

**§ 90.907 Submission of upfront payments and down payments.**

(a) *Upfront payments.* Bidders in a 800 MHz SMR auction for Spectrum Blocks A through V will be required to submit an upfront payment prior to the start of the auction. The amount of the upfront payment for each license auctioned and the procedures for submitting it will be set forth by the Wireless Telecommunications Bureau in a Public Notice in accordance with § 1.2106 of this chapter.

(b) *Down payments.* Winning bidders in a 800 MHz SMR auction for Spectrum Blocks A through V must submit a down payment to the Commission in an amount sufficient to bring their total deposits up to 20 percent of their winning bids within ten (10) business days after the auction closes. Winning bidders will be required to make full payment of the balance of their winning bids ten (10) business days after Public Notice announcing that the Commission is prepared to award the license.

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**§ 90.908 Long-form applications.**

Each winning bidder will be required to submit a long-form application on FCC Form 600 within ten (10) business days after being notified by Public Notice that it is the winning bidder. Applications on FCC Form 600 shall be submitted pursuant to the procedures set forth in § 90.119 of this part and any associated Public Notices. Only auction winners (and rural telephone companies seeking partitioned licenses pursuant to agreements with auction winners under § 90.911) will be eligible to file applications on FCC Form 600 for initial 800 MHz SMR licenses in the event of mutual exclusivity between applicants filing FCC Form 175.

**§ 90.909 License grant, denial, default, and disqualification.**

(a) Except with respect to entities eligible for installment payments (see § 90.912) each winning bidder will be required to pay the balance of its winning bid in a lump sum payment within five (5) business days following Public Notice that the license is ready for grant. The Commission will grant the

license within ten (10) business days after receipt of full and timely payment of the winning bid amount.

(b) A bidder who withdraws its bid subsequent to the close of bidding, defaults on a payment due, or is disqualified, will be subject to the payments specified in § 90.905 or § 1.2109 of this chapter, as applicable.

(c) EA licenses pursued through competitive bidding procedures will be granted pursuant to the requirements specified in § 90.166.

**§ 90.910 Bidding credits.**

(a) A winning bidder that qualifies as a very small business or a consortium of very small businesses, as defined in §§ 90.912(b)(2) and (b)(5), may use a bidding credit of 35 percent to lower the cost of its winning bid on Spectrum Blocks A through V. A winning bidder that qualifies as a small business or a consortium of small businesses, as defined in §§ 90.912(b)(1) or (b)(4), may use a bidding credit of 25 percent to lower the cost of its winning bid on Spectrum Blocks A through V.

(b) *Unjust enrichment.* (1) If a small business or very small business (as defined in §§ 90.912(b)(1) and 90.912(b)(2), respectively) that utilizes a bidding credit under this section seeks to assign or transfer control of an authorization to an entity that is not a small business or very small business, or seeks to make any other change in ownership that would result in the licensee losing eligibility as a small business or very small business, the small business or very small business must seek Commission approval and reimburse the government for the difference between the amount of the bidding credit obtained by the licensee and the bidding credit for which the assignee, transferee, or licensee is eligible under this section as a condition of the approval of such assignment, transfer, or other ownership change.

(2) If a very small business (as defined in § 90.912(b)(2)) that utilizes a bidding credit under this section seeks to assign or transfer control of an authorization to a small business meeting the eligibility standards for a lower bidding credit, or seeks to make any other change in ownership that would result in the licensee qualifying for a

lower bidding credit under this section, the licensee must seek Commission approval and reimburse the government for the difference between the amount of the bidding credit obtained by the licensee and the bidding credit for which the assignee, transferee, or licensee is eligible under this section as a condition of the approval of such assignment, transfer, or other ownership change.

(3) The amount of payments made pursuant to paragraphs (b)(1) and (b)(2) of this section will be reduced over time as follows: a transfer in the first two years of the license term will result in a forfeiture of 100 percent of the value of the bidding credit (or the difference between the bidding credit obtained by the original licensee and the bidding credit for which the post-transfer licensee is eligible); in year three of the license term the payment will be 75 percent; in year four the payment will be 50 percent; and in year five the payment will be 25 percent, after which there will be no assessment.

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**§ 90.911 Partitioned licenses and disaggregated spectrum.**

(a) *Eligibility.* Parties seeking approval for partitioning and disaggregation shall request an authorization for partial assignment of a license pursuant to § 90.153(c).

(b) *Technical standards—(1) Partitioning.* In the case of partitioning, requests for authorization for partial assignment of a license must include, as attachments, a description of the partitioned service area and a calculation of the population of the partitioned service area and the licensed geographic service area. The partitioned service area shall be defined by coordinate points at every 3 degrees along the partitioned service area unless an FCC recognized service area is utilized (*i.e.*, Major Trading Area, Basic Trading Area, Metropolitan Service Area, Rural Service Area or Economic Area) or county lines are followed. The geographic coordinates must be specified in degrees, minutes, and seconds to the nearest second of latitude and longitude and must be based upon the 1983 North American Datum (NAD83). In the case where an FCC recognized serv-

ice area or county lines are utilized, applicants need only list the specific area(s) (through use of FCC designations or county names) that constitute the partitioned area.

(2) *Disaggregation.* Spectrum may be disaggregated in any amount.

(3) *Combined partitioning and disaggregation.* The Commission will consider requests for partial assignment of licenses that propose combinations of partitioning and disaggregation.

(c) *Unjust enrichment—(1) Bidding credits.* Licensees that qualified under § 90.910 to use a bidding credit at auction that partition their licenses or disaggregate their spectrum to entities not meeting the eligibility standards for such a bidding credit, will be subject to the provisions concerning unjust enrichment as set forth in § 90.910(b).

(2) *Apportioning unjust enrichment payments.* Unjust enrichment payments for partitioned license areas shall be calculated based upon the ratio of the population of the partitioned license area to the overall population of the license area and by utilizing the most recent census data. Unjust enrichment payments for disaggregated spectrum shall be calculated based upon the ratio of the amount of spectrum disaggregated to the amount of spectrum held by the licensee.

(d) *License term.* The license term for a partitioned license area and for disaggregated spectrum shall be the remainder of the original licensee's license term as provided for in §§ 90.629(a), 90.665(a) or 90.685(a).

(e) *Construction and channel usage requirements—incumbent licensees.* Parties seeking to acquire a partitioned license or disaggregated spectrum from an incumbent licensee will be required to construct and commence "service to subscribers" all facilities acquired through such transactions within the original construction deadline for each facility as set forth in §§ 90.629 and 90.683. Failure to meet the individual construction deadline will result in the automatic termination of the facility's authorization.

(f) *Construction and channel usage requirements—EA licensees—(1) Licensees in*