

Auction Seminar: May 1, 2003.  
Short Form Deadline: May 12, 2003.  
(FCC Form 175 Application)

Upfront Payment Deadline: May 30, 2003.

Mock Auction: June 20, 2003.

Auction Begins: June 25, 2003.

2. Auction No. 53 will offer one block of unpaired spectrum in the 12.2–12.7 GHz band. MVDDS licensees may use this spectrum for any digital fixed one-way non-broadcast service including direct-to-home/office wireless service.<sup>1</sup> Mobile and aeronautical services are not authorized. Two-way services may be provided by using other spectrum or media for the return or upstream path.<sup>2</sup>

### I. Background

3. In the *MVDDS Second Report and Order*, 67 FR 43031 (June 26, 2002), the Commission adopted Component Economic Areas (“CEAs”) as the geographic licensing areas for this service. CEAs are based on Economic Areas delineated by the United States Department of Commerce. There are a total of 354 CEAs and FCC-defined CEA-like service areas that encompass the United States, American Samoa, Guam, the Northern Mariana Islands, San Juan (Puerto Rico), Mayagüez/Aguadilla-Ponce (Puerto Rico), and the United States Virgin Islands. The 354 CEA service areas are based on the 348 Component Economic Areas delineated by the Regional Economic Analysis Division, Bureau of Economic Analysis, U.S. Department of Commerce, February 1995, with the following six FCC-defined service area additions: American Samoa, Guam, the Northern Mariana Islands, San Juan (Puerto Rico), Mayagüez/Aguadilla-Ponce (Puerto Rico), and the United States Virgin

Islands. County definitions for the 348 U.S. Department of Commerce Component Economic Areas can be obtained from a file posted on the internet at <http://www.fcc.gov/oet/info/maps/areas/> via the link labeled “CEA DATA.” (This link is to a compressed file (ceadata.zip) that includes the text file Eacodes.fin. The Eacodes.fin file includes county, metro area, Component Economic Area, and Economic Area codes for each county, and alphabetic names for all counties, Component Economic Areas, and Economic Areas.)

4. The Commission has before it petitions for reconsideration of the *MVDDS Second Report and Order*, and a pleading filed in response to these petitions that urges the Commission, *inter alia*, to reconsider its decision to use CEAs and instead use Designated Market Areas (“DMAs”) as the geographic licensing areas. DMAs have been developed by Nielsen Media Research (“Nielsen”) utilizing audience survey information from cable and non-cable households to determine the assignment of counties to local television markets.<sup>3</sup> There are a total of 214 DMAs and FCC-defined DMA-like service areas that encompass the United States, Guam and the Northern Mariana Islands, Puerto Rico and the United States Virgin Islands, and American Samoa.

5. The 214 service areas are based on the 210 DMAs delineated by Nielsen in its publication entitled “U.S. Television Household Estimates” dated September 2002 plus the following four FCC-defined service area additions: Alaska—Balance of State (all geographic areas of Alaska not included in Nielsen’s three DMAs for the state: Anchorage, Fairbanks, and Juneau), Guam and the

Northern Mariana Islands, Puerto Rico and the United States Virgin Islands, and American Samoa. While most DMAs consist of one contiguous geographic area, a few are composed of multiple noncontiguous areas.

6. To minimize any delay in the auction process that might result from a decision by the Commission to change the MVDDS geographic license areas, the Bureau seeks comment on reserve prices, minimum opening bids, and other auction procedures as they would apply to an auction of either CEA licenses or DMA licenses. With respect to licenses for the 210 DMAs developed by Nielsen, the Bureau seeks comment on reserve prices, minimum opening bids, and other auction procedures as they would apply to DMAs as defined in Nielsen’s publication entitled “U.S. Television Household Estimates” dated September 2002.<sup>4</sup>

7. As discussed, the Bureau proposes to use the same auction rules and procedures for an auction of MVDDS licenses whether the licenses are based on CEAs or DMAs, but it proposes different upfront payments and minimum opening bids for each of these geographic licensing areas.

8. A complete list of the CEA licenses that are available for Auction No. 53 is included in Attachment A of the *Auction No. 49 Comment Public Notice*. Attachment B of the *Auction No. 49 Comment Public Notice* provides a complete list of the licenses that would be available in Auction No. 53 if licenses were based on DMAs.

9. The following table describes the licenses that will be auctioned, depending on whether the Bureau uses a CEA or DMA geographic license area:

Frequencies	Bandwidth	Geographic area type	No. of licenses
12.2–12.7 GHz .....	500 MHz	CEA	354
12.2–12.7 GHz .....	500 MHz	DMA	214

10. 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 \* \* \*.” Consistent with the

provisions of the Balanced Budget Act and to ensure that potential bidders have adequate time to familiarize themselves with the specific rules that will govern the day-to-day conduct of an auction, the Commission directed the Bureau, under its existing delegated authority, to seek comment on a variety of auction-specific procedures prior to

the start of each auction. The Bureau therefore seeks comment on the issues set forth relating to Auction No. 53. Parties submitting comments in response to the *Auction No. 49 Comment Public Notice* should file an additional copy of such comments in ET Docket No. 98–206. Instructions for filing comments are provided.

<sup>1</sup> 47 CFR 101.1407. Broadcast services are intended for reception of the general public and not on a subscribership basis.

<sup>2</sup> The following eligibility restriction applies to MVDDS licenses: no cable operator, nor any entity owning an attributable interest in a cable operator, may hold an attributable interest in an MVDDS license if such cable operator’s service area

significantly overlaps the MVDDS license area. See 47 CFR 101.1412.

<sup>3</sup> See <http://www.nielsenmedia.com/DMAs.html>. Nielsen determines what constitutes a separate market by applying a complex statistical formula based upon viewership and other factors. Nielsen owns the copyright to the DMA listing.

<sup>4</sup> This publication lists estimates of television households “as of January 2003” and can be found at Nielsen’s Web site. See <http://www.nielsenmedia.com>. Interested parties are advised to consult this website and contact Nielsen directly for relevant market data.