

discretion "to establish stopping rules before or during multiple round auctions in order to terminate the auction within a reasonable time." See, Section 1.2104 of the Commission's Rules, 47 CFR 1.2104(c). A simultaneous stopping rule means that all licenses remain open until the first round in which no new acceptable bids, proactive waivers, or withdrawals are received. After the first such round, bidding closes simultaneously on all licenses. Thus, unless circumstances dictate otherwise, bidding would remain open on all licenses until bidding stops on every license.

31. The Bureau seeks comment on a modified version of the simultaneous stopping rule. The modified stopping rule would close the auction for all licenses after the first round in which no bidder submits a proactive waiver, a withdrawal, or a new bid on any license on which it is not the standing high bidder. Thus, absent any other bidding activity, a bidder placing a new bid on a license for which it is the standing high bidder would not keep the auction open under this modified stopping rule. The Bureau further seeks comment on whether this modified stopping rule should be used unilaterally or only in stage three of the auction.

32. The Commission proposes that the Bureau retain the discretion to keep an auction open even if no new acceptable bids or proactive waivers are submitted and no previous high bids are withdrawn. In this event, the effect will be the same as if a bidder had submitted a proactive 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.

33. Finally, the Commission proposes that the Bureau reserve the right to declare that the auction will end after a specified number of additional rounds ("special stopping rule"). If the Bureau invokes this special stopping rule, it will accept bids in the final round(s) only for licenses on which the high bid increased in at least one of the preceding specified number of rounds. The Bureau proposes to exercise this option only in certain circumstances, such as, 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 this option, the Bureau is likely to attempt to increase the pace of the auction by, for example, moving the auction into the next stage (where bidders would be required to maintain a higher level of bidding activity), increasing the number of

bidding rounds per day, and/or increasing the amount of the minimum bid increments for the limited number of licenses where there is still a high level of bidding activity. The Bureau seeks comment on these proposals.

g. Information Relating to Auction Delay, Suspension or Cancellation

34. For Auction No. 22, the Commission proposes that, by public notice or by announcement during the auction, the Bureau 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 competitive conduct of competitive bidding. In such cases, the Bureau, in its 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 Bureau to delay or suspend the auction. The Commission emphasizes that exercise of this authority is solely within its discretion, and its use is not intended to be a substitute for situations in which bidders may wish to apply their activity rule waivers. The Bureau seeks comment on this proposal.

Federal Communications Commission.

Daniel B. Phythyon,

Chief, Wireless Telecommunications Bureau.

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FEDERAL COMMUNICATIONS COMMISSION

[DA 98-2337; Report No. AUC-98-22-B (Auction No. 22)]

Additional Information Regarding Broadband PCS Spectrum Included in the Auction Scheduled for March 23, 1999; Comment Sought on Auction Procedural Issues

AGENCY: Federal Communications Commission.

ACTION: Notice; seeking comment.

SUMMARY: This Public Notice provides additional and corrected information about the broadband personal communications services ("PCS") spectrum to be included in Auction No. 22, including the addition of three D, six E, and five F block broadband PCS licenses.

DATES: Comments are due on or before November 30, 1998, and reply

comments are due on or before December 7, 1998.

ADDRESSES: To file formally, parties must submit an original and four copies to the Office of the Secretary, Federal Communications Commission, Room TWA-325, 445 Twelfth Street S.W., Washington, D.C. 20554. In addition, parties must submit one copy to Amy Zoslov, Chief, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, Federal Communications Commission, Room 5202, 2025 M Street N.W., Washington, D.C. 20554. Comments and reply comments will be available for public inspection during regular business hours in the FCC Public Reference Room, Room 239, 1919 M Street N.W., Washington, D.C. 20554.

FOR FURTHER INFORMATION CONTACT: For further information contact Audrey Bashkin, Bob Reagle, or Jeff Garretson, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, at (202) 418-0660.

SUPPLEMENTARY INFORMATION: This Public Notice was released on November 19, 1998, and is available in its entirety, including the Attachment, for inspection and copying during normal business hours in the Wireless Telecommunications Bureau Reference Center, Room 5608, 2025 M Street N.W., Washington, D.C., and also may be purchased from the Commission's copy contractor, International Transcription Services, (202) 857-3800, fax (202) 857-3805, 1231 20th Street, N.W., Washington, D.C. 20036. It is also available on the Commission's website at <http://www.fcc.gov>.

Synopsis

1. This Public Notice provides additional and corrected information about the broadband personal communications services ("PCS") spectrum to be included in Auction No. 22, including the addition of three D, six E, and five F block broadband PCS licenses. See *C Block PCS Spectrum Auction Scheduled for March 23, 1999, Comment Sought on Auction Procedural Issues, Public Notice, DA 98-2318* (November 12, 1998) ("Procedural Public Notice"). In addition, the *Procedural Public Notice* listed as part of the auction certain spectrum blocks associated with the cancelled licenses of DCR PCS, Inc. ("DCR"), a licensee currently in bankruptcy. DCR's licenses were subject to a preliminary injunction preventing the alienation of those licenses through November 16, 1998. That injunction has been removed, and the relevant spectrum blocks are listed in the Attachment to the Public Notice,

as released by the Wireless Telecommunications Bureau, with an update reflecting this change in status. As a general matter, the Attachment contains an updated inventory of all licenses that will be made available in Auction No. 22. Future public notices could include information about other Commission licenses in conjunction with Auction No. 22. Additionally, in this Public Notice, the Bureau seeks comment on procedural issues relating to the auction of the D, E, and F block licenses in Auction No. 22.

I. Reserve Price or Minimum Opening Bid

2. Based on the approach taken in the *Procedural Public Notice*, for each D, E, and F block license for which there was a winning bidder in the 1996 D, E, and F block auction, the Bureau proposes to establish as the minimum opening bid an amount equal to ten percent of the corresponding net high bid for the market in the 1996 auction, but in no event lower than the upfront payment for that license in Auction No. 22. For each D, E, and F block license for which there was no winning bidder in the 1996 auction, the Bureau proposes to establish as the minimum opening bid an amount equal to 3.33 percent of the most recent net high bid for the C block license in the same Basic Trading Area ("BTA"), but in no event lower than the upfront payment amount for that license in Auction No. 22. Thus, for licenses with minimum opening bids that otherwise would be lower than upfront payment amounts, the Bureau proposes to establish minimum opening bids that equal the upfront payment amounts. Minimum opening bid amounts are provided in the Attachment.

II. Upfront Payments and Initial Maximum Eligibility for Each Bidder

3. The Bureau proposed in the *Procedural Public Notice* to set the upfront payment amount for each license in Auction No. 22 at \$0.06 * MHz * Population ("Pops") (rounded up to the next dollar). The Bureau seeks comment on its proposal to apply the same upfront payment amount to each of the D, E, and F block licenses to be auctioned.

4. In accordance with the Commission rule governing C block applicants, the Bureau stated in the *Procedural Public Notice* that the upfront payment amount for "former defaulters" (i.e., applicants that have ever been in default on any Commission licenses or have ever been delinquent on any non-tax debt owed to any Federal agency) will be fifty percent more than the normal amount required to be paid. Consistent with this rule, any

former defaulter that applies to bid on "all markets" or designates D, E, or F block licenses *in addition to* at least one C block license will be subject to the higher upfront payment requirement. Former defaulters that apply to bid *only* on D, E, or F block licenses will not be subject to the higher upfront payment requirement.

5. In the *Procedural Public Notice*, the Bureau proposed that the amount of the upfront payment submitted by a bidder will determine the initial maximum eligibility (as measured in bidding units) for each bidder. Upfront payments will not be attributed to specific licenses, but instead will be translated into bidding units to define a bidder's initial maximum eligibility, which cannot be increased during the auction. Thus, in calculating the upfront payment amount, an applicant must determine the *maximum* number of bidding units it may wish to bid on (or hold high bids on) in any single round, and submit an upfront payment covering that number of bidding units. The Bureau seeks comment on its proposal to use this same approach for the D, E, and F block licenses to be auctioned.

III. Attribution Rules

5. As stated in the *Procedural Public Notice*, the attribution rules set forth in Section 24.709 of the Commission's rules will apply to Auction No. 22.

IV. Other Auction Procedural Issues

6. In the *Procedural Public Notice*, the Bureau set forth proposals for Auction No. 22 with respect to the following issues: (1) Auction sequence and license groupings; (2) structure of bidding rounds, activity requirements, and criteria for determining reductions in eligibility; (3) minimum accepted bids; (4) activity rule waivers and reducing eligibility; (5) information regarding bid withdrawal and bid removal; (6) stopping rule; and (7) information relating to auction delay, suspension or cancellation. Because the remaining D, E, and F block licenses will be included in Auction No. 22, the Bureau proposes to adopt these same proposals for the auction of these licenses.

Federal Communications Commission.

Daniel B. Phythyon,

Chief, Wireless Telecommunications Bureau.
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FEDERAL DEPOSIT INSURANCE CORPORATION

Statement of Policy Pursuant to Section 19 of the Federal Deposit Insurance Act Concerning Participation in the Conduct of the Affairs of an Insured Institution by Persons Who Have Been Convicted of Crimes Involving Dishonesty, Breach of Trust or Money Laundering or Who Have Entered Pretrial Diversion Programs For Such Offenses

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Final policy statement.

SUMMARY: The FDIC is updating its statement of policy (SOP), which is issued pursuant to section 19 of the Federal Deposit Insurance Act (12 U.S.C. 1829). Section 19 prohibits, without the prior written consent of the FDIC, any person from participating in banking who has been convicted of a crime of dishonesty or breach of trust or money laundering, or who has entered a pretrial diversion in connection with such an offense. Section 19 was significantly expanded by the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), Pub. L. No. 101-73, 103 Stat. 183 (1989) and the Comprehensive Thrift and Bank Fraud Prosecution and Taxpayer Recovery Act of 1990 (Crime Control Act), Pub. L. No. 101-647, 104 Stat. 4789 (1990). As a result, the two existing policy statements for section 19 are outdated, and the new SOP is intended to replace them and to supersede prior guidelines. While the SOP maintains the FDIC's current requirement that an application seeking the FDIC's consent must be filed by an insured depository institution (insured institution), it provides blanket approval for certain de minimis crimes, and allows for a waiver of the institution filing requirement where an individual can demonstrate substantial good cause for such a waiver. Other significant provisions include the exclusion from section 19's coverage of a conviction that has been completely expunged, pretrial diversion and similar programs entered before November 29, 1990, and youthful offender adjudgments. The SOP clarifies that the scope of section 19's coverage applies to employees of an insured institution, and also to other persons who are in a position to influence or control the management or affairs of an insured institution.

EFFECTIVE DATE: December 1, 1998.

FOR FURTHER INFORMATION CONTACT: James M. Orlowsky, Review Examiner, Division of Supervision (202) 898-6763