

other containing the SecurID cards, both of which are required to place bids. These mailings will be sent only to the contact person at the contact address listed in the FCC Form 175.

66. Applicants that do not receive both registration mailings will not be able to submit bids. Therefore, any qualified applicant that has not received both mailings by noon on Monday, September 15, 2003, should contact the Auctions Hotline at (717) 338-2888. Receipt of both registration mailings is critical to participating in the auction, and each applicant is responsible for ensuring it has received all of the registration material.

67. Qualified bidders should note that lost bidder identification numbers or SecurID cards can be replaced only by appearing *in person* at the FCC headquarters, located at 445 12th St., SW, Washington, DC 20554. Only an authorized representative or certifying official, as designated on an applicant's FCC Form 175, may appear in person with two forms of identification (one of which must be a photo identification) in order to receive replacements. Qualified bidders requiring replacements must call technical support prior to arriving at the FCC.

#### F. Remote Electronic Bidding

68. The Commission will conduct this auction over the Internet, and telephonic bidding will be available as well. As a contingency plan, bidders may also dial in to the FCC Wide Area Network. Qualified bidders are permitted to bid telephonically or electronically. 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. For security purposes, the SecurID cards and the FCC Automated Auction System user manual are only mailed to the contact person at the contact address listed on the FCC Form 175. 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. 51. The telephonic bidding phone number will be supplied in the first overnight mailing, which also includes the confidential bidder identification number.

69. SecurID cards can be recycled, and the Bureau encourages bidders to return the cards to the FCC. The Bureau will provide pre-addressed envelopes that bidders may use to return the cards once the auction is over.

#### G. Mock Auction

70. All qualified bidders will be eligible to participate in a mock auction on Wednesday, September 17, and Thursday, September 18, 2003. The mock auction will enable applicants to become familiar with the FCC Automated Auction System prior to the auction. Participation by all bidders is strongly recommended. Details will be announced by public notice.

#### IV. Auction Event

71. The first round of bidding for Auction No. 51 will begin on Wednesday, September 24, 2003. The initial bidding schedule will be announced in a public notice listing the qualified bidders, which is released approximately 10 days before the start of the auction.

##### A. Auction Structure

##### i. Simultaneous Multiple Round Auction With Package Bidding

72. In the *Auction No. 51 Comment Public Notice*, the Bureau proposed to award all licenses in Auction No. 51 in a simultaneous multiple round auction with package bidding. The Bureau received no comments on this issue. The Bureau concludes that it is operationally feasible and appropriate to auction the regional narrowband PCS licenses through a simultaneous multiple round auction with package bidding. Unless otherwise announced, bids will be accepted on all individual licenses and on packages of licenses in each round of the auction. The Bureau believes this approach allows bidders to express complementarities among licenses, and the Bureau believes this approach does not unreasonably disadvantage bidders who do not wish to win packages of licenses. The Bureau also believes this approach is administratively efficient.

##### ii. Maximum Eligibility

73. In the *Auction No. 51 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. The Bureau received no comments on this issue.

74. For Auction No. 51 the Bureau adopts this proposal. The amount of the upfront payment submitted by a bidder determines the maximum eligibility (in bidding units) for each bidder. The total upfront payment defines the initial maximum number of bidding units on which the applicant will be permitted to bid in a given round. As there is no provision for increasing a bidder's

eligibility during the course of an auction, prospective bidders are cautioned to calculate their upfront payments carefully. The total upfront payment does not affect the total dollars a bidder may bid on any given license or package.

##### iii. Activity Rule

75. In order to ensure that the auction closes within a reasonable period of time, an activity rule provides incentives for bidders to participate throughout the auction. The activity rule requires each bidder to have active bids in each round that account for a specified fraction of the bidder's current eligibility, as measured in bidding units. A bidder that does not satisfy the activity rule will either use an activity rule waiver (if any remain) or lose bidding eligibility for the next round. Losing eligibility matters to bidders because a bidder's bidding activity cannot exceed its current eligibility.

76. In the *Auction No. 51 Comment Public Notice*, the Bureau proposed to measure a bidder's *bidding activity* in a round as the maximum number of bidding units the bidder can win considering new bids placed and provisionally winning bids renewed in that round. Thus, when a bidder submits bids in a round the FCC Automated Auction System will determine the set of bids, among the bidder's new bids and renewed provisionally winning bids, that contains the most bidding units and has no overlap among the licenses. The Bureau also proposed that a bidder be considered active if the bidder has provisionally winning bids from the previous round. A bidder's bids made in different rounds will be considered mutually exclusive, so the bidding units associated with provisionally winning bids must be viewed independently from the bidding units associated with current round bids. The Bureau proposed to define a bidder's *eligibility activity* in a round as the greater of (i) its bidding activity in the round and (ii) the bidding units associated with the bidder's provisionally winning bids from the prior round.

77. For Auction No. 51, we proposed that, in each round of the auction, a bidder desiring to maintain its current eligibility would be required to have eligibility activity equal to sixty percent (three-fifths) of its current eligibility. For a bidder that failed to meet the activity requirement in a given round, the Automated Auction System would reduce the bidder's eligibility for the next round to five-thirds times its eligibility activity in the current round. Thus, a bidder's eligibility in the current