bids telephonically. Electronic bidding is reserved for parties who submit their applications electronically.

4. FCC Form 175 Application Fee

No application fee need accompany the FCC Form 175 for the auction.

5. Procedures after FCC Form 175 Applications are Filed and Processed for Minor Corrections.

After the deadline for filing the FCC Form 175 applications has passed, the Commission will process all applications to determine whether they are acceptable for filing. The Commission will issue a Public Notice listing all applications which are accepted for filing, rejected, and those which have minor defects that may be corrected. The Public Notice will also announce the deadline for filing corrected applications. As described more fully in the Commission's general auction rules and in the Seventh Report and Order, applicants may make minor corrections to their FCC Form 175 applications. Applicants will not be permitted to make major modifications to their applications. In particular, failure to sign a manually filed FCC Form 175 cannot be corrected and will cause the application to be dismissed and the applicant to be ineligible to participate in the auction. See 47 C.F.R. 1.2105(b). Furthermore, applicants will not be permitted to modify their authorization selection(s), change their certifying official, or change de facto and/or de jure control of the applicant.

After the deadline for resubmitting corrected applications, the Commission will release another Public Notice announcing all applications that have been accepted for filing, including applicants who have corrected defective applications.

B. Upfront Payments

In order to be eligible to bid in the auction, applicants must submit an upfront payment together with an FCC Remittance Advice, FCC Form 159. In accordance with the Commission's rules, the minimum upfront payment is \$2,500. See 47 C.F.R. 1.2106; Second Report and Order in PP Docket No. 93-253, 9 FCC Rcd 2348, at ¶ 180, 59 Fed. Reg. 22,980 (May 4, 1994). The upfront payment will be due Monday. November 13, 1995. A sample FCC Form 159 and further instructions for making auction payments will be included in the Bidder Information Package.

All payments must be made in U.S. dollars, must be in the form of a wire transfer or cashier's check, and must be made payable to the "Federal

Communications Commission" or "FCC." No other form of payment will be accepted. Cashier's checks must be drawn on a financial institution whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). All payments, whether by wire transfer or cashier's check, must be made to the Mellon Bank in Pittsburgh, Pennsylvania. Payments made by cashier's check must be received by 11:59 p.m. Eastern Time, Monday, November 13, 1995. Payments made by wire transfer must be received by 3:00 p.m. Eastern Time, Monday, November 13, 1995. Bidders making payments by wire transfer should allow sufficient time for the wire transfer to be confirmed.

Failure to deliver the upfront payment in a timely manner will result in dismissal of the application and inability to participate in the auction.

A bidder should calculate its upfront payment using the standard \$0.02 per 'activity'' units formula for the largest combination of activity units upon which a bidder wishes to bid in a single round of bidding. The number of activity units associated with any particular frequency block is the product derived from multiplying the number of megahertz associated with a license by the population of the license's service area. Each license in this auction will cover 0.25 MHz. In general, the population coverage for each frequency block in each MTA will be based on a formula that takes into account the presence of incumbent licensees. Attachment C lists the activity units associated with each frequency block.

The upfront payment submitted by each applicant is not attributed to specific licenses but instead will define the maximum amount of activity units on which the applicant will be permitted to bid in any single round of bidding. The combination of activity units on which a bidder is active in a round equals the sum of the activity units associated with the MTAs on which the bidder has submitted a valid bid, or on which the bidder is the standing high bidder.

In calculating the upfront payment amount, an applicant should determine the maximum number of activity units on which it wishes to bid in any single round and submit an upfront payment covering that number of activity units. Thus, if an applicant wants to be eligible to bid in any single bidding round on a license with a total population of 750,000 persons, the applicant must submit an upfront payment of \$3,750.00 (0.25 MHz times 750,000 times \$0.02; note that the initial

calculation of activity units-0.25 MHz times 750,000—has been done for you in Attachment C). That applicant could then be active in any single round on any license(s) whose total activity units do not exceed 187,500 (0.25 MHz times 750,000). See Seventh Report and Order at ¶¶ 110-112.

Applicants should note that if after calculating the upfront payment, the amount does not exceed \$2,500, the applicant will be required to pay the minimum upfront payment amount of \$2,500. Any applicant that is required to increase its upfront payment to \$2,500, however, will also be allocated the corresponding amount of activity units on which it may bid (i.e., a minimum upfront payment of \$2,500 allows the applicant to bid on 125,000 activity units, which is derived by dividing \$2,500 by \$0.02). If a bidder does not plan to use the additional activity units associated with the minimum upfront payment, it may choose to reduce its eligibility in the first round or any other round. The mechanism to reduce eligibility will be explained in the Bidder Information Package

An applicant may, on its FCC Form 175, apply for every license being offered, but an applicant need not submit an upfront payment for every license for which it has applied. The total upfront payment submitted by the applicant will determine the combinations of licenses on which the applicant will actually be permitted to be active in any single round of bidding.

Small businesses are not eligible for a

reduced upfront payment.

The Commission will issue a Public Notice announcing all qualified bidders for the 900 MHz SMR auction. Qualified bidders are those whose FCC Form 175 applications have been accepted for filing and who have submitted timely upfront payments sufficient to make them eligible to bid on at least one of the MTA licenses applied for on the FCC Form 175 application.

III. Auction Event and Bidding Rounds

The 900 MHz SMR auction will begin at 9:00 a.m. Eastern Time on Tuesday, November 28, 1995. The precise schedule for bidding in the first week of the auction will be announced by Public Notice two weeks prior to the start of

Generally bids will be submitted twice each day during the first three days of bidding. The Commission may, however, increase or decrease the amount of time for bid submission as well as the number of rounds per day depending upon such factors as the bidding activity level or the aggregate amount of high bids.