

Application Processing Requirements:

- Generally agrees with proposed application processing rules, but disagrees with "letter perfect" requirements for short-form applications and suggests a 5 day "cure" period; proposes a "substantial compliance" standard of review for post-auction review; and suggests a 45 day period between filing short forms and the auction (with substantial changes in ownership permissible) to allow filing and processing of waivers. (29-32)
- Supports proposal for 2¢/MHz/POP, within \$5K minimum and \$5M maximum, deposit to be upped to 20 percent of the value bid following the auction, but also suggests allowing licensees to avoid churn by establishing interest bearing accounts, promptly returning funds for auctions, and putting oral auction on hold until the highest bidder puts up the additional deposit funds to avoid having to start over. (32-35)
- Opposes allowing "conditioned" bids, although bidders should be allowed to withdraw up to bid opening in sealed bidding. (38)
- Post auction petitions to deny are warranted, and, in cases of defective applications, applicants should lose their deposit and a new auction should be held. (40-42)

Interest: Professional corporation and law firm specializing in broadcast, cable television, programming, negotiations, common carrier matters and emerging technologies.

Combinatorial Bidding:

- **Opposes combinatorial bidding for awarding the 51 MTA licenses on each of the two 30 MHz spectrum blocks; Commission should require each applicant to bid a separate price for each MTA individually. (1)**

- **Opposes combinatorial bidding to facilitate grouping of broadband PCS with BTA service areas; Commission should implement individual, separate bids for BTA licenses. (2)**

BELL ATLANTIC PERSONAL COMMUNICATIONS, INC.

Interest: PCS subsidiary of a Regional Bell Operating Company. BAPC's extensive proposals are tailored to PCS, and consequently have been ordered following the format for general competitive bidding procedures and not simply under the "Specific Services" heading.

Applicability of Competitive Bidding:

- Congress unambiguously indicated that PCS authorizations should be auctioned. (4)

Bidding Methods:

- Includes Exhibit 1, titled "Designing the PCS Auction." (see Combinatorial Bidding)

Sequence of Bidding:

- Auctions for PCS should be simplified by running four auctions; one for the two 30 MHz licenses, one for the three 10 MHz licenses, two auctions for each of the remaining 20 and 10 MHz licenses for designated entities.
- Argues that its proposal, with modified combinatorial bidding, is simpler, allows conservation of decision making and valuation resources, helps prevent inefficient outcomes, and decreases administrative burdens. (12)

Combinatorial Bidding:

- Proposes modifications to the combinatorial bidding process that would allow sealed national bids followed by one open auction for the MTAs selecting two winners for each and then opening the sealed bids. Two national licenses would be awarded if both national bids exceeded the sum of highest regional bids; both sets of regional licenses would be awarded if the two national bids were lower than the sum of the second highest regional bids, and one of each otherwise. (11-12, 14)
- Also supports an analogous procedure for BTAs, allowing combinations into MTAs and national licenses. (13)

Payment Methods:

- Opposes minimum bids as unjustified and burdensome. (13-14)

Treatment of Designated Entities:

- Notes that separate auctions for designated entity set-asides could minimize the effects of a judicial reversal of the set-aside policies. (15)
- Urges the FCC to adopt other measures including installment payment plans with interest, the use of microwave, SSBIC and minority tax certificates as proposed by the SBAC. (15)
- Believes long term participation can be best encouraged by partnering with experienced entities, and consequently urges consideration of waiving the cellular attribution and eligibility rules for noncontrolling partnerships with designated entities. (15-17)

Safeguards:

- Opposes antitrafficking rules for all but designated entity licenses; the FCC should only allow these licenses to be transferred to other eligible designated entities. (17-18)
- Notes that the existing build-out requirements for PCS and the auction process limit potential for stockpiling spectrum. (19)
- Suggests modifications to avoid collusive bidding: accepting back up bids to prevent "escalation and default" scenarios, limiting wild "jumps" in bidding, and a "Japanese bidding" variant of English bidding (all bidders willing to continue at a given price keep their hands up, dropping them as the price escalates beyond their willingness to pay until only one hand remains). (19-21)

Application Processing Requirements:

- All qualified applicants should be allowed to bid for PCS authorizations, especially if combinatorial bidding is allowed: applicants should certify compliance with Sections 309(a), 308(b), 310, and any other service-specific qualifications and any winners with noncompliant cellular holdings should be permitted to divest those holdings within a specified timeframe. (5-9)

Specific Services:

- Mutually exclusive cellular unserved area applications should be auctioned through open auctions allowing full market settlements, but without reopening the application window. (22-23)

Other:

- Intends to argue vigorously on reconsideration that the PCS rules on cellular eligibility and attribution of ownership are contrary to public policy. (2-3)

**BELLSOUTH CORPORATION, BELLSOUTH TELECOMMUNICATIONS,
INC., BELLSOUTH CELLULAR CORP, AND MOBILE COMMUNICATIONS
CORPORATION OF AMERICA**

Interest: Operating entities of Regional Bell Operating Company.

Applicability of Competitive Bidding:

- The FCC's tentative conclusions premised primarily on maximizing revenue generation should be reconsidered and revised to comport with all Congressional objectives. (2-3)
- Intermediate links should not be competitively bid to avoid excessive costly results and impractical situations; however, threshold application requirements for these links should be tightly controlled. (45)

Bidding Methods:

- Supports open bidding as the predominant auction mechanism, and for PCS, because open bidding is easy to administer, simple, perceived as more fair, more appropriate for new services with flexibility to offer a range of services, and avoids the sealed bidding "winner's curse." (4-5)

Sequence of Bidding:

- Supports auctioning sequentially by geographic area, then spectrum size to permit rational aggregation strategies and promote technical compatibility over a single block. (11-14)

Combinatorial Bidding:

- Opposes combinatorial bidding as excluding many bidders, thwarting Congressional objectives, unnecessary, and artificially advancing one aggregation scheme at the expense of the market. (6-11)

Payment Methods:

- Upfront payments should encourage serious involvement by requiring minimum deposits of \$100,000, even for narrowband PCS, and allowing bidders each day of auctions to submit the deposit for the highest valued property it desires to bid on as a blanket deposit for all similarly or lowered valued properties. (40-43)
- Additional nonrefundable deposit payments, to 20% of the amount bid, should be required immediately after certification as the highest bid. (43-44)

Treatment of Designated Entities:

- Because preferences should focus on leveling opportunities, BellSouth favors economic incentives, such as installment payments (23-25), credit facilities to meet deposit and upfront payments (26-27), recognition of nonstandard financing entities, and other enhancements. (18-19)
- Opposes set-asides as exclusionary devices contrary to legislative intent that provide opportunities for legal challenges and relegate designated entities to specific bands. (20-23)
- Opposes royalties because they are difficult and costly to implement, generate lower revenues, and provide incentives to defer expansion. (25-26)
- Eligibility criteria should be unambiguous and fair, and target entities consistent with legislative intent: suggests limiting preferences to privately held entities of limited ownership where the designated entities own 50.1+% of equity and voting of the enterprise. (27-30)

Safeguards:

- Sees no need for anti-collusion rules given the openness of its proposed bidding method and Congressional encouragement to eliminate mutual exclusivity; all other problems can be dealt with by limiting cash settlements to out-of-pocket expenses to obtain the license. (14-17)
- Opposes restrictions on transfers and assignments because auctions offer no incentives to traffic in licenses and free transferability provides flexibility to meet unforeseen circumstances. (30-32)
- For designated entities, favors acceleration provisions that would bring all amounts owing due upon transfer. (32-33)
- Argues that performance requirements are appropriately considered in service-specific proceedings, but notes that such rules may be unnecessary and counterproductive. (33-34)

Application Processing Requirements:

- Proposes modifications to the processing procedures: short form applications would be filed and reviewed before the auction, but should not be subject to "letter perfect" rules; long form applications should be submitted after the auction; the winner's long form would be subject to review, but curative legal or factual amendments (anything but major ownership changes) could be supplied at any time up to the

actual date of grant; and where there are substantial questions regarding qualifications, new lotteries should be held, reopening applications. (34-38)

- Supports other reforms to ease burden on applicants, including investigating use of electronic form and fee transfers; use of consolidated applications covering several MTA/BTA markets; and eliminating requirements to file financial qualifications and engineering submissions on the long form as unnecessary. (38-40)

Specific Services:

- Cellular unserved area applications should be competitively bid using the same procedures used with PCS, but limiting participation to those with Phase I applications filed before July 26, 1993. (45)

JEFFREY T. BERGNER

Interest: Member of a partnership that filed unserved area cellular applications.

Specific Services:

- The Budget Act does not require auctions for applications filed before July 26, 1993. Therefore, there is no good reason for changing course in regard to unserved area applications filed and accepted for lottery deadlines prior to this date as doing so would lead to charges of unfairness, arbitrariness, and to potential class action suits that will delay the process and frustrate the goal of timely cellular service.
(p. 1)

QUENTIN L. BREEN

Interest: Small business person.

Bidding Methods:

- Supports oral bidding because it is simple, open, likely to be perceived as fair, and will allow any eligible qualified bidder who is willing to pay enough to win. (1)
- Opposes other schemes: electronic bidding disfavors those without access to needed infrastructure and is not open; sealed bidding with few bidders undermines public confidence and offers opportunities for collusion; simultaneous sealed bidding causes problems with "overall ceilings" and allowing bidders to withdraw bids; simultaneous ascending bid electronic auctions assume major players will be the sole beneficiaries of auctions, discriminates against small businesses, and will take too long. (1-2)
- Limitations on winnings and expenditures are a problem only for simultaneous sealed bid auctions that should not be adopted in any event. (3)
- Minimum bid increments are difficult to determine and will delay the process. (3)

Sequence of Bidding:

- Bidding should be conducted region by region, with each market in a region in descending order of population. (2)

Combinatorial Bidding:

- Opposes combinatorial bidding as reducing revenue, causing complications, discriminating against small business entities; delaying service (large entities buying large regions will warehouse spectrum in small markets); forcing entities to purchase properties they may not want (but a small business could afford); and, to the extent a large bidder wants to aggregate, open bidding will allow them to do so while maximizing revenue. (1-3)
- Opposes "final and best" offers because they offer opportunities to take markets away from small bidders. (3)

Payment Methods:

- Supports installment payments as the simplest form of alternative payments, and suggests a formula that would include interest at prime rate plus one percent. (3)

- 2 -

- Suggests royalties may also have merit in assuring a continuing revenue stream, but cause problems in valuating bids. (3-4)
- The FCC should not be a debt collector; in the event of default, it should place a lien on a license, with interest accruing, to be paid when the license is sold or renewed. (4)
- For deposits, favors requiring a deposit of a \$100,000 cashier's check, to be upped to 20% of the amount bid immediately after the auction, with balance paid 30 days later; in the event of failure to provide such funds, the market should be relettered within 30 days. (5)

Treatment of Designated Entities:

- Eligibility criteria for designated entities should establish a maximum (e.g., \$5 million net worth and \$2 million earnings), and a minimum financial requirement based on the market area to be served. (4)
- Opposes use of tax certificates, except in like-kind trades, since designated entities need assistance obtaining, not disposing of, licenses. (4)

Safeguards:

- Unjust enrichment rules have not worked in the past; the FCC should thus ban all transfers for a three year period. (4)
- The existing performance benchmarks should be retained. (5)
- Collusion is most likely among large bidders, but enforcement should be left to the Department of Justice. (5)

Application Processing Requirements:

- Supports procedures used for cellular and IVDS. (5)

Specific Services:

- For PCS, suggests royalty schemes in designated entity set-asides; allowing designated entities to use installment payment plans for other spectrum blocks (including 900 MHz PCS); and requiring majority ownership and control for designated entity consortia. (6)
- If the IVDS spectrum is auctioned, which may not be warranted in light of "free" IVDS proposals, the FCC should set-aside one block for designated entities and allow use of royalty schemes. (6-7)

DENNIS BROWN & ROBERT SCHWANINGER

Interest: Law partners representing communications companies.

Applicability of Competitive Bidding:

- "Service" should be viewed from the perspective of individual users, not classes of users, to avoid difficulties with spectrum blocks allocated for multiple uses. (3)
- Supports competitive bidding of broadcast spectrum, and argues that such auctions fit within Section 309. (7-8)

Treatment of Designated Entities:

- Opposes tax certificates as costing revenue and failing to provide opportunities, set-asides as only guaranteeing access to second rate spectrum, and suggests using extended payment plans in conjunction with allowing designated entities to provide matching bids after the conclusion of general bidding. (4-6)
- To avoid complex determinations of control, the FCC should require at least 50.1 percent control by designated entities to qualify for preferential treatment. (6-7)

Specific Services:

- Auctioning SMR spectrum would multiply the FCC's workload by 10-15 times and applicants would no longer apply for SMR spectrum and instead migrate to community repeaters. (1-2)

VAN R. BOYETTE

Interest: Member of a partnership that has applied for cellular unserved area licenses.

Specific Services:

- It is unfair that the FCC should change the rules of allocation for cellular unserved area applications from lottery to auction after substantial investments have been made. (p. 1)
- If auctions are adopted for these licenses, requests reimbursement of demonstrated out-of-pocket expenses incurred in reliance on the FCC's earlier federal register notices. (p. 1)

**CABLEVISION INDUSTRIES CORPORATION,
COMCAST CORPORATION, COX CABLE COMMUNICATIONS, AND
JONES INTERCABLE, INC.**

Interest: Cable television service providers

Applicability of Competitive Bidding:

- The CARS service should not be subject to competitive bidding because applications in the CARS service are not mutually exclusive -- the FCC's application process for this service is not designed to choose between competing applicants for a particular frequency but to coordinate the CARS spectrum so all potential users may take full advantage of it. (pp. 3-5)
- The public interest is not served by using the competitive bidding process to allocate the CARS spectrum as it would result in fewer users and less efficient use of the spectrum and reduce the economic advantages that the CARS service provides. (pp. 5-7)
- CARS frequencies are not received by subscribers in exchange for compensation so they should not be subject to competitive bidding -- CARS frequencies provide internal and intermediate links by which cable operators overcome long distances between off-air receive points or two or more systems, and where the use of cable is impractical and too costly. (pp. 7-10)

CALCELL WIRELESS, INC.

Interest: Not indicated.

Bidding Methods:

- Only one bid per license should be permitted, and deposits should be required with that bid. Allowing multiple sealed bids would bias the licensing process in favor of companies bidding on groups of licenses. Sealed second-bids should not be used under any circumstance. (6-7)
- To maximize revenue, where multiple homogeneous licenses are offered, the winner should pay the price bid, not that of the highest losing bid. (7)
- Limits on sealed bids are unnecessary as long as bidders can withdraw bids before the oral auction commences. (17)

Sequence of Bidding:

- With respect to the bidding sequence for PCS licenses, Calcell recommends that geographic consolidation is more important than consolidating spectrum across bands in the large spectrum blocks. Accordingly, for the 30 MHz bands, the Commission should auction the MTAs in descending order of population, beginning with the most populated. Parties interested in assembling mega-regional market areas made up of multiple MTAs will have an opportunity to do so, as will those interested only in individual MTAs. (14)
- The 20 MHz block should be auctioned next, at the BTA territory size, again by descending order of population. The auction would then move to the second largest BTA in that MTA and proceed in descending order to the smallest BTA in the MTA. This serves bidders seeking to consolidate BTAs within an MTA by providing geographic orientation to the bidding process. (14)
- The 10 MHz block should also be auctioned by starting with the most populated MTA and auctioning the largest BTAs therein by descending order of population. However, the Commission should proceed directly from the first BTA in band E to the same BTA in bands F and G before auctioning the second largest BTA in that MTA. This will allow bidders interested in consolidating spectrum across 10 MHz bands to do so sequentially on a BTA by BTA basis. (14)
- The auction for the 10 MHz band set aside for DEs should be held separately from those for the other 10 MHz bands. (15)
- Sealed bids for multiple licenses that aggregate BTAs into MTAs, if allowed, should be opened on an MTA by MTA basis, in order of descending population, and there need be no

limit on bids, because participants will know exactly what markets their bids cover. (15)

Combinatorial Bidding:

- Generally supports combinatorial bidding, and believes it should be allowed in the 10 MHz and 20 MHz bands for aggregating BTAs into MTAs. The Commission should accept sealed bids for MTAs for the 20 MHz and 10 MHz bands before oral auctions begin to facilitate aggregating BTAs into market areas that match MTAs. (16)
- There is a potential for market power abuse if a nationwide entity can use combinatorial bidding to obtain licenses in the 30 MHz block and the 10 MHz block. As such, the Commission is urged to adopt rules preventing this eventuality. (16)

Treatment of Designated Entities:

- To expedite evaluation of an innovator's or other preferences, Calcell recommends the use of an unambiguous set of criteria such as several it has proposed for evaluation of eligibility for an "infrastructure preference." (8-9, table of criteria on 10)
- Payment options such as installment payments and royalties are necessary to assist DEs. Calcell's first choice is royalties coupled with its infrastructure preference concept. (18)
- In deciding whether to impose interest charges on installment payments, the Commission should consider the ability of large companies to borrow at rates below prime using debt instruments such as commercial paper. If interest is imposed, rates should be below prime to allow a level playing field and, if possible, should be fixed at the time of the bid. (19)
- Calcell recommends that DEs be required to pay an initial payment of 10% of the total bid, plus annual royalty payments over the 10 year period of the license. (19-20)
- Generally, Calcell believes that few preferential measures are necessary for rural telephone companies. Calcell suggests: (a) a set-aside where rural telephone companies can bid against other DEs to obtain the spectrum they may need to offer wireless service (22); (b) that rural telephone companies be limited to bidding on spectrum in the 10 MHz band unless they also qualify as a small business

(22); and (c) that the Commission may consider allowing rural telephone companies to bid as a DE only in the BTAs where they have operations. (22-23)

- Calcell supports: (a) use of highly confident letters to certify financial qualifications; (b) innovator bidding credits of 10% or more; (c) installment and royalty payment options; (d) authorization of distress sales; (e) legislation establishing a communications capital fund from revenues generated by auctions; and (f) use of tax certificates, etc., to encourage capital formation for owners of and investors in qualified entities. (24)
- Use of Calcell's infrastructure preference proposal will augment ability of women and minorities to secure licensing. (25)
- The traditional definitions used by the Commission to determine eligibility for minority groups should be used here as well. Women would not be minorities unless also a member of one of these groups. (27)
- In this same context, Calcell also suggests that, to be considered a minority owned firm, minority members must have voting control of the entity (51%) and at least a 20% equity ownership position. Also, the top executive should be a minority. Given the capital intensity of PCS, Calcell would support a more lenient 20% minimum equity participation requirement. (27)
- With respect to resale profits, Calcell recommends the use of a sliding scale for remuneration of profits after all expenses have been considered, and that a special tax be levied on proceeds DEs gain from the sale. This should guard against unjust enrichment in the DE bands. (27)

Specific Services:

- Minimums for PCS bids are unnecessary and may in fact be harmful because they send unintentional signals regarding spectrum value. (17-18)

CALIFORNIA MICROWAVE, INC.

Interest: Manufacturer of broad line of microwave radio equipment used in constructing cellular and other mobile radio networks. (p.1)

Applicability of Competitive Bidding:

- Commission should not apply competitive bidding to intermediate links. Such an application would create artificial distinctions in system use and create practical problems in system deployment, and would not further Congressional objectives. (p.3-7)

CALIFORNIA PUBLIC UTILITIES COMMISSION

Interest: State public utilities commission; focus is on issues related to rural telephone companies, small businesses, and women and minority-owned businesses.

Payment Methods:

- For small businesses or women and minority-owned businesses, the FCC should consider accepting a reduced upfront payment or waive the upfront payment requirement altogether (note: CPUC appears to mean upfront payment with its reference to deposits). (3)
- Supports FCC's proposal to allow installment payment methods, but it may be necessary to develop other payment alternatives in addition to installment payments with interest and/or tax certificates. Suggests utilization of a percentage of revenues generated from the auction of non-set-aside spectrum blocks to finance license payments for designated entities. (4)

Treatment of Designated Entities:

- Designated entities are likely to bid only for the smallest blocks of spectrum allocated in the PCS order. CPUC is concerned that the smaller blocks may prove less competitive against other PCS providers. There thus should be a set-aside opportunity for all sized blocks. (2-3)
- In California, CPUC requires that businesses qualifying under the goal-oriented women, minority, and service disabled veteran-owned business enterprises procurement program be 51% owned and have management and daily operations controlled by one of the aforementioned group members. If a publicly owned business, at least 51% of the stock must be owned by a group member. There is a separate process for verification of this status. FCC should consider this as a model for verifying eligibility by designated entities. (5-6)

Safeguards:

- Does not wish to impose a prohibition on resale, but favors transfer disclosures, payment schedules, and stringent antitrafficking restrictions to minimize unjust enrichment. (4)
- Supports efforts by FCC to prohibit potential bidders from collaborating, sharing information, or otherwise discussing with one another any information regarding the substance of bids or bidding strategies prior to the completion of the auction. Such a prohibition will help to ensure that the

federal government receives the greatest revenue from the auction. Also, competition in the wireless market will have a greater chance of developing. (6)

• Any bidders found to have or attempted to have colluded should be stripped of any license(s) received and fined for investigative costs. (7)

CALL-HER

Interest: Women-owned telecommunications company dedicated to becoming a premier provider of licensed PCS.

Treatment of Designated Entities:

- Women-owned businesses are significantly under-represented in the telecommunications industry. (4)
- Regardless of their size, women-owned businesses have difficulty obtaining access to adequate capital and entering capital-intensive industries such as telecommunications; opportunities for women-owned businesses should not be addressed through the same vehicle of addressing small business, but should be defined by specific rule provisions that address the barrier of raising capital. (7-9)
- Supports tax certificates, installment payments, and waiver of upfront payment for women-owned companies. (11)
- Commission should adopt the National Women's Business Council's definition of a women-owned business (at least 51% unconditional ownership and control by women). (12)

CELLULAR COMMUNICATIONS, INC.

Interest: Cellular licensee.

Bidding Methods:

- Supports using public oral (English) auctions as primary method for awarding spectrum licenses. (page 1)
- The FCC should keep the pre-auction application process as simple as possible. (14)
- If preceded or accompanied by a proper deposit, this short form application should be accepted up to the hour when actual bidding commences. (14)

Sequence of Bidding:

- The FCC should conduct auctions in small "lots" (i.e., spectrum/geographic area combinations) that, to the extent possible, are homogeneous. (3)
- Simple approach to PCS auctions would be to begin in one frequency band at the Eastern end of the country and to auction off all BTAs within each MTA before moving to the next MTA. (4)

Combinatorial Bidding:

- If the FCC decides to facilitate aggregation by allowing combinatorial bidding within the A and B bands, rather than letting the market decide the most appropriate combinations of spectrum and geographic areas, it should have only one level of aggregation (e.g., BTA to MTA, or MTA to national). (5-6)
- The FCC should explain that, in aggregated bidding, qualification standards, especially the population service limits placed on cellular carriers, apply to the aggregated service area for which the bid is placed and not separately to each individual market. (6)
- There is no need for sealed bids to foster aggregation, either geographically or across the spectrum. (9)
 - In cases where aggregation is deemed to be likely or desirable, the FCC should begin oral auctions with the most populated markets first and continue in order of decreasing market size. (9)
 - The addition of sealed bids, like some potent "wonder drug," creates side effects more severe than the initial symptoms. (10)

- The FCC could use sealed bids for the "combined" lot and the sealed bids should be opened before the oral auctions of the constituent elements. (6)
- Parties who submitted sealed bids could still enter oral bidding for individual blocks if they find that the sealed bids were not high enough. (11)

Payment Methods:

- Supports the FCC proposal for substantial upfront payments by cashier's check, immediately refundable to all but the winning bidder. (14)
- Final details for payment should be settled within five days after auction. (14-15)
- FCC should adopt a minimum upfront payment of \$10,000, with the understanding that all amounts above the winning bid would immediately be refunded to the high bidder. (15)
- If payment is made too close to the auction time than necessary to guarantee that a check clears, the FCC should require it to be made by some obviously assured means, such as a certified check from one the nation's fifty largest banks. (15-16)

CELLULAR SERVICE, INC.

Interest: Cellular resale carrier

Bidding Methods:

- Sealed second-bid auctions (Vickery method) should be the procedure generally employed as it awards the license to the party that values it the most; it is resistant to collusion; and it induces bidders to reveal the maximum amount they are willing to pay. (p. 2)

Sequence of Bidding:

- The Block A and Block B MTA licenses should be auctioned on a random basis with a lottery to pick the geographic order in which MTA licenses are auctioned. All Block A spectrum should be auctioned first, then Block B licenses after the geographic lottery is conducted again, with the same process occurring for Blocks C, D, E, and F. (p. 5)

Combinatorial Bidding:

- Combinatorial bidding should be limited to one MTA block per geographical area for combined bidders, either aggregately or alone. (p. 10)
- Combinatorial bidders should not be allowed to participate in a second round of bidding, but individual bidders should be permitted to work collectively to finalize individual second round sealed bids. (p. 10)

Payment Methods:

- Supports the Notice's proposal that there be no minimum bids. (pp. 10-11)
- Lump sum payments should be required only for MTAs. (p. 10)
- Set-aside bidders should be permitted to utilize either installment or royalty payments, beginning one year after the system becomes operational with a down payment of 20 percent paid with award of the license. (p. 11)
- Supports a deposit of 2 cents per POP per MHz and recommends that it be applied to set-aside groups even if the 20 percent downpayment approach is adopted as the general standard. (pp. 15-16)

Treatment of Designated Entities:

- Supports a set-aside of the 20 MHz and one 10 MHz spectrum block for designated entities. (p. 6)
- Recommends adoption of a 50.1% or more total equity and voting right test for inclusion in the set-aside class for minorities and/or female ownership. (p. 8)
- Believes eligibility for all four set-aside groups should be limited to entities in existence as of October 22, 1993. (p. 9)

Safeguards:

- To avoid concentration of control, the FCC should prohibit any party from owning more than one license in an MTA, and any winner of the MTA Block A or Block B license should be precluded from owning BTA licenses in that MTA. (p. 3)
- Cellular licensees should be precluded from obtaining any PCS licenses in their respective MSAs or RSAs, and cellular carriers covering over 5 percent of the nation's POPs should be prohibited from bidding on either the A or B Block within their respective MSA or RSA. (pp. 3-5)
- Designated entities should be limited to 10 BTA licenses. (p. 12)
- PCS licensees should be prohibited from selling a system until it is operational and provides service to at least 10 percent of the population in the licensed area except in cases such as bankruptcy or death of a principal. (pp. 11-12)
- Build-out requirements should be strictly enforced. (p. 13)
- Dominant facilities-based cellular carriers and LECs should be prohibited from bidding on PCS licenses in MTAs outside their respective service areas and then selling or exchanging such licenses. (p. 14)
- Joint bidding by national or regional consortia should not be considered collusive but should be restricted to one MTA license. (pp. 14-15)