

(b) *Bidding credits.* A winning bidder that qualifies as a very small business, as defined in this section, or a consortium of very small businesses may use the bidding credit specified in §1.2110(f)(2)(ii) of this chapter. A winning bidder that qualifies as a small business, as defined in this section, or a consortium of small businesses may use the bidding credit specified in §1.2110(f)(2)(iii) of this chapter.

[67 FR 41856, June 20, 2002, as amended at 68 FR 43000, July 21, 2003]

Subpart K—1915–1920 MHz and 1995–2000 MHz

SOURCE: 78 FR 50257, Aug. 16, 2013, unless otherwise noted.

LICENSING AND COMPETITIVE BIDDING PROVISIONS

§ 27.1001 1915–1920 MHz and 1995–2000 MHz bands subject to competitive bidding.

Mutually exclusive initial applications for 1915–1920 MHz and 1995–2000 MHz band licenses are subject to competitive bidding. The general competitive bidding procedures set forth in 47 CFR part 1, subpart Q will apply unless otherwise provided in this subpart.

§ 27.1002 Designated entities in the 1915–1920 MHz and 1995–2000 MHz bands.

Eligibility for small business provisions:

(a)(1) A small business is an entity that, together with its affiliates, its controlling interests, and the affiliates of its controlling interests, has average gross revenues not exceeding \$40 million for the preceding three years.

(2) A very small business is an entity that, together with its affiliates, its controlling interests, and the affiliates of its controlling interests, has average gross revenues not exceeding \$15 million for the preceding three years.

(b) *Bidding credits.* A winning bidder that qualifies as a small business as defined in this section or a consortium of small businesses may use the bidding credit specified in §1.2110(f)(2)(iii) of this chapter. A winning bidder that qualifies as a very small business as defined in this section or a consortium of

very small businesses may use the bidding credit specified in §1.2110(f)(2)(ii) of this chapter.

[78 FR 50257, Aug. 16, 2013, as amended at 80 FR 56816, Sept. 18, 2015]

REIMBURSEMENT OBLIGATION OF LICENSEES AT 1915–1920 MHz AND 1995–2000 MHz

§ 27.1021 Reimbursement obligation of licensees at 1915–1920 MHz.

A licensee in the 1915–1920 MHz band (Lower H Block) shall, within 30 days of grant of its long-form application, reimburse 25 percent of the total relocation costs incurred by UTAM, Inc. for relocating and clearing incumbent Fixed Microwave Service (FS) licensees from the 1910–1930 MHz band on a *pro rata* shared basis with other Lower H Block licensees as set forth in paragraphs (a) through (e) of this section.

(a)(1) If Lower H Block licenses granted as a result of the first auction for this spectrum cover, collectively, at least forty (40) percent of the nation's population, the amount owed to UTAM, Inc. by each individual Lower H Block licensee (reimbursement amount owed or RN) will be determined by dividing the gross winning bid (GWB) for each individual Lower H Block license (*i.e.*, an Economic Area (EA)) by the sum of the gross winning bids for all Lower H Block licenses for which there is a winning bid in the first auction, and then multiplying by \$12,629,857.

$$RN = (EA \text{ GWB} \div \text{Sum of GWBs}) \times \$12,629,857.00$$

(2) Except as provided in paragraphs (b) and (c) of this section, a licensee that obtains a license for a market in which no license is granted as a result of the first Lower H Block auction will not have a reimbursement obligation to UTAM, Inc.

(b) If Lower H Block licenses granted as a result of the first auction for this spectrum cover, collectively, less than forty (40) percent of the nation's population, then the *pro rata* amount that the licensee of an individual Lower H Block license must reimburse UTAM, Inc. shall be calculated by dividing the population of the individual EA by the total U.S. population, and then multiplying by \$12,629,857. In this event, the same population data, *e.g.*, 2010, used

to calculate the RNs for Lower H Block licenses granted as a result of the first auction will apply to subsequent auctions of Lower H Block licenses that were not granted as a result of an earlier auction of Lower H Block licenses.

$$\text{RN} = (\text{EA POP} \div \text{U.S. POP}) \times \$12,629,857.00$$

(c) A winning bidder of a Lower H Block license that is not granted a license for any reason will be deemed to have triggered a reimbursement obligation to UTAM, Inc. This obligation will be owed to UTAM, Inc. by the licensee acquiring the Lower H Block license through a subsequent auction. The amount owed by the licensee acquiring the Lower H Block license at such auction will be the RN calculated for the EA license based on the first auction (calculated under paragraphs (a) or (b), as applicable, of this section).

(d) For purposes of compliance with this section, licensees should determine population based on 2010 U.S. Census Data or such other data or measurements that the Wireless Telecommunications Bureau proposes and adopts under the notice and comment process for the auction procedures.

(e) A payment obligation owed by a Lower H Block licensee under this section shall be made within thirty (30) days of the grant of the license (*i.e.*, grant of the long form application).

§ 27.1031 Reimbursement obligation of licensees at 1995–2000 MHz.

A licensee in the 1995–2000 MHz band (Upper H Block) shall, within 30 days of grant of its long-form application, reimburse one-seventh of the eligible expenses incurred by Sprint Nextel, Inc. (Sprint) for relocating and clearing Broadcast Auxiliary Service (BAS), Cable Television Relay Service (CARS), and Local Television Transmission Service (LTTS) incumbents from the 1990–2025 MHz band, on a *pro rata* shared basis with other Upper H Block licensees as set forth in paragraphs (a) through (e) of this section.

(a)(1) If Upper H Block licenses granted as a result of the first auction for this spectrum cover, collectively, at least forty (40) percent of the nation’s population, the amount owed to Sprint by the winning bidder of each individual Upper H Block license granted

as a result of the first auction will be determined by dividing the gross winning bid (GWB) for each individual Upper H Block license (*i.e.*, an Economic Area (EA)) by the sum of the gross winning bids for all Upper H Block licenses for which there is a winning bid in the first auction, and then multiplying by \$94,875,516.

$$\text{RN} = (\text{EA GWB} \div \text{Sum of GWBs}) \times \$94,875,516$$

(2) Except as provided in paragraphs (b) and (c) of this section, a licensee that obtains a license for a market in which no license was granted as a result of the first Upper H Block auction will not have a reimbursement obligation to Sprint.

(b) If Upper H Block licenses granted as a result of the first auction for this spectrum cover, collectively, less than forty (40) percent of the nation’s population, then the amount that the licensee of an individual Upper H Block license must reimburse Sprint shall be calculated by dividing the population of the individual EA by the total U.S. population, and then multiplying by \$94,875,516. In this event, the same population data, *e.g.*, 2010, used to calculate the RNs for Upper H Block licenses granted as a result of the first auction will apply to subsequent auctions of Upper H Block licenses that were not granted as a result of an earlier auction of Upper H Block licenses.

$$\text{RN} = (\text{EA POP} \div \text{U.S. POP}) \times \$94,875,516$$

(c) A winning bidder of an Upper H Block license that is not granted a license for any reason will be deemed to have triggered a reimbursement obligation to Sprint. This obligation will be owed to Sprint by the licensee acquiring the Upper H Block license through a subsequent auction. The amount owed by the licensee acquiring the EA license at such auction will be based on the RN calculated for the EA license based on the first auction (calculated under paragraphs (a) or (b), as applicable, of this section).

(d) For purposes of compliance with this section, licensees should determine population based on 2010 U.S. Census Data or such other data or measurements that the Wireless Telecommunications Bureau proposes and