

Open Session1. *Approval of Minutes*

October 12, 2000 (Open and Closed)

2. *Report*

Report on Corporate Approvals

3. *New Business*A. *Other***Corporate and Chartering Approvals**B. *ACA Restructures*

AgChoice Farm Credit, ACA

Carolina Farm Credit, ACA

Central Kentucky Agricultural Credit Association

Farm Credit of Southwest Florida, ACA

Closed Session*4. *Report*

OSMO Report

Dated: November 2, 2000.

Kelly Mikel Williams,*Secretary, Farm Credit Administration Board.*

[FR Doc. 00-28644 Filed 11-3-00; 2:22 pm]

BILLING CODE 6705-02-M

FEDERAL COMMUNICATIONS COMMISSION**[Report No. AUC-00-31-I (Auction No. 31); DA 00-2404]****Auction of Licenses in the 747-762 and 777-792 MHz Bands Scheduled for March 6, 2001; Comment Sought on Modifying the Calculation for Determining Minimum Accepted Bids and Changing the Provisions Concerning "Last and Best" Bids****AGENCY:** Federal Communications Commission.**ACTION:** Notice.**SUMMARY:** This document seeks comment on modifying the calculation for determining minimum accepted bids and changing the provisions concerning "last and best" bids.**DATES:** Comments are due on or before November 15, 2000, and reply comments are due on or before November 22, 2000.**ADDRESSES:** An original and four copies of all pleadings must be filed with the Commission's Secretary, Magalie Roman Salas, Office of the Secretary, Federal Communications Commission, 445 Twelfth Street, SW., TW-A325, Washington, DC 20054.

* Session Closed—Exempt pursuant to 5 U.S.C. 552b(c)(8) and (9).

FOR FURTHER INFORMATION CONTACT:Walter D. Strack, Bureau Chief
Economist, Wireless
Telecommunications Bureau, (202)
418-0600;Evan Kwerel, Senior Economist, Office
of Plans and Policy, (202) 418-2030;
Howard Davenport, Auctions Attorney;
Craig Bomberger, Auctions Analyst; or
Karen Wrege, Auctions and Industry
Analysis Division, Wireless
Telecommunications Bureau, (202)
418-0660.**SUPPLEMENTARY INFORMATION:** This is a summary of a Public Notice released November 2, 2000. The complete text of the public notice is available for inspection and copying during normal business hours in the FCC Reference Center (Room CY-A257), 445 12th Street, SW, Washington, DC. 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>.**I. General**

1. On July 3, 2000, the Wireless Telecommunications Bureau ("Bureau") announced the procedures for implementing package bidding for Auction No. 31. See *Auction No. 31 Package Bidding Procedures Public Notice*, 65 FR 43361 (July 13, 2000). After further analysis and testing, we have determined that it may be appropriate to make further refinements: (i) To the calculation for determining minimum accepted bids; and (ii) to the provisions that allow a bidder that wishes to drop out of the auction to have an opportunity to make "last and best" bids on licenses and packages.

II. Calculation for Determining Minimum Accepted Bid

2. With regard to determining minimum accepted bids, we adopted the following three-part calculation: The minimum accepted bid for any license or package will be the greatest of: (i) The minimum opening bid; (ii) the bidder's own previous high bid on that package plus x%, where the Bureau will specify the value of x in each round; or (iii) the number of bidding units for the license or package multiplied by the lowest \$/ bidding unit on any provisionally winning package in the last five rounds.

3. We initially adopted part (iii) of the formula so that bids have a reasonable chance of becoming part of the provisionally winning set and because it was simple to implement for the then-scheduled auction date of September 6,

2000. Based on our initial experimental testing, we are concerned that part (iii) of the minimum accepted bid formula may not be sufficiently refined to discourage parking strategies, which could excessively delay the completion of the auction.

4. Several commenters responding to the *Auction No. 31 Package Bidding Comment Public Notice*, 65 FR 35636 (June 5, 2000) suggested an alternative approach to determining minimum accepted bid amounts, which they claimed would be more likely to ensure serious bids and help address the threshold problem. This approach would allocate among non-provisionally winning bids the total increase in revenue needed to tie the provisional winners. One of the commenters, Paul Milgrom, defines the "shortfall" associated with a license or package as the difference between the revenue of the provisionally winning bid set and the maximum total revenue associated with the set of bids that includes that particular license or package. He defines the "deficit" for the license or package as the shortfall multiplied by that package or license's proportion of the [non-provisionally winning] bidding units. In other words, the deficit is an allocation of the shortfall to the particular license or package in proportion to its share of bidding units relative to those associated with bids that were not part of the provisionally winning set, but are part of the set that maximizes revenue when including the particular license or package. Milgrom suggests that the minimum acceptable bid should be the greater of 50% of the deficit or the bidder's own previous high bid on that package plus x%. Alternatively, Pekec and Rothkopf propose allocating the shortfall in proportion to the bid amounts instead of the bidding units. Pekec and Rothkopf would permit bids at less than this amount but would only give activity credit for such a bid if it was the highest bid for that license or package.

5. We propose to replace part (iii) of the minimum accepted bid formula with a percentage of the deficit as defined by Milgrom because it better approximates the amount of a bid that could become part of the provisionally winning set. We propose to set the percentage initially at 100 percent. We would retain the discretion to adjust the percentage of the deficit during the course of the auction to provide control over the pace of the auction. We believe that allocating the shortfall according to bidding units as opposed to bid amounts reduces the risk that bidders might attempt to bid up the prices of licenses or packages they do not wish to

acquire in order to increase the share of the shortfall allocated to those licenses or packages. We seek comment on this proposal.

6. To account for the possibility that there can be more than one set of bids that yields the same shortfall for a given bid, we propose to choose the shortfall set that includes the most provisionally winning bidding units. Once such a shortfall set is determined, the deficit for the bid of interest is determined by multiplying the shortfall by the ratio of bidding units associated with the bid to the total non-provisionally winning bidding units in the set. This approach is likely to produce new bids with a realistic chance of becoming part of the provisionally winning set because it does not allocate any of the shortfall to provisional winners or to bids that were simple ties with provisionally winning bids but not chosen as provisional winners.

7. To illustrate the proposed new method for calculating part (iii) of the minimum accepted bid formula, consider the following example: Suppose that in round x the provisionally winning set is a set of two packages: one nationwide package of the 10 MHz licenses and another nationwide package of the 20 MHz licenses. The revenue for this set is \$500,000,000.

Suppose that the last time Bidder A bid on the Northeast 10 MHz license was in round y when he made a bid of \$30,000,000. To determine the minimum accepted bid amount in round $x+1$ for Bidder A for the Northeast 10 MHz license, we begin by calculating the shortfall for that license. This is calculated by forcing Bidder A's \$30,000,000 bid from round y into the solution set for round x , allowing that bid to partner with all other bids by Bidder A in the considered bid set from round y , and making it mutually exclusive with all of Bidder A's bids not in round y . Assume that the maximum revenue obtained by forcing this bid into the solution set is \$400,000,000. Therefore, the shortfall for this bid is \$100,000,000 (\$500,000,000 - \$400,000,000).

Next, to address the possibility of multiple shortfall sets, we solve an optimization problem that maximizes the number of provisionally winning bidding units from round x in the shortfall set with the added constraints that the maximum revenue equals \$400,000,000 and that Bidder A's bid on the 10 MHz license must be in the solution set for this optimization problem includes, in addition to Bidder A's 10 MHz Northeast license, the package of

nationwide 20 MHz licenses that was in the provisionally winning set, and one or more other packages making up the remaining five 10 MHz licenses. Since provisionally winning bids have no shortfall, we would allocate the shortfall only among those bids in the shortfall set that are not in the provisionally winning set.

The total bidding units from non-provisionally winning bids is $6 \times 14,000,000 = 84,000,000$ bidding units. Since Bidder A's bid has 14,000,000 of the 84,000,000 bidding units, $14,000,000/84,000,000$, or $1/6$, the shortfall would be allocated to Bidder A's bid on the Northeast 10 MHz license. Thus, the minimum accepted bid increment for Bidder A's bid using this calculation would be $\$100,000,000/6 = \$16,667,000$ (rounded to the nearest thousand), making part (iii) of the new minimum accepted bid for this license \$46,667,000 for Bidder A (\$16,667,000 + \$30,000,000 (Bidder A's previous bid)).

Part (i) of the minimum accepted bid formula would be the minimum opening bid for this license (\$14,000,000), and part (ii) would be $x\%$ more than this bidder's previous bid amount (assuming $x = 10$, \$33,000,000). Part (iii) yields the maximum value among the three alternatives; accordingly, Bidder A's minimum accepted bid for this license in the next round would be \$46,667,000.

8. We propose an exception to the modified minimum accepted bid formula for new packages. For operational considerations (running the optimization solver only between rounds), we propose that part (iii) of the formula for the initial minimum accepted bid for a new package created during the auction will continue to be calculated by multiplying the number of bidding units in the package by the lowest \$/bidding unit of any provisionally winning bid in the last five rounds.

This exception will not apply to bids for the global package, however. In that case we will apply the three-part calculation as modified herein because the shortfall and deficit are so simple to calculate. Because a bid for the global package could never become a provisional winner unless it equals the maximum revenue from the previous round, we propose that the initial minimum accepted bid of a global package will be a percentage of the maximum revenue from the previous round. We seek comment on this proposal.

III. "Last and Best" Bids

9. In the *Auction No. 31 Package Bidding Procedures Public Notice*, we

adopted a procedure by which bidders that wish to drop out of the auction would have the opportunity before they drop out to make a "last and best" bid on any license or package for which they remain eligible. We adopted this procedure in part to allow bidders to bid the maximum amount they are willing to pay for a package regardless of how the Commission sets the minimum accepted bid.

We propose to modify this procedure to allow bidders to pursue contingent bidding strategies. In mock auctions we conducted for software testing, there were bidders who wanted to provide a "last and best" bid on every license or package they wanted but did not have the opportunity to do so because some of their bids were mutually exclusive. Allowing two rounds of "last and best" bids would give bidders this flexibility.

Specifically, we propose to allow bidders to make two sets of mutually exclusive last and best bids. In determining the provisionally winning bid(s), the round solver would consider these two sets of mutually exclusive bids, as well as any of the bidder's bids that remain in the provisionally winning set. The bidder who chooses this option would not be permitted to make any further bids during the auction. We seek comment on this proposal to modify the "last and best" bid procedures.

IV. Filing Comments

10. Comments should refer to the DA number on this *Public Notice*, DA 00-2404. See 47 CFR 1.51(c). In addition, one copy of each comment must be delivered to each of the following locations:

- (1) the Commission's duplicating contractor, International Transcription Service, Inc. (ITS), 1231 20th Street, N.W., Washington, DC 20036;
- (2) Office of Media Relations, Public Reference Center, 445 Twelfth Street, S.W., CY-A257, Washington, DC 20554;
- (3) Rana Shuler, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, 445 Twelfth Street, S.W., 4-A628, Washington, DC 20554.

Comments and reply comments will be available for public inspection during regular business hours in the FCC Public Reference Room, CY-A257, 445 12th Street, S.W., Washington, DC 20554.

11. This proceeding has been designated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules. See 47

CFR 1.1200(a), 1.1206. Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentations must contain summaries of the substance of the presentations and not merely a listing of the subjects discussed. More than a one or two sentence description of the views and arguments presented is generally required. See 47 CFR 1.1206(b). Other rules pertaining to oral and written *ex parte* presentations in permit-but-disclose proceedings are set forth in § 1.1206(b) of the Commission's rules, 47 CFR 1.1206(b).

Federal Communications Commission.
Margaret Wiener,
Deputy Chief, Auctions and Industry Analysis Division.
 [FR Doc. 00-28608 Filed 11-6-00; 8:45 am]
BILLING CODE 6712-01-P

FEDERAL COMMUNICATIONS COMMISSION

Sunshine Act Meeting

November 2, 2000.

Open Commission Meeting, Thursday, November 9, 2000

The Federal Communications Commission will hold an Open Meeting on the subjects listed below on Thursday, November 9, 2000, which is scheduled to commence at 9:30 a.m. in Room TW-C305, at 445 12th Street, SW., Washington, DC.

Item No.	Bureau	Subject
1	Common Carrier	Title: 2000 Biennial Regulatory Review—Telecommunications Service Quality Reporting Requirements. Summary: The Commission will consider a Notice of Proposed Rule Making concerning measures to streamline and reform its service quality monitoring program.
2	Common Carrier	Title: 2000 Biennial Regulatory Review of Part 68 of the Commission's Rules and Regulations (CC Docket No. 99-216). Summary: The Commission will consider a Report and Order concerning streamlining and privatizing the detailed regulations in Part 68 of the rules relating to the attachment of terminal equipment to the public switched telephone network.
3	Wireless Telecommunications and Office of Engineering and Technology.	Title: Promoting Efficient Use of Spectrum Through Elimination of Barriers to the Development of Secondary Markets. Summary: The Commission will consider a Notice of Proposed Rule Making concerning the promotion of secondary market mechanisms to facilitate efficient use of wireless spectrum in the public interest.
4	Office of Engineering and Technology and Wireless Telecommunications.	Title: Principles for Encouraging the Development of Secondary Markets for Spectrum. Summary: The Commission will consider a Policy Statement setting forth guiding principles for the promotion of secondary market mechanisms to facilitate efficient use of wireless spectrum in the public interest.
5	Wireless Telecommunications ..	Title: Implementation of Sections 309(j) and 337 of the Communications Act of 1934 as Amended (WT Docket No. 99-87); Promotion of Spectrum Efficient Technologies on Certain Part 90 Frequencies (RM-9332); Establishment of Public Service Radio Pool in the Private Mobile Frequencies Below 800 MHz (RM-9405); and Petition for Rule Making of The American Mobile Telecommunications Association (RM-9705). Summary: The Commission will consider a Report and Order and Further Notice of Proposed Rule Making regarding the Balanced Budget Act of 1997's statutory revisions to section 309(j) of the Communications Act of 1934, as amended, which governs the Commission's competitive bidding authority, and certain Petitions for Rule Making proposing revisions to the licensing rules for the public safety and private radio services.

Additional information concerning this meeting may be obtained from Maureen Peratino or David Fiske, Office of Media Relations, telephone number (202) 418-0500; TTY (202) 418-2555.

Copies of materials adopted at this meeting can be purchased from the FCC's duplicating contractor, International Transcription Services, Inc. (ITS, Inc.) at (202) 857-3800; fax (202) 857-3805 and 857-3184; or TTY (202) 293-8810. These copies are available in paper format and alternative media, including large print/type; digital disk; and audio tape. ITS may be reached by e-mail: its_inc@ix.netcom.com. Their Internet address is <http://www.itsdocs.com/>.

This meeting can be viewed over George Mason University's Capitol

Connection. The Capitol Connection also will carry the meeting live via the Internet. For information on these services call (703) 993-3100. The audio portion of the meeting will be broadcast live on the Internet via the FCC's Internet audio broadcast page at <<http://www.fcc.gov/realaudio/>>. The meeting can also be heard via telephone, for a fee, from National Narrowcast Network, telephone (202) 966-2211 or fax (202) 966-1770. Audio and video tapes of this meeting can be purchased from Infocus, 341 Victory Drive, Herndon, VA 20170, telephone (703) 834-0100; fax number (703) 834-0111.

Federal Communications Commission.

Magalie Roman Salas,
Secretary.

[FR Doc. 00-28605 Filed 11-3-00; 11:25 am]

BILLING CODE 6712-01-M

FEDERAL DEPOSIT INSURANCE CORPORATION

Sunshine Act Meeting

Pursuant to the provisions of the "Government in the Sunshine Act" (5 U.S.C. 552b), notice is hereby given that at 10:30 a.m. on Tuesday, November 7, 2000, the Federal Deposit Insurance Corporation's Board of Directors will meet in closed session, pursuant to sections 552b(c)(2), (c)(4), (c)(6), (c)(8),