

The primary science policy issue concerning NDs is what value the EPA should assign to them when estimating dietary exposure and risk from a pesticide. The reason this is an important issue stems from the new requirements that the FQPA impose on EPA. Among other things, FQPA established a stringent health-based standard ("a reasonable certainty of no harm") for pesticide residues in foods to assure protection of the public health, including sensitive populations such as infants and children, from unacceptable pesticide exposure and risks. OPP's goal is to make exposure and risk assessments as accurate and realistic as possible while not underestimating exposure or risk, so that all humans, including infants and children, are fully protected. The specific issues addressed in this paper concern the values the Agency should assign to NDs in order to meet this goal.

In general, the OPP recommends use of a default value of  $\frac{1}{2}$  the Limit of Detection (LOD) or  $\frac{1}{2}$  the Limit of Quantitation (LOQ) for commodities which have been treated but for which no detectable residues are measured. This paper also describes the OPP's policy of performing a "sensitivity analysis" to determine the impact of using different assumptions (e.g., assuming NDs = full LOD or full LOQ versus NDs = zero), on the OPP's risk assessment for the pesticide under evaluation. If it is demonstrated through the sensitivity analysis that the default assumptions have no effect on the final OPP risk decision, then there is little reason for OPP to attempt to further refine these default assignments.

If OPP finds that these default assignments do have a significant effect on the risk estimate or risk decision or decides that a more refined risk estimate is needed, a second set of statistical methods can be used instead to determine the values or distribution of values for NDs. These statistical methods provide a more accurate way of estimating dietary exposure and risk than assuming that, for NDs, exposure occurs at  $\frac{1}{2}$  LOD or some other single, finite value and allowing risk assessors to impute a series of values which represent concentrations below the stated detection limit. These methods would generally be used only in situations where the NDs comprise a significant (but less than half) portion of the data set and the rest of the data are normally or lognormally distributed, but exceptions can be considered on a case-by-case basis.

This revised document was developed from two previous draft documents entitled "Assigning Values To

Nondetected/Nonquantified Pesticide Residues into Human Health Dietary Exposure Assessments" (docket control number OPP-00570) and "A Statistical Method for Incorporating Nondetected Pesticide Residues into Human Health Dietary Exposure Assessments" (docket control number OPP-00571) that were released for public comment December 4, 1998 (63 FR 67063) (FRL-6048-2). The Agency received comments from various organizations. Each of the commenters offered recommendations for improving the science policy. All comments were extensively evaluated and considered by the Agency. This revised version embodies many of the sentiments and recommendations of the commenters. A summary of the public comments, as well as the Agency's response to the comments, are being made available as described in Units I.B.1. and I.B.2.

#### IV. Policies Not Rules

The policy document discussed in this notice is intended to provide guidance to EPA personnel and decision-makers, and to the public. As a guidance document and not a rule, the policy in this guidance is not binding on either EPA or any outside parties. Although this guidance provides a starting point for EPA risk assessments, EPA will depart from its policy where the facts or circumstances warrant. In such cases, EPA will explain why a different course was taken. Similarly, outside parties remain free to assert that a policy is not appropriate for a specific pesticide or that the circumstances surrounding a specific risk assessment demonstrate that a policy should be abandoned.

#### List of Subjects

Environmental protection, Administrative practice and procedure, Agricultural commodities, Pesticides and pests.

Dated: March 23, 2000.

**Susan H. Wayland,**

*Acting Assistant Administrator for Prevention, Pesticides and Toxic Substances.*  
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#### FEDERAL COMMUNICATIONS COMMISSION

[Report No. AUC-00-34-A (Auction No. 34); DA 00-667]

#### Auction of Licenses for 800 MHz Specialized Mobile Radio (SMR) Service General Category Frequencies in the 851-854 MHz Band Scheduled for August 23, 2000; Comment Sought on Reserve Prices or Minimum Opening Bids and Other Auction Procedural Issues

**AGENCY:** Federal Communications Commission.

**ACTION:** Notice.

**SUMMARY:** This document announces the auction of licenses for the 800 MHz SMR Service General Category Frequencies in the 851-854 MHz Band (Auction No. 34) scheduled to commence on August 23, 2000 and seeks comment on the reserve prices or minimum opening bids and other auction procedural issues for the upcoming auction of licenses.

**DATES:** Comments are due on or before April 5, 2000 and reply comments are due on or before April 12, 2000.

**ADDRESSES:** Office of the Secretary, Federal Communications Commission, Federal Communications Commission, 445 12th Street, SW, TW-A325, Washington, D.C. 20554. In addition, parties must submit one copy to M. Nicole Oden, Attorney, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, Federal Communications Commission, Room 4-A337, 445 12th Street SW, 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 CY-A257, 445 12th Street SW, Washington, D.C. 20554.

**FOR FURTHER INFORMATION CONTACT:** M. Nicole Oden, Auctions Attorney, Auctions and Industry Analysis Division, at (202) 418-0660, Nancy Gilbert or Bob Reagle, Auction Operations, Auctions and Industry Analysis Division, at (717) 338-2888.

**SUPPLEMENTARY INFORMATION:** This is a summary of a Public Notice released March 23, 2000. The complete text of the public notice, including Attachment A, is available for inspection and copying during normal business hours in the FCC Reference Center (Room CY-A257), 445 12th Street, SW, Washington, DC 20554. It may also be purchased from the Commission's copy contractor, International Transcription Services, Inc. (ITS, Inc.) 1231 20th Street, NW, Washington, DC 20036,

(202) 857-3800. It is also available on the Commission's web site at <http://www.fcc.gov>.

1. By this Public Notice, the Wireless Telecommunications Bureau ("Bureau") announces the auction of licenses for the 800 MHz SMR Service General Category Frequencies ("Auction No. 34") scheduled to begin on August 23, 2000. See Amendment of part 90 of the Commission's Rules to Facilitate Future Development of SMR Systems in the

800 MHz Frequency (*First Report and Order*) 61 FR 6212 (February 16, 1996), (*Second Report and Order*) 62 FR 41190 (July 31, 1997) and (Reconsideration Order) 64 FR 71042 (December 20, 1999). As discussed in greater detail herein, the Bureau proposes that Auction No. 34 be composed of 1,050 licenses in the 851-854 MHz band. Six contiguous 25 channel blocks (1.25 MHz bandwidth) will be offered in each of 172 Economic Areas (EAs) and 3 EA-

like areas, covering the United States, possessions or territories in the Northern Mariana Islands and Guam, American Samoa, the United States Virgin Islands and Puerto Rico.

2. The following table contains the proposed Block/Frequency Band Limits Cross-Reference List for the 800 MHz SMR Service General Category Frequencies:

#### 800 MHz SMR SERVICE GENERAL CATEGORY FREQUENCIES—(851-854 MHz BAND)

Channel block	Channel No.	Base station frequencies (channel centers)
D	1 through 25	851.0125 through 851.6125.
DD	26 through 50	851.6375 through 852.2375.
E	51 through 75	852.2625 through 852.8625.
EE	76 through 100	852.8875 through 853.4875.
F	101 through 125	853.5125 through 854.1125.
FF	126 through 150	854.1375 through 854.7375.

The Balanced Budget Act of 1997, Public Law 105-33, 111 Stat. 251 (Budget Act) requires the Commission to "ensure that, in the scheduling of any competitive bidding under this subsection, an adequate period is allowed \* \* \* before issuance of bidding rules, to permit notice and comment on proposed auction procedures \* \* \*." Consistent with the provisions of the Budget Act and to ensure that potential bidders have adequate time to familiarize themselves with the specific provisions that will govern the day-to-day conduct of an auction, the Commission directed the Bureau, under its existing delegated authority, to seek comment on a variety of auction-specific procedures prior to the start of each auction. See Amendment of Part 1 of the Commission's Rules—Competitive Bidding Proceeding (*Part 1 Order*) 62 FR 13540 (March 21, 1997), Amendment of Part 1 of the Commission's Rules—Competitive Bidding Procedures (*Part 1 Third Report and Order*) 63 FR 770 (January 7, 1998). We therefore seek comment on the following issues relating to Auction No. 34.

#### I. Auction Structure

##### A. Simultaneous Multiple Round Auction Design

3. We propose to award the licenses in a single, simultaneous multiple-round auction to allow bidders to take advantage of any synergies that exist among licenses. This methodology offers every license for bid at the same time in successive bidding rounds. We seek comment on this proposal.

##### B. Upfront Payments and Initial Maximum Eligibility for Each Bidder

4. The Bureau has delegated authority and discretion to determine an appropriate upfront payment for each license being auctioned, taking into account such factors as the population in each geographic license area, and the value of similar spectrum. The upfront payment is a refundable deposit made by each bidder to establish eligibility to bid on licenses. 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 end of the auction. See Implementation of section 309(j) of the Communications Act—Competitive Bidding (*Second Report and Order*) 59 FR 22980 (May 4, 1994). With these guidelines in mind, we propose for Auction No. 34 the following upfront payment formula.

License population \* \$0.005 (the result rounded to the nearest hundred for levels below \$10,000 and to the nearest thousand for levels above \$10,000) with a minimum of no less than \$2500.00 per license.

All licenses, including the related license area population and upfront payment, are listed in Attachment A. We seek comment on this proposal. We further propose 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. We seek comment on this proposal.

##### C. Activity Rules

5. In order to ensure that the auction closes within a reasonable period of time, an activity rule requires bidders to bid actively on a percentage of their maximum bidding eligibility during each round of the auction rather than waiting until the end to participate. A bidder that does not satisfy the activity rule will either lose bidding eligibility in the next round or must use an activity rule waiver (if any remain).

6. We propose to divide the auction into three stages: Stage One, Stage Two and Stage Three, each characterized by an increased activity requirement. The auction will start in Stage One. We propose that the auction will generally advance to the next stage (*i.e.*, from Stage One to Stage Two, and from Stage Two to Stage Three) when the auction activity level, as measured by the percentage of bidding units receiving new high bids, is approximately ten percent or below for three consecutive rounds of bidding in Stages One and Two. However, we further propose that the Bureau retain the discretion to change stages unilaterally by announcement during the auction. In exercising this discretion, the Bureau will consider a variety of measures of bidder activity including, but not limited to, the auction activity level, the

percentages of licenses (as measured in bidding units) on which there are new bids, the number of new bids, and the percentage increase in revenue. We seek comment on these proposals.

7. For Auction No. 34, we propose the following activity requirements:

Stage One: In each round of the first stage of the auction, a bidder desiring to maintain its current eligibility is required to be active on licenses representing at least 80 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, reduced eligibility for the next round will be calculated by multiplying the current round activity by five-fourths ( $\frac{5}{4}$ ).

Stage Two: In each round of the second stage, a bidder desiring to maintain its current eligibility is required to be active on 90 percent of its current bidding eligibility. During Stage Two, reduced eligibility for the next round will be calculated by multiplying the current round activity by ten-ninths ( $\frac{10}{9}$ ).

Stage Three: In each round of the third stage, a bidder desiring to maintain its current eligibility is required to be active on 98 percent of its current bidding eligibility. In this final stage, reduced eligibility for the next round will be calculated by multiplying the current round activity by fifty/forty-ninths ( $\frac{50}{49}$ ).

We seek comment on these proposals.

#### *D. Activity Rule Waivers and Reducing Eligibility*

8. 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 license. Activity waivers are principally a mechanism for auction participants to avoid elimination from the auction.

9. The FCC auction system assumes that bidders with insufficient activity would prefer to use an activity rule waiver (if available) rather than lose bidding eligibility. Therefore, the system will automatically apply a waiver (known as an "automatic waiver") at the end of any bidding period where a bidder's activity level is below the minimum required unless:

- (i) There are no activity rule waivers available; or
- (ii) The bidder overrides the automatic application of a waiver by reducing eligibility, thereby meeting the minimum requirements.

10. A bidder with insufficient activity that wants to reduce its bidding eligibility, rather than use an activity rule waiver, must affirmatively override the automatic waiver mechanism during the bidding period by using the reduce eligibility function in the software. In this case, the bidder's eligibility is permanently reduced to bring the bidder into compliance with the activity rules. Once eligibility has been reduced, a bidder will not be permitted to regain its lost bidding eligibility.

11. A bidder may proactively apply an activity rule waiver as a means to keep the auction open without placing a bid. If a bidder submits a proactive waiver (using the proactive waiver function in the bidding software) during a bidding period in which no bids are submitted, the auction will remain open and the bidder's eligibility will be preserved. Note: an automatic waiver invoked in a round in which there are no new valid bids will not keep the auction open.

12. We propose that each bidder in Auction No. 34, be provided with five activity rule waivers that may be used in up to five separate rounds at the bidder's discretion during the course of the auction. We seek comment on this proposal.

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

13. For Auction No. 34, we propose 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. We emphasize that exercise of this authority is solely within the discretion of the Bureau, and its use is not intended to be a substitute for situations in which bidders may wish to apply their activity rule waivers. We seek comment on this proposal.

## **II. Bidding Procedures**

### *A. Round Structure*

14. The Commission will use its Automated Auction System to conduct the electronic simultaneous multiple round auction format for Auction No.

34. The initial bidding schedule will be announced in a public notice to be released at least one week before the start of the auction, and will be included in the registration mailings. The simultaneous multiple round format will consist of sequential bidding rounds, each followed by the release of round results. Details regarding the location and format of round results will be included in the same public notice.

15. The Bureau has 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 Bureau 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. We seek comment on this proposal.

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

16. The Budget Act calls upon the Commission to prescribe methods by which a reasonable reserve price will be required or a minimum opening bid established when FCC licenses are subject to auction (*i.e.*, because the Commission has accepted mutually exclusive applications for those licenses), unless the Commission determines that a reserve price or minimum bid is not in the public interest. Consistent with this mandate, the Commission has directed the Bureau to seek comment on the use of a minimum opening bid and/or reserve price prior to the start of each auction.

17. 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, 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, in a minimum opening bid scenario, the auctioneer generally has the discretion to lower the amount later in the auction. It is also possible for the minimum opening bid and the reserve price to be the same amount.

18. In anticipation of this auction and in light of the Budget Act, the Bureau proposes to establish minimum opening bids for Auction No. 34. The Bureau believes a minimum opening bid, which has been utilized in other auctions, is an effective bidding tool. See Auction of 800 MHz SMR, Minimum Opening Bids or Reserve Prices (DA 97-2147) 62 FR 55251 (October 23, 1997), Auction of the Phase II 220 MHz Service Licenses (DA

98–1010) 63 FR 35213 (June 29, 1998). A minimum opening bid, rather than a reserve price, will help to regulate the pace of the auction and provides flexibility.

19. Specifically, for Auction No. 34, the Commission proposes the following formula for calculating minimum opening bids for each license, based on the population (“pops”) of the relevant EA:

License population \* \$0.005 (the result rounded to the nearest hundred for results less than \$10,000 and to the nearest thousand for results greater than \$10,000) with a minimum of no less than \$2500.00 per license.

We seek comment on this proposal. All licenses including the related license area population and the proposed minimum opening bid, are listed in Attachment A. If commenters believe the formula proposed above for minimum opening bids will result in substantial numbers of unsold licenses, or is not a reasonable amount, or should instead operate as a reserve price, 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 levels or formulas. In establishing the formula for minimum opening bids, we particularly seek comment on such factors as, among other things, the amount of spectrum being auctioned, levels of incumbency, the availability of technology to provide service, the size of the geographic service areas, issues of interference with other spectrum bands and any other relevant factors that could reasonably have an impact on valuation of the 800 MHz band. Alternatively, comment is sought on whether, consistent with the Budget Act, the public interest would be served by having no minimum opening bid or reserve price.

#### C. Minimum Accepted Bids and Bid Increments

20. Once there is a standing high bid on a license, a bid increment will be applied to that license to establish a minimum acceptable bid for the following round. For Auction No. 34, we propose to use a smoothing methodology to calculate bid increments, as we have done in several other auctions. The Bureau retains the discretion to change the minimum bid increment if it determines that circumstances so dictate. The Bureau will do so by announcement in the Automated Auction System. We seek comment on these proposals.

21. The exponential smoothing formula calculates the bid increment for each license based on a weighted average of the activity received on each license in all previous rounds. This methodology will tailor the bid increment for each license based on activity, rather than setting a global increment for all licenses. For every license that receives a bid, the bid increment for the next round for that license will be established using the exponential smoothing formula.

22. The calculation of the percentage bid increment for each license in a given round is made at the end of the previous round. The computation is based on an activity index, which is calculated as the weighted average of the activity in that round and the activity index from the prior round. The activity index at the start of the auction (round 0) will be set at 0. The current activity index is equal to a weighting factor times the number of new bids received on the license 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, and the maximum percentage increment at 0.2.

#### Equations

$$A_i = (C * B_i) + ((1 - C) * A_{i-1})$$

$$I_{i+1} = \text{smaller of } ((1 + A_i) * N) \text{ and } M$$

Where,

$A_i$  = activity index for the current round (round i)

$C$  = activity weight factor

$B_i$  = number of bids in the current round (round i)

$A_{i-1}$  = activity index from previous round (round i-1),  $A_0$  is 0

$I_{i+1}$  = percentage bid increment for the next round (round i+1)

$N$  = minimum percentage increment or bid increment floor

$M$  = maximum percentage increment or bid increment ceiling

Under the exponential smoothing methodology, once a bid has been received on a license, the minimum acceptable bid for that license in the following round will be the new high bid plus the dollar amount associated with the percentage increment (variable  $I_{i+1}$  from above times the high bid). This result will be rounded to the nearest thousand if it is over ten thousand or to the nearest hundred if it is under ten thousand.

#### Examples

License 1

$$C = 0.5, N = 0.1, M = 0.2$$

Round 1 (2 New Bids, High Bid = \$1,000,000)

i. Calculation of percentage increment for round 2 using exponential smoothing:

$$A_1 = (0.5 * 2) + (0.5 * 0) = 1$$

$$I_2 = \text{The smaller of } (1 + 1) * 0.1 = 0.2 \text{ or } 0.2 \text{ (the maximum percentage increment)}$$

ii. Minimum bid increment for round 2 using the percentage increment ( $I_2$  from above)

$$0.2 * \$1,000,000 = \$200,000$$

iii. Minimum acceptable bid for round 2 = 1,200,000

Round 2 (3 New Bids, High Bid = 2,000,000)

i. Calculation of percentage increment for round 3 using exponential smoothing:

$$A_2 = (0.5 * 3) + (0.5 * 1) = 2$$

$$I_3 = \text{The smaller of } (1 + 2) * 0.1 = 0.3 \text{ or } 0.2 \text{ (the maximum percentage increment)}$$

ii. Minimum bid increment for round 3 using the percentage increment ( $I_3$  from above)

$$0.2 * \$2,000,000 = \$400,000$$

iii. Minimum acceptable bid for round 3 = 2,400,000

Round 3 (1 New Bid, High Bid = 2,400,000)

i. Calculation of percentage increment for round 4 using exponential smoothing:

$$A_3 = (0.5 * 1) + (0.5 * 2) = 1.5$$

$$I_4 = \text{The smaller of } (1 + 1.5) * 0.1 = 0.25 \text{ or } 0.2 \text{ (the maximum percentage increment)}$$

ii. Minimum bid increment for round 4 using the percentage increment ( $I_4$  from above)

$$0.2 * \$2,400,000 = \$480,000$$

iii. Minimum acceptable bid for round 4 = 2,880,000

#### D. Information Regarding Bid Withdrawal and Bid Removal

23. For Auction No. 34, we propose the following bid removal and bid withdrawal procedures. Before the close of a bidding period, a bidder has the option of removing any bids placed in that round. By using the remove bid function in the software, a bidder may effectively “unsubmit” any bid placed within that round. A bidder removing a bid placed in the same round is not subject to withdrawal payments.

24. Once a round closes, a bidder may no longer remove a bid. However, in the next round, a bidder may withdraw

standing high bids from previous rounds using the withdraw bid function. A high bidder that withdraws its standing high bid from a previous round is subject to the bid withdrawal payment provisions. We seek comment on these bid removal and bid withdrawal procedures.

25. In the *Part 1 Third Report and Order*, the Commission explained that allowing bid withdrawals facilitates efficient aggregation of licenses 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 Bureau, therefore, has discretion, in managing the auction, to limit the number of withdrawals to prevent any bidding abuses. The Commission stated that the Bureau should assertively exercise its discretion, consider limiting the number of rounds in which bidders may withdraw bids, and prevent bidders from bidding on a particular market if the Bureau finds that a bidder is abusing the Commission's bid withdrawal procedures.

26. Applying this reasoning, we propose to limit each bidder in Auction No. 34, to withdraw standing high bids in no more than two rounds during the course of the auction. To permit a bidder to withdraw bids in more than two rounds would likely encourage insincere bidding or the use of withdrawals for anti-competitive purposes. The two rounds in which withdrawals are utilized 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 standing high bids that may be withdrawn in either of the rounds in which withdrawals are utilized. Withdrawals will remain subject to the bid withdrawal payment provisions specified in the Commission's rules. We seek comment on this proposal.

#### *E. Stopping Rule*

27. For Auction No. 34, the Bureau proposes to employ a simultaneous stopping rule approach. The Bureau has discretion "to establish stopping rules before or during multiple round auctions in order to terminate the auction within a reasonable time". 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.

28. 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.

29. We propose 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.

30. Finally, we propose 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. We seek comment on these proposals.

Federal Communications Commission.

**Louis J. Sigalos,**

*Deputy Chief, Auctions & Industry Analysis Division.*

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## **FEDERAL COMMUNICATIONS COMMISSION**

[Report No. AUC-00-36-A (Auction No. 36); DA 00-668]

### **Auction of Licenses for 800 MHz Specialized Mobile Radio (SMR) Frequencies in the Lower 80 Channels Scheduled for September 13, 2000; Comment Sought on Reserve Prices or Minimum Opening Bids and Other Auction Procedural Issues**

**AGENCY:** Federal Communications Commission.

**ACTION:** Notice.

**SUMMARY:** This document announces the auction of licenses for the 800 MHz SMR frequencies in the lower 80 channels, the 856-860 MHz Band, (Auction No. 36) scheduled to commence on September 13, 2000 and seeks comment on the reserve prices or minimum opening bids and other auction procedural issues for the upcoming auction of licenses.

**DATES:** Comments are due on or before April 5, 2000 and reply comments are due on or before April 12, 2000.

**ADDRESSES:** Office of the Secretary, Federal Communications Commission, Federal Communications Commission, 445 12th Street, SW, TW-A325, Washington, D.C. 20554. In addition, parties must submit one copy to M. Nicole Oden, Attorney, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, Federal Communications Commission, Room 4-A337, 445 12th Street SW, 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 CY-A257, 445 12th Street SW, Washington, D.C. 20554.

**SUPPLEMENTARY INFORMATION:** This is a summary of a Public Notice released March 23, 2000. The complete text of the public notice, including Attachment A, is available for inspection and copying during normal business hours in the FCC Reference Center (Room CY-A257), 445 12th Street, SW, Washington, D.C. 20554. It may also be purchased from the Commission's copy contractor, International Transcription Services, Inc. (ITS, Inc.) 1231 20th Street, NW, Washington, D.C. 20036, (202) 857-3800. It is also available on the Commission's web site at <http://www.fcc.gov>.

1. By this Public Notice, the Wireless Telecommunications Bureau ("Bureau") announces the auction of licenses for the 800 MHz SMR lower 80 channels ("Auction No. 36") scheduled to begin