

discretion will be exercised, if at all, sparingly and early in the auction, *i.e.*, before bidders lose all waivers and begin to lose substantial eligibility. During the course of the auction, the Bureaus will not entertain any requests to reduce the minimum opening bid on specific construction permits.

iii. Minimum Acceptable Bids and Bid Increments

86. In the *Auction No. 54 Comment Public Notice*, the Bureaus proposed to use a fixed percentage to calculate minimum acceptable bids. The Bureaus further proposed to retain the discretion to change the minimum acceptable bids and bid increments if circumstances so dictate.

87. The Bureaus adopts the proposal contained in the *Auction No. 54 Comment Public Notice*. Once there is a standing high bid on a construction permit, the FCC Automated Auction System will calculate a minimum acceptable bid for that construction permit for the following round. The difference between the minimum acceptable bid and the standing high bid for each construction permit will define the bid increment—*i.e.*, bid increment = (minimum acceptable bid) – (standing high bid). The nine acceptable bid amounts for each construction permit consist of the minimum acceptable bid (the standing high bid plus one bid increment) and additional amounts calculated using multiple bid increments (*i.e.*, the second bid amount equals the standing high bid plus two times the bid increment, the third bid amount equals the standing high bid plus three times the bid increment, etc.).

88. For Auction No. 54, the Bureaus will use a 10 percent bid increment. This means that the minimum acceptable bid for a construction permit will be approximately 10 percent greater than the previous standing high bid received on the construction permit. The minimum acceptable bid amount will be calculated by multiplying the standing high bid times one plus the increment percentage—*i.e.*, (standing high bid) * (1.10).

89. Until a bid has been placed on a construction permit, the minimum acceptable bid for that construction permit will be equal to its minimum opening bid. The additional bid amounts are calculated using the difference between the minimum opening bid times one plus the percentage increment, rounded as described, and the minimum opening bid. That is, the increment used to calculate additional bid amounts = (minimum opening bid)(1 + percentage increment){rounded} – (minimum

opening bid). Therefore, when the percentage increment equals 0.1 (*i.e.*, 10%), the first additional bid amount will be approximately ten percent higher than the minimum opening bid; the second, twenty percent higher; the third, thirty percent higher; etc.

90. The Bureaus retain the discretion to compute the minimum acceptable bids through other methodologies if they determine circumstances so dictate. Advanced notice of the Bureaus' decision to do so will be announced via the FCC Automated Auction System.

iv. High Bids

91. At the end of a bidding round, the FCC Automated Auction System determines the high bid for each construction permit based on the highest gross bid amount received for each construction permit. A high bid from a previous round is sometimes referred to as a "standing high bid." A "standing high bid" will remain the high bid until there is a higher bid on the same construction permit at the close of a subsequent round. Bidders are reminded that standing high bids confer bidding activity.

92. A Sybase® SQL pseudo-random number generator based on the Lecuyer algorithm will be used to select a high bid in the event of identical high bids on a construction permit in a given round (*i.e.*, tied bids). The tied bid having the highest random number will become the standing high bid. The remaining bidders, as well as the high bidder, will be able to submit a higher bid in a subsequent round. If no bidder submits a higher bid in a subsequent round, the high bid from the previous round will win the construction permit. If any bids are received on the construction permit in a subsequent round, the high bid will once again be determined on the highest gross bid amount received for the construction permit.

v. Bidding

93. During a bidding round, a bidder may submit bids for any or all construction permits selected on its FCC Form 175 (subject to its eligibility based on previously filed FCC Forms 301 or Form 346), remove bids placed in the same bidding round, or if eligible to bid on more than one construction permit, permanently reduce eligibility. Bidders also have the option of making multiple submissions in each round. If a bidder submits multiple bids for a single construction permit in the same round, the system takes the last bid entered as that bidder's bid for the round. Bidders should note that the bidding units associated with construction permits for

which the bidder has removed its bid do not count towards the bidder's activity at the close of the round.

94. Please note that all bidding will take place remotely either through the FCC Automated Auction System or by telephonic bidding. Telephonic bidders are therefore reminded to allow sufficient time to bid by placing their calls well in advance of the close of a round. Normally, four to five minutes are necessary to complete a bid submission.

95. A bidder's ability to bid on specific construction permits in the first round of the auction is determined by two factors: (i) The construction permits applied for on FCC Form 175 (applicants are eligible to bid on only those construction permits selected on their previously filed FCC Form 301 or Form 346); and (ii) the upfront payment amount deposited. The bid submission screens will allow bidders to submit bids on only those construction permits for which the bidder applied on its FCC Form 175.

96. In order to access the bidding functions of the FCC Automated Auction System, bidders must be logged in during the bidding round using the bidder identification number provided in the registration materials, and the tokencode generated by the SecurID card. Bidders are strongly encouraged to print bid confirmations for each round *after* they have completed all of their activity for that round.

97. In each round, eligible bidders will be able to place bids on a given construction permit in any of nine different amounts. For each construction permit, the FCC Automated Auction System interface will list the nine acceptable bid amounts in a drop-down box. Bidders may use the drop-down box to select from among the nine bid amounts. The FCC Automated Auction System also includes an import function that allows bidders to upload text files containing bid information.

98. Until a bid has been placed on a construction permit, the minimum acceptable bid for that construction permit will be equal to its minimum opening bid. Once there is a standing high bid on a construction permit, the FCC Automated Auction System will calculate a minimum acceptable bid for that construction permit for the following round, as described in section IV.B.iii.

vi. Bid Removal and Bid Withdrawal

99. In the *Auction No. 54 Comment Public Notice*, the Bureaus proposed that bidders not be permitted to withdraw bids in any round. The