

Joaquin Division, Long-Term Water Service Contract Renewal, Cities of Avenal, Coalinga and Huron, Fresno, King and Merced Counties, CA, Comment Period Ends: 11/25/2005, Contact: Joe Thompson 559-487-5179.

*EIS No. 20050412, Final EIS, FHW, UT, US 6 Highway Project, Improvements from Interstate 15 (I-15) in Spanish Fork to Interstate (I-70) near Green River, Funding, Right-of-Way Permit and U.S. Army COE Section 404 Permit, Utah, Wasatch, Carbon, Emery Counties, UT, Wait Period Ends: 11/07/2005, Contact: Jeff Berna 801-963-0182.*

*EIS No. 20050413, Draft Supplement, FHW, NC, NC 12 Replacement of Herbert C. Bonner Bridge (Bridge No. 11 ) New and Updated Information, over Oregon Inlet Construction, Funding, U.S. Coast Guard Permit, Special-Use-Permit, Right-of-Way Permit, U.S. Army COE Section 10 and 404 Permit, Dare County, NC , Comment Period Ends: 11/23/2005, Contact: John F. Sullivan 919-856-4346.*

*EIS No. 20050414, Draft EIS, NRC, NY, Generic—License Renewal of Nuclear Plants for Nine Mile Point Nuclear Station, Units 1 and 2, Supplement 24 to NUREG 1437, Implementation, Lake Ontario, Oswego County, NY, Comment Period Ends: 12/22/2005, Contact: Leslie C. Fields 301-415-1186.*

*EIS No. 20050415, Draft EIS, FRA, PA, Pennsylvania High-Speed Maglev Project, Construction between Pittsburgh International Airport (PIA) and Greensburg Area, The Pennsylvania Project of Magnetic Levitation Transportation Technology Deployment Program, Allegheny and Westmoreland Counties, PA, Comment Period Ends: 12/06/2005, Contact: David Valenstein 202-493-6368.*

*EIS No. 20050416, Draft EIS, NOA, TX, PROGRAMMATIC—Texas National Estuarine Research Reserve and Management Plan, Mission-Aransas Estuary, Site Designation, Federal Approval, TX, Comment Period Ends: 11/23/2005, Contact: Laurie McGilvray 301-563-1158.*

*EIS No. 20050417, Final Supplement, COE, MD, Poplar Island Environmental Restoration Project, Habitat Restoration and Dredged Material Capacity, Chesapeake Bay, Talbot County, MD, Wait Period Ends: 11/07/2005, Contact: Mark Mendelsohn 410-962-9466.*

Dated: October 4, 2005.

**Robert W. Hargrove,**  
*Director, NEPA Compliance Division, Office of Federal Activities.*

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## FEDERAL COMMUNICATIONS COMMISSION

**[Report No. AUC-05-64-A (Auction No. 64); DA 05-2423]**

### Television Station Construction Permits

**AGENCY:** Federal Communications Commission.

**ACTION:** Notice.

**SUMMARY:** This document announces the auction of 11 full power television station construction permits scheduled to commence on March 15, 2006 (Auction No. 64). This document also seeks comments on reserve prices or minimum opening bids and other procedures for Auction No. 64.

**DATES:** Comments are due on or before October 14, 2005, and reply comments are due on or before October 21, 2005.

**ADDRESSES:** Comments and reply comments must be sent by electronic mail to the following address: [auction64@fcc.gov](mailto:auction64@fcc.gov). Parties who file also by paper must file an original and four copies of each filing. U.S. Postal Service first class, express or priority mail must be addressed to the Office of the Secretary, 445 12th Street, SW., Washington, DC 20054.

**FOR FURTHER INFORMATION CONTACT:** *For legal questions:* Lynne Milne at (202) 418-0660. *For general auction questions:* Debbie Smith or Lisa Stover at (717) 338-2888. *For service rule questions:* Shaun Maher at (202) 418-2324 or Shaleim Henry at (202) 418-1600.

**SUPPLEMENTARY INFORMATION:** This is a summary of the *Auction No. 64 Comment Public Notice* released on September 23, 2005. The complete text of the *Auction No. 64 Comment Public Notice*, including attachments and any related Commission documents, is available for public inspection and copying from 8 a.m. to 4:30 p.m. Monday through Thursday or from 8 a.m. to 11:30 a.m. on Friday at the FCC Reference Information Center, Portals II, 445 12th Street, SW., Room CY-A257, Washington, DC 20554. The *Auction No. 64 Comment Public Notice* and related Commission documents may also be purchased from the Commission's duplicating contractor, Best Copy and

Printing, Inc. (BCPI), Portals II, 445 12th Street, SW., Room CY-B402, Washington, DC, 20554, telephone 202-488-5300, facsimile 202-488-5563, or BCPI Web site: <http://www.BCPIWEB.com>. When ordering documents from BCPI, please provide the appropriate FCC document number, for example, DA 05-2423 for the Auction No. 64 Comment Public Notice. The *Auction No. 64 Comment Public Notice* and related documents are also available on the Internet at the Commission's Web site: <http://wireless.fcc.gov/auctions/64/>.

### I. Television Construction Permits in Auction No. 64

#### A. Open Construction Permits

1. By the *Auction No. 64 Comment Public Notice*, the Wireless Telecommunications Bureau and the Media Bureau (collectively referred to as the Bureaus) announce that the ten construction permits listed in Attachment A of the *Auction No. 64 Comment Public Notice* as open are available to any interested party. Long-form applications (FCC Forms 301) were filed previously for some of these stations. The pending applications for these stations are listed in Attachment A of the *Auction No. 64 Comment Public Notice*. Any party filing for a station with a pending application should understand that it is likely that its application will be mutually exclusive with the previously-filed application. Even if there is no pending long-form application for a station listed in Attachment A of the *Auction No. 64 Comment Public Notice*, applicants specifying the same construction permit will be considered mutually exclusive for auction purposes. Once mutual exclusivity exists for auction purposes, even if only one applicant for the same construction permit in Auction No. 64 submits an upfront payment, that applicant is required to submit a bid in order to obtain the construction permit. Any applicant that submits a short-form application that is accepted for filing but fails to timely submit an upfront payment will retain its status as an applicant in Auction No. 64 and will remain subject to the Commission's anti-collusion rule, 47 CFR 1.2105(c), but, having purchased no bidding eligibility, will not be eligible to bid.

2. The Commission's competitive bidding rules will be used to select among mutually exclusive applicants for these 10 construction permits in Auction No. 64. Those wishing to participate in the auction, including those entities listed in Attachment A of the *Auction No. 64 Comment Public*

Notice with a pending long-form application, will be required to file a short-form application (FCC Form 175) prior to the short-form deadline which will be announced in a subsequent public notice.

#### B. Closed Construction Permit

3. The construction permit listed in Attachment B of the *Auction No. 64 Comment Public Notice*, identified as station TV–NTSC011–51, is the subject of pending, mutually exclusive applications for a new full power analog television station that were filed prior to July 1, 1997. The Commission's competitive bidding rules will be used in Auction No. 64 to select among mutually exclusive applicants for construction permit TV–NTSC011–51. Pursuant to the Congressional directive of 47 U.S.C. Section 309(l)(3) and procedures set forth in the *Broadcast Auctions First Report and Order*, 63 FR 48615 (September 11, 1998), participation in competitive bidding for a construction permit for station TV–NTSC011–51 will be limited to those nine applicants identified in Attachment B of the *Auction No. 64 Comment Public Notice: Edward I. St. Pe, Fant Broadcasting Development, LLC, George S. Flinn, Jr., KB Communications Corp., KM Communications, Inc., Marri Broadcasting, LP, Natchez Trace Broadcasting Company, United Television, Inc., and Winstar Broadcasting Corp.*

#### C. FRN Submission Requirement

4. The nine applicants identified in Attachment B of the *Auction No. 64 Comment Public Notice* that wish to participate in the auction are required to file a short-form application (FCC Form 175) and select TV–NTSC011–51 prior to the short-form deadline which will be announced in a subsequent public notice. In addition, each applicant identified in Attachment B of the *Auction No. 64 Comment Public Notice* that wishes to remain eligible for competitive bidding for station TV–NTSC011–51 must provide its FCC Registration Number (FRN) prior to 5 p.m. Eastern Time (ET) on November 16, 2005. An FRN for an applicant identified in Attachment B is necessary in order for the FCC Auction System to display TV–NTSC011–51 in the construction permit selection list on its electronic short-form application. If an applicant fails to provide this information in the prescribed manner and before the deadline specified, the applicant will not be able to select a construction permit for station TV–NTSC011–51 in its electronic short-form

application, its long-form application will be dismissed, and it will no longer be eligible for competitive bidding for a construction permit for station TV–NTSC011–51.

5. To submit an FRN for association with construction permit TV–NTSC011–51, each applicant listed in Attachment B of the *Auction No. 64 Comment Public Notice* must provide, prior to 5 p.m. ET on November 16, 2005, its precise applicant name and FRN in an e-mail to [auction64@fcc.gov](mailto:auction64@fcc.gov) or by facsimile to Kathryn Garland at (717) 338–2850. Applicants that do not have an FRN must obtain one by registering using the FCC's Commission Registration system (CORES). To access CORES, click on the CORES link under Related Sites on the FCC Auctions page at <http://wireless.fcc.gov/auctions/>. Next, follow the directions provided to register and receive an FRN. Each applicant should retain this number and password and keep such information strictly confidential.

6. Interested parties should note that some of the stations listed in Attachment A of the *Auction No. 64 Comment Public Notice* are single channel, digital-only television stations. Those stations are identified in Attachment A of the *Auction No. 64 Comment Public Notice* as DTV. These stations must be operated in digital television mode. Those stations indicated in Attachments A and B of the *Auction No. 64 Comment Public Notice* as NTSC are single-channel stations that must be operated as either NTSC analog stations or, if they meet the Commission's interference requirements, may be operated as DTV stations.

7. To allow an adequate period of time before issuance of bidding rules, to permit notice and comment on proposed auction procedures, 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 Bureaus seek comment on a variety of auction-specific procedures prior to the start of Auction No. 64.

## II. Auction Structure

### A. Simultaneous Multiple-Round Auction Design

8. Auction No. 64 will use the FCC's Integrated Spectrum Auction System (ISAS or FCC Auction System), a redesign of the previous auction application and bidding systems. The Bureaus propose to award all construction permits included in Auction No. 64 in a simultaneous multiple-round auction. As described

further below, this methodology offers every construction permit for bid at the same time with successive bidding rounds in which eligible bidders may place bids. That is, bidding will remain open on all construction permits until bidding stops on every construction permit. The Bureaus seek comment on this proposal.

### B. Upfront Payments and Bidding Eligibility

9. The Bureaus have delegated authority and discretion to determine an appropriate upfront payment for each construction permit being auctioned, taking into account such factors as the efficiency of the auction process and the potential value of similar spectrum. As described further below, the upfront payment is a refundable deposit made by each bidder to establish eligibility to bid on construction permits. Upfront payments related to the specific spectrum subject to auction protect against frivolous or insincere bidding and provide the Commission with a source of funds from which to collect payments owed at the close of the auction. With these guidelines in mind, the Bureaus propose the schedule of upfront payments for each construction permit as set forth in Attachments A and B of the *Auction No. 64 Comment Public Notice*. The Bureaus seek comment on this proposal.

10. The Bureaus further propose that the amount of the upfront payment submitted by a bidder will determine the maximum number of bidding units on which a bidder may place bids. This limit is a bidder's initial bidding eligibility. Each construction permit is assigned a specific number of bidding units equal to the upfront payment listed in Attachments A and B of the *Auction No. 64 Comment Public Notice*, on a bidding unit per dollar basis. Bidding units for a given construction permit do not change as prices rise during the auction. A bidder's upfront payment is not attributed to specific construction permits. Rather, a bidder may place bids on any combination of construction permits as long as the total number of bidding units associated with those construction permits does not exceed the bidder's current eligibility. In order to bid on a construction permit, qualified bidders must have an eligibility level that meets the number of bidding units assigned to that construction permit. Eligibility cannot be increased during the auction; it can only remain the same or decrease. Thus, in calculating its upfront payment amount, an applicant must determine the maximum number of bidding units on which it may wish to bid (or hold

provisionally winning bids) in any single round, and submit an upfront payment amount covering that total number of bidding units. Provisionally winning bids are bids that would become final winning bids if the auction were to close in that given round. The Bureaus seek comment on this proposal.

### C. Activity Rules

11. In order to ensure that the auction closes within a reasonable period of time, an activity rule requires bidders to bid actively throughout the auction, rather than wait until late in the auction before participating. A bidder's activity will be the sum of the bidding units associated with the construction permits upon which it places a bid during the current round and the bidding units associated with the construction permits upon which it holds provisionally winning bids. Bidders are required to be active on a specific percentage of their current bidding eligibility during each round of the auction. Failure to maintain the requisite activity level will result in the use of an activity rule waiver, if any remain, or a reduction in the bidder's eligibility, possibly curtailing the bidder's ability to bid on some construction permits or eliminating the bidder from further bidding in the auction.

12. The Bureaus propose to divide the auction into two stages, each characterized by a different activity requirement. The auction will start in Stage One. The Bureaus propose that the auction generally will advance from Stage One to Stage Two when the auction activity level, as measured by the percentage of bidding units receiving new provisionally winning bids, is approximately twenty percent or below for three consecutive rounds of bidding. However, the Bureaus further propose that the Bureaus retain the discretion to change stages unilaterally by announcement during the auction. In exercising this discretion, the Bureaus will consider a variety of measures of bidder activity, including, but not limited to, the auction activity level, the percentage of construction permits (as measured in bidding units) on which there are new bids, the number of new bids, and the percentage increase in revenue. For example, when monitoring activity for determining when to change stages, we may consider the percentage of bidding units of the construction permits receiving new provisionally winning bids, excluding any FCC-held construction permits. The Bureaus seek comment on these proposals.

13. For Auction No. 64, the Bureaus propose the following activity requirements:

Stage One: In each round of the first stage of the auction, a bidder desiring to maintain its current bidding eligibility is required to be active on construction permits representing at least 75 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, a bidder's reduced eligibility for the next round will be calculated by multiplying the bidder's current round activity by four-thirds (4/3).

Stage Two: In each round of the second stage, a bidder desiring to maintain its current bidding eligibility is required to be active on 95 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 Two, a bidder's reduced eligibility for the next round will be calculated by multiplying the bidder's current round activity by twenty-nineteenths (20/19).

14. The Bureaus seek comment on these proposals. Commenters that believe these activity rules should be modified should explain their reasoning and comment on the desirability of an alternative approach. Commenters are advised to support their claims with analyses and suggested alternative activity rules.

### D. Activity Rule Waivers and Reducing Eligibility

15. 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 construction permit. Activity rule waivers can be either proactive or automatic and are principally a mechanism for auction participants to avoid the loss of bidding eligibility in the event that exigent circumstances prevent them from placing a bid in a particular round.

16. The FCC Auction System assumes that bidders with insufficient activity would prefer to apply an activity rule waiver (if available) rather than lose bidding eligibility. Therefore, the system will automatically apply a waiver at the end of any bidding round where a bidder's activity level is below the minimum required unless: (1) the bidder has no activity rule waivers available; or (2) the bidder overrides the automatic application of a waiver by reducing eligibility, thereby meeting the

minimum requirement. If a bidder has no waivers remaining and does not satisfy the required activity level, its eligibility will be permanently reduced, possibly eliminating the bidder from further bidding in the auction.

17. A bidder with insufficient activity may wish to reduce its bidding eligibility rather than use an activity rule waiver. If so, the bidder must affirmatively override the automatic waiver mechanism during the bidding round by using the reduce eligibility function in the FCC Auction System. 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.

18. A bidder may apply an activity rule waiver proactively as a means to keep the auction open without placing a bid. If a bidder proactively applies an activity rule waiver (using the apply waiver function in the FCC Auction System) during a bidding round in which no bids or withdrawals are submitted, the auction will remain open and the bidder's eligibility will be preserved. An automatic waiver applied by the FCC Auction System in a round in which there are no new bids or withdrawals will not keep the auction open. A bidder cannot submit a proactive waiver after submitting a bid in a round, and submitting a proactive waiver will preclude a bidder from placing any bids in that round. Applying a waiver is irreversible; once a proactive waiver is submitted that waiver cannot be unsubmitted, even if the round has not yet closed.

19. The Bureaus propose that each bidder in Auction No. 64 be provided with three activity rule waivers that may be used at the bidder's discretion during the course of the auction as set forth above. The Bureaus seek comment on this proposal.

### E. Information Relating to Auction Delay, Suspension, or Cancellation

20. For Auction No. 64, the Bureaus propose that, by public notice or by announcement during the auction, the Bureaus 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 efficient conduct of competitive bidding. In such cases, the Bureaus, in their 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 Bureaus to delay or suspend the auction. The Bureaus emphasize that exercise of this authority is solely within the discretion of the Bureaus, and its use is not intended to be a substitute for situations in which bidders may wish to apply their activity rule waivers. The Bureaus seek comment on this proposal.

### III. Bidding Procedures

#### A. Round Structure

21. The Commission will conduct Auction No. 64 over the Internet. Alternatively, telephonic bidding will also be available. The toll-free telephone number for telephonic bidding will be provided to qualified bidders.

22. The initial bidding schedule will be announced in a public notice to be released at least one week before the start of the auction. The simultaneous multiple-round format will consist of sequential bidding rounds, each followed by the release of round results. Details on viewing round results, including the location and format of downloadable round results files will be included in the same public notice.

23. The Bureaus have the discretion to change the bidding schedule in order to foster an auction pace that reasonably balances speed with the bidders' need to study round results and adjust their bidding strategies. The Bureaus may increase or decrease the amount of time for the bidding rounds and review periods, or the number of rounds per day, depending upon the bidding activity level and other factors. The Bureaus seek comment on this proposal.

#### B. Reserve Price or Minimum Opening Bid

24. The Bureaus seek comment on the use of minimum opening bid amounts and/or reserve prices in Auction No. 64. 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 amount, 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, the auctioneer often has the discretion to lower the minimum opening bid amount later in the auction. It is also possible for the minimum opening bid amount and the reserve price to be the same amount.

25. The Bureaus propose to establish minimum opening bid amounts for

Auction No. 64. The Bureaus believe a minimum opening bid amount, which has been used in other auctions, is an effective bidding tool.

26. For Auction No. 64, the proposed minimum opening bids were determined by taking into account various factors related to the efficiency of the auction and the potential value of the spectrum, including the type of service, proposed population coverage, market size, industry cash flow data and recent broadcast transactions. The specific minimum opening bid for each construction permit available in Auction No. 64 is set forth in Attachments A and B of the *Auction No. 64 Comment Public Notice*. The Bureaus seek comment on this proposal.

27. If commenters believe that these minimum opening bid amounts will result in substantial numbers of unsold construction permits, or are not reasonable amounts, or should instead operate as reserve prices, 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 amount levels or formulas. In establishing the minimum opening bid amounts, the Bureaus particularly seek comment on such factors as the potential value of the spectrum being auctioned including the type of service, proposed population coverage, market size, and other relevant factors that could reasonably have an impact on valuation of the broadcast spectrum. The Bureaus also seek comment on whether, consistent with 47 U.S.C. Section 309(j), the public interest would be served by having no minimum opening bid amount or reserve price.

#### C. Bid Amounts

28. In each round, eligible bidders will be able to place bids on a particular construction permit in any of nine different amounts, if a bidder has sufficient eligibility to place a bid on the particular construction permit. The FCC Auction System interface will list the nine acceptable bid amounts for each construction permit. The nine acceptable bid amounts for each construction permit consist of the minimum acceptable bid amount calculated using a smoothing formula and additional amounts calculated using a bid increment percentage.

##### i. Minimum Acceptable Bid Amounts

29. The minimum acceptable bid amount for a construction permit will be equal to its minimum opening bid amount until there is a provisionally

winning bid for the construction permit. After there is a provisionally winning bid for a construction permit, the minimum acceptable bid amount for that construction permit will be equal to the amount of the provisionally winning bid plus an additional amount calculated using a smoothing formula, as described below. The Bureaus will round the result using the Bureaus standard rounding procedures, in which results above \$10,000 are rounded to the nearest \$1,000, results below \$10,000 but above \$1,000 are rounded to the nearest \$100, and results below \$1,000 are rounded to the nearest \$10.

30. For Auction No. 64, the Bureaus propose to calculate minimum acceptable bid amounts by using a smoothing formula, as was done in several other auctions. The smoothing formula calculates minimum acceptable bid amounts by first calculating a percentage increment. The percentage increment for each construction permit is a function of bidding activity on that construction permit in prior rounds; therefore, a construction permit that has received many bids will have a higher percentage increment than a construction permit that has received few bids.

31. The calculation of the percentage increment used to determine the minimum acceptable bid amounts for each construction permit for the next round is made at the end of each round. The computation is based on an activity index, which is a weighted average of the number of bids in that round and the activity index from the prior round, except for Round 1 calculations, for which the activity index from the prior round is set at 0 because there is no prior round. The current activity index is equal to a weighting factor times the number of bidders that submit bids on the construction permit 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 (10%), and the maximum percentage increment at 0.2 (20%). Hence, at these initial settings, the percentage increment will fluctuate between 10% and 20% depending upon the number of bids for the construction permit. Smoothing formula equations and examples are shown in Attachment C of the *Auction No. 64 Comment Public Notice*.

32. In the case of a construction permit for which the provisionally winning bid has been withdrawn, the minimum acceptable bid amount will equal the second highest bid received for the construction permit.

ii. Additional Bid Amounts

33. The acceptable bid amounts in addition to the minimum acceptable bid amount for each construction permit are calculated using a bid increment percentage. The first additional acceptable bid amount equals the minimum acceptable bid amount times one plus the bid increment percentage, rounded—e.g., if the increment percentage is 10 percent, the calculation is (minimum acceptable bid amount) \* (1 + 0.10), rounded, or (minimum acceptable bid amount) \* 1.10, rounded; the second additional acceptable bid amount equals the minimum acceptable bid amount times one plus two times the bid increment percentage, rounded, or (minimum acceptable bid amount) \* 1.20, rounded; the third additional acceptable bid amount equals the minimum acceptable bid amount times one plus three times the bid increment percentage, rounded, or (minimum acceptable bid amount) \* 1.30, rounded; etc.

34. The Bureaus retain the discretion to change the minimum acceptable bid amounts, the smoothing formula parameters, and the bid increment percentage if they determine that circumstances so dictate. The Bureaus will do so by announcement in the FCC Auction System during the auction. The Bureaus seek comment on these proposals.

*D. Provisionally Winning Bids*

35. At the end of a bidding round, a provisionally winning bid amount for each construction permit will be determined based on the highest bid amount received for the construction permit. In the event of identical high bid amounts being submitted on a construction permit in a given round (i.e., tied bids), the Bureaus will use a random number generator to select a single provisionally winning bid from among the tied bids. If the auction were to end with no higher bids being placed for that construction permit, the winning bidder would be the one that placed the selected provisionally winning bid. However, the remaining bidders, as well as the provisionally winning bidder, can submit higher bids in subsequent rounds. If any bids are received on the construction permit in a subsequent round, the provisionally winning bid again will be determined

by the highest bid amount received for the construction permit.

36. A provisionally winning bid will remain the provisionally winning bid until there is a higher bid on the same construction permit at the close of a subsequent round, unless the provisionally winning bid is withdrawn. Bidders are reminded that provisionally winning bids confer activity.

*E. Information Regarding Bid Removal and Bid Withdrawal*

37. For Auction No. 64, the Bureaus propose the following bid removal and bid withdrawal procedures. Before the close of a bidding round, a bidder has the option of removing any bid placed in that round. By removing bids in the FCC Auction System, a bidder may effectively unsubmit any bid placed in that round. Once a round closes, a bidder may no longer remove a bid. In contrast to the bid withdrawal provisions described below, a bidder removing a bid placed in the same round is not subject to a withdrawal payment.

38. For auctions for which bid withdrawals are permitted, a bidder may withdraw its provisionally winning bids using the withdraw bids function in the FCC Auction System. A bidder that withdraws its provisionally winning bid(s) is subject to the bid withdrawal payment provisions of 47 CFR 1.2104(g) and 1.2109. The Bureaus seek comment on these bid removal and bid withdrawal procedures.

39. In the *Part 1 Third Report and Order*, 63 FR 2315 (Jan. 15, 1998), the Commission explained that allowing bid withdrawals facilitates efficient aggregation of licenses and construction permits 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 Bureaus, therefore, have discretion in managing the auction to limit the number of withdrawals to prevent any bidding abuses. The Commission stated that the Bureaus should assertively exercise their discretion, consider limiting the number of rounds in which bidders may withdraw bids, and prevent bidders from bidding on a particular construction permit if the Bureaus find that a bidder is abusing the Commission's bid withdrawal procedures.

40. Applying this reasoning, the Bureaus propose to limit each bidder in Auction No. 64 to withdrawing provisionally winning bids in no more than one round during the course of the

auction. To permit a bidder to withdraw bids in more than one round may encourage insincere bidding or the use of withdrawals for anti-competitive purposes. The one round in which withdrawals may be used 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 provisionally winning bids that may be withdrawn in the one round in which a bidder's one withdrawal is used. Withdrawals will remain subject to the bid withdrawal payment provisions specified in the Commission's rules. The Bureaus seek comment on this proposal. The Bureaus also invite comments on whether bid withdrawals should not be permitted in Auction No. 64 in light of the site-specific nature of television broadcast authorizations, the small number of construction permits available in this auction, or other factors.

*F. Stopping Rule*

41. The Bureaus have discretion to establish stopping rules before or during multiple round auctions in order to terminate the auction within a reasonable time. For Auction No. 64, the Bureaus propose to employ a simultaneous stopping rule approach. A simultaneous stopping rule means that all construction permits remain available for bidding until bidding closes simultaneously on all construction permits.

42. Bidding will close simultaneously on all construction permits after the first round in which no bidder submits any new bids, applies a proactive waiver, or places any withdrawals. Thus, unless circumstances dictate otherwise, bidding will remain open on all construction permits until bidding stops on every construction permit.

43. However, the Bureaus propose to retain the discretion to exercise any of the following options during Auction No. 64:

a. Use a modified version of the simultaneous stopping rule. The modified stopping rule would close the auction for all construction permits after the first round in which no bidder applies a waiver, places a withdrawal or submits any new bids on any construction permit for which it is not the provisionally winning bidder. Thus, absent any other bidding activity, a bidder placing a new bid on a construction permit for which it is the provisionally winning bidder would not keep the auction open under this modified stopping rule. The Bureaus further seek comment on whether this modified stopping rule should be used

at any time or only in stage two of the auction.

b. Keep the auction open even if no bidder submits any new bids, applies a waiver or withdraws any provisionally winning bids. In this event, the effect will be the same as if a bidder had applied a 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.

c. Declare that the auction will end after a specified number of additional rounds (which is called a special stopping rule). If the Bureaus invoke this special stopping rule, it will accept bids in the specified final round(s) and the auction will close.

44. The Bureaus propose to exercise these options only in certain circumstances, 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 these options, the Bureaus are likely to attempt to increase the pace of the auction by, for example, increasing the number of bidding rounds per day, and/or increasing the minimum acceptable bid percentage for the limited number of construction permits on which there is still a high level of bidding activity. The Bureaus seek comment on these proposals.

#### IV. Due Diligence

45. Potential bidders are solely responsible for investigating and evaluating all technical and market place factors that may have a bearing on the value of the broadcast facilities in this auction. The FCC makes no representations or warranties about the use of this spectrum for particular services. Applicants should be aware that an FCC auction represents an opportunity to become an FCC construction permittee in the broadcast service, subject to certain conditions and regulations. An FCC auction does not constitute an endorsement by the FCC of any particular service, technology, or product, nor does an FCC construction permit or license constitute a guarantee of business success. Applicants should perform their individual due diligence before proceeding as they would with any new business venture. In particular, potential bidders are strongly encouraged to review all underlying Commission orders, such as the specific *Report and Order* amending the TV or DTV Table of Allotments and allotting the TV channel(s) on which they plan to bid. Additionally, potential bidders should perform technical analyses sufficient to

assure them that, should they prevail in competitive bidding for a given construction permit, they will be able to build and operate facilities that will fully comply with the Commission's technical and legal requirements. Applicants are strongly encouraged to inspect any prospective transmitter sites located in, or near, the service area for which they plan to bid, and also to familiarize themselves with the Commission's rules regarding the National Environmental Policy Act contained in 47 CFR chapter 1, part 1, subpart I.

46. Potential bidders are strongly encouraged to conduct their own research prior to Auction No. 64 in order to determine the existence of pending proceedings that might affect their decisions regarding participation in the auction. Participants in Auction No. 64 are strongly encouraged to continue such research during the auction.

47. Potential bidders should note that, in November of 1999, Congress enacted the Community Broadcasters Protection Act of 1999 (CBPA) which established a new Class A television service. In response to the enactment of the CBPA, the Commission adopted rules to establish the new Class A television service, including rules to provide interference protection for eligible Class A television stations from new full power television stations, in the *Class A Report and Order*, 65 FR 29985 (May 10, 2000).

48. Given the Commission's ruling in the *Class A Report and Order*, a winning bidder in Auction No. 64, upon submission of its long-form application (FCC Form 301), will have to provide interference protection to qualified Class A television stations. Therefore, potential bidders are encouraged to perform engineering studies to determine the existence of Class A television stations and their effect on the ability to operate any full power television station proposed in this auction. Information about the identity and location of Class A television stations is available from the Media Bureau's Consolidated Database System (CDBS) (public access available at: <http://www.fcc.gov/mb>) and on the Media Bureau's Class A television Web page: <http://www.fcc.gov/mb/video/files/classa.html>.

49. Potential bidders for any new television facility in this auction are also reminded that full service television stations are in the process of converting from analog to digital operation and that stations may have pending applications to construct and operate digital television facilities,

construction permits and/or licenses for such digital facilities. Bidders should investigate the impact such applications, permits and licenses may have on their ability to operate the facilities proposed in this auction.

#### V. Conclusion

50. Comments are due on or before October 14, 2005, and reply comments are due on or before October 21, 2005. All filings must be addressed to the Commission's Secretary Attn: WTB/ASAD, Office of the Secretary, Federal Communications Commission. Parties who file comments by paper must file an original and four copies of each filing. U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, SW., Washington, DC 20554. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue NE., Suite 110, Washington, DC 20002. The filing hours at this location are 8 a.m. to 7 p.m. All hand deliveries must be held together with rubber bands or fasteners. Commercial overnight mail (other than U.S. Postal Service Express Mail or Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.

51. The Bureaus also require that all comments and reply comments be filed electronically to the following address: [auction64@fcc.gov](mailto:auction64@fcc.gov). The electronic mail containing the comments or reply comments must include a subject or caption referring to *Auction No. 64 Comments* and the name of the commenting party. The Bureaus request that parties format any attachments to electronic mail as Adobe® Acrobat® (pdf) or Microsoft® Word documents. Copies of comments and reply comments will be available for public inspection between 8 a.m. and 4:30 p.m. Monday through Thursday or 8 a.m. to 11:30 a.m. on Friday in the FCC Reference Information Center, Room CY-A257, 445 12th Street, SW., Washington, DC 20554, and will also be posted on the Web page for Auction No. 64 at <http://wireless.fcc.gov/auctions/64>.

52. This proceeding has been designated as a permit-but-disclose proceeding in accordance with the Commission's *ex parte* rules. Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentations must contain summaries of the substance of the presentations and not merely a listing of

the subjects discussed. More than a one or two sentence description of the views and arguments presented is generally required. Other rules pertaining to oral and written *ex parte* presentations in permit-but-disclose proceedings are set forth in 47 CFR 1.1206(b).

Federal Communications Commission.

**William W. Huber,**

*Associate Chief, Auctions Spectrum and Access Division, WTB.*

[FR Doc. 05-20355 Filed 10-6-05; 8:45 am]

BILLING CODE 6712-01-P

## FEDERAL HOUSING FINANCE BOARD

### Sunshine Act Meeting Notice; Announcing a Partially Open Meeting of the Board of Directors

**TIME AND DATE:** The open meeting of the Board of Directors is scheduled to begin at 10 a.m. on Wednesday, October 12, 2005. The closed portion of the meeting will follow immediately the open portion of the meeting.

**PLACE:** Board Room, First Floor, Federal Housing Finance Board, 1625 Eye Street NW., Washington DC 20006.

**STATUS:** The first portion of the meeting will be open to the public. The final portion of the meeting will be closed to the public.

**MATTER TO BE CONSIDERED AT THE OPEN PORTION:** *Appointment of Financing Corporation Directors.*

**MATTER TO BE CONSIDERED AT THE CLOSED PORTION:** *Periodic Update of Examination Program Development and Supervisory Findings.*

**CONTACT PERSON FOR MORE INFORMATION:** Shelia Willis, Paralegal Specialist, Office of General Counsel, at 202-408-2876 or [williss@fhfb.gov](mailto:williss@fhfb.gov).

By the Federal Housing Finance Board.

Dated: October 5, 2005.

**John P. Kennedy,**  
*General Counsel.*

[FR Doc. 05-20350 Filed 10-5-05; 1:40 pm]

BILLING CODE 6725-01-P

## FEDERAL RESERVE SYSTEM

### Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or

the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States. Additional information on all bank holding companies may be obtained from the National Information Center website at [www.ffiec.gov/nic/](http://www.ffiec.gov/nic/).

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than November 3, 2005.

**A. Federal Reserve Bank of St. Louis** (Glenda Wilson, Community Affairs Officer) 411 Locust Street, St. Louis, Missouri 63166-2034:

1. *Cross County Bancshares, Inc.*, Wynne, Arkansas; to acquire 13.91 percent of the voting shares of First Southern Bank, Batesville, Arkansas (a *de novo* bank).

2. *First Horizon National Corporation*, Memphis, Tennessee; to acquire 100 percent of the voting shares of Town and Country Bank of the Ozarks, Republic, Missouri.

Board of Governors of the Federal Reserve System, October 4, 2005.

**Margie Shanks,**

*Associate Secretary of the Board.*

[FR Doc. E5-5532 Filed 10-6-05; 8:45 am]

BILLING CODE 6210-01-S

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Assistant Secretary for Planning & Evaluation; Medicaid Program; Meeting of the Medicaid Commission— October 26-27, 2005

**AGENCY:** Assistant Secretary for Planning & Evaluation (ASPE), HHS.

**ACTION:** Notice of meeting.

**SUMMARY:** This notice announces a public meeting of the Medicaid

Commission. Notice of this meeting is given under the Federal Advisory Committee Act (5 U.S.C. App. 2, section 10(a)(1) and (a)(2)). The Medicaid Commission will advise the Secretary on ways to modernize the Medicaid program so that it can provide high-quality health care to its beneficiaries in a financially sustainable way.

**DATES:** *The Meeting:* October 26-27, 2005. The meeting will begin at 9 a.m. each day.

**Special Accommodations:** Persons attending the meeting who are hearing or visually impaired, or have a condition that requires special assistance or accommodations, are asked to notify the Executive Secretary by October 18, 2005 (see **FOR FURTHER INFORMATION CONTACT**).

**ADDRESSES:**

*The Meeting:* The meeting will be held at the following address: Holiday Inn on The Hill, 415 New Jersey Avenue, NW., Washington, DC 20001, United States, telephone: 1 (202) 638-1616, fax: 1 (202) 638-0707.

*Web site:* You may access up-to-date information on this meeting at <http://www.cms.hhs.gov/faca/mc/default.asp>.

**FOR FURTHER INFORMATION CONTACT:** Nancy Barnes, Executive Secretary, (202) 205-9164.

**SUPPLEMENTARY INFORMATION:** On May 24, 2005, we published a notice (70 FR 29765) announcing the Medicaid Commission and requesting nominations for individuals to serve on the Medicaid Commission. This notice announces a public meeting of the Medicaid Commission.

*Topics of the Meeting:* The Commission will discuss options for making longer-term recommendations on the future of the Medicaid program that ensure long-term sustainability. Issues to be addressed may include, but are not limited to: Eligibility, benefit design, and delivery; expanding the number of people covered with quality care while recognizing budget constraints; long term care; quality of care, choice, and beneficiary satisfaction; and program administration. The Commission may discuss the need to divide into sub-groups for the purpose of focusing on particular issues within this broad subject, including a discussion of which members would serve on which sub-group.

*Procedure and Agenda:* This meeting is open to the public. There will be a public comment period at the meeting. The Commission may limit the number and duration of oral presentations to the time available. We will request that you declare at the meeting whether or not