In the Matter of: DA 00-2404 Report No. AUC-00-31-I (Auction No. 31)
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 Provision Concerning “Last and Best” Bids

To: The Commission

COMMENTS OF VERIZON WIRELESS

Verizon Wireless hereby submits comments on the Commission’s recent Public Notice\(^1\) proposing changes to certain bidding procedures for the upcoming auction of licenses in the 747-762 and 777-792 MHz Bands, (Auction No. 31).

“Last and Best” Bids

Verizon Wireless generally supports the Commission’s intention to allow bidders that wish to drop out of the auction the opportunity before they drop out to make a “last and best” bid on any packages for which they remain eligible.\(^2\) Verizon Wireless concurs with the

---


\(^2\) See Public Notice, *Auction of Licenses in the 747-762 and 777-792 MHz Bands Scheduled for September 6, 2000, Procedures Implementing Package Bidding for Auction No. 31; Bidder Seminar Scheduled for July 24, 2000*, DA
Commission's reasoning that this change would allow bidders to pursue contingent bidding strategies that would result in a more vigorous auction. However, as described in the Public Notice, if a bidder chooses this option, it would not be permitted to make any further bids during the auction.\(^3\) We believe that prohibiting a bidder that exercises the "last and best" bid option from making any additional bids is inconsistent with the public interest because it could prematurely reduce the number of participants in the auction, ultimately resulting in inefficient distribution of licenses.

To mitigate this undesirable result, Verizon Wireless proposes that the Commission apply the "last and best bid" option to licenses and packages rather than bidders. We believe that applying the option to licenses and packages would provide a bidder with the flexibility to shift to a different strategy in the auction that would not result in the bidder having to drop out of the auction altogether. Similar to the current proposed scheme, bidders exercising the "last and best bid" option as to specific licenses or packages would be precluded from bidding again on those specific licenses (and packages that include such licenses) or packages, but not from bidding on other licenses or packages in the auction. However, we would propose that a bidder who exercised the "last and best" bid option as to a package would not be prohibited from bidding on any individual licenses that were part of the package. We believe that these proposed changes would allow bidders to adjust their strategies as the auction progressed, and would not require bidders to drop out sooner than they would otherwise. This way the greatest number of bidders

---

\(^3\) Id.
would retain eligibility during the last auction rounds. Clearly, this proposal would result in a more vigorous auction.

The Commission also proposes allowing bidders two rounds of “last and best” bids. The Public Notice does not quite explain how the two-round process would work. We interpret the second opportunity to place a “last and best” bid as a means to provide a bidder whose “last and best” bid was bested by another bidder the opportunity to place another “last and best” bid on another license or package. Verizon Wireless seeks clarification and recommends that prior to adopting this procedure the Commission provide bidders an example that applies this two-round process to a hypothetical set of “last and best” bids. However, if we understand this process, we would suggest that limiting the number of “last and best” bids to two rounds unfairly favors bidders with a single or limited strategy. We appreciate the Commission’s attempt to improve the “last and best” bid process, but suggest that the Commission could better increase the flexibility of the process by adopting the proposal we describe above.
Conclusion

We support the proposals for "last and best" bids in the Public Notice and urge the Commission to make the changes and clarifications to Auction 31 procedures that Verizon Wireless requests.

Respectfully submitted,

VERIZON WIRELESS

[Signature]
John T. Scott, III
Vice President and Deputy General Counsel – Regulatory Law
Verizon Wireless
1001 Pennsylvania Avenue, N.W.
Washington, DC 20004-2595
(202) 624-2582

November 15, 2000
Certificate of Service

I hereby certify that on this 15th day of November 2000, copies of the foregoing "Comments of Verizon Wireless" in DA 00-2404 were sent by first-class mail or hand-delivery to the following parties:

*Clint Odom
Legal Advisor to Chairman Kennard
Federal Communications Commission
445 12th Street, NW – Room 8-B201
Washington, DC 20554

*Bryan Tramont
Legal Advisor to Commissioner Furchtgott-Roth
Federal Communications Commission
445 12th Street, NW – Room 8-A302
Washington, DC 20554

*Mark Schneider
Senior Legal Advisor to Commissioner Ness
Federal Communications Commission
445 12th Street, NW – Room 8-B115
Washington, DC 20554

*Peter Tenhula
Legal Advisor to Commissioner Powell
Federal Communications Commission
445 12th Street, NW – Room 8-A204
Washington, DC 20554

*Adam Krinsky
Legal Advisor to Commissioner Tristani
Federal Communications Commission
445 12th Street, NW – Room 8-C302
Washington, DC 20554

*Rana Shuler
Auctions and Industry Analysis Division
Wireless Telecommunications Bureau
445 12th Street, NW – Room 4-A628
Washington, DC 20554

*Walter Strack
Bureau Chief Economist
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

*Evan Kwerel
Senior Economist
Office of Plans and Policy
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

*Howard Davenport
Auctions Attorney
Auctions and Industry Analysis Division
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

*Craig Bomberger
Auctions Analyst
Auctions and Industry Analysis Division
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

*Karen Wrege
Auctions and Industry Analysis Division
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554
*Office of Media Relations
Public Reference Center
Federal Communications Commission
445 12th Street, NW – Suite CY-A257
Washington, DC 20554

International Transcription Services, Inc.
1231 20th Street, NW
Washington, DC 20036

Sarah E. Weisman

* denotes hand delivery