

## Federal Communications Commission

## § 1.2203

(j) *Reverse auction bid*. The term *reverse auction bid* includes a license relinquishment bid, a UHF-to-VHF bid, a high-VHF-to-low-VHF bid, a channel sharing bid, and any other reverse auction bids permitted.

(k) *Spectrum Act*. The term *Spectrum Act* means Title VI of the Middle Class Tax Relief and Job Creation Act of 2012 (Pub. L. 112–96).

(l) *UHF-to-VHF bid*. The term *UHF-to-VHF bid* means a bid to relinquish all spectrum usage rights with respect to an ultra-high frequency (“UHF”) television channel in return for receiving spectrum usage rights with respect to a high VHF television channel or a low VHF television channel.

### § 1.2201 Purpose.

The provisions of §§1.2200 through 1.2209 implement section 6403 of the Spectrum Act, which requires the Commission to conduct a reverse auction to determine the amount of compensation that each broadcast television licensee would accept in return for voluntarily relinquishing some or all of its broadcast television spectrum usage rights in order to make spectrum available for assignment through a system of competitive bidding under subparagraph (G) of section 309(j)(8) of the Communications Act of 1934, as added by section 6402 of the Spectrum Act.

### § 1.2202 Competitive bidding design options.

(a) *Public notice of competitive bidding design options*. Prior to conducting competitive bidding in the reverse auction, public notice shall be provided of the detailed procedures that may be used to implement auction design options.

(b) *Competitive bidding design options*. The public notice detailing competitive bidding procedures for the reverse auction may establish procedures for collecting bids, assigning winning bids, and determining payments, including without limitation:

(1) *Procedures for collecting bids*. (i) Procedures for collecting bids in a single round or in multiple rounds.

(ii) Procedures for collecting bids for multiple reverse auction bid options.

(iii) Procedures allowing for bids that specify a price for a reverse auction bid

option, indicate demand at a specified price, or provide other information as specified by competitive bidding policies, rules, and procedures.

(iv) Procedures allowing for bids that are contingent on specified conditions, such as other bids being accepted.

(v) Procedures to collect bids in one or more stages, including procedures for transitions between stages.

(vi) Procedures for whether, when, and how bids may be modified during the auction.

(2) *Procedures for assigning winning bids*. (i) Procedures that take into account one or more factors in addition to bid amount, such as population coverage or geographic contour, or other relevant measurable factors.

(ii) Procedures to evaluate the technical feasibility of assigning a winning bid.

(A) Procedures that utilize mathematical computer optimization software, such as integer programming, to evaluate bids and technical feasibility, or that utilize other decision routines, such as sequentially evaluating bids using a ranking based on specified factors.

(B) Procedures that combine computer optimization algorithms with other decision routines.

(iii) Procedures to incorporate public interest considerations into the process for assigning winning bids.

(3) *Procedures for determining payments*. (i) Procedures to determine the amount of any incentive payments made to winning bidders consistent with other auction design choices.

(ii) The amount of proceeds shared with a broadcast television licensee will not be less than the amount of the licensee’s winning bid in the reverse auction.

### § 1.2203 Competitive bidding mechanisms.

(a) *Public notice of competitive bidding procedures*. Detailed competitive bidding procedures shall be established by public notice prior to the commencement of the reverse auction, including without limitation:

(1) *Sequencing*. The sequencing with which the reverse auction and the related forward auction assigning new spectrum licenses will occur.