

PART 1--PRACTICE AND PROCEDURE
SUBPART Q--COMPETITIVE BIDDING PROCEEDINGS
GENERAL PROCEDURES

§ 1.2101 Purpose.

The provisions of this subpart implement Section 309(j) of the Communications Act of 1934, as added by the Omnibus Budget Reconciliation Act of 1993 (Pub.L. 103-66) and the Balanced Budget Act of 1997 (Pub.L. 105-33), authorizing the Commission to employ competitive bidding procedures to choose from among two or more mutually exclusive applications for certain initial licenses.

§ 1.2102 Eligibility of applications for competitive bidding.

(a) Mutually exclusive initial applications are subject to competitive bidding.

(b) The following types of license applications are not subject to competitive bidding procedures:

(1) Public safety radio services, including private internal radio services used by state and local governments and non-government entities and including emergency road services provided by not-for-profit organizations, that

(i) Are used to protect the safety of life, health, or property; and

(ii) Are not commercially available to the public;

(2) Initial licenses or construction permits for digital television service given to existing terrestrial broadcast licensees to replace their analog television service licenses; or

(3) Noncommercial educational and public broadcast stations described under 47 U.S.C. 397(6).

Note to § 1.2102: To determine the rules that apply to competitive bidding, specific service rules should also be consulted.

§ 1.2103 Competitive bidding design options.

(a) The Commission will choose from one or more of the following types of auction designs for services or classes of services subject to competitive bidding:

(1) Simultaneous multiple-round auctions (using remote or on-site electronic bidding);

(2) Sequential multiple round auctions (using either oral ascending or remote and/or on-site electronic bidding);

(3) Sequential or simultaneous single-round auctions (using either sealed paper or remote and/or on-site electronic bidding); and

(4) Combinatorial (package/contingent) bidding auctions.

(b) The Commission may use combinatorial bidding, which would allow bidders to submit all or nothing bids on combinations of licenses or authorizations, in addition to bids on individual licenses or authorizations. The Commission

may require that to be declared the high bid, a combinatorial bid must exceed the sum of the individual bids by a specified amount. Combinatorial bidding may be used with any type of auction. The Commission may also allow bidders to submit contingent bids on individual and/or combinations of licenses.

(c) The Commission may use single combined auctions, which combine bidding for two or more substitutable licenses and award licenses to the highest bidders until the available licenses are exhausted. This technique may be used in conjunction with any type of auction.

(d) The Commission may use real time bidding in all electronic auction designs.

§ 1.2104 Competitive bidding mechanisms.

(a) Sequencing. The Commission will establish the sequence in which multiple licenses will be auctioned.

(b) Grouping. In the event the Commission uses either a simultaneous multiple round competitive bidding design or combinatorial bidding, the Commission will determine which licenses will be auctioned simultaneously or in combination.

(c) Reservation Price. The Commission may establish a reservation price, either disclosed or undisclosed, below which a license subject to auction will not be awarded.

(d) Minimum Bid Increments, Minimum Opening Bids and Maximum Bid Increments. The Commission may, by announcement before or during an auction, require minimum bid increments in dollar or percentage terms. The Commission also may establish minimum opening bids and maximum bid increments on a service-specific basis.

(e) Stopping Rules. The Commission may establish stopping rules before or during multiple round auctions in order to terminate the auctions within a reasonable time.

(f) Activity Rules. The Commission may establish activity rules which require a minimum amount of bidding activity.

(g) Withdrawal, Default and Disqualification Payment. As specified below, when the Commission conducts an auction pursuant to § 1.2103, the Commission will impose payments on bidders who withdraw high bids during the course of an auction, or who default on payments due after an auction closes or who are disqualified.

(1) Bid withdrawal prior to close of auction. A bidder who withdraws a high bid during the course of an auction is subject to a payment equal to the difference between the amount bid and the amount of the winning bid the next time the license is offered by the Commission. The bid withdrawal payment is either the difference between the net withdrawn bid and the subsequent net winning bid, or the difference between the gross withdrawn bid and the subsequent gross winning bid, whichever is less. No withdrawal payment is assessed if the subsequent winning bid exceeds the withdrawn bid. This payment amount is deducted from any upfront payments or down payments that the withdrawing bidder has deposited with the Commission.

(2) Default or disqualification after close of auction. If a high bidder defaults or is disqualified after the close of such an auction, the defaulting bidder will be subject to the payment in paragraph (g)(1) of this section plus an additional payment equal to 3 percent of the subsequent winning bid. If the subsequent winning bid exceeds the defaulting bidder's bid amount, the 3 percent payment will be calculated based on the defaulting bidder's bid amount. If either bid amount is subject to a bidding credit, the 3 percent credit will be calculated using the same bid amounts and basis (net or gross bids) as in the calculation of the payment in paragraph (g)(1) of this section. Thus, for example, if gross bids are used to calculate the payment in paragraph (g)(1) of this section, the 3 percent will be applied to the gross amount of the subsequent winning bid, or the gross amount of the defaulting bid, whichever is less.

(h) The Commission will generally release information concerning the identities of bidders before each auction but may choose, on an auction-by-auction basis, to withhold the identity of the bidders associated with bidder identification numbers.

(i) The Commission may delay, suspend, or cancel an auction in the event of a natural disaster, technical obstacle, evidence of security breach, unlawful bidding activity, administrative necessity, or for any other reason that affects the fair and efficient conduct of the competitive bidding. The Commission also has the authority, at its sole discretion, to resume the competitive bidding starting from the beginning of the current or some previous round or cancel the competitive bidding in its entirety.

§ 1.2105 Bidding application and certification procedures; prohibition of collusion.

(a) Submission of Short-Form Application (FCC Form 175). In order to be eligible to bid, an applicant must timely submit a short-form application (FCC Form 175), together with any appropriate upfront payment set forth by Public Notice. Beginning January 1, 1999, all short-form applications must be filed electronically.

(1) All short-form applications will be due:

(i) On the date(s) specified by public notice; or

(ii) In the case of application filing dates which occur automatically by operation of law (see, e.g., 47 CFR 22.902), on a date specified by public notice after the Commission has reviewed the applications that have been filed on those dates and determined that mutual exclusivity exists.

(2) The short-form application must contain the following information:

(i) Identification of each license on which the applicant wishes to bid;

(ii)(A) The applicant's name, if the applicant is an individual. If the applicant is a corporation, then the short-form application will require the name and address of the corporate office and the name and title of an officer or director. If the applicant is a partnership, then the application will require the name, citizenship and address of all general partners, and, if a partner is not a natural person, then the name and title of a responsible person should be included as well. If the applicant is a trust, then the name and address of the trustee will be required. If the applicant is none of the above, then it must identify and describe itself and its principals or other responsible persons; and

(B) Applicant ownership information, as set forth in § 1.2112.

(iii) The identity of the person(s) authorized to make or withdraw a bid;

(iv) If the applicant applies as a designated entity pursuant to § 1.2110, a statement to that effect and a declaration, under penalty of perjury, that the applicant is qualified as a designated entity under § 1.2110.

(v) Certification that the applicant is legally, technically, financially and otherwise qualified pursuant to section 308(b) of the Communications Act of 1934, as amended. The Commission will accept applications certifying that a request for waiver or other relief from the requirements of section 310 is pending;

(vi) Certification that the applicant is in compliance with the foreign ownership provisions of section 310 of the Communications Act of 1934, as amended;

(vii) Certification that the applicant is and will, during the pendency of its application(s), remain in compliance with

any service-specific qualifications applicable to the licenses on which the applicant intends to bid including, but not limited to, financial qualifications. The Commission may require certification in certain services that the applicant will, following grant of a license, come into compliance with certain service-specific rules, including, but not limited to, ownership eligibility limitations;

(viii) An exhibit, certified as truthful under penalty of perjury, identifying all parties with whom the applicant has entered into partnerships, joint ventures, consortia or other agreements, arrangements or understandings of any kind relating to the licenses being auctioned, including any such agreements relating to the post-auction market structure.

(ix) Certification under penalty of perjury that it has not entered and will not enter into any explicit or implicit agreements, arrangements or understandings of any kind with any parties other than those identified pursuant to paragraph (a)(2)(viii) regarding the amount of their bids, bidding strategies or the particular licenses on which they will or will not bid.

(x) Certification that the applicant is not in default on any Commission licenses and that it is not delinquent on any non-tax debt owed to any Federal agency.

(xi) For C block applicants, an attached statement made under penalty of perjury indicating whether or not the applicant has ever been in default on any Commission licenses or has ever been delinquent on any non-tax debt owed to any Federal agency.

Note to paragraph (a): The Commission may also request applicants to submit additional information for informational purposes to aid in its preparation of required reports to Congress.

(b) Modification and Dismissal of Short-Form Application (FCC Form 175).

(1) Any short-form application (FCC Form 175) that does not contain all of the certifications required pursuant to this section is unacceptable for filing and cannot be corrected subsequent to the applicable filing deadline. The application will be dismissed with prejudice and the upfront payment, if paid, will be returned.

(2) The Commission will provide bidders a limited opportunity to cure defects specified herein (except for failure to sign the application and to make certifications) and to resubmit a corrected application. During the resubmission period for curing defects, a short-form application may be amended or modified to cure defects identified by the Commission or to make minor amendments or modifications. After the resubmission period has ended, a short-form application may be amended or modified to make minor changes or correct minor errors in the application. Major amendments cannot be made to a short-form application after the initial filing deadline. Major amendments include changes in ownership of the applicant that would constitute an assignment or transfer of control, changes in an applicant's size which would affect eligibility for designated entity provisions, and changes in the license service areas identified on the short-form application on which the applicant intends to bid. Minor amendments include, but are not limited to, the correction of typographical errors and other minor defects not identified as major. An application will be considered to be newly filed if it is amended by a major amendment and may not be resubmitted after applicable filing deadlines.

(3) Applicants who fail to correct defects in their applications in a timely manner as specified by public notice will have their applications dismissed with no opportunity for resubmission.

(c) Prohibition of collusion.

(1) Except as provided in paragraphs (c)(2), (c)(3) and (c)(4) of this section, after the filing of short-form applications, all applicants are prohibited from cooperating, collaborating, discussing or disclosing in any manner the substance of

their bids or bidding strategies, or discussing or negotiating settlement agreements, with other applicants until after the high bidder makes the required down payment, unless such applicants are members of a bidding consortium or other joint bidding arrangement identified on the bidder's short-form application pursuant to § 1.2105(a)(2)(viii).

(2) Applicants may modify their short-form applications to reflect formation of consortia or changes in ownership at any time before or during an auction, provided such changes do not result in a change in control of the applicant, and provided that the parties forming consortia or entering into ownership agreements have not applied for licenses in any of the same geographic license areas. Such changes will not be considered major modifications of the application.

(3) After the filing of short-form applications, applicants may make agreements to bid jointly for licenses, provided the parties to the agreement have not applied for licenses in any of the same geographic license areas.

(4) After the filing of short-form applications, a holder of a non-controlling attributable interest in an entity submitting a short-form application may acquire an ownership interest in, form a consortium with, or enter into a joint bidding arrangement with, other applicants for licenses in the same geographic license area, provided that:

(i) The attributable interest holder certifies to the Commission that it has not communicated and will not communicate with any party concerning the bids or bidding strategies of more than one of the applicants in which it holds an attributable interest, or with which it has a consortium or joint bidding arrangement, and which have applied for licenses in the same geographic license area(s); and

(ii) The arrangements do not result in any change in control of an applicant; or

(iii) When an applicant has withdrawn from the auction, is no longer placing bids and has no further eligibility, a holder of a non-controlling, attributable interest in such an applicant may obtain an ownership interest in or enter into a consortium with another applicant for a license in the same geographic service area, provided that the attributable interest holder certifies to the Commission that it did not communicate with the new applicant prior to the date that the original applicant withdrew from the auction.

(5) Applicants must modify their short-form applications to reflect any changes in ownership or in membership of consortia or joint bidding arrangements.

(6) For purposes of this paragraph:

(i) The term applicant shall include all controlling interests in the entity submitting a short-form application to participate in an auction (FCC Form 175), as well as all holders of partnership and other ownership interests and any stock interest amounting to 10 percent or more of the entity, or outstanding stock, or outstanding voting stock of the entity submitting a short-form application, and all officers and directors of that entity; and

(ii) The term bids or bidding strategies shall include capital calls or requests for additional funds in support of bids or bidding strategies.

Example: Company A is an applicant in area 1. Company B and Company C each own 10 percent of Company A. Company D is an applicant in area 1, area 2, and area 3. Company C is an applicant in area 3. Without violating the Commission's Rules, Company B can enter into a consortium arrangement with Company D or acquire an ownership interest in Company D if Company B certifies either (1) that it has communicated with and will communicate neither with Company A or anyone else concerning Company A's bids or bidding strategy, nor with Company C or anyone else concerning Company C's bids or bidding strategy, or (2) that it has not communicated with and will not communicate with Company D or anyone else concerning Company D's bids or bidding strategy.

§ 1.2106 Submission of upfront payments.

(a) The Commission may require applicants for licenses subject to competitive bidding to submit an upfront payment. In that event, the amount of the upfront payment and the procedures for submitting it will be set forth in a Public Notice. No interest will be paid on upfront payments.

(b) Upfront payments must be made by wire transfer in U.S. dollars from a financial institution whose deposits are insured by the Federal Deposit Insurance Corporation and must be made payable to the Federal Communications Commission.

(c) If an upfront payment is not in compliance with the Commission's Rules, or if insufficient funds are tendered to constitute a valid upfront payment, the applicant shall have a limited opportunity to correct its submission to bring it up to the minimum valid upfront payment prior to the auction. If the applicant does not submit at least the minimum upfront payment, it will be ineligible to bid, its application will be dismissed and any upfront payment it has made will be returned.

(d) The upfront payment(s) of a bidder will be credited toward any down payment required for licenses on which the bidder is the high bidder. Where the upfront payment amount exceeds the required deposit of a winning bidder, the Commission may refund the excess amount after determining that no bid withdrawal penalties are owed by that bidder.

(e) In accordance with the provisions of paragraph (d), in the event a penalty is assessed pursuant to § 1.2104 for bid withdrawal or default, upfront payments or down payments on deposit with the Commission will be used to satisfy the bid withdrawal or default penalty before being applied toward any additional payment obligations that the high bidder may have.

§ 1.2107 Submission of down payment and filing of long-form applications.

(a) After bidding has ended, the Commission will identify and notify the high bidder and declare the bidding closed.

(b) Unless otherwise specified by public notice, within ten (10) business days after being notified that it is a high bidder on a particular license(s), a high bidder must submit to the Commission's lockbox bank such additional funds (the "down payment") as are necessary to bring its total deposits (not including upfront payments applied to satisfy bid withdrawal or default payments) up to twenty (20) percent of its high bid(s). (In single round sealed bid auctions conducted under § 1.2103, however, bidders may be required to submit their down payments with their bids.) Unless otherwise specified by public notice, this down payment must be made by wire transfer in U.S. dollars from a financial institution whose deposits are insured by the Federal Deposit Insurance Corporation and must be made payable to the Federal Communications Commission. Down payments will be held by the Commission until the high bidder has been awarded the license and has paid the remaining balance due on the license or authorization, in which case it will not be returned, or until the winning bidder is found unqualified to be a licensee or has defaulted, in which case it will be returned, less applicable payments. No interest on any down payment will be paid to the bidders.

(c) A high bidder that meets its down payment obligations in a timely manner must, within ten (10) business days after being notified that it is a high bidder, submit an additional application (the "long-form application") pursuant to the rules governing the service in which the applicant is the high bidder. Notwithstanding any other provision in title 47 of the Code of Federal Regulations to the contrary, high bidders need not submit an additional application filing fee with their long-form applications. Specific procedures for filing applications will be set out by Public Notice. Ownership disclosure requirements are set forth in § 1.2112. Beginning January 1, 1999, all long-form applications must be filed electronically. An applicant that fails to submit the required long-form application under this paragraph and fails to establish good cause for any late-filed submission, shall be deemed to have defaulted and will be subject to the payments set forth in § 1.2104.

(d) As an exhibit to its long-form application, the applicant must provide a detailed explanation of the terms and conditions and parties involved in any bidding consortia, joint venture, partnership or other agreement or arrangement it had entered into relating to the competitive bidding process prior to the time bidding was completed. Such agreements must have been entered into prior to the filing of short-form applications pursuant to § 1.2105.

(e) An applicant must also submit FCC Form 602 (see § 1.919 of this chapter) with its long form application (FCC Form 601).

§ 1.2108 Procedures for filing petitions to deny against long-form applications.

(a) Where petitions to deny are otherwise provided for under the Act or the commission's Rules, and unless other service-specific procedures for the filing of such petitions are provided for elsewhere in the Commission's Rules, the procedures in this section shall apply to the filing of petitions to deny the long-form applications of winning bidders.

(b) Within a period specified by Public Notice, and after the Commission by public notice announces that long-form applications have been accepted for filing, petitions to deny such applications may be filed. In all cases, the period for filing petitions to deny shall be no shorter than five (5) days. Any such petitions must contain allegations of fact supported by affidavit of a person or persons with personal knowledge thereof.

(c) An applicant may file an opposition to any petition to deny, and the petitioner a reply to such opposition. Allegations of fact or denials thereof must be supported by affidavit of a person or persons with personal knowledge thereof. The time for filing such oppositions shall be at least five (5) days from the filing date for petitions to deny, and the time for filing replies shall be at least five (5) days from the filing date for oppositions. The Commission may grant a license based on any long-form application that has been accepted for filing. The Commission shall in no case grant licenses earlier than seven (7) days following issuance of a public notice announcing long-form applications have been accepted for filing.

(d) If the Commission determines that:

(1) an applicant is qualified and there is no substantial and material issue of fact concerning that determination, it will grant the application.

(2) an applicant is not qualified and that there is no substantial issue of fact concerning that determination, the Commission need not hold a evidentiary hearing and will deny the application.

(3) substantial and material issues of fact require a hearing, it will conduct a hearing. The Commission may permit all or part of the evidence to be submitted in written form and may permit employees other than administrative law judges to preside at the taking of written evidence. Such hearing will be conducted on an expedited basis.

§ 1.2109 License grant, denial, default, and disqualification.

(a) Unless otherwise specified by public notice, auction winners are required to pay the balance of their winning bids in a lump sum within ten (10) business days following the release of a public notice establishing the payment deadline. If a winning bidder fails to pay the balance of its winning bids in a lump sum by the applicable deadline as specified by the Commission, it will be allowed to make payment within ten (10) business days after the payment deadline, provided that it also pays a late fee equal to five percent of the amount due. When a winning bidder fails to pay the balance of its winning bid by the late payment deadline, it is considered to be in default on its license(s) and subject to the applicable default payments. Licenses will be awarded upon the full and timely payment of winning bids and any applicable late fees.

(b) If a winning bidder withdraws its bid after the Commission has declared competitive bidding closed or fails to remit the required down payment within ten (10) business days after the Commission has declared competitive bidding closed, the bidder will be deemed to have defaulted, its application will be dismissed, and it will be liable for the default payment specified in § 1.2104(g)(2). In such event, the Commission, at its discretion, may either re-auction the license to existing or new applicants or offer it to the other highest bidders (in descending order) at their final bids. The down payment obligations set forth in § 1.2107(b) will apply.

(c) A winning bidder who is found unqualified to be a licensee, fails to remit the balance of its winning bid in a timely manner, or defaults or is disqualified for any reason after having made the required down payment, will be deemed to have defaulted and will be liable for the payment set forth in § 1.2104(g)(2). In such event, the Commission may either re-auction the license to existing or new applicants or offer it to the other highest bidders (in descending order) at their final bids.

(d) Bidders who are found to have violated the antitrust laws or the Commission's rules in connection with their participation in the competitive bidding process may be subject, in addition to any other applicable sanctions, to forfeiture of their upfront payment, down payment or full bid amount, and may be prohibited from participating in future auctions.

§ 1.2110 Designated entities.

(a) Designated entities are small businesses, businesses owned by members of minority groups and/or women, and rural telephone companies.

(b) Definitions.

(1) Small businesses. The Commission will establish the definition of a small business on a service-specific basis, taking into consideration the characteristics and capital requirements of the particular service.

(2) Businesses owned by members of minority groups and/or women. Unless otherwise provided in rules governing specific services, a business owned by members of minority groups and/or women is one in which minorities and/or women who are U.S. citizens control the applicant, have at least 50.1 percent equity ownership and, in the case of a corporate applicant, a 50.1 percent voting interest. For applicants that are partnerships, every general partner either must be a minority and/or woman (or minorities and/or women) who are U.S. citizens and who individually or together own at least 50.1 percent of the partnership equity, or an entity that is 100 percent owned and controlled by minorities and/or women who are U.S. citizens. The interests of minorities and women are to be calculated on a fully-diluted basis; agreements such as stock options and convertible debentures shall be considered to have a present effect on the power to control an entity and shall be treated as if the rights thereunder already have been fully exercised. However, upon a demonstration that options or conversion rights held by non-controlling principals will not deprive the minority and female principals of a substantial financial stake in the venture or impair their rights to control the designated entity, a designated entity may seek a waiver of the requirement that the equity of the minority and female principals must be calculated on a fully-diluted basis. The term minority includes individuals of African American, Hispanic-surnamed, American Eskimo, Aleut, American Indian and Asian American extraction.

(3) Rural telephone companies. A rural telephone company is any local exchange carrier operating entity to the extent that such entity--

(i) provides common carrier service to any local exchange carrier study area that does not include either

(A) any incorporated place of 10,000 inhabitants or more, or any part thereof, based on the most recently available population statistics of the Bureau of the Census, or

(B) any territory, incorporated or unincorporated, included in an urbanized area, as defined by the Bureau of the Census as of August 10, 1993;

(ii) provides telephone exchange service, including exchange access, to fewer than 50,000 access lines;

(iii) provides telephone exchange service to any local exchange carrier study area with fewer than 100,000 access lines; or

(iv) has less than 15 percent of its access lines in communities of more than 50,000 on the date of enactment of the Telecommunications Act of 1996.

(4) Affiliate.

(i) An individual or entity is an affiliate of an applicant or of a person holding an attributable interest in an applicant if such individual or entity--

(A) Directly or indirectly controls or has the power to control the applicant, or

(B) Is directly or indirectly controlled by the applicant, or

(C) Is directly or indirectly controlled by a third party or parties that also controls or has the power to control the applicant, or

(D) Has an "identity of interest" with the applicant.

(ii) Nature of control in determining affiliation.

(A) Every business concern is considered to have one or more parties who directly or indirectly control or have the power to control it. Control may be affirmative or negative and it is immaterial whether it is exercised so long as the power to control exists.

Example. An applicant owning 50 percent of the voting stock of another concern would have negative power to control such concern since such party can block any action of the other stockholders. Also, the bylaws of a corporation may permit a stockholder with less than 50 percent of the voting stock to block any actions taken by the other stockholders in the other entity. Affiliation exists when the applicant has the power to control a concern while at the same time another person, or persons, are in control of the concern at the will of the party or parties with the power to control.

(B) Control can arise through stock ownership; occupancy of director, officer or key employee positions; contractual or other business relations; or combinations of these and other factors. A key employee is an employee who, because of his/her position in the concern, has a critical influence in or substantive control over the operations or management of the concern.

(C) Control can arise through management positions where a concern's voting stock is so widely distributed that no effective control can be established.

Example. In a corporation where the officers and directors own various size blocks of stock totaling 40 percent of the corporation's voting stock, but no officer or director has a block sufficient to give him or her control or the power to control and the remaining 60 percent is widely distributed with no individual stockholder having a stock interest greater than 10 percent, management has the power to control. If persons with such management control of the other

entity are persons with attributable interests in the applicant, the other entity will be deemed an affiliate of the applicant.

(iii) Identity of interest between and among persons. Affiliation can arise between or among two or more persons with an identity of interest, such as members of the same family or persons with common investments. In determining if the applicant controls or has the power to control a concern, persons with an identity of interest will be treated as though they were one person.

Example. Two shareholders in Corporation Y each have attributable interests in the same PCS application. While neither shareholder has enough shares to individually control Corporation Y, together they have the power to control Corporation Y. The two shareholders with these common investments (or identity in interest) are treated as though they are one person and Corporation Y would be deemed an affiliate of the applicant.

(A) Spousal affiliation. Both spouses are deemed to own or control or have the power to control interests owned or controlled by either of them, unless they are subject to a legal separation recognized by a court of competent jurisdiction in the United States. In calculating their net worth, investors who are legally separated must include their share of interests in property held jointly with a spouse.

(B) Kinship affiliation. Immediate family members will be presumed to own or control or have the power to control interests owned or controlled by other immediate family members. In this context "immediate family member" means father, mother, husband, wife, son, daughter, brother, sister, father- or mother-in-law, son- or daughter-in-law, brother- or sister-in-law, step-father or -mother, step-brother or -sister, step-son or -daughter, half brother or sister. This presumption may be rebutted by showing that the family members are estranged, the family ties are remote, or the family members are not closely involved with each other in business matters.

Example. A owns a controlling interest in Corporation X. A's sister-in-law, B, has an attributable interest in a PCS application. Because A and B have a presumptive kinship affiliation, A's interest in Corporation Y is attributable to B, and thus to the applicant, unless B rebuts the presumption with the necessary showing.

(iv) Affiliation through stock ownership.

(A) An applicant is presumed to control or have the power to control a concern if he or she owns or controls or has the power to control 50 percent or more of its voting stock.

(B) An applicant is presumed to control or have the power to control a concern even though he or she owns, controls or has the power to control less than 50 percent of the concern's voting stock, if the block of stock he or she owns, controls or has the power to control is large as compared with any other outstanding block of stock.

(C) If two or more persons each owns, controls or has the power to control less than 50 percent of the voting stock of a concern, such minority holdings are equal or approximately equal in size, and the aggregate of these minority holdings is large as compared with any other stock holding, the presumption arises that each one of these persons individually controls or has the power to control the concern; however, such presumption may be rebutted by a showing that such control or power to control, in fact, does not exist.

(v) Affiliation arising under stock options, convertible debentures, and agreements to merge. Stock options, convertible debentures, and agreements to merge (including agreements in principle) are generally considered to have a present effect on the power to control the concern. Therefore, in making a size determination, such options, debentures, and agreements are generally treated as though the rights held thereunder had been exercised. However, an affiliate cannot use such options and debentures to appear to terminate its control over another concern before it actually does so.

Example 1. If company B holds an option to purchase a controlling interest in company A, who holds an attributable interest in a PCS application, the situation is treated as though company B had exercised its rights and had come owner of a controlling interest in company A. The gross revenues of company B must be taken into account in determining the size of the applicant.

Example 2. If a large company, BigCo, holds 70% (70 of 100 outstanding shares) of the voting stock of company A, who holds an attributable interest in a PCS application, and gives a third party, SmallCo, an option to purchase 50 of the 70 shares owned by BigCo, BigCo will be deemed to be an affiliate of company A, and thus the applicant, until SmallCo actually exercises its option to purchase such shares. In order to prevent BigCo from circumventing the intent of the rule which requires such options to be considered on a fully diluted basis, the option is not considered to have present effect in this case.

Example 3. If company A has entered into an agreement to merge with company B in the future, the situation is treated as though the merger has taken place.

(vi) Affiliation under voting trusts.

(A) Stock interests held in trust shall be deemed controlled by any person who holds or shares the power to vote such stock, to any person who has the sole power to sell such stock, and to any person who has the right to revoke the trust at will or to replace the trustee at will.

(B) If a trustee has a familial, personal or extra-trust business relationship to the grantor or the beneficiary, the stock interests held in trust will be deemed controlled by the grantor or beneficiary, as appropriate.

(C) If the primary purpose of a voting trust, or similar agreement, is to separate voting power from beneficial ownership of voting stock for the purpose of shifting control of or the power to control a concern in order that such concern or another concern may meet the Commission's size standards, such voting trust shall not be considered valid for this purpose regardless of whether it is or is not recognized within the appropriate jurisdiction.

(vii) Affiliation through common management. Affiliation generally arises where officers, directors, or key employees serve as the majority or otherwise as the controlling element of the board of directors and/or the management of another entity.

(viii) Affiliation through common facilities. Affiliation generally arises where one concern shares office space and/or employees and/or other facilities with another concern, particularly where such concerns are in the same or related industry or field of operations, or where such concerns were formerly affiliated, and through these sharing arrangements one concern has control, or potential control, of the other concern.

(ix) Affiliation through contractual relationships. Affiliation generally arises where one concern is dependent upon another concern for contracts and business to such a degree that one concern has control, or potential control, of the other concern.

(x) Affiliation under joint venture arrangements.

(A) A joint venture for size determination purposes is an association of concerns and/or individuals, with interests in any degree or proportion, formed by contract, express or implied, to engage in and carry out a single, specific business venture for joint profit for which purpose they combine their efforts, property, money, skill and knowledge, but not on a continuing or permanent basis for conducting business generally. The determination whether an entity is a joint venture is based upon the facts of the business operation, regardless of how the business operation may be designated by the parties involved. An agreement to share profits/losses proportionate to each party's contribution to the business

operation is a significant factor in determining whether the business operation is a joint venture.

(B) The parties to a joint venture are considered to be affiliated with each other. Nothing in this subsection shall be construed to define a small business consortium, for purposes of determining status as a designated entity, as a joint venture under attribution standards provided in this section.

(xi) Exclusion from affiliation coverage. For purposes of this section, Indian tribes or Alaska Regional or Village Corporations organized pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), or entities owned and controlled by such tribes or corporations, are not considered affiliates of an applicant (or licensee) that is owned and controlled by such tribes, corporations or entities, and that otherwise complies with the requirements of this section, except that gross revenues derived from gaming activities conducted by affiliate entities pursuant to the Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.) will be counted in determining such applicant's (or licensee's) compliance with the financial requirements of this section, unless such applicant establishes that it will not receive a substantial unfair competitive advantage because significant legal constraints restrict the applicant's ability to access such gross revenues.

(c) The Commission may set aside specific licenses for which only eligible designated entities, as specified by the Commission, may bid.

(d) The Commission may permit partitioning of service areas in particular services for eligible designated entities.

(e) Bidding credits.

(1) The Commission may award bidding credits (i.e., payment discounts) to eligible designated entities. Competitive bidding rules applicable to individual services will specify the designated entities eligible for bidding credits, the licenses for which bidding credits are available, the amounts of bidding credits and other procedures.

(2) Size of bidding credits. A winning bidder that qualifies as a small business or a consortium of small businesses may use the following bidding credits corresponding to their respective average gross revenues for the preceding 3 years:

(i) Businesses with average gross revenues for the preceding years, 3 years not exceeding \$3 million are eligible for bidding credits of 35 percent;

(ii) Businesses with average gross revenues for the preceding years, 3 years not exceeding \$15 million are eligible for bidding credits of 25 percent; and

(iii) Businesses with average gross revenues for the preceding years, 3 years not exceeding \$40 million are eligible for bidding credits of 15 percent.

(f) Installment payments. The Commission may permit small businesses (including small businesses owned by women, minorities, or rural telephone companies that qualify as small businesses) and other entities determined to be eligible on a service-specific basis, which are high bidders for licenses specified by the Commission, to pay the full amount of their high bids in installments over the term of their licenses pursuant to the following:

(1) Unless otherwise specified by public notice, each eligible applicant paying for its license(s) on an installment basis must deposit by wire transfer in the manner specified in § 1.2107(b) sufficient additional funds as are necessary to bring its total deposits to ten (10) percent of its winning bid(s) within ten (10) days after the Commission has declared it the winning bidder and closed the bidding. Failure to remit the required payment will make the bidder liable to pay a default payment pursuant to § 1.2104(g)(2).

(2) Within ten (10) days of the conditional grant of the license application of a winning bidder eligible for installment payments, the licensee shall pay another ten (10) percent of the high bid, thereby commencing the eligible licensee's installment payment plan. If a winning bidder eligible for installment payments fails to submit this additional ten (10) percent of its high bid by the applicable deadline as specified by the Commission, it will be allowed to make payment within ten (10) business days after the payment deadline, provided that it also pays a late fee equal to five percent of the amount due. When a winning bidder eligible for installment payments fails to submit this additional ten (10) percent of its winning bid, plus the late fee, by the late payment deadline, it is considered to be in default on its license(s) and subject to the applicable default payments. Licenses will be awarded upon the full and timely payment of second down payments and any applicable late fees.

(3) Upon grant of the license, the Commission will notify each eligible licensee of the terms of its installment payment plan and that it must execute a promissory note and security agreement as a condition of the installment payment plan. Unless other terms are specified in the rules of particular services, such plans will:

(i) Impose interest based on the rate of U.S. Treasury obligations (with maturities closest to the duration of the license term) at the time of licensing;

(ii) Allow installment payments for the full license term;

(iii) Begin with interest-only payments for the first two years; and

(iv) Amortize principal and interest over the remaining term of the license.

(4) A license granted to an eligible entity that elects installment payments shall be conditioned upon the full and timely performance of the licensee's payment obligations under the installment plan.

(i) Any licensee that fails to submit payment on an installment obligation will automatically have an additional ninety (90) days in which to submit its required payment without being considered delinquent. Any licensee making its required payment during this period will be assessed a late payment fee equal to five percent (5%) of the amount of the past due payment. Late fees assessed under this paragraph will accrue on the next business day following the payment due date. Payments made at the close of any grace period will first be applied to satisfy any lender advances as required under each licensee's "Note and Security Agreement." Afterwards, payments will be applied in the following order: late charges, interest charges, principal payments.

(ii) If any licensee fails to make the required payment at the close of the 90-day period set forth in paragraph (i) of this section, the licensee will automatically be provided with a subsequent 90-day grace period, except that no subsequent automatic grace period will be provided for payments from C or F block licensees that are not made within 90 days of the payment resumption date for those licensees, as explained in Amendment of the Commission's Rules Regarding Installment Payment Financing for Personal Communications Services (PCS) Licensees, Order on Reconsideration of the Second Report and Order, WT Docket No. 97-82, FCC 98-46 (rel. Mar. 24, 1998). Any licensee making a required payment during this subsequent period will be assessed a late payment fee equal to ten percent (10%) of the amount of the past due payment. Licensees shall not be required to submit any form of request in order to take advantage of the initial 90-day non-delinquency period and subsequent automatic 90-day grace period. All licensees that avail themselves of the automatic grace period must pay the required late fee(s), all interest accrued during the non-delinquency and grace periods, and the appropriate scheduled payment with the first payment made following the conclusion of the grace period.

(iii) If an eligible entity making installment payments is more than one hundred and eighty (180) days delinquent in any payment, it shall be in default, except that C and F block licensees shall be in default if their payment due on the payment resumption date, referenced in paragraph (f)(4)(ii) of this section, is more than ninety (90) days delinquent.

(iv) Any eligible entity that submits an installment payment after the due date but fails to pay any late fee, interest or principal at the close of the 90-day non-delinquency period and subsequent automatic grace period, if such a grace period is available, will be declared in default, its license will automatically cancel, and will be subject to debt collection procedures.

(g) The Commission may establish different upfront payment requirements for categories of designated entities in competitive bidding rules of particular auctionable services.

(h) The Commission may offer designated entities a combination of the available preferences or additional preferences.

(i) Designated entities must describe on their long-form applications how they satisfy the requirements for eligibility for designated entity status, and must list and summarize on their long-form applications all agreements that effect designated entity status, such as partnership agreements, shareholder agreements, management agreements and other agreements, including oral agreements, which establish that the designated entity will have both de facto and de jure control of the entity. Such information must be maintained at the licensees' facilities or by their designated agents for the term of the license in order to enable the Commission to audit designated entity eligibility on an ongoing basis.

(j) The Commission may, on a service-specific basis, permit consortia, each member of which individually meets the eligibility requirements, to qualify for any designated entity provisions.

(k) The Commission may, on a service-specific basis, permit publicly-traded companies that are owned by members of minority groups or women to qualify for any designated entity provisions.

(l) Audits.

(1) Applicants and licensees claiming eligibility under this section shall be subject to audits by the Commission, using in-house and contract resources. Selection for audit may be random, on information, or on the basis of other factors.

(2) Consent to such audits is part of the certification included in the short-form application (FCC Form 175). Such consent shall include consent to the audit of the applicant's or licensee's books, documents and other material (including accounting procedures and practices) regardless of form or type, sufficient to confirm that such applicant's or licensee's representations are, and remain, accurate. Such consent shall include inspection at all reasonable times of the facilities, or parts thereof, engaged in providing and transacting business, or keeping records regarding FCC-licensed service and shall also include consent to the interview of principals, employees, customers and suppliers of the applicant or licensee.

(m) Gross revenues. Gross revenues shall mean all income received by an entity, whether earned or passive, before any deductions are made for costs of doing business (e.g., cost of goods sold), as evidenced by audited financial statements for the relevant number of most recently completed calendar years or, if audited financial statements were not prepared on a calendar-year basis, for the most recently completed fiscal years preceding the filing of the applicant's short-form (FCC Form 175). If an entity was not in existence for all or part of the relevant period, gross revenues shall be evidenced by the audited financial statements of the entity's predecessor-in-interest or, if there is no identifiable predecessor-in-interest, unaudited financial statements certified by the applicant as accurate. When an applicant does not otherwise use audited financial statements, its gross revenues may be certified by its chief financial officer or its equivalent and must be prepared in accordance with Generally Accepted Accounting Principles.

§ 1.2111 Assignment or transfer of control: unjust enrichment.

(a) Reporting requirement. An applicant seeking approval for a transfer of control or assignment (otherwise permitted under the Commission's Rules) of a license within three years of receiving a new license through a competitive bidding

procedure must, together with its application for transfer of control or assignment, file with the Commission's statement indicating that its license was obtained through competitive bidding. Such applicant must also file with the Commission the associated contracts for sale, option agreements, management agreements, or other documents disclosing the local consideration that the applicant would receive in return for the transfer or assignment of its license (see § 1.948 of this chapter). This information should include not only a monetary purchase price, but also any future, contingent, in-kind, or other consideration (e.g., management or consulting contracts either with or without an option to purchase; below market financing).

(b) Unjust enrichment payment: set-aside. As specified in this paragraph an applicant seeking approval for a transfer of control or assignment (otherwise permitted under the Commission's Rules) of a license acquired by the transferor or assignor pursuant to a set-aside for eligible designated entities under § 1.2110(c), or who proposes to take any other action relating to ownership or control that will result in loss of status as an eligible designated entity, must seek Commission approval and may be required to make an unjust enrichment payment (Payment) to the Commission by cashier's check or wire transfer before consent will be granted. The Payment will be based upon a schedule that will take account of the term of the license, any applicable construction benchmarks, and the estimated value of the set-aside benefit, which will be calculated as the difference between the amount paid by the designated entity for the license and the value of comparable non-set-aside license in the free market at the time of the auction. The Commission will establish the amount of the Payment and the burden will be on the applicants to disprove this amount. No payment will be required if:

(1) The license is transferred or assigned more than five years after its initial issuance, unless otherwise specified; or

(2) The proposed transferee or assignee is an eligible designated entity under § 1.2110(c) or the service-specific competitive bidding rules of the particular service, and so certifies.

(c) Unjust enrichment payment: installment financing.

(1) If a licensee that utilizes installment financing under this section seeks to assign or transfer control of its license to an entity not meeting the eligibility standards for installment payments, the licensee must make full payment of the remaining unpaid principal and any unpaid interest accrued through the date of assignment or transfer as a condition of approval.

(2) If a licensee that utilizes installment financing under this section seeks to make any change in ownership structure that would result in the licensee losing eligibility for installment payments, the licensee shall first seek Commission approval and must make full payment of the remaining unpaid principal and any unpaid interest accrued through the date of such change as a condition of approval. A licensee's (or other attributable entity's) increased gross revenues or increased total assets due to nonattributable equity investments, debt financing, revenue from operations or other investments, business development or expanded service shall not be considered to result in the licensee losing eligibility for installment payments.

(3) If a licensee seeks to make any change in ownership that would result in the licensee qualifying for a less favorable installment plan under this section, the licensee shall seek Commission approval and must adjust its payment plan to reflect its new eligibility status. A licensee may not switch its payment plan to a more favorable plan.

(d) Unjust enrichment payment: bidding credits.

(1) A licensee that utilizes a bidding credit, and that during the initial term seeks to assign or transfer control of a license to an entity that does not meet the eligibility criteria for a bidding credit, will be required to reimburse the U.S. Government for the amount of the bidding credit, plus interest based on the rate for ten year U.S. Treasury obligations

applicable on the date the license was granted, as a condition of Commission approval of the assignment or transfer. If, within the initial term of the license, a licensee that utilizes a bidding credit seeks to assign or transfer control of a license to an entity that is eligible for a lower bidding credit, the difference between the bidding credit obtained by the assigning party and the bidding credit for which the acquiring party would qualify, plus interest based on the rate for ten year U.S. treasury obligations applicable on the date the license is granted, must be paid to the U.S. Government as a condition of Commission approval of the assignment or transfer. If, within the initial term of the license, a licensee that utilizes a bidding credit seeks to make any ownership change that would result in the licensee losing eligibility for a bidding credit (or qualifying for a lower bidding credit), the amount of the bidding credit (or the difference between the bidding credit originally obtained and the bidding credit for which the restructured licensee would qualify), plus interest based on the rate for ten year U.S. treasury obligations applicable on the date the license is granted, must be paid to the U.S. Government as a condition of Commission approval of the assignment or transfer.

(2) Payment schedule.

(i) The amount of payments made pursuant to paragraph (d)(1) of this section will be reduced over time as follows:

(A) 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 in the case of very small businesses transferring to small businesses, 100 percent of the difference between the bidding credit received by the former and the bidding credit for which the latter is eligible);

(B) A transfer in year 3 of the license term will result in a forfeiture of 75 percent of the value of the bidding credit;

(C) A transfer in year 4 of the license term will result in a forfeiture of 50 percent of the value of the bidding credit;

(D) A transfer in year 5 of the license term will result in a forfeiture of 25 percent of the value of the bidding credit; and

(E) for a transfer in year 6 or thereafter, there will be no payment.

(ii) These payments will have to be paid to the United States Treasury as a condition of approval of the assignment, transfer, or ownership change.

(e) Unjust enrichment: partitioning and disaggregation.

(1) Installment payments. Licensees making installment payments, that partition their licenses or disaggregate their spectrum to entities not meeting the eligibility standards for installment payments, will be subject to the provisions concerning unjust enrichment as set forth in this section.

(2) Bidding credits. Licensees that received a bidding credit 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 this section.

(3) 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.

§ 1.2112 Ownership disclosure requirements for short- and long-form applications.

(a) Each application for a license or authorization or for consent to assign or transfer control of a license or

authorization shall disclose fully the real party or parties in interest and must include in an exhibit the following information:

(1) A list of any FCC-regulated business 10 percent or more of whose stock, warrants, options or debt securities are owned by the applicant or an officer, director, attributable stockholder or key management personnel of the applicant. This list must include a description of each such

business's principal business and a description of each such business's relationship to the applicant;

(2) A list of any party holding a 10 percent or greater interest in the applicant, including the specific amount of the interest;

(3) A list of any party holding a 10 percent or greater interest in any entity holding or applying for any FCC-regulated business in which a 10 percent or more interest is held by another party which holds a 10 percent or more interest in the applicant (e.g., If company A owns 10 percent of Company B (the applicant) and 10 percent of Company C then Companies A and C must be listed on Company B's application;

(4) A list of the names, addresses, and citizenship of any party holding 10 percent or more of each class of stock, warrants, options or debt securities together with the amount and percentage held;

(5) A list of the names, addresses, and citizenship of all controlling interests of the applicants, as set forth in § 1.2110;

(6) In the case of a general partnerships, the name, address and citizenship of each partner, and the share or interest participation in the partnership;

(7) In the case of a limited partnerships, the name, address and citizenship of each limited partner whose interest in the applicant is equal to or greater than 10 percent (as calculated according to the percentage of equity paid in and the percentage of distribution of profits and losses);

(8) In the case of a limited liability corporation, the name, address and citizenship of each of its members; and

(9) A list of all parties holding indirect ownership interests in the applicant, as determined by successive multiplication of the ownership percentages for each link in the vertical ownership chain, that equals 10 percent or more of the applicant, except that if the ownership percentage for an interest in any link in the chain exceeds 50 percent or represents actual control, it shall be treated and reported as if it were a 100 percent interest.

(b) In addition to the information required under paragraph (a) of this section, each applicant for a license or authorization claiming status as a small business shall, as an exhibit to its long-form application:

(1) Disclose separately and in the aggregate the gross revenues, computed in accordance with § 1.2110, for each of the following: the applicant and its affiliates, the applicant's attributable investors, affiliates of its attributable investors, and, if a consortium of small businesses, the members comprising the consortium;

(2) List and summarize all agreements or instruments (with appropriate references to specific provisions in the text of such agreements and instruments) that support the applicant's eligibility as a small business under the applicable designated entity provisions, including the establishment of de facto and de jure control; such agreements and instruments include articles of incorporation and bylaws, shareholder agreements, voting or other trust agreements, franchise agreements, and any other relevant agreements (including letters of intent), oral or written; and

(3) List and summarize any investor protection agreements, including rights of first refusal, supermajority clauses, options, veto rights, and rights to hire and fire employees and to appoint members to boards of directors or management committees.

§ 1.2113 Construction prior to grant of application.

Subject to the provisions of this section, applicants for licenses awarded by competitive bidding may construct facilities to provide service prior to grant of their applications, but must not operate such facilities until the FCC grants an

authorization. If the conditions stated in this section are not met, applicants must not begin to construct facilities for licenses subject to competitive bidding.

(a) When applicants may begin construction. An applicant may begin construction of a facility upon release of the Public Notice listing the post- auction long-form application for that facility as acceptable for filing.

(b) Notification to stop. If the FCC for any reason determines that construction should not be started or should be stopped while an application is pending, and so notifies the applicant, orally (followed by written confirmation) or in writing, the applicant must not begin construction or, if construction has begun, must stop construction immediately.

(c) Assumption of risk. Applicants that begin construction pursuant to this section before receiving an authorization do so at their own risk and have no recourse against the United States for any losses resulting from:

(1) Applications that are not granted;

(2) Errors or delays in issuing public notices;

(3) Having to alter, relocate or dismantle the facility; or

(4) Incurring whatever costs may be necessary to bring the facility into compliance with applicable laws, or FCC rules and orders.

(d) Conditions. Except as indicated, all pre-grant construction is subject to the following conditions:

(1) The application does not include a request for a waiver of one or more FCC rules;

(2) For any construction or alteration that would exceed the requirements of § 17.7 of this chapter, the licensee has notified the appropriate Regional Office of the Federal Aviation Administration (FAA Form 7460-1), filed a request for antenna height clearance and obstruction marking and lighting specifications (FCC Form 854) with the FCC, PRB, Support Services Branch, Gettysburg, PA 17325;

(3) The applicant has indicated in the application that the proposed facility would not have a significant environmental effect, in accordance with §§ 1.1301 through 1.1319;

(4) Under applicable international agreements and rules in this part, individual coordination of the proposed channel assignment(s) with a foreign administration is not required; and

(5) Any service-specific restrictions not listed herein.

PART 90--PRIVATE LAND MOBILE RADIO SERVICES
SUBPART T--REGULATIONS GOVERNING LICENSING AND USE OF FREQUENCIES
IN THE 220-222 MHZ BAND

§ 90.701 Scope.

(a) Frequencies in the 220-222 MHz band are available for land mobile and fixed use for both Government and non-Government operations. This subpart supplements part 1, subpart F of this chapter which establishes the requirements and conditions under which commercial and private radio stations may be licensed in the Wireless Telecommunications Services. The provisions of this subpart contain additional pertinent information for current and prospective licensees specific to the 220-222 MHz band.

(b)(1) Licensees granted initial authorizations for operations in the 220-222 MHz band from among applications filed on or before May 24, 1991 are referred to in this subpart as "Phase I" licensees;

(2) Applicants that filed initial applications for operations in the 220-222 MHz band on or before May 24, 1991 are referred to in this subpart as "Phase I" applicants; and

(3) All assignments, operations, stations, and systems of licensees granted authorizations from among applications filed for operations in the 220-222 MHz band on or before May 24, 1991 are referred to in this subpart as "Phase I" assignments, operations, stations, and systems, respectively.

(c)(1) Licensees granted initial authorizations for operations in the 220-222 MHz band from among applications filed after May 24, 1991 are referred to in this subpart as "Phase II" licensees;

(2) Applicants that filed initial applications for operations in the 220-222 MHz band after May 24, 1991 are referred to in this subpart as "Phase II" applicants; and

(3) All assignments, operations, stations, and systems of licensees granted authorizations from among applications filed for operations in the 220-222 MHz band after May 24, 1991 are referred to in this subpart as "Phase II" assignments, operations, stations, and systems, respectively.

(d) The rules in this subpart apply to both Phase I and Phase II licensees, applicants, assignments, operations, stations, and systems, unless otherwise specified.

§ 90.703 Eligibility.

The following persons are eligible for licensing in the 220-222 MHz band.

(a) Any person eligible for licensing under subparts B or C of this part.

(b) Any person proposing to provide communications service to any person eligible for licensing under

subparts B or C of this part, on a not-for-profit, cost-shared basis.

(c) Any person eligible under this part proposing to provide on a commercial basis, station and ancillary facilities for the use of individuals, federal government agencies and persons eligible for licensing under subparts B or C of this part.

§ 90.705 Forms to be used.

Phase II applications for EA, Regional, or Nationwide radio facilities under this subpart must be prepared in accordance with §§ 90.1009 and 90.1013 of this part. Phase II applications for radio facilities operating on public safety/mutual aid channels (Channels 161 through 170) or emergency medical channels (Channels 181 through 185) under this subpart must be prepared on FCC Form 601 and submitted or filed in accordance with § 1.913 of this chapter.

§ 90.709 Special limitations on amendment of applications and on assignment or transfer of authorizations licensed under this subpart.

(a) Except as indicated in paragraph (b) of this section, the Commission will not consent to the following:

(1) Any request to amend an application so as to substitute a new entity as the applicant;

(2) Any application to assign or transfer a license for a Phase I, non- nationwide system prior to the completion of construction of facilities; or

(3) Any application to transfer or assign a license for a Phase I nationwide system before the licensee has constructed at least 40 percent of the proposed system pursuant to the provisions of § 90.725(a) or § 90.725(h), as applicable.

(b) The Commission will grant the applications described in paragraph (a) of this section if:

(1) the request to amend an application or to transfer or assign a license does not involve a substantial change in the ownership or control or the applicant; or

(2) The changes in the ownership or control of the applicant are involuntary due to the original applicant's insolvency, bankruptcy, incapacity, or death.

(c) The assignee or transferee of a Phase I nationwide system is subject to the construction benchmarks and reporting requirements of § 90.725. The assignee or transferee of a Phase I nationwide system is not subject to the entry criteria described in § 90.713.

(d) A licensee may partially assign any authorization in accordance with § 90.1019.

(e) The assignee or transferee of a Phase II system is subject to the provisions of § 90.1017 and § 1.2111(a) of this chapter.

§ 90.711 Processing of Phase II applications.

(a) Phase II applications for authorizations on Channels 166 through 170 and Channels 181 through 185 will be processed on a first-come, first-served basis. When multiple applications are filed on the same day for these frequencies in the same geographic area, and insufficient frequencies are available to grant all applications (i.e., if all applications were granted, violation of the station separation provisions of § 90.723(k) of this part would result), these applications will be considered mutually exclusive.

(1) All applications will first be considered to determine whether they are substantially complete and acceptable for filing. If so, they will be assigned a file number and put in pending status. If not, they will be dismissed.

(2) Except as otherwise provided in this section, all applications in pending status will be processed in the order in which they are received, determined by the date on which the application was received by the Commission in its Gettysburg, Pennsylvania office (or the address set forth at § 1.1102 of this chapter for applications requiring the fees established by part 1, subpart G of this chapter).

(3) Each application that is accepted for filing will then be reviewed to determine whether it can be granted. Frequencies will be assigned by the Commission pursuant to the provisions of § 90.723.

(4) An application which is dismissed will lose its place in the processing line.

(b) All applications for Channels 161 through 165 that comply with the applicable rules of this part shall be granted. Licensees operating on such channels shall cooperate in the selection and use of frequencies and resolve any instances of interference in accordance with the provisions of § 90.173.

(c) Phase II applications for authorization on all non-Government channels other than Channels 161 through 170 and 181 through 185 shall be processed in accordance with the provisions of subpart W of this part.

§ 90.713 Entry criteria.

(a) As set forth in § 90.717, four 5-channel blocks are available for nationwide, commercial use to non-Government, Phase I applicants. Applicants for these nationwide channel blocks must comply with paragraphs (b), (c), and (d) of this section.

(b)(1) An applicant must include certification that, within ten years of receiving a license, it will construct a minimum of one base station in at least 70 different geographic areas designated in the application; that base stations will be located in a minimum of 28 of the 100 urban areas listed in § 90.741; and that each base station will have all five assigned nationwide channels constructed and placed in operation (regularly interacting with mobile and/or portable units).

(2) An applicant must include certification that it will meet the construction requirements set forth in § 90.725.

(3) An applicant must include a ten-year schedule detailing plans for construction of the proposed system.

(4) An applicant must include an itemized estimate of the cost of constructing 40 percent of the system and operating the system during the first four years of the license term.

(5) An applicant must include proof that the applicant has sufficient financial resources to construct 40 percent of the system and operate the proposed land mobile system for the first four years of the license term; i.e., that the applicant has net current assets sufficient to cover estimated costs or a firm financial commitment sufficient to cover estimated costs.

(c) An applicant relying on personal or internal resources for the showing required in paragraph (b) of this section must submit independently audited financial statements certified within one year of the date of the application showing net current assets sufficient to meet estimated construction and operating costs. An applicant must also submit an unaudited balance sheet, current within 60 days of the date of submission, that clearly shows the continued availability of sufficient net current assets to construct and operate the proposed system, and a certification by the applicant or an officer of the applicant organization attesting to the validity of the balance sheet.

(d) An applicant submitting evidence of a firm financial commitment for the showing required in paragraph (b) of this section must obtain the commitment from a bona fide commercially acceptable source, e.g., a state or federally chartered bank or savings and loan institution, other recognized financial institution, the financial arm of a capital equipment supplier, or an investment banking house. If the lender is not a state or federally chartered bank or savings and loan institution, other recognized financial institution, the financial arm of a capital equipment supplier, or an investment banking house, the lender must also demonstrate that it has funds available to cover the total commitments it has made. The lender's commitment shall contain a statement that the lender:

(1) Has examined the financial condition of the applicant including an audited financial statement, and has determined that the applicant is creditworthy;

(2) Has examined the financial viability of the proposed system for which the applicant intends to use the commitment; and

(3) Is willing, if the applicant is seeking a Phase I, commercial nationwide license, to provide a sum to the applicant sufficient to cover the realistic and prudent estimated costs of construction of 40 percent of the system and operation of the system for the first four years of the license term.

(e) A Phase II applicant for authorization in a geographic area for Channels 166 through 170 in the public safety/mutual aid category may not have any interest in another pending application in the same geographic area for Channels 166 through 170 in the public safety/mutual aid category, and a Phase II applicant for authorization in a geographic area for channels in the emergency medical category may not have any interest in another pending application in the same geographic area for channels in the emergency medical category.

§ 90.715 Frequencies available.

(a) The following table indicates the channel designations of frequencies available for assignment to eligible applicants under this subpart. Frequencies shall be assigned in pairs, with base station frequencies taken from the 220-221 MHz band with corresponding mobile and control station frequencies being 1 MHz higher and taken from the 221-222 MHz band. Only the lower half of the frequency pair(s) is listed in the table. Use of these frequencies in the Mexican and Canadian border areas is subject to coordination with those countries. See paragraph (c) of this section for special provisions concerning use in the Mexico border area.

Table of 220-222 MHz Channel Designations

Channel No.	Base frequency (MHz)
1	220.0025
2	.0075
3	.0125
4	.0175
5	.0225
6	.0275
7	.0325
8	.0375
9	.0425
10	.0475
11	.0525
12	.0575
13	.0625
14	.0675
15	.0725
16	.0775
17	.0825
18	.0875
19	.0925
20	.0975
21	220.1025
22	.1075
23	.1125
24	.1175
25	.1225
26	.1275
27	.1325
28	.1375
29	.1425
30	.1475
31	.1525
32	.1575
33	.1625
34	.1675
35	.1725
36	.1775

Table of 220-222 MHz Channel Designations

Channel No.	Base frequency (MHz)
37	.1825
38	.1875
39	.1925
40	.1975
41	220.2025
42	.2075
43	.2125
44	.2175
45	.2225
46	.2275
47	.2325
48	.2375
49	.2425
50	.2475
51	.2525
52	.2575
53	.2625
54	.2675
55	.2725
56	.2775
57	.2825
58	.2875
59	.2925
60	.2975
61	220.3025
62	.3075
63	.3125
64	.3175
65	.3225
66	.3275
67	.3325
68	.3375
69	.3425
70	.3475
71	.3525
72	.3575

Table of 220-222 MHz Channel Designations

Channel No.	Base frequency (MHz)
73	.3625
74	.3675
75	.3725
76	.3775
77	.3825
78	.3875
79	.3925
80	.3975
81	220.4025
82	.4075
83	.4125
84	.4175
85	.4225
86	.4275
87	.4325
88	.4375
89	.4425
90	.4475
91	.4525
92	.4575
93	.4625
94	.4675
95	.4725
96	.4775
97	.4825
98	.4875
99	.4925
100	.4975
101	220.5025
102	.5075
103	.5125
104	.5175
105	.5225
106	.5275
107	.5325
108	.5375
109	.5425
110	.5475
111	.5525
112	.5575
113	.5625
114	.5675
115	.5725
116	.5775
117	.5825
118	.5875

Table of 220-222 MHz Channel Designations

Channel No.	Base frequency (MHz)
119	.5925
120	.5975
121	220.6025
122	.6075
123	.6125
124	.6175
125	.6225
126	.6275
127	.6325
128	.6375
129	.6425
130	.6475
131	.6525
132	.6575
133	.6625
134	.6675
135	.6725
136	.6775
137	.6825
138	.6875
139	.6925
140	.6975
141	220.7025
142	.7075
143	.7125
144	.7175
145	.7225
146	.7275
147	.7325
148	.7375
149	.7425
150	.7475
151	.7525
152	.7575
153	.7625
154	.7675
155	.7725
156	.7775
157	.7825
158	.7875
159	.7925
160	.7975
161	220.8025
162	.8075
163	.8125
164	.8175

Table of 220-222 MHz Channel Designations

Channel No.	Base frequency (MHz)
165	.8225
166	.8275
167	.8325
168	.8375
169	.8425
170	.8475
171	.8525
172	.8575
173	.8625
174	.8675
175	.8725
176	.8775
177	.8825
178	.8875
179	.8925
180	.8975
181	220.9025
182	.9075
183	.9125
184	.9175
185	.9225
186	.9275
187	.9325
188	.9375
189	.9425
190	.9475
191	.9525
192	.9575
193	.9625
194	.9675
195	.9725
196	.9775
197	.9825
198	.9875
199	.9925
200	220.9975

(b) The 200 channels are divided into three sub-bands as follows:

Channel No.	Sub-band	Frequencies (MHz)
1-40	A	220.0025-220.1975/221.0025-221.1975
41-160	C	220.2025-220.7975/221.2025-221.7975
161-200	B	220.8025-220.9975/221.8025-221.9975

(c) U.S./Mexico border area.

(1) Channels 16-30, 45-60, 76-90, 106-120, 136-145, 156-165, 178-194 are available for primary use within the United States within 120 km (74.6 mi) of the Mexican border, subject to the power and antenna height conditions specified in § 90.729 and the use restrictions specified in §§ 90.717-90.721.

(2) Channels 195-200 are available to both the United States and Mexico in the border area on an unprotected basis. Use is limited to a maximum effective radiated power (ERP) of 2 watts and a maximum antenna height of 6.1 meters (20 ft) above ground.

(3) Channels allotted for primary Mexican use (1-15, 31-45, 61-75, 91-105, 121-135, 146-155, and 166-177) may be used in the border area subject to the condition that the power flux density not exceed -86 dB(W/m²) at or beyond any point on the border. Stations operating under this provision will be considered secondary and will not be granted protection from harmful interference from stations that have primary use of the frequencies.

§ 90.717 Channels available for nationwide systems in the 220-222 MHz band.

(a) Channels 51-60, 81-90, and 141-150 are 10-channel blocks available to non-Government applicants only for nationwide Phase II systems.

(b) Channels 21-25, 26-30, 151-155, and 156-160 are 5-channel blocks available to non-Government applicants only for nationwide, commercial Phase I systems.

(c) Channels 111-115 and 116-120 are 5-channel blocks available for Government nationwide use only.

§ 90.719 Individual channels available for assignment in the 220-222 MHz band.

(a) Channels 171 through 200 are available to both Government and non-Government Phase I applicants, and may be assigned singly or in contiguous channel groups.

(b) Channels 171 through 180 are available for any use by Phase I applicants consistent with this subpart.

(c) Channels 181 through 185 are set aside in Phase II for emergency medical use for applicants that meet the eligibility criteria of § 90.20(a)(1)(iii) or § 90.20(a)(2)(xiii).

(d) Channels 161 through 170 and 181 through 185 are the only 220-222 MHz channels available to Phase II non-nationwide, Government users.

§ 90.720 Channels available for public safety/mutual aid.

(a) Part 90 licensees who meet the eligibility criteria of §§ 90.20(a)(1), 90.20(a)(2)(i), 90.20(a)(2)(ii), 90.20(a)(2)(iii), 90.20(a)(2)(iv), 90.20(a)(2)(vii), 90.20(a)(2)(ix), or 90.20(a)(2)(xiii) are authorized by this rule to use mobile and/or portable units on Channels 161-170 throughout the United States, its territories, and possessions to transmit:

(1) Communications relating to the immediate safety of life;

(2) Communications to facilitate interoperability among entities eligible under §§ 90.20(a)(1), 90.20(a)(2)(i), 90.20(a)(2)(ii), 90.20(a)(2)(iii), 90.20(a)(2)(iv), 90.20(a)(2)(vii), 90.20(a)(2)(ix), and 90.20(a)(2)(xiii); or

(3) Communications on behalf of and by members of organizations established for disaster relief purposes having an emergency radio communications plan (i.e., licensees eligible under § 90.20(a)(2)(vii)) for the transmission of communications relating to the safety of life or property, the establishment and maintenance of temporary relief facilities, and the alleviation of emergency conditions during periods of actual or impending emergency, or disaster, until substantially normal conditions are restored; for limited training exercises incidental to an emergency radio communications plan, and for necessary operational communications of the disaster relief organization or its chapter affiliates.

(b) Any Government entity and any non-Government entity eligible to obtain a license under §§ 90.20(a)(1), 90.20(a)(2)(i), 90.20(a)(2)(ii), 90.20(a)(2)(iii), 90.20(a)(2)(iv), 90.20(a)(2)(vii), 90.20(a)(2)(ix), or 90.20(a)(2)(xiii) is also eligible to obtain a license for base/mobile operations on Channels 161 through 170. Base/mobile or base/portable communications on these channels that do not relate to the immediate safety of life or to communications interoperability among the above-specified entities, may only be conducted on a secondary non-interference basis to such communications.

§ 90.721 Other channels available for non-nationwide systems in the 220-222 MHz band.

(a) The channel groups listed in the following Table are available to both Government and non-Government Phase I applicants for trunked operations or operations of equivalent or greater efficiency for non-commercial or commercial operations.

Table 1.--Phase I Trunked Channel Groups

Group No.	Channel Nos.
1	1-31-61-91-121
2	2-32-62-92-122
3	3-33-63-93-123
4	4-34-64-94-124
5	5-35-65-95-125
6	6-36-66-96-126
7	7-37-67-97-127
8	8-38-68-98-128
9	9-39-69-99-129
10	10-40-70-100-130
11	11-41-71-101-131
12	12-42-72-102-132
13	13-43-73-103-133
14	14-44-74-104-134
15	15-45-75-105-135
16	16-46-76-106-136
17	17-47-77-107-137
18	18-48-78-108-138
19	19-49-79-109-139
20	20-50-80-110-140

(b) The channels listed in the following Table are available to non-Government applicants for Phase II assignments in Economic Areas (EAs) and Regional Economic Area Groupings (REAGs) (see §§ 90.761 and 90.763).

Table 2.--Phase II EA and Regional Channel Assignments

Assignment	Assignment area	Group Nos. (from Table 1)	Channel Nos.
A	EA	2 and 13.	
B	EA	3 and 16.	
C	EA	5 and 18.	
D	EA	8 and 19.	
E	EA	171-180
F	REAG	1, 6, and 11.	
G	REAG	4, 9, and 14.	
H	REAG	7, 12, and 17.	
I	REAG	10, 15, and 20.	
J	REAG	186-200

§ 90.723 Selection and assignment of frequencies.

(a) Phase II applications for frequencies in the 220-222 MHz band shall specify whether their intended use is for 10-channel nationwide systems, 10- channel EA systems, 15-channel Regional systems, public safety/mutual aid use, or emergency medical use. Phase II applicants for frequencies for public safety/mutual aid use or emergency medical use shall specify the number of frequencies requested. All frequencies in this band will be assigned by the Commission.

(b) Phase II channels will be assigned pursuant to §§ 90.717, 90.719, 90.720, 90.721, 90.761 and 90.763.

(c) Phase II applicants for public safety/mutual aid and emergency medical channels will be assigned only the number of channels justified to meet their requirements.

(d) Phase I base or fixed station receivers utilizing 221-222 MHz frequencies assigned from Sub-band A as designated in § 90.715(b) will be geographically separated from those Phase I base or fixed station transmitters utilizing 220- 221 MHz frequencies removed 200 kHz or less and assigned from Sub-band B as follows:

Geographic Separation of Sub-Band A; Base or Fixed Station Receivers and
Sub-Band B; Base or Fixed Station Transmitters Effective

Separation distance (kilometers)	Radiated power (watts) [FN1]
0.0-0.3	([FN2])
0.3-0.5	5
0.5-0.6	10
0.6-0.8	20
0.8-2.0	25
2.0-4.0	50
4.0-5.0	100
5.0-6.0	200
Over 6.0	500

FN1 Transmitter peak envelope power shall be used to determine effective radiated power.

FN2 Stations separated by 0.3 km or less shall not be authorized. This table does not apply to the low-power channels 196-200. See § 90.729(c).

(e) Phase II licensees authorized on 220-221 MHz frequencies assigned from Sub-band B will be required to geographically separate their base station or fixed station transmitters from the base station or fixed station receivers of Phase I licensees authorized on 221-222 MHz frequencies 200 kHz removed or less in Sub-band A in accordance with the Table in paragraph (d) of this section. Such Phase II licensees will not be required to geographically separate their base station or fixed station transmitters from receivers associated with additional transmitter sites that are added by such Phase I licensees in accordance with the provisions of § 90.745(a).

(f) Phase II licensees with base or fixed stations transmitting on 220-221 MHz frequencies assigned from Sub-band B and Phase II licensees with base or fixed stations receiving on Sub-band A 221-222 MHz frequencies, if such transmitting and receiving frequencies are 200 kHz or less removed from one another, will be required to coordinate the location of their base stations or fixed stations to avoid interference and to cooperate to resolve any instances of interference in accordance with the provisions of § 90.173(b).

(g) Phase I licensees with base or fixed stations transmitting on 220-221 MHz frequencies assigned from Sub-band B and Phase I licensees with base or fixed stations receiving on Sub-band A 221-222 MHz frequencies (if such transmitting and receiving frequencies are 200 kHz or less removed from one another) that add, remove, or modify station sites in accordance with the provisions of § 90.745(a) will be required to coordinate such actions with one another to avoid interference and to cooperate to resolve any instances of interference in accordance with the provisions of § 90.173(b).

(h) Phase I licensees with base or fixed stations transmitting on 220-221 MHz frequencies assigned from Sub-band B that add, remove, or modify station sites in accordance with the provisions of § 90.745(a) will be required to coordinate such actions with Phase II licensees with base or fixed stations receiving on Sub-band A 221-222 MHz frequencies 200 kHz or less removed.

(i) A mobile station is authorized to transmit on any frequency assigned to its associated base station. Mobile units not associated with base stations (see § 90.720(a)) must operate on "mobile" channels.

(j) A licensee's fixed station is authorized to transmit on any of the licensee's assigned base station frequencies or mobile station frequencies.

(k) Except for nationwide assignments, the separation of co-channel Phase I base stations, or fixed stations transmitting on base station frequencies, shall be 120 kilometers. Except for Phase I licensees seeking license modification in accordance with the provisions of §§ 90.751 and 90.753, shorter separations between such stations will be considered by the Commission on a case-by-case basis upon submission of a technical analysis indicating that at least 10 dB protection will be provided to an existing Phase I station's predicted 38 dBu signal level contour. The existing Phase I station's predicted 38 dBu signal level contour shall be calculated using the F(50,50) field strength chart for Channels 7-13 in § 73.699 (Fig. 10) of this chapter, with a 9 dB correction factor for antenna height differential. The 10 dB protection to the existing Phase I station's predicted 38 dBu signal level contour shall be calculated using the F(50,10) field strength chart for Channels 7-13 in § 73.699 (Fig. 10a) of this chapter, with a 9 dB correction factor for antenna height differential.

§ 90.725 Construction requirements for Phase I licensees.

(a) Licensees granted commercial nationwide authorizations will be required to construct base stations and place those base stations in operation as follows:

(1) In at least 10 percent of the geographic areas designated in the application within two years of initial license grant, including base stations in at least seven urban areas listed in § 90.741 of this part;

(2) In at least 40 percent of the geographic areas designated in the application within four years of initial license grant, including base stations in at least 28 urban areas listed in § 90.741 of this part;

(3) In at least 70 percent of the geographic areas designated in the application within six years of initial license grant, including base stations in at least 28 urban areas listed in § 90.741 of this part;

(4) In all geographic areas designated in the application within ten years of initial license grant, including base stations in at least 28 urban areas listed in § 90.741 of this part.

(b) Licensees not meeting the two and four year criteria shall lose the entire authorization, but will be permitted a six month period to convert the system to non-nationwide channels, if such channels are available.

(c) Licensees not meeting the six and ten year criteria shall lose the authorizations for the facilities not constructed, but will retain exclusivity for constructed facilities.

(d) Each commercial nationwide licensee must file a system progress report on or before the anniversary date of the grant of its license after 2, 4, 6 and 10 years, demonstrating compliance with the relevant construction benchmark criteria.

(1) An overall status report of the system, that must include, but need not be limited to:

(i) A list of all sites at which base stations have been constructed, with antenna heights and effective radiated power specified for each site;

(ii) A list of all other known base station sites at which construction has not been completed; and

(iii) A construction and operational schedule for the next five-year period, including any known changes to the plan for construction and operation submitted with the licensee's original application for the system.

(2) An analysis of the system's compliance with the requirements of paragraph (a) of this section, with documentation to support representations of completed construction, including, but not limited to:

(i) Equipment purchase orders and contracts;

(ii) Lease or purchase contracts relating to antenna site arrangements;

(iii) Equipment and antenna identification (serial) numbers; and

(iv) Service agreements and visits.

(e) Beginning with its second license term, each nationwide licensee must file a progress report once every five years on the anniversary date of the grant of the first renewal of its authorization, including the information required by paragraph (d)(1) of this section.

(f) Licensees authorized Phase I non-nationwide systems, or authorized on Channels 161 through 170 or Channels 181 through 185, must construct their systems (i.e., have all specified base stations constructed with all channels) and place their systems in operation, or commence service in accordance with the provisions of § 90.167, within twelve months of the initial license grant date. Authorizations for systems not constructed and placed in operation, or having commenced service, within twelve months from the date of initial license grant cancel automatically.

(g) A licensee that loses authorization for some or all of its channels due to failure to meet construction deadlines or benchmarks may not reapply for nationwide channels in the same category or for non-nationwide channels in the same category in the same geographic area for one year from the date the Commission takes final action affirming that those channels have been cancelled.

(h) The requirements and conditions of paragraphs (a) through (e) and paragraph (g) of this section apply to nationwide licensees that construct and operate stations for fixed or paging operations on a primary basis instead of, or in addition to, stations for land mobile operations on a primary basis except that, in satisfying the base station construction and placed in operation requirements of paragraph (a) of this section and the system progress report requirements of paragraphs (d) and (e) of this section, licensees operating stations for fixed operation on a primary basis instead of, or in addition to, stations for land mobile or paging operations on a primary basis in a given geographic area may demonstrate how such fixed stations are providing substantial service to the public in those geographic areas.

§ 90.727 Extended implementation schedules for Phase I licensees.

Except for nationwide and commercial systems, a period of up to three (3) years may be authorized for constructing and placing a system in operation if:

(a) The applicant submits justification for an extended implementation period. The justification must include reasons for requiring an extended construction period, the proposed construction schedule (with milestones), and must show either that:

(1) The proposed system will serve a large fleet of mobile units and will involve a multi-year cycle for its planning, approval, funding, purchase, and construction; or

(2) The proposed system will require longer than 8 months to place in operation because of its purpose, size, or complexity; or

(3) The proposed system is to be part of a coordinated or integrated area-wide system which will require more than 8 months to construct; or

(4) The applicant is a local governmental agency and demonstrates that the government involved is required by law to follow a multi-year cycle for planning, approval, funding, and purchasing the proposed system.

(b) Authorizations under this section are conditioned upon the licensee's compliance with the submitted extended implementation schedule. Failure to meet the schedule will result in loss of authorizations for facilities not constructed.

§ 90.729 Limitations on power and antenna height.

(a) The permissible effective radiated power (ERP) with respect to antenna heights for land mobile, paging, or fixed stations transmitting on frequencies in the 220-221 MHz band shall be determined from the following Table. These are maximum values and applicants are required to justify power levels requested.

ERP vs. Antenna Height Table [FN2]

Antenna height above average terrain (HAAT), meters	Effective radiated power, watts [FN1]
Up to 150	500
150 to 225	250
225 to 300	125
300 to 450	60
450 to 600	30
600 to 750	20
750 to 900	15
900 to 1050	10
Above 1050	5

FN1 Transmitter PEP shall be used to determine ERP.

FN2 These power levels apply to stations used for land mobile, paging, and fixed operations.

(b) The maximum permissible ERP for mobile units is 50 watts. Portable units are considered as mobile units. Licensees operating fixed stations or paging base stations transmitting on frequencies in the 221-222 MHz band may not operate such fixed stations or paging base stations at power levels greater than 50 watts ERP, and may not transmit from antennas that are higher than 7 meters above average terrain, except that transmissions from antennas that are higher than 7 meters above average terrain will be permitted if the effective radiated power of such transmissions is reduced below 50 watts ERP by $20 \log_{10}(h/7)$ dB, where h is the height above average terrain (HAAT), in meters.

(c) Base station and fixed station transmissions on base station transmit Channels 196-200 are limited to 2 watts ERP and a maximum antenna HAAT of 6.1 meters (20 ft). Licensees authorized on these channels may operate at power levels above 2 watts ERP or with a maximum antenna HAAT greater than 6.1 meters (20 ft) if:

- (1) They obtain the concurrence of all Phase I and Phase II licensees with base stations or fixed stations receiving on base station receive Channels 1-40 and located within 6 km of their base station or fixed station; and
- (2) Their base station or fixed station is not located in the United States/Mexico or United States/Canada border areas.

§ 90.731 [Reserved]

§ 90.733 Permissible operations.

(a) Systems authorized in the 220-222 MHz band may be used:

(1)(i) For government and non-government land mobile operations, i.e., for base/mobile and mobile relay transmissions, on a primary basis; or

(ii) For the following operations instead of or in addition to a licensee's land mobile operations: One-way or two-way paging operations on a primary basis by all non-Government Phase II licensees, fixed operations on a primary basis by all non-Government Phase II licensees and all Government licensees, one-way or two-way paging or fixed operations on a primary basis by all non-Government Phase I licensees, except that before a non-Government Phase I licensee may operate one-way or two-way paging or fixed systems on a primary basis instead of or in addition to its

land mobile operations, it must meet the following requirements:

(A) A nationwide Phase I licensee must;

(1) Meet its two-year benchmark for the construction of its land mobile system base stations as prescribed in § 90.725(a); and

(2) Provide a new 10-year schedule, as required in § 90.713(b)(3), for the construction of the fixed and/or paging system it intends to construct instead of, or in addition to, its nationwide land mobile system; and

(3) Certify that the financial showings and all other certifications provided in demonstrating its ability to construct and operate its nationwide land mobile system, as required in §§ 90.713(b), (c) and (d), remain applicable to the nationwide system it intends to construct consisting of fixed and/or paging operations on a primary basis instead of, or in addition to, its land mobile operations; or

(4) In lieu of providing the requirements of paragraph (a)(1)(ii)(A)(3) of this section, provide the financial showings and all other certifications required in §§ 90.713(b), (c) and (d) to demonstrate its ability to construct and operate a nationwide system consisting of fixed and/or paging operations on a primary basis instead of, or in addition to, its land mobile operations.

(B) A non-nationwide Phase I licensee must first meet the requirement to construct its land mobile base station and place it in operation, or commence service (in accordance with § 90.167) as prescribed in § 90.725(f) or § 90.727, as applicable.

(2) Only by persons who are eligible for facilities under either this subpart or in the pools included in subpart B or C of this part.

(3) Except for licensees classified as CMRS providers under Part 20 of this chapter, only for the transmission of messages or signals permitted in the services in which the participants are eligible.

(b) See § 90.720 of this part for permissible operations on mutual aid channels.

(c) For operations requiring less than a 4 kHz bandwidth, more than a single emission may be utilized within the authorized bandwidth. In such cases, the frequency stability requirements of § 90.213 do not apply, but the out-of-band emission limits of § 90.210(f) must be met.

(d) Licensees, except for licensees authorized on Channels 161 through 170 and 181 through 185, may combine any number of their authorized, contiguous channels (including channels derived from multiple authorizations) to form channels wider than 5 kHz.

(e) In combining authorized, contiguous channels (including channels derived from multiple authorizations) to form channels wider than 5 kHz, the emission limits in § 90.210(f) must be met only at the outermost edges of the contiguous channels. Transmitters shall be tested to confirm compliance with this requirement with the transmission located as close to the band edges as permitted by the design of the transmitter. The frequency stability requirements in § 90.213 shall apply only to the outermost of the contiguous channels authorized to the licensee. However, the frequency stability employed for transmissions operating inside the outermost contiguous channels must be such that the emission limits in § 90.210(f) are met over the temperature and voltage variations prescribed in § 2.995 of this chapter.

(f) A Phase I non-nationwide licensee operating a paging base station, or a fixed station transmitting on frequencies in the 220-221 MHz band, may only operate such stations at the coordinates of the licensee's authorized land mobile

base station.

(g) The transmissions of a Phase I non-nationwide licensee's paging base station, or fixed station transmitting on frequencies in the 220-221 MHz band, must meet the requirements of §§ 90.723(d), (g), (h), and (k), and 90.729, and such a station must operate at the effective radiated power and antenna height- above-average-terrain prescribed in the licensee's land mobile base station authorization.

(h) Licensees using 220-222 MHz spectrum for geophysical telemetry operations are authorized to operate fixed stations on a secondary, non-interference basis to licensees operating in the 220-222 MHz band on a primary basis under the conditions that such licensees:

(1) Provide notification of their operations to co-channel non-nationwide Phase I licensees with an authorized base station, or fixed station transmitting on frequencies in the 220-221 MHz band, located within 45 km of the secondary licensee's station, to co-channel, Phase II EA or Regional licensee authorized to operate in the EA or REAG in which the secondary licensee's station is located, and to co-channel Phase I or Phase II nationwide licensees;

(2) Operate only at temporary locations in accordance with the provisions of § 1.931 of this chapter;

(3) Not transmit at a power level greater than one watt ERP;

(4) Not transmit from an antenna higher than 2 meters (6.6 feet) above ground; and

(5) Not operate on Channels 111 through 120, 161 through 170, or 181 through 185.

(i) All licensees constructing and operating base stations or fixed stations on frequencies in the 220-222 MHz band must:

(1) Comply with any rules and international agreements that restrict use of their authorized frequencies, including the provisions of § 90.715 relating to U.S./Mexican border areas;

(2) Comply with the provisions of § 17.6 of this chapter with regard to antenna structures; and

(3) Comply with the provisions of §§ 1.1301 through 1.1319 of this chapter with regard to actions that may or will have a significant impact on the quality of the human environment.

§ 90.735 Station identification.

(a) Except for nationwide systems authorized in the 220-222 MHz band, station identification is required pursuant to § 90.425 of this part.

(b) Trunked systems shall employ an automatic device to transmit the call sign of the base station at 30 minute intervals. The identification shall be made on the lowest frequency in the base station trunked group assigned to the licensee. If this frequency is in use at the time identification is required, the identification may be made at the termination of the communication in progress on this frequency.

(c) Station identification may be by voice or International Morse Code. If the call sign is transmitted in International Morse Code, it must be at a rate of between 15 to 20 words per minute, and by means of tone modulation of the transmitter, with the tone frequency being between 800 and 1000 hertz.

(d) Digital transmissions may also be identified by digital transmission of the station call sign. A licensee that identifies

its station in this manner must provide the Commission, upon its request, information (such as digital codes and algorithms) sufficient to decipher the data transmission to ascertain the call sign transmitted.

§ 90.737 Supplemental reports required of Phase I licensees.

- (a) Licensees of nationwide systems must submit progress reports pursuant to § 90.725(d) of this part.
- (b) Licensees offering service on a commercial basis must maintain records of the names and addresses of each customer and the dates that service commenced and terminated. These records must be made available to the Commission upon request. Such licensees must report at the time of license renewal the number of mobile units being served.
- (c) Non-commercial trunked system licensees must report at the time of license renewal the number of mobile units being served.
- (d) Except for licensees of nationwide systems, all licensees must report whether construction of the facility has been completed in accordance with § 1.947 of this chapter.
- (e) All reports must be filed in accordance with § 1.913 of this chapter.

§ 90.739 Number of systems authorized in a geographical area.

There is no limit on the number of licenses that may be authorized to a single licensee.

§ 90.741 Urban areas for Phase I nationwide systems.

Licensees of Phase I nationwide systems must construct base stations, or fixed stations transmitting on frequencies in the 220-221 MHz band, in a minimum of 28 of the urban areas listed in the following Table within ten years of initial license grant. A base station, or fixed station, is considered to be within one of the listed urban areas if it is within 60 kilometers (37.3 miles) of the specified coordinates (coordinates are referenced to North American Datum 1983 (NAD83)).

Table

Urban area	North latitude	West longitude
New York, New York-Northeastern		
New Jersey	40 degrees 45' 06.4"	73 degrees 59' 37.5"
Los Angeles-Long Beach, California	34 degrees 03' 15.0"	118 degrees 14' 31.3"
Chicago, Illinois-Northwestern Indiana	41 degrees 52' 28.1"	87 degrees 38' 22.2"
Philadelphia, Pennsylvania/New Jersey	39 degrees 56' 58.4"	75 degrees 09' 19.6"
Detroit, Michigan	42 degrees 19' 48.1"	83 degrees 02' 56.7"
Boston, Massachusetts	42 degrees 21' 24.4"	71 degrees 03' 23.2"
San Francisco-Oakland, California	37 degrees 46' 38.7"	122 degrees 24' 43.9"
Washington, DC/Maryland/Virginia	38 degrees 53' 51.4"	77 degrees 00' 31.9"
Dallas-Fort Worth, Texas	32 degrees 47' 09.5"	96 degrees 47' 38.0"
Houston, Texas	29 degrees 45' 26.8"	95 degrees 21' 37.8"

Urban area	North latitude	West longitude
St Louis, Missouri/Illinois	38 degrees 37' 45.2"	90 degrees 12' 22.4"
Miami, Florida	25 degrees 46' 38.4"	80 degrees 11' 31.2"
Pittsburgh, Pennsylvania	40 degrees 26' 19.2"	79 degrees 59' 59.2"
Baltimore, Maryland	39 degrees 17' 26.4"	76 degrees 36' 43.9"
Minneapolis-St Paul, Minnesota	44 degrees 58' 56.9"	93 degrees 15' 43.8"
Cleveland, Ohio	41 degrees 29' 51.2"	81 degrees 41' 49.5"
Atlanta, Georgia	33 degrees 45' 10.4"	84 degrees 23' 36.7"
San Diego, California	32 degrees 42' 53.2"	117 degrees 09' 24.1"
Denver, Colorado	39 degrees 44' 58.0"	104degrees 59' 23.9"
Seattle-Everett, Washington	47 degrees 36' 31.4"	122 degrees 20' 16.5"
Milwaukee, Wisconsin	43 degrees 02' 19.0"	87 degrees 54' 15.3"
Tampa, Florida	27 degrees 56' 59.1"	82 degrees 27' 24.3"
Cincinnati, Ohio/Kentucky	39 degrees 06' 07.2"	84 degrees 30' 34.8"
Kansas City, Missouri/Kansas	39 degrees 04' 56.0"	94 degrees 35' 20.8"
Buffalo, New York	42 degrees 52' 52.2"	78 degrees 52' 20.1"
Phoenix, Arizona	33 degrees 27' 12.2"	112 degrees 04' 30.5"
San Jose, California	37 degrees 20' 15.8"	121degrees 53' 27.8"
Indianapolis, Indiana	39 degrees 46' 07.2"	86 degrees 09' 46.0"
New Orleans, Louisiana	29 degrees 56' 53.7"	90 degrees 04' 10.3"
Portland, Oregon/Washington	45 degrees 31' 05.4"	122 degrees 40' 39.3"
Columbus, Ohio	39 degrees 57' 47.2"	83 degrees 00' 16.7"
Hartford, Connecticut	41 degrees 46' 12.4"	72 degrees 40' 47.3"
San Antonio, Texas	29 degrees 25' 37.8"	98 degrees 29' 07.1"
Rochester, New York	43 degrees 09' 41.2"	77 degrees 36' 20.0"
Sacramento, California	38 degrees 34' 56.7"	121 degrees 29' 44.8"
Memphis, Tennessee/Arkansas/Mississippi	35 degrees 08' 46.3"	90 degrees 03' 13.3"
Louisville, Kentucky/Indiana	38 degrees 14' 47.3"	85 degrees 45' 48.9"
Providence-Pawtucket-Warwick, RI/MA	41 degrees 49' 32.4"	71 degrees 24' 39.2"
Salt Lake City, Utah	40 degrees 45' 22.8"	111 degrees 53' 28.8"
Dayton, Ohio	39 degrees 45' 32.2"	84 degrees 11' 42.8"
Birmingham, Alabama	33 degrees 31' 01.4"	86 degrees 48' 36.0"
Bridgeport, Connecticut	41 degrees 10' 49.3"	73 degrees 11' 20.4"
Norfolk-Portsmouth, Virginia	36 degrees 51' 10.5"	76 degrees 17' 19.8"
Albany-Schenectady-Troy, New York	42 degrees 39' 01.3"	73 degrees 44' 59.4"
Oklahoma City, Oklahoma	35 degrees 28' 26.2"	97 degrees 31' 05.1"
Nashville-Davidson, Tennessee	36 degrees 09' 33.2"	86 degrees 46' 55.0"
Toledo, Ohio/Michigan	41 degrees 39' 14.2"	83 degrees 32' 38.8"
New Haven, Connecticut	41 degrees 18' 25.3"	72 degrees 55' 28.4"
Honolulu, Hawaii	21 degrees 18' 48.6"	157 degrees 51' 50.1"
Jacksonville, Florida	30 degrees 19' 44.9"	81 degrees 39' 41.3"
Akron, Ohio	41 degrees 05' 00.2"	81 degrees 30' 43.4"
Syracuse, New York	43 degrees 03' 04.2"	76 degrees 09' 12.7"
Worcester, Massachusetts	42 degrees 15' 37.3"	71 degrees 48' 15.3"
Tulsa, Oklahoma	36 degrees 09' 12.3"	95 degrees 59' 35.0"
Allentown-Bethlehem-Easton, PA/NJ	40 degrees 36' 11.4"	75 degrees 28' 04.7"
Richmond, Virginia	37 degrees 32' 15.5"	77 degrees 26' 07.9"

Orlando, Florida 28 degrees 32' 43.0" 81 degrees 22' 37.3"

Urban area	North latitude	West longitude
Charlotte, North Carolina	35 degrees 13' 44.5"	80 degrees 50' 44.3"
Springfield-Chicopee-Holyoke, MA/CT	42 degrees 06' 21.3"	72degrees 35' 30.3"
Grand Rapids, Michigan	42 degrees 58' 03.1"	85 degrees 40' 13.1"
Omaha, Nebraska/Iowa	41 degrees 15' 42.0"	95 degrees 56' 15.1"
Youngstown-Warren, Ohio	41 degrees 05' 57.2"	80 degrees 39' 01.3"
Greenville, South Carolina	34 degrees 50' 50.4"	82 degrees 24' 00.4"
Flint, Michigan	43 degrees 00' 50.1"	83 degrees 41' 32.8"
Wilmington, Delaware/New Jersey/Maryland	39 degrees 44' 46.4"	75 degrees 32' 49.7"
Raleigh-Durham/North Carolina	35 degrees 46' 38.5"	78 degrees 38' 20.0"
West Palm Beach, Florida	26 degrees 42' 37.2"	80 degrees 03' 06.1"
Oxnard-Simi Valley-Ventura, California	34 degrees 12' 00.0"	119degrees 11' 03.4"
Fresno, California	36 degrees 44' 11.8"	119degrees 47' 14.5"
Austin, Texas	30 degrees 16' 09.8"	97 degrees 44' 38.0"
Tucson, Arizona	32 degrees 13' 15.3"	110 degrees 58' 10.3"
Lansing, Michigan	42 degrees 44' 01.1"	84 degrees 33' 14.9"
Knoxville, Tennessee	35 degrees 57' 39.3"	83 degrees 55' 06.7"
Baton Rouge, Louisiana	30 degrees 26' 58.7"	91 degrees 11' 00.4"
El Paso, Texas	31 degrees 45' 36.4"	106 degrees 29' 13.0"
Tacoma, Washington	47 degrees 14' 58.4"	122 degrees 26' 19.4"
Mobile, Alabama	30 degrees 41' 36.7"	88 degrees 02' 33.0"
Harrisburg, Pennsylvania	40 degrees 15' 43.3"	76 degrees 52' 57.9"
Albuquerque, New Mexico	35 degrees 05' 01.2"	106 degrees 39' 07.1"
Canton, Ohio	40 degrees 47' 50.2"	81 degrees 22' 36.4"
Chattanooga, Tennessee/Georgia	35 degrees 02' 41.3"	85 degrees 18' 31.8"
Wichita, Kansas	37 degrees 41' 30.1"	97 degrees 20' 17.2"
Charleston, South Carolina	32 degrees 46' 35.6"	79 degrees 55' 52.3"
San Juan, Puerto Rico	18 degrees 27' 52.8"	66 degrees 06' 58.6"
Little Rock-North Little Rock, Arkansas	34 degrees 44' 42.3"	92 degrees 16' 37.5"
Las Vegas, Nevada	36 degrees 10' 19.9"	115 degrees 08' 40.0"
Columbia, South Carolina	34 degrees 00' 02.6"	81 degrees 01' 59.3"
Fort Wayne, Indiana	41 degrees 04' 21.2"	85 degrees 08' 25.9"
Bakersfield, California	35 degrees 22' 30.9"	119 degrees 01' 19.4"
Davenport-Rock Island-Moline, IA/IL	41 degrees 31' 00.1"	90 degrees 35' 00.5"
Shreveport, Louisiana	32 degrees 30' 46.5"	93 degrees 44' 58.6"
Des Moines, Iowa	41 degrees 35' 14.0"	93 degrees 37' 00.8"
Peoria, Illinois	40 degrees 41' 42.1"	89 degrees 35' 33.4"
Newport News-Hampton, Virginia	36 degrees 59' 30.5"	76 degrees 25' 58.8"
Jackson, Mississippi	32 degrees 17' 56.5"	90 degrees 11' 06.3"
Augusta, Georgia/South Carolina	33 degrees 28' 20.5"	81 degrees 57' 59.4"
Spokane, Washington	47 degrees 39' 31.6"	117 degrees 25' 36.8"
Corpus Christi, Texas	27 degrees 47' 52.1"	97 degrees 23' 46.0"
Madison, Wisconsin	43 degrees 04' 23.0"	89 degrees 22' 55.4"
Colorado Springs, Colorado	38 degrees 50' 07.0"	104 degrees 49' 17.9"

Note: The geographic coordinates are originally from the Department of Commerce publication of 1947: "Air-line

Distances Between Cities in the United States" and from data supplied by the National Geodetic Survey and converted to the reference system of North American Datum 1983 using the National Geodetic Survey's NADCON program. The coordinates are determined by using the first city mentioned as the center of the urban area.

§ 90.743 Renewal expectancy.

(a) All licensees seeking renewal of their authorizations at the end of their license term must file a renewal application in accordance with the provisions of § 90.149. Licensees must demonstrate, in their application, that:

(1) They have provided "substantial" service during their past license term. "Substantial" service is defined in this rule as service that is sound, favorable, and substantially above a level of mediocre service that just might minimally warrant renewal; and

(2) They have substantially complied with applicable FCC rules, policies, and the Communications Act of 1934, as amended.

(b) In order to establish its right to a renewal expectancy, a renewal applicant must submit a showing explaining why it should receive a renewal expectancy. At a minimum, this showing must include:

(1) A description of its current service in terms of geographic coverage and population served;

(2) For an EA, Regional, or nationwide licensee, an explanation of its record of expansion, including a timetable of the construction of new stations to meet changes in demand for service;

(3) A description of its investments in its system;

(4) Copies of all FCC orders finding the licensee to have violated the Communications Act or any FCC rule or policy; and

(5) A list of any pending proceedings that relate to any matter described in this paragraph.

(c) Phase I non-nationwide licensees have license terms of 5 years, and therefore must meet these requirements 5 years from the date of initial authorization in order to receive a renewal expectancy. Phase I nationwide licensees and all Phase II licensees have license terms of 10 years, and therefore must meet these requirements 10 years from the date of initial authorization in order to receive a renewal expectancy.

§ 90.745 Phase I licensee service areas.

(a) A Phase I licensee's service area shall be defined by the predicted 38 dBu service contour of its authorized base station or fixed station transmitting on frequencies in the 220-221 MHz band at its initially authorized location or at the location authorized in accordance with §§ 90.751, 90.753, 90.755 and 90.757 if the licensee has sought modification of its license to relocate its initially authorized base station. The Phase I licensee's predicted 38 dBu service contour is calculated using the F(50,50) field strength chart for Channels 7-13 in § 73.699 (Fig. 10) of this chapter, with a 9 dB correction factor for antenna height differential, and is based on the authorized effective radiated power (ERP) and antenna height-above-average-terrain of the licensee's base station or fixed station. Phase I licensees are permitted to add, remove, or modify transmitter sites within their existing service area without prior notification to the Commission so long as their predicted 38 dBu service contour is not expanded. The incumbent licensee must, however, notify the Commission within 30 days of the completion of any changes in technical parameters or additional stations constructed through a minor modification of its license. Such notification must be made by submitting the appropriate FCC form and must include the

appropriate filing fee, if any. These minor modification applications are not subject to public notice and petition to deny requirements or mutually exclusive applications.

(b) Phase I licensees holding authorizations for service areas that are contiguous and overlapping may exchange these authorizations for a single license, authorizing operations throughout the contiguous and overlapping service areas. Phase I licensees exercising this license exchange option must submit specific information for each of their external base station sites.

§ 90.751 Minor modifications of Phase I, non-nationwide licenses.

Phase I non-nationwide licensees will be given an opportunity to seek modification of their license to relocate their initially authorized base station, i.e., locate their base station at a site other than its initially authorized location. The conditions under which modifications will be granted and the procedures for applying for license modifications are described in §§ 90.753, 90.757 and 1.929 of this chapter. For CMRS licensees, these modifications will be treated as minor modifications in accordance with § 1.929 of this chapter.

§ 90.753 Conditions of license modification.

(a) Except as provided in paragraphs (b), and (c) of this section, a Phase I non nationwide licensee may modify its authorization to relocate its authorized base station up to one-half the distance over 120 km toward any co-channel licensee's initially authorized base station, to a maximum distance of 8 km.

(b) A Phase I non-nationwide licensee with an authorized base station located outside a Designated Filing Area (DFA) (see Public Notice, DA 86-173, 52 FR 1302 (January 12, 1987)) may modify its authorization to relocate its authorized base station up to one-half the distance over 120 km toward any co-channel licensee's initially authorized base station, to a maximum distance of 25 km, so long as the base station is relocated no more than 8 km inside of any DFA (i.e., no more than 8 km from the nearest DFA boundary line).

(c) A Phase I non-nationwide licensee that has been granted Special Temporary Authority (STA) to operate at an alternative base station location may modify its authorization to seek permanent authorization at that location, regardless of whether locating the station at the STA site is in strict conformance with the provisions of paragraphs (a) and (b) of this section, if the licensee certifies that such a modification is in conformance with Sections 90.723 and 90.729 and:

(1) It has constructed its base station and has placed it in operation, or commenced service, at the STA site on or before January 26, 1996; or

(2) It has taken delivery of its base station transceiver on or before January 26, 1996.

(d) The application for a Phase I non-nationwide licensee proposing a base station modification resulting in less than 120 km separation from a co-channel licensee's initially authorized base station will be accepted by the Commission only with the consent of that co-channel licensee, as evidenced in a statement submitted concurrently with the licensee's application submission on FCC Form 601.

(e) The application of a Phase I non-nationwide licensee proposing a base station modification resulting in at least a 120 km separation from each co-channel licensee's initially authorized base station but more than one-half the distance over 120 km toward any co-channel licensee's initially authorized base station will be accepted by the Commission only with the consent of that co-channel licensee, as evidenced in a statement submitted concurrently with the licensee's submission on FCC Form 601.

§ 90.755 [Reserved]

§ 90.757 Construction requirements.

(a) Except as provided in paragraph (b) of this section, a Phase I non- nationwide licensee that is granted modification of its authorization to relocate its base station must construct its base station and place it in operation, or commence service, on all authorized channels on or before August 15, 1996, or within 12 months of initial grant date, whichever is later. The authorization of a licensee that does not construct its base station and place it in operation, or commence service, by this date, cancels automatically and must be returned to the Commission.

(b) A Phase I non-nationwide licensee with a base station authorized at a location north of Line A must construct its base station and place it in operation, or commence service, on all authorized channels within 12 months of initial grant date, or within 12 months of the date of the release of the terms of an agreement between the United States and Canadian governments on the sharing of 220-222 MHz spectrum between the two countries, whichever is later. The authorization of a licensee that does not construct its base station and place it in operation, or commence service, by this date, cancels automatically and must be returned to the Commission.

§ 90.761 EA and Regional licenses.

(a) EA licenses for spectrum blocks listed in Table 2 of § 90.721(b) are available in 175 Economic Areas (EAs) as defined in § 90.7.

(b) Regional licenses for spectrum blocks listed in Table 2 of § 90.721(b) are available in six Regional Economic Area Groupings (REAGs) as defined in § 90.7.

§ 90.763 EA, Regional and Nationwide system operations.

(a) A nationwide licensee authorized pursuant to § 90.717(a) may construct and operate any number of land mobile or paging base stations, or fixed stations, anywhere in the Nation, and transmit on any of its authorized channels, provided that the licensee complies with the requirements of § 90.733(i).

(b) An EA or Regional licensee authorized pursuant to § 90.761 may construct and operate any number of land mobile or paging base stations, or fixed stations, anywhere within its authorized EA or REAG, and transmit on any of its authorized channels, provided that:

(1) The licensee affords protection to all authorized co-channel Phase I non- nationwide base stations as follows:

(i) The EA or Regional licensee must locate its land mobile or paging base stations, or fixed stations transmitting on base station transmit frequencies, at least 120 km from the land mobile or paging base stations, or fixed stations transmitting on base station transmit frequencies, of co-channel Phase I licensees, except that separations of less than 120 km shall be considered on a case-by-case basis upon submission by the EA or Regional licensee of:

(A) A technical analysis demonstrating at least 10 dB protection to the predicted 38 dBu service contour of the co-channel Phase I licensee, i.e., demonstrating that the predicted 28 dBu interfering contour of the EA or Regional licensee's base station or fixed station does not overlap the predicted 38 dBu service contour of the co-channel Phase I licensee's base station or fixed station; or

(B) A written letter from the co-channel Phase I licensee consenting to a separation of less than 120 km, or to less than 10 dB protection to the predicted 38 dBu service contour of the licensee's base station or fixed station.

(ii) The Phase I licensee's predicted 38 dBu service contour referred to in paragraph (a)(1)(i) of this section is

calculated using the F(50,50) field strength chart for Channels 7-13 in § 73.699 (Fig. 10) of this chapter, with a 9 dB correction factor for antenna height differential, and is based on the licensee's authorized effective radiated power and antenna height-above-average-terrain. The EA or Regional licensee's predicted 28 dBu interfering contour referred to in paragraph (a)(1)(i) of this section is calculated using the F(50,10) field strength chart for Channels 7-13 in § 73.699 (Fig. 10a) of this chapter, with a 9 dB correction factor for antenna height differential.

(2) The licensee complies with the requirements of § 90.733(i).

(3) The licensee limits the field strength of its base stations, or fixed stations operating on base station transmit frequencies, in accordance with the provisions of § 90.771.

(4) Upon request by a licensee or the Commission, an EA or regional licensee shall furnish the technical parameters, location and coordinates of the completion of the addition, removal, relocation or modification of any of its facilities within the EA or region. The EA or regional licensee must provide such information within ten (10) days of receiving written notification. **NOTE: As of 4/15/99, the information collection requirements for this subsection [(b)(4)] are not yet effective; OMB approval is pending.**

(c) In the event that the authorization for a co-channel Phase I base station, or fixed station transmitting on base station transmit frequencies, within an EA or Regional licensee's border is terminated or revoked, the EA or Regional licensee's channel obligations to such stations will cease upon deletion of the facility from the Commission's official licensing records, and the EA or Regional licensee then will be able to construct and operate without regard to the previous authorization.

§ 90.765 Licenses term for Phase II licenses.

Nationwide licenses authorized pursuant to § 90.717(a), EA and Regional licenses authorized pursuant to § 90.761, and non-nationwide licenses authorized pursuant to §§ 90.720 and 90.719(c) will be issued for a term not to exceed ten years.

§ 90.767 Construction and implementation of EA and Regional licenses.

(a) An EA or Regional licensee must construct a sufficient number of base stations (i.e., base stations for land mobile and/or paging operations) to provide coverage to:

(1) At least one-third of the population of its EA or REAG within five years of the issuance of its initial license; and

(2) At least two-thirds of the population of its EA or REAG within ten years of the issuance of its initial license.

(b) EA and Regional licensees offering fixed services as part of their system, and EA and Regional licensees that have one or more incumbent, co-channel Phase I licensees authorized within their EA or REAG may meet the construction requirements of paragraph (a) of this section by demonstrating an appropriate level of substantial service at their five- and ten-year benchmarks.

(c) Licensees must notify the Commission in accordance with § 1.946 of this chapter of compliance with the Construction requirements of paragraphs (a) and (b) of this section.

(d) Failure by an EA or Regional licensee to meet the construction requirements of paragraph (a) or (b) of this section, as applicable, will result in automatic cancellation of its entire EA or Regional license. In such instances, EA or Regional licenses will not be converted to individual, site- by-site authorizations for already constructed stations.

(e) EA and Regional licensees will not be permitted to count the resale of the services of other providers in their EA or REAG, e.g., incumbent, Phase I licensees, to meet the construction requirement of paragraph (a) or (b) of this section, as applicable.

(f) EA and Regional licensees will not be required to construct and place in operation, or commence service on, all of their authorized channels at all of their base stations or fixed stations.

§ 90.769 Construction and implementation of Phase II nationwide licenses.

(a) A nationwide licensee must construct a sufficient number of base stations (i.e., base stations for land mobile and/or paging operations) to provide coverage to:

(1) A composite area of at least 750,000 square kilometers or 37.5 percent of the United States population within five years of the issuance of its initial license; and

(2) A composite area of at least 1,500,000 square kilometers or 75 percent of the United States population within ten years of the issuance of its initial license.

(b) Nationwide licensees offering fixed services as part of their system may meet the construction requirements of paragraph (a) of this section by demonstrating an appropriate level of substantial service at their five- and ten-year benchmarks.

(c) Licensees must notify the Commission in accordance with § 1.946 of this chapter of compliance with the Construction requirements of paragraphs (a) and (b) of this section.

(d) Failure by a nationwide licensee to meet the construction requirements of paragraphs (a) or (b) of this section, as applicable, will result in automatic cancellation of its entire nationwide license. In such instances, nationwide licenses will not be converted to individual, site-by-site authorizations for already constructed stations.

(e) Nationwide licensees will not be required to construct and place in operation, or commence service on, all of their authorized channels at all of their base stations or fixed stations.

§ 90.771 Field strength limits.

(a) The transmissions from base stations, or fixed stations transmitting on base station transmit frequencies, of EA and Regional licensees may not exceed a predicted 38 dBu field strength at their EA or REAG border. The predicted 38 dBu field strength is calculated using the F(50,50) field strength chart for Channels 7-13 in § 73.699 (Fig. 10) of this chapter, with a 9 dB correction factor for antenna height differential.

(b) Licensees will be permitted to exceed the predicted 38 dBu field strength required in paragraph (a) of this section if all affected, co-channel EA and Regional licensees agree to the higher field strength.

(c) EA and Regional licensees must coordinate to minimize interference at or near their EA and REAG borders, and must cooperate to resolve any instances of interference in accordance with the provisions of § 90.173(b).

FIELD(.717 Channels available for nationwide systems in the 220-222 MHz band. (a) Channels 51-60, 81-90, and 141-150 are 10-channel blocks available to non-Government applicants only for nationwide Phase II systems. (b) Channels 21-25, 26-30, 151-155, and 156-160 are 5-channel blocks available to non-Government applicants only for nationwide, commercial Phase I systems. (c) Channels 111-115 and 116-120 are 5-channel blocks available for Government nationwide use only. 90.719 Individual channels available for assignment in the 220-222 MHz band. (a)

Channels 171 through 200 are available to both Government and non- Government Phase I applicants, and may be assigned singly or in contiguous channel groups. (b) Channels 171 through 180 are available for any use by Phase I applicants consistent with this subpart. (c) Channels 181 through 185 are set aside in Phase II for emergency medical use for applicants that meet the eligibility criteria of 90.20(a)(1)(iii) or 90.20(a)(2)(xiii). (d) Channels 161 through 170 and 181 through 185 are the only 220-222 MHz channels available to Phase II non-nationwide, Government users.

90.720 Channels available for public safety/mutual aid. (a) Part 90 licensees who meet the eligibility criteria of 90.20(a)(1), 90.20(a)(2)(i), 90.20(a)(2)(ii), 90.20(a)(2)(iii), 90.20(a)(2)(iv), 90.20(a)(2)(vii), 90.20(a)(2)(ix), or 90.20(a)(2)(xiii) are authorized by this rule to use mobile and/or portable units on Channels 161-170 throughout the United States, its territories, and possessions to transmit:(1) Communications relating to the immediate safety of life;(2) Communications to facilitate interoperability among entities eligible under 90.20(a)(1), 90.20(a)(2)(i), 90.20(a)(2)(ii), 90.20(a)(2)(iii), 90.20(a)(2)(iv), 90.20(a)(2)(vii), 90.20(a)(2)(ix), and 90.20(a)(2)(xiii); or(3) Communications on behalf of and by members of organizations established for disaster relief purposes having an emergency radio communications plan (i.e., licensees eligible under 90.20(a)(2)(vii) for the transmission o