revised the licensing and technical rules for the fixed point-to-point microwave service in the 39 GHz band, and dismissed certain 39 GHz applications and amendments thereto that had been held in abeyance. See Amendment of the Commission's Rules Regarding the 37.0-38.6 GHz and 38.6-40.0 GHz Bands, ET Docket No. 95-183, *Report and Order and Second Notice of Proposed Rule Making*, 12 FCC Rcd 18600 (1997), 63 Fed. Reg. 6079 (February 6, 1998) ("*Report and Order and Second NPRM*"). On July 29, 1999, the Commission released a *Memorandum Opinion and Order* that addressed pleadings filed concerning these two Commission items. See Amendment of the Commission's Rules Regarding the 37.0-38.6 GHz and 38.6-40.0 GHz Bands, ET Docket No. 95-183, *Memorandum Opinion and Order*, FCC 99-179 (rel. July 29, 1999), 64 Fed. Reg. 59663 (November 3, 1999) ("*Second Memorandum Opinion and Order*"). In the *Second Memorandum Opinion and Order*, the Commission revisits the 39 GHz band service areas, channelization plan, performance requirements, licensing rules and disposition of pending applications, and affirms application of the standard method for calculating unjust enrichment payments on a *pro rata* basis.

38.6-40.0 GHz bands (“39 GHz band”). Fourteen 100 megahertz licenses (paired 50 megahertz channel blocks) will be offered in each of 172 Economic Areas (EAs) and 3 EA-like areas, covering the United States, the Northern Mariana Islands, Guam, American Samoa, the United States Virgin Islands and Puerto Rico.

The Balanced Budget Act of 1997 requires the Commission to "ensure that, in the scheduling of any competitive bidding under this subsection, an adequate period is allowed . . . before issuance of bidding rules, to permit notice and comment on proposed auction procedures . . . ."<sup>2</sup>

Consistent with the provisions of the Budget Act and to ensure that potential bidders have adequate time to familiarize themselves with the specific provisions that will govern the day-to-day conduct of an auction, the Commission directed the Bureau, under its existing delegated authority,<sup>3</sup> to seek comment on a variety of auction-specific procedures prior to the start of each auction.<sup>4</sup> We therefore seek comment on the following issues relating to the 39 GHz Auction (Auction No. 30).

### **I. Auction Methodology and License Groupings for the 39 GHz Auction**

Because it is most administratively appropriate, and allows bidders to take advantage of any synergies that exist among licenses, we propose to award the licenses in a single, simultaneous multiple-round auction.<sup>5</sup> We seek comment on this proposal. The following table contains the proposed Block/Frequency Band Limits Cross Reference List for the 39 GHz band:

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<sup>2</sup> Section 3002(a)(E)(i), Balanced Budget Act of 1997, Pub. L. 105-33, 111 Stat. 251 (1997) ("Budget Act").

<sup>3</sup> See Amendment of Part 1 of the Commission's Rules—Competitive Bidding Proceeding, WT Docket No. 97-82, *Order, Memorandum Opinion and Order, and Notice of Proposed Rule Making*, 12 FCC Rcd 5686, 5677, ¶ 16 (1997) ("*Part 1 Order, Memorandum Opinion and Order, and Notice of Proposed Rule Making*") ("We also clarify that pursuant to Section 0.131 of our rules, the Chief, Wireless Telecommunications Bureau, has delegated authority to implement all of the Commission's rules pertaining to auctions procedures").

<sup>4</sup> See Amendment of Part 1 of the Commission's Rules -- Competitive Bidding Procedures, Allocation of Spectrum Below 5 GHz Transferred from Federal Government Use, 4660-4685 MHz, WT Docket No. 97-82, ET Docket No. 94-32, *Third Report and Order and Second Further Notice of Proposed Rule Making*, 13 FCC Rcd 374, 448, ¶ 124 (1998) ("*Part 1 Third Report and Order*"). The Commission directed the Bureau to seek comment on specific mechanisms related to day-to-day auction conduct including, for example, the structure of bidding rounds and stages, establishment of minimum opening bids or reserve prices, minimum accepted bids, initial maximum eligibility for each bidder, activity requirements for each stage of the auction, activity rule waivers, criteria for determining reductions in eligibility, information regarding bid withdrawal and bid removal, stopping rules, and information relating to auction delay, suspension or cancellation. *Id.* at ¶ 125.

<sup>5</sup> See *Report and Order and Second NPRM*, 12 FCC Rcd at 18648-49, ¶ 106.

### 39 GHz Channels

License Suffix	Channel No.	Frequency	Channel No.	Frequency
A	1-A	38,600-38,650	1-B	39,300-39,350
B	2-A	38,650-38,700	2-B	39,350-39,400
C	3-A	38,700-38,750	3-B	39,400-39,450
D	4-A	38,750-38,800	4-B	39,450-39,500
E	5-A	38,800-38,850	5-B	39,500-39,550
F	6-A	38,850-38,900	6-B	39,550-39,600
G	7-A	38,900-38,950	7-B	39,600-39,650
H	8-A	38,950-39,000	8-B	39,650-39,700
I	9-A	39,000-39,050	9-B	39,700-39,750
J	10-A	39,050-39,100	10-B	39,750-39,800
K	11-A	39,100-39,150	11-B	39,800-39,850
L	12-A	39,150-39,200	12-B	39,850-39,900
M	13-A	39,200-39,250	13-B	39,900-39,950
N	14-A	39,250-39,300	14-B	39,950-40,000

#### II. Upfront Payments and Initial Maximum Eligibility for Each Bidder

The Bureau has delegated authority and discretion to determine an appropriate upfront payment for each license being auctioned, taking into account such factors as the population in each geographic license area, and the value of similar spectrum.<sup>6</sup> With these guidelines in mind, we propose for the 39 GHz Auction the following upfront payments.

For licenses with populations of 1,000,000 or greater:

License population \* \$0.04 (the result rounded to the nearest thousand).

For licenses with populations of less than 1,000,000:

License population \* \$0.02 (the result rounded to the nearest hundred for levels below \$10,000 and to the nearest thousand for levels above \$10,000) with a minimum of no less than \$2,500 per license.

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<sup>6</sup> See Part I Order, Memorandum Opinion and Order, and Notice of Proposed Rule Making, 12 FCC Rcd at 5697-98, ¶ 16 (1997).

A complete list of all licenses, including their related population and upfront payments, are attached hereto as Attachment A. We seek comment on this proposal. We further propose that the amount of the upfront payment submitted by a bidder will determine the initial maximum eligibility (as measured in bidding units) for each bidder. Upfront payments will not be attributed to specific licenses, but instead will be translated into bidding units to define a bidder's initial maximum eligibility, which cannot be increased during the auction. Thus, in calculating the upfront payment amount, an applicant must determine the *maximum* number of bidding units it may wish to bid on (or hold high bids on) in any single round, and submit an upfront payment covering that number of bidding units. We seek comment on this proposal.

### **III. Reserve Price or Minimum Opening Bid**

The Budget Act calls upon the Commission to prescribe methods by which a reasonable reserve price will be required or a minimum opening bid established when FCC licenses are subject to auction (*i.e.*, because the Commission has accepted mutually exclusive applications for those licenses), unless the Commission determines that a reserve price or minimum bid is not in the public interest.<sup>7</sup> Consistent with this mandate, the Commission has 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.<sup>8</sup> More specifically, the Bureau was directed to seek comment on the methodology to be employed in establishing each of these mechanisms. Among other factors the Bureau should consider are the amount of spectrum being auctioned, levels of incumbency, the availability of technology to provide service, the size of the geographic service areas, issues of interference with other spectrum bands, and any other relevant factors that reasonably could have an impact on valuation of 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.<sup>9</sup>

Normally, a reserve price is an absolute minimum price below which an item will not be sold in a given auction. Reserve prices can be either published or unpublished. A minimum opening bid, on the other hand, is the minimum bid price set at the beginning of the auction below which *no bids* are accepted. It is generally used to accelerate the competitive bidding process. Also, in a minimum opening bid scenario, the auctioneer generally has the discretion to lower the amount later in the auction. It is also possible for the minimum opening bid and the reserve price to be the same amount.

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<sup>7</sup> See Budget Act, Section 3002(a). The Commission's authority to establish a reserve price or minimum opening bid is set forth in 47 C.F.R. § 1.2104(c) and (d).

<sup>8</sup> See *Part 1 Third Report and Order*, 13 FCC Rcd at 454-455, ¶ 141 (1998).

<sup>9</sup> *Id.*

In anticipation of this auction and in light of the Budget Act, the Bureau proposes to establish minimum opening bids for the 39 GHz Auction. The Bureau believes a minimum opening bid, which has been utilized in other auctions, is an effective bidding tool.<sup>10</sup> A minimum opening bid, rather than a reserve price, will help to regulate the pace of the auction and provides flexibility.

Specifically, for Auction No. 30, the Commission proposes the following license-by-license formulas for calculating minimum opening bids, based on the population ("pops") of the EA:

For licenses with populations of 1,000,000 or greater:

License population \* \$0.08 (the result rounded to the nearest thousand).

For licenses with populations of less than 1,000,000:

License population \* \$0.04 (the result rounded to the nearest hundred for results less than \$10,000 and to the nearest thousand for results greater than \$10,000) with a minimum of no less than \$2,500 per license.

Comment is sought on this proposal. A complete list of all licenses including their related population and minimum opening bids are attached hereto as Attachment A. If commenters believe the formula proposed above for minimum opening bids will result in substantial numbers of unsold licenses, or is not a reasonable amount, or should instead operate as a reserve price, they should explain why this is so, and comment on the desirability of an alternative approach. Commenters are advised to support their claims with valuation analyses and suggested reserve prices or minimum opening bid levels or formulas. In establishing the formula for minimum opening bids, we particularly seek comment on such factors as, among other things, the amount of spectrum being auctioned, levels of incumbency, the availability of technology to provide service, the size of the geographic service areas, issues of interference with other spectrum bands and any other relevant factors that could reasonably have an impact on valuation of the 39 GHz band. Alternatively, comment is sought on whether, consistent with the Budget Act, the public interest would be served by having no minimum opening bid or reserve price.

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<sup>10</sup> See, e.g., Auction of 800 MHz SMR Upper 10 MHz Band, Minimum Opening Bids or Reserve Prices, DA 97-2147, *Order*, 12 FCC Rcd 16354 (1997); Auction of the Phase II 220 MHz Service Licenses, Auction Notice and Filing Requirements for 908 Licenses Consisting of Economic Area (EA), Economic Area Grouping (EAG), and Nationwide Licenses, Scheduled for September 15, 1998, Minimum Opening Bids and Other Procedural Issues, *Public Notice*, 13 FCC Rcd 16445 (1998).

## IV. Other Auction Procedural Issues

### a. Structure of Bidding Rounds, Activity Requirements, and Criteria for Determining Reductions in Eligibility

We propose to divide the auction into three stages: Stage One, Stage Two and Stage Three. The auction will start in Stage One. We propose that the auction will generally advance to the next stage (*i.e.*, from Stage One to Stage Two, and from Stage Two to Stage Three) when the auction activity level, as measured by the percentage of bidding units receiving new high bids, is approximately ten percent or below for three consecutive rounds of bidding in Stages One and Two. However, we further propose that the Bureau retain the discretion to change stages unilaterally by announcement during the auction. In exercising this discretion, the Bureau will consider 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. We seek comment on these proposals.

In order to ensure that the auction closes within a reasonable period of time, an activity rule requires bidders to bid actively on a percentage of their maximum bidding eligibility during each round of the auction rather than waiting until the end to participate. A bidder that does not satisfy the activity rule will either lose bidding eligibility in the next round or must use an activity rule waiver (if any remain).

For the 39 GHz Auction, we propose the following activity requirements:

**Stage One:** In each round of the first stage of the auction, a bidder desiring to maintain its current eligibility is required to be active on licenses representing at least 80 percent of its current bidding eligibility. Failure to maintain the requisite 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 current round activity by five-fourths ( $5/4$ ).

**Stage Two:** In each round of the second stage, a bidder desiring to maintain its current eligibility is required to be active on 90 percent of its current bidding eligibility. During Stage Two, reduced eligibility for the next round will be calculated by multiplying the current round activity by ten-ninths ( $10/9$ ).

**Stage Three:** In each round of the third stage, a bidder desiring to maintain its current eligibility is required to be active on 98 percent of its current bidding eligibility. In this final stage, reduced eligibility for the next round will be calculated by multiplying the current round activity by fifty-fortyninths ( $50/49$ ).

We seek comment on these proposals.

## **b. Minimum Accepted Bids**

Once there is a standing high bid on a license, a bid increment will be applied to that license to establish a minimum acceptable bid for the following round. For the 39 GHz Auction, we propose to use a smoothing methodology to calculate bid increments, as we have done in several other auctions. The Bureau retains the discretion to change the minimum bid increment if it determines that circumstances so dictate. The Bureau will do so by announcement in the Automated Auction System. We seek comment on these proposals.

The exponential smoothing formula calculates the bid increment for each license based on a weighted average of the activity received on each license in all previous rounds. This methodology will tailor the bid increment for each license based on activity, rather than setting a global increment for all licenses. For every license that receives a bid, the bid increment for the next round for that license will be established using the exponential smoothing formula.

The calculation of the percentage bid increment for each license in a given round is made at the end of the previous round. The computation is based on an activity index, which is calculated as the weighted average of the activity in that round and the activity index from the prior round. The activity index at the start of the auction (round 0) will be set at 0. The current activity index is equal to a weighting factor times the number of new bids received 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 Commission will initially set the weighting factor at 0.5, the minimum percentage increment at 0.1, and the maximum percentage increment at 0.2.

### **Equations**

$$A_i = (C * B_i) + ((1-C) * A_{i-1})$$
$$I_{i+1} = \text{smaller of } ((1 + A_i) * N) \text{ and } M$$

where,

$A_i$  = activity index for the current round (round  $i$ )

$C$  = activity weight factor

$B_i$  = number of bids in the current round (round  $i$ )

$A_{i-1}$  = activity index from previous round (round  $i-1$ ),  $A_0$  is 0

$I_{i+1}$  = percentage bid increment for the next round (round  $i+1$ )

$N$  = minimum percentage increment or bid increment floor

$M$  = maximum percentage increment or bid increment ceiling

Under the exponential smoothing methodology, once a bid has been received on a license, the minimum acceptable bid for that license in the following round will be the new high bid plus the dollar amount associated with the percentage increment (variable  $I_{i+1}$  from above times the high

bid). This result will be rounded to the nearest thousand if it is over ten thousand or to the nearest hundred if it is under ten thousand.

### Examples

#### License 1

$C=0.5$ ,  $N = 0.1$ ,  $M = 0.2$

#### Round 1 (2 new bids, high bid = \$1,000,000)

1. Calculation of percentage increment for round 2 using exponential smoothing:

$$A_1 = (0.5 * 2) + (0.5 * 0) = 1$$

The smaller of  $I_2 = (1 + 1) * 0.1 = 0.2$  or  $0.2$  (the maximum percentage increment)

2. Minimum bid increment for round 2 using the percentage increment ( $I_2$  from above)

$$0.2 * \$1,000,000 = \$200,000$$

3. Minimum acceptable bid for round 2 = 1,200,000

#### Round 2 (3 new bids, high bid = 2,000,000)

1. Calculation of percentage increment for round 3 using exponential smoothing:

$$A_2 = (0.5 * 3) + (0.5 * 1) = 2$$

The smaller of  $I_3 = (1 + 2) * 0.1 = 0.3$  or  $0.2$  (the maximum percentage increment)

2. Minimum bid increment for round 3 using the percentage increment ( $I_3$  from above)

$$0.2 * \$2,000,000 = \$400,000$$

3. Minimum acceptable bid for round 3 = 2,400,000

#### Round 3 (1 new bid, high bid = 2,400,000)

1. Calculation of percentage increment for round 4 using exponential smoothing:

$$A_3 = (0.5 * 1) + (0.5 * 2) = 1.5$$

The smaller of  $I_4 = (1 + 1.5) * 0.1 = 0.25$  or  $0.2$  (the maximum percentage increment)

2. Minimum bid increment for round 4 using the percentage increment ( $I_4$  from above)

$$0.2 * \$2,400,000 = \$480,000$$

3. Minimum acceptable bid for round 4 = 2,880,000

### **c. Activity Rule Waivers and Reducing Eligibility**

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 level. An activity rule waiver applies to an entire round of bidding and not to a particular license. Activity waivers are principally a mechanism for auction participants to avoid the loss of auction.

The FCC auction system assumes that bidders with insufficient activity would prefer to use an activity rule waiver (if available) rather than lose bidding eligibility. Therefore, the system will automatically apply a waiver (known as an "automatic waiver") at the end of any bidding period 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, thereby meeting the minimum requirements.

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 period by using the reduce eligibility function in the software. In this case, the bidder's eligibility is permanently reduced to bring the bidder into compliance with the activity rules as described above. Once eligibility has been reduced, a bidder will not be permitted to regain its lost bidding eligibility.

A bidder may proactively apply an activity rule waiver as a means to keep the auction open without placing a bid. If a bidder submits a proactive waiver (using the proactive waiver function in the bidding software) during a bidding period in which no bids are submitted, the auction will remain open and the bidder's eligibility will be preserved. Note: an automatic waiver invoked in a round in which there are no new valid bids will not keep the auction open.

We propose that each bidder in the 39 GHz Auction be provided with five activity rule waivers that may be used in up to five separate rounds at the bidder's discretion during the course of the auction as set forth above. We seek comment on this proposal.

### **d. Information Regarding Bid Withdrawal and Bid Removal**

For the 39 GHz Auction, we propose the following bid removal and bid withdrawal procedures. Before the close of a bidding period, a bidder has the option of removing any bids placed in that round. By using the remove bid function in the software, a bidder may effectively "unsubmit" any bid placed within that round. A bidder removing a bid placed in the same round is not subject to withdrawal payments, but will affect a bidder's activity for the round in which it is removed.

Once a round closes, a bidder may no longer remove a bid. However, in the next round, a bidder may withdraw standing high bids from previous rounds using the withdraw bid function. A high bidder that withdraws its standing high bid from a previous round is subject to the bid

withdrawal payment provisions.<sup>11</sup> We seek comment on these bid removal and bid withdrawal procedures.

In the *Part 1 Third Report and Order*, the Commission explained that allowing bid withdrawals facilitates efficient aggregation of licenses and the pursuit of efficient backup strategies as information becomes available during the course of an auction. The Commission noted, however, that, in some instances, bidders may seek to withdraw bids for improper reasons. The Bureau, therefore, has discretion, in managing the auction, to limit the number of withdrawals to prevent any bidding abuses. The Commission stated that the Bureau should assertively exercise its discretion, consider limiting the number of rounds in which bidders may withdraw bids, and prevent bidders from bidding on a particular market if the Bureau finds that a bidder is abusing the Commission's bid withdrawal procedures.<sup>12</sup>

Applying this reasoning, we propose to limit each bidder in the 39 GHz Auction to withdrawals in no more than two rounds during the course of the auction. To permit a bidder to withdraw bids in more than two rounds would likely encourage insincere bidding or the use of withdrawals for anti-competitive purposes. The two rounds in which withdrawals are utilized will be at the bidder's discretion; withdrawals otherwise must be in accordance with the Commission's rules. There is no limit on the number of standing high bids that may be withdrawn in either of the rounds in which withdrawals are utilized. Withdrawals will remain subject to the bid withdrawal payment provisions specified in the Commission's rules. We seek comment on this proposal.

#### **e. Stopping Rule**

For the 39 GHz Auction, the Bureau proposes to employ a simultaneous stopping rule approach. The Bureau has discretion "to establish stopping rules before or during multiple round auctions in order to terminate the auction within a reasonable time."<sup>13</sup> A simultaneous stopping rule means that all licenses remain open until the first round in which no new acceptable bids, proactive waivers or withdrawals are received. After the first such round, bidding closes simultaneously on all licenses. Thus, unless circumstances dictate otherwise, bidding would remain open on all licenses until bidding stops on every license.

The Bureau seeks comment on a modified version of the simultaneous stopping rule. The modified stopping rule would close the auction for all licenses after the first round in which no bidder submits a proactive waiver, a withdrawal, or a new bid on any license on which it is not the standing high bidder. Thus, absent any other bidding activity, a bidder placing a new bid on a license for which it is the standing high bidder would not keep the auction open under this modified stopping rule. The Bureau further seeks comment on whether this modified stopping rule should be used unilaterally or only in Stage Three of the auction.

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<sup>11</sup> See 47 C.F.R. §§ 1.2104(g); 1.2109.

<sup>12</sup> *Part 1 Third Report and Order*, 13 FCC Rcd at 460, ¶ 150.

<sup>13</sup> 47 C.F.R. § 1.2104(e).

We propose that the Bureau retain the discretion to keep an auction open even if no new acceptable bids or proactive waivers are submitted and no previous high bids are withdrawn. In this event, the effect will be the same as if a bidder had submitted a proactive waiver. The activity rule, therefore, will apply as usual and a bidder with insufficient activity will either lose bidding eligibility or use a remaining activity rule waiver.

Finally, we propose that the Bureau 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 final round(s) only for licenses on which the high bid increased in at least one of the preceding specified number of rounds. The Bureau proposes to exercise this option only in certain circumstances, such as, for example, where the auction is proceeding very slowly, there is minimal overall bidding activity, or it appears likely that the auction will not close within a reasonable period of time. Before exercising this option, the Bureau is likely to attempt to increase the pace of the auction by, for example, moving the auction into the next stage (where bidders would be required to maintain a higher level of bidding activity), 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. We seek comment on these proposals.

#### **f. Information Relating to Auction Delay, Suspension or Cancellation**

For the 39 GHz Auction, we propose 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 and competitive conduct of competitive bidding.<sup>14</sup> In such cases, the Bureau, in its 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 Bureau to delay or suspend the auction. We emphasize that exercise of this authority is solely within the discretion of 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. We seek comment on this proposal.

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<sup>14</sup> See 47 C.F.R. § 1.2104(i).

## V. Due Diligence

The National Telecommunications and Information Administration (NTIA) has reviewed the *Memorandum Opinion and Order* addressing the 39 GHz band and provides related comments.<sup>15</sup>

## VI. Conclusion

Comments are due on or before December 8, 1999, and reply comments are due on or before December 20, 1999. To file formally, parties must submit an original and four paper copies to the Office of the Secretary, Federal Communications Commission, Federal Communications Commission, 445 12th Street, S.W., TW-A325, Washington, D.C. 20554. In addition, parties must submit one copy to Amy Zoslov, Chief, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, Federal Communications Commission, Room 4-A760, 445 12th Street S.W., Washington, D.C. 20554. Comments and reply comments will be available for public inspection during regular business hours in the FCC Public Reference Room, Room CY-A257, 445 12th Street S.W., Washington, D.C. 20554.

For further information concerning this proceeding, contact Kenneth Burnley, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau at (202) 418-0660; Lisa Stover or Bob Reagle, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau at (717) 338-2888.

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<sup>15</sup> See Letter attached hereto as Attachment B from William T. Hatch, Acting Associate Administrator, Office of Spectrum Management, National Telecommunications and Information Administration, to Dale N. Hatfield, Chief, Office of Engineering and Technology, Federal Communications Commission, re: Memorandum Opinion and Order --- Amendment of the Commission's Rules Regarding the 37.0-38.6 GHz and 38.6-40.0 GHz Bands, ET Docket No. 95-183 --- Competitive Bidding, 37.0-38.6 GHz and 38.6-40.0 GHz Bands, PP Docket No. 93-253 (September 23, 1999).

**Attachment A**  
**39 GHz List of Licenses for Auction**

Market No.	License Name	License Number	Population (Note 1)	Upfront Payment for each Block (Note 2)	Minimum Opening Bid for each Block (Note 3)
BEA001	Bangor, ME	TNBEA001A - N	533,135	\$11,000.00	\$21,000.00
BEA002	Portland, ME	TNBEA002A - N	694,793	\$14,000.00	\$28,000.00
BEA003	Boston-Worcester-Lawrence-Lowell-Brockton, MA-NH-RI-VT	TNBEA003A - N	7,445,016	\$298,000.00	\$596,000.00
BEA004	Burlington, VT-NY	TNBEA004A - N	568,377	\$11,000.00	\$23,000.00
BEA005	Albany-Schenectady-Troy, NY	TNBEA005A - N	1,147,154	\$46,000.00	\$92,000.00
BEA006	Syracuse, NY-PA	TNBEA006A - N	1,934,632	\$77,000.00	\$155,000.00
BEA007	Rochester, NY-PA	TNBEA007A - N	1,457,846	\$58,000.00	\$117,000.00
BEA008	Buffalo-Niagara Falls, NY-PA	TNBEA008A - N	1,529,735	\$61,000.00	\$122,000.00
BEA009	State College, PA	TNBEA009A - N	798,826	\$16,000.00	\$32,000.00
BEA010	New York-North New Jersey-Long Island, NY-NJ-CT-PA-MA-VT	TNBEA010A - N	23,919,008	\$957,000.00	\$1,914,000.00
BEA011	Harrisburg-Lebanon-Carlisle, PA	TNBEA011A - N	1,026,459	\$41,000.00	\$82,000.00
BEA012	Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD	TNBEA012A - N	6,915,860	\$277,000.00	\$553,000.00
BEA013	Washington-Baltimore, DC-MD-VA-WV-PA	TNBEA013A - N	7,454,633	\$298,000.00	\$596,000.00
BEA014	Salisbury, MD-DE-VA	TNBEA014A - N	290,800	\$5,800.00	\$12,000.00
BEA015	Richmond-Petersburg, VA	TNBEA015A - N	1,247,627	\$50,000.00	\$100,000.00
BEA016	Staunton, VA-WV	TNBEA016A - N	301,626	\$6,000.00	\$12,000.00
BEA017	Roanoke, VA-NC-WV	TNBEA017A - N	760,378	\$15,000.00	\$30,000.00
BEA018	Greensboro-Winston-Salem-High Point, NC-VA	TNBEA018A - N	1,604,323	\$64,000.00	\$128,000.00
BEA019	Raleigh-Durham-Chapel Hill, NC	TNBEA019A - N	1,412,330	\$56,000.00	\$113,000.00
BEA020	Norfolk-Virginia Beach-Newport News, VA-NC	TNBEA020A - N	1,588,174	\$64,000.00	\$127,000.00
BEA021	Greenville, NC	TNBEA021A - N	743,407	\$15,000.00	\$30,000.00
BEA022	Fayetteville, NC	TNBEA022A - N	465,018	\$9,300.00	\$19,000.00
BEA023	Charlotte-Gastonia-Rock Hill, NC-SC	TNBEA023A - N	1,626,519	\$65,000.00	\$130,000.00
BEA024	Columbia, SC	TNBEA024A - N	815,834	\$16,000.00	\$33,000.00
BEA025	Wilmington, NC-SC	TNBEA025A - N	716,089	\$14,000.00	\$29,000.00
BEA026	Charleston-North Charleston, SC	TNBEA026A - N	541,252	\$11,000.00	\$22,000.00
BEA027	Augusta-Aiken, GA-SC	TNBEA027A - N	536,809	\$11,000.00	\$21,000.00
BEA028	Savannah, GA-SC	TNBEA028A - N	550,623	\$11,000.00	\$22,000.00
BEA029	Jacksonville, FL-GA	TNBEA029A - N	1,557,922	\$62,000.00	\$125,000.00
BEA030	Orlando, FL	TNBEA030A - N	2,836,481	\$113,000.00	\$227,000.00
BEA031	Miami-Fort Lauderdale, FL	TNBEA031A - N	4,538,394	\$182,000.00	\$363,000.00
BEA032	Fort Myers-Cape Coral, FL	TNBEA032A - N	487,212	\$9,700.00	\$19,000.00
BEA033	Sarasota-Bradenton, FL	TNBEA033A - N	624,323	\$12,000.00	\$25,000.00
BEA034	Tampa-St. Petersburg-Clearwater, FL	TNBEA034A - N	2,067,959	\$83,000.00	\$165,000.00
BEA035	Tallahassee, FL-GA	TNBEA035A - N	610,116	\$12,000.00	\$24,000.00
BEA036	Dothan, AL-FL-GA	TNBEA036A - N	307,026	\$6,100.00	\$12,000.00
BEA037	Albany, GA	TNBEA037A - N	415,342	\$8,300.00	\$17,000.00
BEA038	Macon, GA	TNBEA038A - N	686,336	\$14,000.00	\$27,000.00
BEA039	Columbus, GA-AL	TNBEA039A - N	449,582	\$9,000.00	\$18,000.00
BEA040	Atlanta, GA-AL-NC	TNBEA040A - N	4,067,704	\$163,000.00	\$325,000.00
BEA041	Greenville-Spartanburg-Anderson, SC-NC	TNBEA041A - N	1,083,199	\$43,000.00	\$87,000.00

**Attachment A**  
**39 GHz List of Licenses for Auction**

Market No.	License Name	License Number	Population (Note 1 )	Upfront Payment for each Block (Note 2)	Minimum Opening Bid for each Block (Note 3)
BEA042	Asheville, NC	TNBEA042A - N	371,635	\$7,400.00	\$15,000.00
BEA043	Chattanooga, TN-GA	TNBEA043A - N	635,535	\$13,000.00	\$25,000.00
BEA044	Knoxville, TN	TNBEA044A - N	840,395	\$17,000.00	\$34,000.00
BEA045	Johnson City-Kingsport-Bristol, TN-VA	TNBEA045A - N	524,270	\$10,000.00	\$21,000.00
BEA046	Hickory-Morganton, NC-TN	TNBEA046A - N	445,736	\$8,900.00	\$18,000.00
BEA047	Lexington, KY-TN-VA-WV	TNBEA047A - N	1,731,306	\$69,000.00	\$139,000.00
BEA048	Charleston, WV-KY-OH	TNBEA048A - N	1,196,043	\$48,000.00	\$96,000.00
BEA049	Cincinnati-Hamilton, OH-KY-IN	TNBEA049A - N	2,003,480	\$80,000.00	\$160,000.00
BEA050	Dayton-Springfield, OH	TNBEA050A - N	1,125,936	\$45,000.00	\$90,000.00
BEA051	Columbus, OH	TNBEA051A - N	2,100,613	\$84,000.00	\$168,000.00
BEA052	Wheeling, WV-OH	TNBEA052A - N	346,375	\$6,900.00	\$14,000.00
BEA053	Pittsburgh, PA-WV	TNBEA053A - N	3,003,172	\$120,000.00	\$240,000.00
BEA054	Erie, PA	TNBEA054A - N	512,673	\$10,000.00	\$21,000.00
BEA055	Cleveland-Akron, OH-PA	TNBEA055A - N	4,564,666	\$183,000.00	\$365,000.00
BEA056	Toledo, OH	TNBEA056A - N	1,278,722	\$51,000.00	\$102,000.00
BEA057	Detroit-Ann Arbor-Flint, MI	TNBEA057A - N	6,626,919	\$265,000.00	\$530,000.00
BEA058	Northern Michigan, MI	TNBEA058A - N	230,066	\$4,600.00	\$9,200.00
BEA059	Green Bay, WI-MI	TNBEA059A - N	624,600	\$12,000.00	\$25,000.00
BEA060	Appleton-Oshkosh-Neenah, WI	TNBEA060A - N	380,610	\$7,600.00	\$15,000.00
BEA061	Traverse City, MI	TNBEA061A - N	238,720	\$4,800.00	\$9,500.00
BEA062	Grand Rapids-Muskegon-Holland, MI	TNBEA062A - N	1,666,950	\$67,000.00	\$133,000.00
BEA063	Milwaukee-Racine, WI	TNBEA063A - N	2,119,557	\$85,000.00	\$170,000.00
BEA064	Chicago-Gary-Kenosha, IL-IN-WI	TNBEA064A - N	9,317,947	\$373,000.00	\$745,000.00
BEA065	Elkhart-Goshen, IN-MI	TNBEA065A - N	864,201	\$17,000.00	\$35,000.00
BEA066	Fort Wayne, IN	TNBEA066A - N	666,421	\$13,000.00	\$27,000.00
BEA067	Indianapolis, IN-IL	TNBEA067A - N	2,753,182	\$110,000.00	\$220,000.00
BEA068	Champaign-Urbana, IL	TNBEA068A - N	623,541	\$12,000.00	\$25,000.00
BEA069	Evansville-Henderson, IN-KY-IL	TNBEA069A - N	825,644	\$17,000.00	\$33,000.00
BEA070	Louisville, KY-IN	TNBEA070A - N	1,291,188	\$52,000.00	\$103,000.00
BEA071	Nashville, TN-KY	TNBEA071A - N	2,002,283	\$80,000.00	\$160,000.00
BEA072	Paducah, KY-IL	TNBEA072A - N	211,179	\$4,200.00	\$8,400.00
BEA073	Memphis, TN-AR-MS-KY	TNBEA073A - N	1,687,817	\$68,000.00	\$135,000.00
BEA074	Huntsville, AL-TN	TNBEA074A - N	885,020	\$18,000.00	\$35,000.00
BEA075	Tupelo, MS-AL-TN	TNBEA075A - N	577,246	\$12,000.00	\$23,000.00
BEA076	Greenville, MS	TNBEA076A - N	257,239	\$5,100.00	\$10,000.00
BEA077	Jackson, MS-AL-LA	TNBEA077A - N	1,328,647	\$53,000.00	\$106,000.00
BEA078	Birmingham, AL	TNBEA078A - N	1,450,463	\$58,000.00	\$116,000.00
BEA079	Montgomery, AL	TNBEA079A - N	440,228	\$8,800.00	\$18,000.00
BEA080	Mobile, AL	TNBEA080A - N	607,965	\$12,000.00	\$24,000.00
BEA081	Pensacola, FL	TNBEA081A - N	515,942	\$10,000.00	\$21,000.00
BEA082	Biloxi-Gulfport-Pascagoula, MS	TNBEA082A - N	339,791	\$6,800.00	\$14,000.00
BEA083	New Orleans, LA-MS	TNBEA083A - N	1,635,720	\$65,000.00	\$131,000.00
BEA084	Baton Rouge, LA-MS	TNBEA084A - N	656,284	\$13,000.00	\$26,000.00
BEA085	Lafayette, LA	TNBEA085A - N	554,665	\$11,000.00	\$22,000.00
BEA086	Lake Charles, LA	TNBEA086A - N	523,289	\$10,000.00	\$21,000.00
BEA087	Beaumont-Port Arthur, TX	TNBEA087A - N	422,543	\$8,500.00	\$17,000.00
BEA088	Shreveport-Bossier City, LA-AR	TNBEA088A - N	555,385	\$11,000.00	\$22,000.00

**Attachment A**  
**39 GHz List of Licenses for Auction**

<b>Market No.</b>	<b>License Name</b>	<b>License Number</b>	<b>Population (Note 1 )</b>	<b>Upfront Payment for each Block (Note 2)</b>	<b>Minimum Opening Bid for each Block (Note 3)</b>
BEA089	Monroe, LA	TNBEA089A - N	326,897	\$6,500.00	\$13,000.00
BEA090	Little Rock-North Little Rock, AR	TNBEA090A - N	1,447,083	\$58,000.00	\$116,000.00
BEA091	Fort Smith, AR-OK	TNBEA091A - N	286,113	\$5,700.00	\$11,000.00
BEA092	Fayetteville-Springdale-Rogers, AR-MO-OK	TNBEA092A - N	285,955	\$5,700.00	\$11,000.00
BEA093	Joplin, MO-KS-OK	TNBEA093A - N	233,725	\$4,700.00	\$9,300.00
BEA094	Springfield, MO	TNBEA094A - N	712,422	\$14,000.00	\$28,000.00
BEA095	Jonesboro, AR-MO	TNBEA095A - N	290,104	\$5,800.00	\$12,000.00
BEA096	St. Louis, MO-IL	TNBEA096A - N	3,402,818	\$136,000.00	\$272,000.00
BEA097	Springfield, IL-MO	TNBEA097A - N	499,681	\$10,000.00	\$20,000.00
BEA098	Columbia, MO	TNBEA098A - N	321,564	\$6,400.00	\$13,000.00
BEA099	Kansas City, MO-KS	TNBEA099A - N	2,224,907	\$89,000.00	\$178,000.00
BEA100	Des Moines, IA-IL-MO	TNBEA100A - N	1,604,609	\$64,000.00	\$128,000.00
BEA101	Peoria-Pekin, IL	TNBEA101A - N	523,719	\$10,000.00	\$21,000.00
BEA102	Davenport-Moline-Rock Island, IA-IL	TNBEA102A - N	548,257	\$11,000.00	\$22,000.00
BEA103	Cedar Rapids, IA	TNBEA103A - N	341,001	\$6,800.00	\$14,000.00
BEA104	Madison, WI-IA-IL	TNBEA104A - N	837,209	\$17,000.00	\$33,000.00
BEA105	La Crosse, WI-MN	TNBEA105A - N	220,502	\$4,400.00	\$8,800.00
BEA106	Rochester, MN-IA-WI	TNBEA106A - N	292,175	\$5,800.00	\$12,000.00
BEA107	Minneapolis-St. Paul, MN-WI-IA	TNBEA107A - N	3,945,443	\$158,000.00	\$316,000.00
BEA108	Wausau, WI	TNBEA108A - N	451,533	\$9,000.00	\$18,000.00
BEA109	Duluth-Superior, MN-WI	TNBEA109A - N	340,675	\$6,800.00	\$14,000.00
BEA110	Grand Forks, ND-MN	TNBEA110A - N	240,827	\$4,800.00	\$9,600.00
BEA111	Minot, ND	TNBEA111A - N	116,054	\$2,500.00	\$4,600.00
BEA112	Bismarck, ND-MT-SD	TNBEA112A - N	172,204	\$3,400.00	\$6,900.00
BEA113	Fargo-Moorhead, ND-MN	TNBEA113A - N	347,670	\$7,000.00	\$14,000.00
BEA114	Aberdeen, SD	TNBEA114A - N	84,696	\$2,500.00	\$3,400.00
BEA115	Rapid City, SD-MT-ND-NE	TNBEA115A - N	199,782	\$4,000.00	\$8,000.00
BEA116	Sioux Falls, SD-IA-MN-NE	TNBEA116A - N	478,307	\$9,600.00	\$19,000.00
BEA117	Sioux City, IA-NE-SD	TNBEA117A - N	239,518	\$4,800.00	\$9,600.00
BEA118	Omaha, NE-IA-MO	TNBEA118A - N	958,815	\$19,000.00	\$38,000.00
BEA119	Lincoln, NE	TNBEA119A - N	341,684	\$6,800.00	\$14,000.00
BEA120	Grand Island, NE	TNBEA120A - N	277,509	\$5,600.00	\$11,000.00
BEA121	North Platte, NE-CO	TNBEA121A - N	60,432	\$2,500.00	\$2,500.00
BEA122	Wichita, KS-OK	TNBEA122A - N	1,094,213	\$44,000.00	\$88,000.00
BEA123	Topeka, KS	TNBEA123A - N	444,800	\$8,900.00	\$18,000.00
BEA124	Tulsa, OK-KS	TNBEA124A - N	1,259,636	\$50,000.00	\$101,000.00
BEA125	Oklahoma City, OK	TNBEA125A - N	1,550,725	\$62,000.00	\$124,000.00
BEA126	Western Oklahoma, OK	TNBEA126A - N	144,847	\$2,900.00	\$5,800.00
BEA127	Dallas-Fort Worth, TX-AR-OK	TNBEA127A - N	6,180,783	\$247,000.00	\$494,000.00
BEA128	Abilene, TX	TNBEA128A - N	213,430	\$4,300.00	\$8,500.00
BEA129	San Angelo, TX	TNBEA129A - N	189,093	\$3,800.00	\$7,600.00
BEA130	Austin-San Marcos, TX	TNBEA130A - N	922,307	\$18,000.00	\$37,000.00
BEA131	Houston-Galveston-Brazoria, TX	TNBEA131A - N	4,567,679	\$183,000.00	\$365,000.00
BEA132	Corpus Christi, TX	TNBEA132A - N	500,805	\$10,000.00	\$20,000.00
BEA133	McAllen-Edinburg-Mission, TX	TNBEA133A - N	701,888	\$14,000.00	\$28,000.00
BEA134	San Antonio, TX	TNBEA134A - N	1,741,991	\$70,000.00	\$139,000.00
BEA135	Odessa-Midland, TX	TNBEA135A - N	382,517	\$7,700.00	\$15,000.00

**Attachment A**  
**39 GHz List of Licenses for Auction**

Market No.	License Name	License Number	Population (Note 1 )	Upfront Payment for each Block (Note 2)	Minimum Opening Bid for each Block (Note 3)
BEA136	Hobbs, NM-TX	TNBEA136A - N	185,128	\$3,700.00	\$7,400.00
BEA137	Lubbock, TX	TNBEA137A - N	357,092	\$7,100.00	\$14,000.00
BEA138	Amarillo, TX-NM	TNBEA138A - N	448,258	\$9,000.00	\$18,000.00
BEA139	Santa Fe, NM	TNBEA139A - N	208,689	\$4,200.00	\$8,300.00
BEA140	Pueblo, CO-NM	TNBEA140A - N	247,124	\$4,900.00	\$9,900.00
BEA141	Denver-Boulder-Greeley, CO-KS-NE	TNBEA141A - N	3,031,140	\$121,000.00	\$242,000.00
BEA142	Scottsbluff, NE-WY	TNBEA142A - N	91,975	\$2,500.00	\$3,700.00
BEA143	Casper, WY-ID-UT	TNBEA143A - N	382,095	\$7,600.00	\$15,000.00
BEA144	Billings, MT-WY	TNBEA144A - N	362,513	\$7,300.00	\$15,000.00
BEA145	Great Falls, MT	TNBEA145A - N	163,284	\$3,300.00	\$6,500.00
BEA146	Missoula, MT	TNBEA146A - N	333,984	\$6,700.00	\$13,000.00
BEA147	Spokane, WA-ID	TNBEA147A - N	691,806	\$14,000.00	\$28,000.00
BEA148	Idaho Falls, ID-WY	TNBEA148A - N	263,379	\$5,300.00	\$11,000.00
BEA149	Twin Falls, ID	TNBEA149A - N	136,831	\$2,700.00	\$5,500.00
BEA150	Boise City, ID-OR	TNBEA150A - N	408,246	\$8,200.00	\$16,000.00
BEA151	Reno, NV-CA	TNBEA151A - N	511,004	\$10,000.00	\$20,000.00
BEA152	Salt Lake City-Ogden, UT-ID	TNBEA152A - N	1,635,998	\$65,000.00	\$131,000.00
BEA153	Las Vegas, NV-AZ-UT	TNBEA153A - N	943,702	\$19,000.00	\$38,000.00
BEA154	Flagstaff, AZ-UT	TNBEA154A - N	299,753	\$6,000.00	\$12,000.00
BEA155	Farmington, NM-CO	TNBEA155A - N	150,155	\$3,000.00	\$6,000.00
BEA156	Albuquerque, NM-AZ	TNBEA156A - N	762,814	\$15,000.00	\$31,000.00
BEA157	El Paso, TX-NM	TNBEA157A - N	807,501	\$16,000.00	\$32,000.00
BEA158	Phoenix-Mesa, AZ-NM	TNBEA158A - N	2,365,002	\$95,000.00	\$189,000.00
BEA159	Tucson, AZ	TNBEA159A - N	794,180	\$16,000.00	\$32,000.00
BEA160	Los Angeles-Riverside-Orange County, CA-AZ	TNBEA160A - N	15,891,818	\$636,000.00	\$1,271,000.00
BEA161	San Diego, CA	TNBEA161A - N	2,498,016	\$100,000.00	\$200,000.00
BEA162	Fresno, CA	TNBEA162A - N	1,168,970	\$47,000.00	\$94,000.00
BEA163	San Francisco-Oakland-San Jose, CA	TNBEA163A - N	8,033,134	\$321,000.00	\$643,000.00
BEA164	Sacramento-Yolo, CA	TNBEA164A - N	1,935,487	\$77,000.00	\$155,000.00
BEA165	Redding, CA-OR	TNBEA165A - N	307,572	\$6,200.00	\$12,000.00
BEA166	Eugene-Springfield, OR-CA	TNBEA166A - N	689,659	\$14,000.00	\$28,000.00
BEA167	Portland-Salem, OR-WA	TNBEA167A - N	2,310,060	\$92,000.00	\$185,000.00
BEA168	Pendleton, OR-WA	TNBEA168A - N	176,129	\$3,500.00	\$7,000.00
BEA169	Richland-Kennewick-Pasco, WA	TNBEA169A - N	545,747	\$11,000.00	\$22,000.00
BEA170	Seattle-Tacoma-Bremerton, WA	TNBEA170A - N	3,445,064	\$138,000.00	\$276,000.00
BEA171	Anchorage, AK	TNBEA171A - N	550,043	\$11,000.00	\$22,000.00
BEA172	Honolulu, HI	TNBEA172A - N	1,108,229	\$44,000.00	\$89,000.00
BEA173	Guam and Northern Mariana Islands	TNBEA173A - N	176,497	\$3,500.00	\$7,100.00
BEA174	Puerto Rico and the U.S. Virgin Islands	TNBEA174A - N	3,623,846	\$145,000.00	\$290,000.00
BEA175	American Samoa	TNBEA175A - N	46,773	\$2,500.00	\$2,500.00
<b>Total for Single Block</b>		<b>175</b>	<b>252,556,989</b>	<b>\$9,079,700.00</b>	<b>\$18,159,600.00</b>
<b>Total for All Blocks</b>		<b>2,450</b>	<b>3,535,797,846</b>	<b>\$127,115,800.00</b>	<b>\$254,234,400.00</b>

**Attachment A  
39 GHz List of Licenses for Auction**

Market No.	License Name	License Number	Population (Note 1 )	Upfront Payment for each Block (Note 2)	Minimum Opening Bid for each Block (Note 3)
	<b>Notes:</b>				
	<b>(1) From 4/1/1990 Census Data</b>				
	<b>(2) Upfront Payment Calculations:</b>				
	<u>Licenses with populations less than 1,000,000</u>				
	License population * \$0.02 (the result rounded to the nearest hundred for levels below \$10,000 and to the nearest thousand for levels above \$10,000) with a minimum of no less than \$2,500 per license				
	<u>Licenses with populations greater than 1,000,000</u>				
	License population * \$0.04 (the result rounded to the nearest thousand).				
	<b>(3) Minimum Opening Bid Calculations:</b>				
	<u>Licenses with populations less than 1,000,000</u>				
	License population * \$0.04 (rounded to the nearest hundred dollars for results less than \$10,000 and to the nearest thousand for results greater than \$10,000) with a minimum of no less than \$2,500 per license.				
	<u>Licenses with populations greater than 1,000,000</u>				
	License population* \$0.08 (the result rounded to the nearest thousand).				



**SEP 23 1999**

Mr. Dale N. Hatfield  
Chief, Office of Engineering and Technology  
Federal Communications Commission  
Washington, DC 20554

**RE: Memorandum Opinion and Order - Amendment of the Commission's Rules Regarding the 37.0-38.6 GHz and 38.6-40.0 GHz Bands; Implementation of Section 309(j) of the Communications Act; ET Docket No. 95-183 ---- Competitive Bidding, 37.0-38.6 GHz and 38.6-40.0 GHz Bands. PP Docket No. 93-253**

Dear Mr. Hatfield:

The National Telecommunications and Information Administration (NTIA) has reviewed the most recent FCC document addressing the 38.6-40.0 GHz band (FCC 99-179), and provides the following comments for your information.

We note that jurisdiction of the 39.5-40.0 GHz band is shared co-equally between the Federal Government and the FCC. The FCC plans to grant licenses in this band by the auction process, and will be area-wide on the basis of Economic Areas. The Federal allocations are for fixed- and mobile-satellite services. Although the Federal Government has no current satellite operations in the 39.5-40.0 GHz band, the United States has treaty obligations to support future NATO fixed- and mobile-satellite operations in this band. The Department of Defense has also notified us of plans for a fixed- and mobile-satellite system that will use this band.

Future coordination among government/non-government users of the 39.5-40.0 GHz band will be difficult without data concerning the location of the both government and non-government transmitters. Government transmitter locations are generally contained in the Government Master File. However, current practice in area-wide licensing is for commercial operators to keep their own database of transmitter locations. In the co-equally shared government/non-government bands, such as 39.5-40.0 GHz, NTIA notes that coordination is still a requirement for new entrants, and requests that a database of commercial transmitter locations be available for coordination purposes. Commercial operators must coordinate with existing Government stations as listed in the Government Master File, and new Government users must coordinate with existing commercial stations as contained in the database.

Finally, bidders for licenses in the 39.5-40.0 GHz band may not be aware that this is a shared band, unlike the 38.6-39.5 GHz band which is exclusive non-government spectrum. In order for the bidders to fully assess the value of the potential licenses, the FCC should include information in the bidder's package for the 39.5-40.0 GHz band that the Department of Defense has plans for fixed- and mobile-satellite operations in the 39.5-40.0 GHz band, as well as the existence of United States treaty obligations for fixed- and mobile-satellite operations in the band that may need to be satisfied in the future.

Coordinating fixed- and mobile-satellite operations with incumbent fixed service operators will be a challenging task. We need to discuss spectrum management options that are available to us, including the implementation of appropriate power-flux-density limits, as soon as possible. I and my staff look forward to discussing this issue.

Sincerely,

  
for William T. Hatch  
Acting Associate Administrator  
Office of Spectrum Management