

AUCTION OF LICENSES IN THE 747-762 AND 777-792 MHz BANDS

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Report of *Ex Parte* Discussion

On June 15, I visited the FCC's Washington offices and talked with, I believe, Evan Kwerel, Walter Stack, and Joel Rubinstein. I represented my own views and not the views or interests of any potential bidder or applicant. Time was limited, but I was able to cover two aspects of my June 7 comment filed jointly with Professor Aleksandar Pekec.

In particular, I stressed that the introduction of combinatorial bidding with retained non-provisionally winning bids called for a separation between the formerly identical concepts of an acceptable minimum bid and a bid that would show activity and confer eligibility. In addition, I indicated that if the rules provided for eligibility to be conferred by a retained bid in the *prior* round, then the part of the proposal in section 5.1 of our comments requiring continued bidding for keeping eligibility from a retained but non-provisionally winning bid was unneeded. I also expressed acceptance of a variant of our proposal in which our suggested minimum eligibility-conferring bid, $\text{Max}[B(c), X]$, would be replaced by $B(c) + X$, where X is the fractional increase required by the FCC for the next round. (See the Appendix of our comments).

The other topic we reached before I had to leave was the proposal in section 10 of our comments. I urged that the FCC find a way for bidders to react to each others' auction entry decisions. In particular, I suggested that if there were statutory problems with the FCC allowing late entries (with a penalty), that the Commission consider allowing favorable treatment for sufficiently early entry decisions.