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**FEDERAL COMMUNICATIONS COMMISSION**

**47 CFR Parts 1 and 27**

**[AU Docket No. 26-191; DA 26-769; FR ID 359891]**

# Auction of Flexible-Use Licenses in the Upper C-Band for Next-Generation Wireless Services Scheduled for April 27, 2027; Comment Sought on Competitive Bidding Procedures for Auction 115

**AGENCY:** Federal Communications Commission.

**ACTION:** Proposed rule; proposed auction procedures.

**SUMMARY:** In this document, the Federal Communications Commission (the Commission or FCC) announces an auction of 3,248 new flexible-use licenses in the 3.98–4.14 GHz band. The Office of Economics and Analytics (OEA) and the Wireless Telecommunications Bureau (WTB) seek comment on the competitive bidding procedures and auction design to be used for this auction, which is designated as Auction 115.

**DATES:** Comments are due on or before August 24, 2026, and reply comments are due on or before September 8, 2026.

**ADDRESSES:** Interested parties may submit comments, identified by AU Docket No. 26-191, by any of the following methods:

- *Electronic Filers:* Comments may be filed electronically using the internet by accessing the Commission’s Electronic Comment Filing System (ECFS) at *https://www.fcc.gov/ecfs/*.
- *Paper Filers:* Parties who choose to file by paper must file an original and one copy of each filing.
  - Filings can be sent by hand or messenger delivery, by commercial courier, or by the U.S. Postal Service mail. *All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.*
  - Hand-delivered or messenger-delivered paper filings for the Commission's Secretary are accepted between 8 a.m. and 4 p.m. by the FCC's mailing contractor at 9050 Junction Drive, Annapolis Junction, MD 20701. All hand deliveries must be held together with rubber bands or

fasteners.  Any envelopes and boxes must be disposed of before entering the building.

- Commercial courier mail (any not sent by the U.S. Postal Service) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.
- Filings sent by U.S. Postal Service First-Class Mail, Express, and Priority mail must be sent to 45 L Street NE, Washington, DC 20554.

- *Email:*  Commenters are requested to also submit a copy of their comments and reply comments electronically to the following address: *auction115@fcc.gov*.
- *People With Disabilities:*  To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an email to *fcc504@fcc.gov* or call the Consumer and Governmental Affairs Bureau at (202) 418-0530.

**FOR FURTHER INFORMATION CONTACT:**

*Auction legal questions:* Kathryn Hinton, (202) 418-0660, *Kathryn.Hinton@fcc.gov*, Yasiman Montgomery, (202) 418-0660, *Yasiman.Montgomery@fcc.gov*.

*General auction questions:* Auctions Hotline at (717) 338-2868 or *auction115@fcc.gov*.

*3.98–4.14 GHz legal questions:* Andrew McArdell, (202) 418-1576, *Andrew.McArdell@fcc.gov*.

*3.98–4.14 GHz technical questions*:  Janet Young, (202) 418-0837, *Janet.Young@fcc.gov*.

**SUPPLEMENTARY INFORMATION:**  This is a summary of the document in AU Docket No. 26-191, DA 26-769, released on July 24, 2026 (*Auction 115 Comment Public Notice*).  The *Auction 115 Comment Public Notice* includes the following attachment: Attachment A, Auction 115 License Inventory; Proposed Bidding Units, Upfront Payments, and Minimum Opening Bid Amounts.  The complete text of the *Auction 115 Comment Public Notice*, including its attachment, is available on the Commission's website at *www.fcc.gov/auction/115* or by using the search function for AU Docket No. 26-191 on the Commission's ECFS web page at *www.fcc.gov/ecfs*.

*Paperwork Reduction Act of 1995 Analysis.*  The *Auction 115 Comment Public Notice* seeks comment on proposed requirements that may result in new or modified information collection requirements.  The Commission, as part of its continuing effort to reduce paperwork burdens, invites the general public and the Office of Management and Budget to comment on the information collection requirements contained in this document, as required by the Paperwork Reduction Act of 1995.  In addition, pursuant to the Small

Business Paperwork Relief Act of 2002, specific comment is sought on how the Commission might further reduce the information collection burden for small business concerns with fewer than 25 employees.

*Providing Accountability Through Transparency Act.* The Providing Accountability Through Transparency Act, Pub. L. 118-9, requires each agency, in providing notice of a rulemaking, to post online a brief plain-language summary of the proposed rule. The required summary of the *Auction 115 Comment Public Notice* is available at *https://www.fcc.gov/proposed-rulemakings*.

*Ex Parte Requirements*. This proceeding has been designated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentations must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda, or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to the Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with 47 CFR 1.1206(b). In proceedings governed by 47 CFR 1.49(f) or for which the Commission has made available a method of electronic filing, written *ex parte* presentations and memoranda summarizing oral *ex parte* presentations, and all attachments thereto, must be filed through the ECFS available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

**Synopsis**

## I. INTRODUCTION

1. In the *Auction 115 Comment Public Notice*, the Commission announces an auction of

3,248 new flexible-use licenses in the 3.98–4.14 GHz band and seeks comment on the procedures to be used for the auction, which is designated as Auction 115. Auction 115 responds to both the surging demand for mid-band spectrum critical for the most advanced wireless services and the congressional direction in sec. 40002(b)(2), Pub. L. 119-21, 139 Stat. 72, to the Commission to grant licenses for spectrum in the 3.98–4.2 GHz band (Upper C-band) through a system of competitive bidding that is completed not later than two years after July 4, 2025.

2. In the *Auction 115 Comment Public Notice*, which builds upon the framework established by the Commission in the *Upper C-band Report and Order*, FCC 26-46 (rel. July 24, 2026) (publication pending in the Federal Register), the Office of Economics and Analytics (OEA) and the Wireless Telecommunications Bureau (WTB) seek comment on the competitive bidding procedures and auction design to be used for bidding to acquire licenses in Auction 115. OEA and WTB propose an auction with an ascending clock phase for bidding on the generic license blocks and then an assignment phase to determine frequency-specific license assignments. Bidding for licenses in Auction 115 is tentatively scheduled to commence on April 27, 2027.

## II. LICENSES TO BE OFFERED IN AUCTION 115

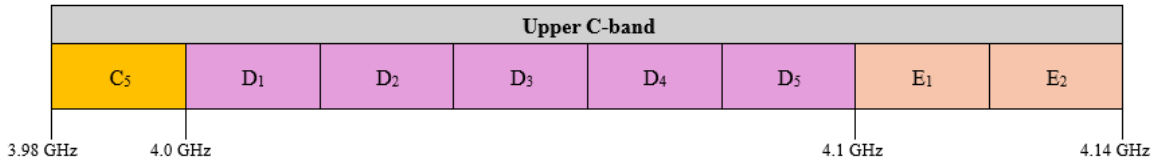
3. A list of markets in which licenses will be offered in Auction 115, including proposed upfront payment and minimum opening bid amounts, is available in the Attachment A file on the Auction 115 website at *www.fcc.gov/auction/115*.

### A. Description of Licenses

4. Auction 115 will offer 3,248 new flexible-use licenses for spectrum in the 3.98–4.14 GHz portion of the Upper C-band throughout the contiguous United States subject to clearing requirements. OEA and WTB will offer 160 megahertz of spectrum licensed on an unpaired basis in eight 20-megahertz blocks by partial economic area (PEA) in the contiguous states and the District of Columbia (PEAs 1–41, 43–211, 213–263, 265–297, 299–359, and 361–411). The 20 megahertz in the 4.14–4.16 GHz portion of the Upper C-band will be a guard band and not available for auction.

5. Figure 1 shows the band plan for the 3.98–4.14 GHz band.

**Figure 1: 3.98–4.14 GHz Band Allocations in the Contiguous United States**




6. All 3.98–4.14 GHz band licenses will be issued for 15-year, renewable license terms. A licensee in the 3.98–4.14 GHz portion of the Upper C-band may provide any services permitted under terrestrial fixed or mobile allocations, as set forth in the non-Federal Government column of the Table of Frequency Allocations in 47 CFR 2.106, as modified by the *Upper C-band Report and Order*.

7. Each potential bidder is solely responsible for investigating and evaluating all technical and marketplace factors that may have a bearing on the potential uses of a license that it may seek in Auction 115. In addition to the typical due diligence considerations that the Commission encourages of bidders in all auctions, OEA and WTB call particular attention in Auction 115 to the clearing process and license conditions described in the *Upper C-band Report and Order*. Each applicant should closely follow releases from the Commission concerning these issues and consider carefully the technical and economic implications for commercial use of the Upper C-band. The Commission makes no representations or warranties about the use of this spectrum for particular services, or about the information in Commission databases that is furnished by outside parties. Each applicant should be aware that a Commission spectrum license auction represents an opportunity to become a Commission licensee, subject to certain conditions and regulations. This includes the established authority of the Commission to alter the terms of existing licenses by rulemaking, which is equally applicable to licenses awarded by auction. A Commission auction does not constitute an endorsement by the Commission of any particular service, technology, or product, nor does a Commission license constitute a guarantee of business success.

### B. Transition of Incumbent Operations

8. Prior to the Commission's adoption of the *Upper C-Band Report and Order*, the 4.0–4.2 GHz portion of the Upper C-band was allocated for non-Federal use on a primary basis for Fixed Satellite Service (FSS) and Fixed Service (FS) links throughout the United States, although FS operations were sunset in the contiguous United States across the entire C-band as part of the Lower C-band transition. In addition, the 3.98–4.0 GHz portion of the Upper C-band in the contiguous United States was reserved as a

guard band to protect operations in the Upper C-band from potential harmful interference. In the *Upper C-band Report and Order*, the Commission modified the licenses and market access authorizations of incumbent FSS operators to clear the Upper C-band for new flexible-use terrestrial wireless operations in the contiguous United States. For additional information about clearing and conditions on the licenses to be offered in Auction 115, including licensees' responsibility for the costs of clearing, potential bidders should carefully review the *Upper C-band Report and Order*.

## III. IMPLEMENTATION OF PART 1 COMPETITIVE BIDDING RULES AND REQUIREMENTS

9. The Commission's part 1 rules require each applicant seeking to participate in competitive bidding to provide certain information, including ownership details and numerous certifications, in a short-form application (FCC Form 175). Pursuant to the Commission's competitive bidding rules under 47 CFR 1.2105, each applicant must make a series of certifications under penalty of perjury on its FCC Form 175 related to the information provided in its application and its participation in the auction, and it must confirm that it is legally, technically, financially, and otherwise qualified to hold a Commission license. The competitive bidding rules in 47 CFR part 1, subpart Q also contain a framework for the implementation of a competitive bidding design, application and certification procedures, payment procedures, reporting requirements, and the prohibition of certain communications.

### A. Certification of Notice of Auction 115 Requirements and Procedures

10. In addition to certifications already required under 47 CFR 1.2105, OEA and WTB propose to require any applicant seeking to participate in Auction 115 to certify in its short-form application, under penalty of perjury, that it has read the public notice(s) adopting procedures for Auction 115, as appropriate, and that it has familiarized itself both with the auction procedures and with the requirements for obtaining a license and operating facilities in the 3.98–4.14 GHz portion of the Upper C-band. OEA and WTB believe that this certification would help ensure that the applicant has reviewed the procedures for participation in the auction process and has investigated and evaluated those technical and marketplace factors that may have a bearing on its potential use of any license won at auction. Consequently, OEA and WTB believe this requirement will promote an applicant's successful participation in the auction and reduce its risk of defaulting on its auction obligations. As with other

required certifications, an auction applicant's failure to make the required certifications in its short-form application by the applicable filing deadline would render its application unacceptable for filing, and its application would be dismissed with prejudice. OEA and WTB seek comment on this proposal. OEA and WTB also seek comment on whether there are additional steps the Commission should take with respect to the filing of short-form applications to further ensure auction integrity.

**B. Bidding Credit Caps**

11. In general, the Commission's bidding credit program promotes small business and rural service provider participation in auctions and in the provision of spectrum-based services. Consistent with the framework established by the Commission in the *Updating Part 1 Report and Order*, 80 FR 56764, September 18, 2015, OEA and WTB seek comment on establishing a reasonable monetary limit or cap on the total dollar amount of the discount from bidding credits that an eligible small business or rural service provider may be awarded for Auction 115.

12. Eligibility for the small business bidding credit, as well as the size of the bidding credit, is determined according to a tiered schedule of small business size definitions that are based on an applicant's average attributable annual gross revenues for the relevant preceding period. In the *Upper C-band Report and Order*, the Commission determined that eligibility for the small business bidding credit in the auction of licenses in the Upper C-band would be defined using the two higher gross revenue thresholds of $55 million and $20 million that are in the standardized schedule of small business sizes in 47 CFR part 1, subpart Q. Specifically, the Commission determined that an entity with average annual gross revenues for the preceding five years not exceeding $55 million would be designated as a "small business" eligible for a 15% bidding credit, and that an entity with average annual gross revenues for the preceding five years not exceeding $20 million would be designated as a "very small business" eligible for a 25% bidding credit. The Commission determines eligibility for the rural service provider bidding credit on a service-by-service basis, and determined in the *Upper C-band Report and Order* that it would offer a 15% rural service provider bidding credit to any eligible rural service provider, as defined in 47 CFR 1.2110(f)(4)(i), that is not also claiming a small business bidding credit. Under 47 CFR 1.2110(f)(4)(i), entities providing commercial communications services to an attributable customer base of fewer than 250,000 combined wireless, wireline, broadband, and cable subscribers in primarily rural

areas will be eligible for the 15% rural service provider bidding credit. In the *Updating Part 1 Report and Order*, the Commission defined "rural area" as a county with a population density of 100 persons or fewer per square mile.

13. To protect the integrity of the bidding credit program and to mitigate the incentives for abuse, the Commission, in the *Updating Part 1 Report and Order*, established a process to implement a reasonable cap on the total bidding credit amount that an eligible small business or rural service provider may be awarded in any auction where such credits are available. This process is based on an evaluation of the expected capital requirements presented by the particular service and inventory of licenses being auctioned. The Commission determined that bidding credit caps would be implemented on an auction-by-auction basis, but resolved that, for any particular auction, the total amount of the bidding credit cap for small businesses would not be less than $25 million, and the bidding credit cap for rural service providers would not be less than $10 million. For all auctions conducted in the last decade for licenses likely to be used for 5G services, the Commission adopted a $25 million cap on the total bidding credit amount that may be awarded to an eligible small business in each auction and a $10 million cap on rural service provider bidding credits in each auction.

14. OEA and WTB propose to adopt the same bidding credit caps for Auction 115. Auction data suggest that a $25 million cap on small business bidding credits will allow the substantial majority of eligible small businesses in the auction to take advantage of the bidding credit program. No bidder seeking a small business bidding credit exceeded the $25 million cap in Auctions 101, 102, 103, 105, 108, or 113. Only one bidder in Auction 107 and three bidders in Auction 110 seeking a small business bidding credit exceeded the $25 million cap in their respective auctions. OEA and WTB therefore believe that this proposed cap will not conflict with the statutory goals of providing meaningful opportunities for bona fide small businesses to compete in auctions and in the provision of spectrum-based services, while preventing unjust enrichment and ensuring efficient and intensive use of spectrum.

15. Similarly, OEA and WTB propose to adopt a $10 million cap on the total bidding credit amounts that may be awarded to an eligible rural service provider in Auction 115. Based on OEA's and WTB's experience with other auctions for spectrum licenses, OEA and WTB anticipate that a $10 million cap on rural service provider bidding credits will allow any rural service provider to participate fully and

fairly in Auction 115. No rural service provider has exceeded the $10 million cap in any auction for wireless spectrum licenses since the Commission adopted the bidding credit. The capped rural service provider bidding credit will be "significant enough to assist eligible entities to have the opportunity to compete at auction, but reasonable enough to ensure that ineligible entities are not encouraged to undercut [the Commission's] rules," and thereby serve the "dual statutory goals of benefitting [designated entities] and at the same time preventing unjust enrichment."

16. In addition, to create parity in Auction 115 among eligible small businesses and rural service providers competing against each other in smaller markets, OEA and WTB propose a $10 million cap on the overall amount of bidding credits that any winning designated entity bidder may apply to licenses won in markets with a population of 500,000 or less (small market bidding credit cap). This proposal is consistent with the approach adopted by the Commission for the forward portion of the Broadcast Incentive Auction (Auction 1002) and in every auction for wireless spectrum licenses since.

17. OEA and WTB seek comment on these proposed caps. Specifically, do the expected capital requirements associated with operating in the Upper C-band, the potential number and value of Upper C-band licenses, past auction data, or any other considerations justify a higher or lower cap for either type of bidding credit in this auction? Commenters are encouraged to identify circumstances and characteristics of Auction 115 and/or the spectrum licenses to be made available in the auction that should guide us in establishing bidding credit caps, and to provide specific, data-driven arguments in support of their proposals.

18. OEA and WTB remind applicants applying for designated entity bidding credits that they should take due account of the requirements of the Commission's rules and implementing orders regarding *de jure* and *de facto* control of such applicants. These rules include a prohibition, which applies to all applicants regardless of whether they are seeking bidding credits, starting at the short-form application filing deadline, against changes in ownership of the applicant that would constitute an assignment or transfer of control. Under 47 CFR 1.2107(c), the winning bidder must be the entity that files the post-auction long-form application. Pursuant to 47 CFR 1.929(a)(2), any substantial change in ownership or control is classified as a major amendment. Applicants should not expect to receive an opportunity to revise their ownership structure after the filing of their short- and long-form applications,

including making revisions to their agreements or other arrangements with interest holders, lenders, or others in order to address potential concerns relating to compliance with the designated entity bidding credit requirements. This policy will help to ensure compliance with the Commission's rules applicable to the award of bidding credits prior to the start of bidding in this auction, which will involve competing bids from those who do and do not seek bidding credits, and thus preserves the integrity of the auction process. In furtherance of this policy, applicants will not be permitted to change their bidding credit type selection (i.e., from small business to rural service provider, or vice versa) after the short-form application deadline. OEA and WTB also believe that this will meet the Commission's objectives in awarding licenses through the competitive bidding process.

### C. Upfront Payments and Bidding Eligibility

19. In keeping with the Commission's usual practice in spectrum auctions, OEA and WTB propose that each applicant be required to submit an upfront payment as a prerequisite to becoming qualified to bid. An upfront payment is a refundable deposit made by an applicant that would establish its eligibility to bid on licenses, as described herein. Upfront payments protect against frivolous or insincere bidding and provide the Commission with a source of funds from which to collect payments owed at the close of bidding. OEA and WTB note that under 47 CFR 1.2106, any auction applicant that, pursuant to 47 CFR 1.2105(a)(2)(xii), certifies that it is a former defaulter must submit an upfront payment equal to 50% more than the amount that otherwise would be required. With these considerations in mind, OEA and WTB propose upfront payments for a generic 20-megahertz block in a PEA based on $0.015 per MHz-pop for PEAs 1–50, $0.003 per MHz-pop for PEAs 51–100, and $0.0015 per MHz-pop for all other PEAs, subject to a minimum of $500 per block. The results of these calculations will be rounded using the Commission's standard rounding procedures for auctions: results above $10,000 are rounded to the nearest $1,000; results below $10,000 but above $1,000 are rounded to the nearest $100; and results below $1,000 are rounded to the nearest $10. The proposed upfront payments equal approximately half the proposed minimum opening bids, which are established as described herein.

20. OEA and WTB seek comment on these upfront payment amounts, which are specified in the Attachment A file on the Auction 115 website at *www.fcc.gov/auction/115*. If commenters believe that these upfront payment amounts are not reasonable amounts, they should explain their reasoning and

suggest an alternative approach.

21. OEA and WTB further propose that the amount of the upfront payment submitted by a bidder determine the bidder's initial bidding eligibility in bidding units. The upfront payment does not limit the dollar amounts of the bids that a bidder may submit. Bidder eligibility and bidding activity are measured in bidding units. OEA and WTB propose to assign each generic spectrum block in a given PEA a specific number of bidding units, equal to one bidding unit per $10 of the upfront payment listed in the Attachment A file available on the Auction 115 website at *www.fcc.gov/auction/115*. Thus, a bidder's initial bidding eligibility in bidding units would be equal to a bidding unit for each $10 of the bidder's upfront payment. The number of bidding units for one block in a given PEA is fixed and does not change during the auction as prices change. The number of bidding units per 20-megahertz block in each PEA is specified in Attachment A to the *Auction 115 Comment Public Notice*.

22. An applicant that plans to bid on multiple generic blocks simultaneously, whether within the same PEA or in different PEAs, would need to select the appropriate PEA(s) in its FCC Form 175 and submit an upfront payment that provides sufficient initial eligibility to cover the bidding units associated with those blocks. A bidder cannot increase its eligibility during the auction; it can only maintain or decrease its eligibility. Thus, in calculating its upfront payment amount, and hence its initial bidding eligibility, an applicant in Auction 115 must determine the maximum number of bidding units on which it may wish to bid in any single round and submit an upfront payment amount covering that total number of bidding units. OEA and WTB seek comment on these proposals.

**D. Auction Delay, Suspension, or Cancellation**

23. For Auction 115, OEA and WTB propose that at any time before or during the bidding process, OEA, in conjunction with WTB, may delay, suspend, or cancel bidding in the event of a natural disaster, technical obstacle, network interruption, administrative or weather necessity, evidence of an auction security breach or unlawful bidding activity, or for any other reason that affects the fair and efficient conduct of competitive bidding. In such case, OEA would notify participants by public notice and/or through the announcement function in the FCC auction bidding system (referred to as the "bidding system" throughout the *Auction 115 Comment Public Notice*). If the bidding is delayed or suspended, OEA, in its sole discretion, may elect to resume the auction starting from the beginning of the current

round or from some previous round, or it may cancel the auction in its entirety. OEA and WTB would exercise this authority to delay, suspend, or cancel bidding in Auction 115 solely at their discretion. OEA and WTB seek comment on this proposal.

**E. Deficiency Payments and Additional Default Payment Percentage**

24. Any winning bidder that defaults or is disqualified after the close of an auction (i.e., if it fails to remit the required down payment by the specified deadline, fails to submit a timely long-form application, fails to make full and timely final payment, or is otherwise disqualified) would be liable for a default payment under 47 CFR 1.2104(g)(2). This payment consists of a deficiency payment, equal to the difference between the amount of the bidder's winning bid and the amount of the winning bid the next time a license covering the same spectrum is won in an auction, plus an additional payment equal to a percentage of the defaulter's bid or of the subsequent winning bid, whichever is less. Because final auction payments are calculated on an aggregate basis, taking into account both assignment phase winning bids and any capped bidding credit discounts, the bidding system will calculate individual per-license prices in case they are needed for post-auction administrative purposes, including for calculating default payments. The bidding system will apportion to individual licenses any assignment phase payments and any capped bidding credit discounts, since in both cases, a single amount may apply to multiple licenses. This per-license price will be used as the amount of a bidder's winning bid for a particular license when calculating a default payment with respect to that license.

25. The Commission's rules provide that, in advance of each auction, it will establish a percentage between 3% and 20% of the applicable winning bid to be assessed as an additional default payment. As the Commission has indicated, the level of this additional payment in each auction will be based on the nature of the service and the licenses being offered.

26. As noted in the *CSEA/Part 1 Report and Order*, 71 FR 6214, February 7, 2006, defaults weaken the integrity of the auction process and may impede the deployment of service to the public, and an additional default payment of up to 20% will be more effective in deterring defaults than the 3% used in some earlier auctions. In most recent auctions of spectrum suitable for 5G and other advanced wireless services, an additional default payment of 15% was adopted, except in Auctions 105 and 113 which had a 20% additional default payment due to specific circumstances for those auctions. For Auction 115, OEA

and WTB do not believe any such special circumstances exist, and therefore, propose to establish an additional default payment of 15%. OEA and WTB seek comment on this proposal.

## IV. INFORMATION PROCEDURES AND PROHIBITED COMMUNICATIONS

### A. Information Procedures During the Auction Process

27. As an additional safeguard to prevent the communication of information about applicants' bids and bidding strategies and to discourage anti-competitive strategic behavior, OEA and WTB propose to limit information available in Auction 115 so that bidders placing particular bids will not be identified until after the bidding has closed. While the Commission generally makes available to the public information provided in each applicant's short-form application following the initial review by Commission staff, OEA and WTB propose to not make public until after bidding has closed: (1) the PEAs that an applicant has selected for bidding in its short-form application, (2) the amount of any upfront payment made by or on behalf of an applicant, (3) an applicant's bidding eligibility, and (4) any other bidding-related information that might reveal the identity of a bidder.

28. As in past Commission auctions, OEA and WTB would not make public during a bidding round any real-time information on bidding activity. OEA and WTB propose that the bidding system would publicly disclose, after each round of Auction 115, for each PEA: the aggregate demand; the posted price of the last completed round; and the clock price for the next round. The identities of bidders demanding blocks in a PEA would not be disclosed until after bidding is closed and Auction 115 concludes.

29. Both during and after a round, each bidder would have access to additional information related to its own bidding activity and bid eligibility through the bidding system. Specifically, after the bids of a round have been processed, the bidding system would inform each bidder of the number of blocks it holds in processed demand in every PEA and its eligibility for the next round.

30. After the close of bidding, bidders' PEA selections, upfront payment amounts, bidding eligibility, bids, and other bidding-related information would be made publicly available. Proxy instructions would not be publicly released either during or after the auction.

31. OEA and WTB seek comment on the foregoing details of their proposal for implementing limited information procedures (also referred to as anonymous bidding) in Auction 115.

Commenters opposing the use of anonymous bidding in Auction 115 should explain their reasoning and propose alternative information procedures.

### B. Prohibition of Certain Communications

32. 47 CFR 1.2105(c)(1) provides that, subject to specified exceptions, after the short-form application filing deadline, all applicants are prohibited from cooperating or collaborating with respect to, communicating with or disclosing, to each other or any nationwide provider of communications services that is not an applicant, or, if the applicant is a nationwide provider, any non-nationwide provider that is not an applicant, in any manner the substance of their own, or each other's, or any other applicants' bids or bidding strategies (including post-auction market structure), or discussing or negotiating settlement agreements, until after the down payment deadline. 47 CFR 1.2105(c)(5)(i) includes in the definition of "applicant" all officers and directors of the entity submitting a short-form application to participate in the auction, all controlling interests of that entity, as well as all holders of partnership and other ownership interests and any stock interest amounting to 10% or more of the entity, or outstanding stock, or outstanding voting stock of the entity submitting a short-form application.

33. The operation of the rule prohibiting certain communications requires that the identification of each "nationwide provider" for purposes of 47 CFR 1.2105(c)(1) in connection with each auction. Because the applicable service rules for the 3.98–4.14 GHz band will allow a licensee to provide flexible terrestrial wireless services, the Commission's identification of three nationwide providers in its most recent *Communications Marketplace Report*, 39 FCC Rcd 14116 (2024), suggests that OEA and WTB should also identify those same entities as nationwide providers for purposes of 3.98–4.14 GHz band licenses and Auction 115. Identifying "nationwide providers" in this manner for the purpose of implementing the Commission's competitive bidding rules is consistent with the approach used in several recent spectrum license auctions. Accordingly, consistent with the procedures adopted for prior auctions of flexible-use licenses for advanced wireless services, OEA and WTB propose to identify AT&T, T-Mobile, and Verizon as "nationwide providers" for the purpose of implementing the Commission's competitive bidding rules in Auction 115, including 47 CFR 1.2105(c), the rule prohibiting certain communications. OEA and WTB seek comment on this proposal. Commenters that disagree with this proposed designation of nationwide providers are encouraged to articulate alternative methodologies by

which OEA and WTB should identify nationwide providers for purposes of the prohibited communications rule.

34. Pursuant to the requirements of the OBBB Act and the Commission's strategic objective to lead in next-generation wireless technologies, the Commission is likely to conduct multiple spectrum auctions over the next few years in addition to Auction 115. This could lead to successive or overlapping prohibited communications periods. As the Commission has previously explained, the rule prohibiting certain communications is "limited in scope and only prohibit[s] disclosure of information that affects, or has the potential to affect, bids and bidding strategies." Because "business discussions and negotiations that are unrelated to bids and bidding strategies or to post-auction market structure are not prohibited by the rule," we do not believe that the rule impedes normal business operations. Moreover, it is not unusual for the Commission to hold multiple auctions in quick succession—from late 2018 to early 2021, the Commission conducted six auctions, with four taking place within a single twelve-month span. Nevertheless, OEA and WTB seek comment on whether previous successive or overlapping prohibited communications periods have, in practice, had a negative effect on business operations or auction participation.

## V. PROPOSED BIDDING PROCEDURES

35. OEA and WTB propose to conduct Auction 115 using an ascending clock auction format. Under the proposed auction format, bidding would take place in two phases. The first phase of the auction—the clock phase—would consist of successive clock bidding rounds in which qualified bidders indicate their demands for generic license blocks (referred to as "generic blocks" throughout the *Auction 115 Comment Public Notice*) in specific PEAs, followed by a second phase—the assignment phase—with bidding for frequency-specific license assignments. OEA and WTB seek comment in the *Auction 115 Comment Public Notice* on bidding procedures for Auction 115.

36. OEA and WTB are releasing two technical guides concurrently with the *Auction 115 Comment Public Notice*—the Auction 115 Clock Phase Technical Guide and the Auction 115 Assignment Phase Technical Guide. The technical guides supplement the information in the *Auction 115 Comment Public Notice* and provide the mathematical details and algorithms of the proposed auction format. Both technical guides will be available in the Education section on the Auction 115 website at

*www.fcc.gov/auction/115*.

## A. Clock Phase

### 1. Clock Auction Design

37. Under the proposed clock format, the clock phase of Auction 115 would consist of multiple, sequential bidding rounds, with bidding being conducted simultaneously for all available spectrum blocks in all PEAs in the auction. During each round, bidders would indicate their demands for generic blocks in specific PEAs, and round results would be released after each round. In the first bidding round of Auction 115, a bidder would indicate for each product—the generic blocks in a PEA—the quantity of generic blocks it demands at the product's opening per-block clock price. During each subsequent bidding round, the bidding system would announce a per-block start-of-round price and clock price for each product, and qualified bidders would indicate, for each product for which they wish to bid, the number of blocks they request at the prices associated with the current round. Bidding rounds would be open for predetermined periods of time, announced well in advance of the start of each round. Bidders would be subject to activity and eligibility rules that govern the pace of the auction.

38. Under the OEA and WTB proposal, for each product, the clock price for a generic block would increase from round to round if bidders' total demand for blocks in that product exceeds the supply of blocks available. The bidding rounds would continue until, for all products, the total number of blocks that bidders demand does not exceed the supply of available blocks. Once bidding rounds stop, the bidders with processed demand for a product at the product's final price would become winning bidders. Bidding in the clock phase would determine a uniform price for all the generic blocks in a product.

39. Following the clock phase, the assignment phase would offer clock phase winners the opportunity to bid an additional amount for licenses with specific frequencies. All winning bidders, regardless of whether they bid in the assignment phase, would be assigned licenses for contiguous blocks in a PEA.

40. OEA and WTB seek comment on specific procedures to implement this ascending clock auction and on alternative procedures for conducting, in a timely manner, an auction of licenses in the 3.98–4.14 GHz band.

### 2. Generic License Blocks

41. The Commission determined in the *Upper C-band Report and Order* that 160 megahertz of the reconfigured Upper C-band from 3.98–4.14 GHz will be available to auction, and licensed in eight uniform 20-megahertz blocks in each PEA within the contiguous United States. In PEAs 1–41 and 43–76, the incumbent FSS operations have a Transition Deadline of December 30, 2030. In PEAs 77–211, 213–263, 265–297, 299–359, and 361–411, the incumbent FSS operations have a Transition Deadline of June 30, 2031. Consequently, in each of these PEAs, all eight 20-megahertz blocks are the same and would be considered as generic blocks in the same category.

### 3. Bidding Rounds

42. OEA and WTB propose that, as with any Commission spectrum license auction, the initial bidding schedule for Auction 115 would be announced in a public notice to be released at least one week before the start of bidding, and OEA would retain the discretion to adjust the bidding schedule to maintain an auction pace that reasonably balances bidders' need to study round results and adjust their bidding strategies with the need to conduct the clock auction at an efficient speed. Any adjustments to the bidding schedule could include changes in the amount of time for bidding rounds, the amount of time between rounds, and/or the number of rounds per day, and would depend upon bidding activity and other factors. OEA and WTB seek comment on this proposal. Commenters should address the role of the bidding schedule in managing the pace of the auction and should specifically discuss the tradeoffs in managing the auction pace by changes to the bidding schedule, the activity requirement percentage, or the clock price increment percentage, or by using other means.

43. OEA and WTB propose to conduct Auction 115 over the Internet. Under the ascending clock format, a bidder would submit its bids either by using the bidding system's upload function, which allows bid files in a comma-separated values (CSV) text format to be uploaded, or through the user interface in the bidding system. The bidding system would allow a bidder to submit bids only for PEAs that the bidder selected on its FCC Form 175 and for which the bidder has sufficient bidding eligibility.

44. During each open bidding round, a bidder would be able to modify any existing bids placed in the round through the user interface or by uploading a new bid file, which would replace all bids previously submitted in the round.

45. As in other Commission auctions, OEA and WTB propose to facilitate auction participation by providing qualified bidders with a toll-free telephone number for an auction bidder line prior to the start of bidding. Under this proposal, bidders, in addition to submitting bids through the bidding system, would have the option of placing bids by telephone through this dedicated auction bidder line. OEA and WTB seek comment on this proposal.

**4. Stopping Rule**

46. As in previous FCC clock auctions, OEA and WTB propose to use a simultaneous stopping rule for Auction 115, under which all products would remain available for bidding until the bidding stops simultaneously on every product. Specifically, bidding would close for all products after the first round in which no product has any excess demand. Consequently, under this approach, it is not possible to determine in advance the duration of Auction 115. OEA and WTB seek comment on this proposal.

**5. Activity Rule**

47. In order to ensure that the auction closes within a reasonable period of time, OEA and WTB propose an activity rule that would require bidders to bid actively throughout the auction, rather than wait until late in the auction before participating. This is an approach that is routinely used in multiple-round auctions. In the proposed ascending clock auction, a bidder's activity in a round for purposes of the activity rule would be the sum of the bidding units associated with the bidder's processed demands as applied by the bidding system during bid processing after the round has closed. A bidder would be required to be active on a specific percentage (the activity requirement percentage) of its current bidding eligibility during each round of the auction. Failure to maintain the requisite activity level would result in a reduction in the bidder's eligibility, possibly curtailing or eliminating the bidder's ability to place bids in subsequent rounds of the auction.

48. Under this auction format, a bidder would be required to maintain a fixed, high level of activity in each round of Auction 115 in order to maintain bidding eligibility. Specifically, in each round of Auction 115, a bidder would be required to be active on between 90% and 100% of its current bidding eligibility to maintain its bidding eligibility, with the specific percentage within this range to be set for each round. OEA and WTB propose to set the activity requirement percentage for Auction 115 initially at

95%. Thus, the activity rule would be satisfied when a bidder has processed demand on blocks with bidding units that total at least 95% of its current eligibility in the round. If the activity rule is met, then the bidder's eligibility would not change for the next round. If the activity rule is not met in a round, the bidder's eligibility would be reduced such that the activity rule is satisfied. Bidding activity would be based on the bids that are submitted and applied by the bidding system. That is, if a bidder bids to reduce its demand for a product, but the bidding system cannot apply the request because demand would fall below the available supply, then the bidder's activity would reflect its unreduced demand. OEA and WTB seek comment on this proposal.

49. Pursuant to this proposal, OEA would retain the discretion to change the activity requirement percentage during the auction to help manage the pace of bidding to ensure that the auction closes within a reasonable period of time. The bidding system would announce any such changes in advance of the round in which they would take effect, giving bidders adequate notice to adjust their bidding strategies.

50. Under these proposed activity rule procedures, a bidder would be allowed to submit bids with bidding units totaling up to the bidder's eligibility for the round.

51. OEA and WTB also seek comment on potentially including contingent bidding procedures by which, after Round 1, a bidder may submit bids with associated activity totaling up to a contingent bidding limit greater than or equal to the bidder's current bidding eligibility for the round. In Round 1, a bidder would be allowed to submit bids with bidding units totaling up to the bidder's initial bidding eligibility. If OEA and WTB adopt the contingent bidding procedures, a bidder's contingent bidding limit would be calculated as its current eligibility times a contingent bidding percentage equal to or greater than 100%. The Commission has previously referred to the contingent bidding limit as the activity upper limit, and similarly, to the contingent bidding percentage as the activity limit percentage. If adopted, a bidder's use of the contingent bidding limit would be optional.

52. Allowing a bidder to submit bids with associated bidding activity greater than its current bidding eligibility would potentially help a bidder, in some circumstances, avoid having its eligibility reduced as a result of submitted bids that could not be applied during bid processing. However, even under these additional procedures, the bidder's activity as applied by the bidding system during bid

processing would not exceed the bidder's current bidding eligibility. That is, if a bidder were allowed to submit bids with associated bidding units exceeding 100% of its current bidding eligibility, its processed activity would never exceed the bidder's current bidding eligibility.

53. Contingent bidding procedures were used in four recent FCC clock auctions (Auctions 105, 107, 108, and 110), but OEA and WTB tentatively conclude that including the contingent bidding limit in Auction 115 would add unnecessary complexity and the potential for misuse with little to no benefit for most Auction 115 bidders. OEA and WTB seek comment on this tentative conclusion. The bidding system would post a bidder's contingent bidding limit in addition to the bidder's current eligibility and required bidding activity. Effective use of the contingent bidding limit would necessarily involve submitting additional bids such that the total submitted activity exceeds current eligibility. Because not all of these bids could be applied by the bidding system, effective use of the contingent bidding limit could also involve selecting particular price points for bids to change demand so that the bids (which are processed in order of ascending price point) are processed in a particular order and applied during bid processing as available eligibility permits. If OEA and WTB do adopt contingent bidding procedures, OEA and WTB propose to set the initial contingent bidding percentage at 120%, which would apply starting in Round 2, subject to change in subsequent rounds within a range of 100% to 140%.

### 6. Acceptable Bids

#### a. Minimum Opening Bids

54. As part of the pre-bidding process for each auction, 47 U.S.C. 309(j), as amended, mandates that OEA and WTB prescribe methods for establishing a reasonable reserve price or reasonable minimum bid amounts for licenses subject to auction unless such bid amounts are not in the public interest. A reserve price is an absolute minimum price below which a license will not be sold in a given auction. An opening bid, on the other hand, is the minimum bid price set at the beginning of the auction below which no bids are accepted. It is generally used to accelerate the competitive bidding process. It is also possible for a reserve price and an opening bid to be the same amount.

55. OEA and WTB propose to establish minimum opening bids for Auction 115. Minimum opening bids would serve as the initial clock prices in the proposed clock auction format. In Round 1 of

the proposed clock auction, a bidder would indicate, for each product, how many generic blocks it demands at the product's minimum opening bid. The bidding system will not accept bids lower than these amounts. Based on their experience in past auctions, OEA and WTB have found that setting appropriate minimum opening bids is an effective tool to prevent an excessive number of bidding rounds at very low prices. Appropriate minimum opening bids have less bearing on final prices than they do on the number of rounds required to reach the final prices.

56. OEA and WTB do not propose to establish an aggregate reserve price in Auction 115. At this time, OEA and WTB are not aware of any circumstances that would warrant establishing an aggregate reserve price in the public interest for the auction of spectrum licenses in the 3.98–4.14 GHz band. Therefore, OEA and WTB propose only the per-product minimum opening bids discussed here. OEA and WTB seek comment on this issue.

57. For Auction 115, OEA and WTB propose to calculate minimum opening bid amounts for each 20-megahertz block on a PEA basis using a formula based on bandwidth, PEA population, and PEA population tiers, which is similar to the approach OEA and WTB have taken in many previous auctions for spectrum licenses. OEA and WTB would calculate minimum opening bid amounts for each 20-megahertz block based on $0.03 per MHz-pop for PEAs 1–50; $0.006 per MHz-pop for PEAs 51–100; and $0.003 per MHz-pop for all other PEAs. For all blocks in all PEAs, minimum opening bids would be subject to a minimum of $1,000 per 20-megahertz block. The results of these calculations will be rounded using the Commission's standard rounding procedures for auctions: results above $10,000 are rounded to the nearest $1,000; results below $10,000 but above $1,000 are rounded to the nearest $100; and results below $1,000 are rounded to the nearest $10. OEA and WTB seek comment on these amounts, which are specified in the Attachment A file on the Auction 115 website at *www.fcc.gov/auction/115*. If commenters believe that these minimum opening bid amounts would result in many unsold licenses, an excessive number of rounds at very low prices, or otherwise are not reasonable, they should explain why and propose alternative amounts.

58. In establishing minimum opening bid amounts, OEA and WTB particularly seek comment on factors that reasonably could have an impact on bidders' valuation of the spectrum, including the type of service offered, measures of market size, population covered by a provider's network plan,

prices of comparable spectrum, and any other relevant factors. Commenters should support their claims with valuation analyses and suggested amounts or formulas for opening prices. Further, if commenters believe that the minimum opening bids are too high, they should address appropriate measures to manage the pace of the auction so that there would not be an excessive number of bidding rounds at very low prices.

**b. Clock Price Increments**

59. Under the proposed clock phase procedures for Auction 115, after bidding in the first round and before each subsequent round, the bidding system would announce, for each product, the start-of-round price and the clock price for the upcoming round—that is, the lowest per block price and the highest per block price at which bidders can specify the number of blocks they demand during the round. After Round 1, the bidding system can accept bids for a round at prices that are between the start-of-round price and the round's clock price, as described further herein.

60. A product's start-of-round price would depend upon aggregate demand for the product in the previous round. If aggregate demand for blocks in a product exceeded the supply of blocks in the previous round, then the start-of-round price for the upcoming round would be equal to the clock price of the previous round. If aggregate demand for a product equaled supply at a price in the previous round, then the start-of-round price for the upcoming round would be equal to the price at which demand equaled supply. If aggregate demand for a product was less than supply in the previous round, then the start-of-round price for the upcoming round would be equal to the start-of-round price of the previous round.

61. A product's clock price for a round would be set by adding a percentage increment to the start-of-round price. As in most previous FCC clock auctions, OEA and WTB propose that OEA would set the initial increment percentage at 10%, and potentially would adjust the increment percentage within a range of 5% to 30% inclusive as rounds continue. OEA would retain the discretion to cap the increment if the total dollar amount of the increment (the difference between the clock price and the start-of-round price) would exceed a certain amount. OEA and WTB propose to set this cap on the increment at $50 million initially. The proposed 5% to 30% increment range and cap would allow us to set a percentage that manages the auction pace and take into account bidders' needs to evaluate round results and their bidding strategies. OEA and WTB seek comment on this proposal.

### c. Bid Types

62. Under the clock auction format proposed for Auction 115, a bidder would be able to make only "simple" bids since there is only one category of generic blocks in each PEA. A bid for a product specifies a quantity of a product at a price associated with the round. A bidder that is willing to maintain its previous round's processed demand for a product at the new clock price would bid for that quantity at the current clock price, indicating that it is willing to pay up to the clock price, if necessary, for the specified quantity. Such a bid to maintain demand must be at the current round's clock price. A bidder with processed demand for a product that wishes to reduce its demand for that product would place a bid that specifies a lower quantity at a price associated with the round at which it wishes to reduce its demand. A bidder that wishes to increase its demand for a product would place a bid that specifies a quantity and a price associated with the round, which indicates that the bidder is willing to pay up to the clock price, if necessary, for the specified quantity (regardless of the price specified in the bid).

63. Bids to maintain demand would always be applied by the bidding system during bid processing. Bids to increase or decrease demand would be treated as requests that are not necessarily applied during bid processing. OEA and WTB seek comment on this proposal.

### d. Intra-Round Bids

64. OEA and WTB propose that in this clock auction, in a round after the first round, a bidder would be permitted to make intra-round bids by indicating a price between the start-of-round price and the clock price at which its demand for blocks changes. In placing an intra-round bid for a product, a bidder would indicate a specific price and the changed quantity of blocks it demands if the price for blocks should increase beyond that price. For example, if a bidder has processed demand of three blocks at the start-of-round price of $200, but wishes to hold only two blocks if the price increases by more than $10, the bidder will indicate a bid quantity of two at a price of $210 ($200+$10). Similarly, if the bidder wishes to reduce its demand to zero if the price increases above $200, the bidder will indicate a bid quantity of zero at the start-of-round price of $200.

65. Intra-round bid amounts would be limited to multiples of $10 for prices below $10,000; to multiples of $100 for prices between $10,000 and $100,000, inclusive; and to multiples of $1,000 for prices above $100,000. Limiting intra-round bid amounts to certain multiples may deter some types of

anticompetitive bidding behavior.

66. Intra-round bids would be optional; a bidder may choose to express its demands only at the start-of-round price or the clock price. Using intra-round bidding allows the bidding system to use relatively large clock price increments because bidders would be permitted to submit bids at prices lower than the clock prices. This may reduce the number of rounds in the auction without increasing the risk that a large clock price increment for a product would prevent the auction from accurately determining the market clearing price of the product, at which demand for blocks equals the supply. OEA and WTB seek comment on this proposal.

**e. Proxy Bids**

67. Under the clock format, OEA and WTB propose to allow bidders to submit proxy instructions to the bidding system that, in subsequent rounds, instruct the bidding system to automatically submit proxy bids based on the proxy instructions. With proxy bidding, a bidder could submit a proxy instruction to the bidding system to reduce its demand for a product at a price higher than the current round's clock price—i.e., at a price in a future round. Proxy instructions to increase a bidder's demand for a product at a given price would not be permitted.

68. Under these proposed procedures, if a proxy instruction has been submitted, the bidding system would automatically submit a proxy bid to maintain the bidder's demand for the product in every subsequent round as long as the clock price for the round is less than the proxy instruction price. In the first round in which the clock price is greater than or equal to the proxy instruction price, the bidding system would submit a proxy bid on behalf of the bidder to reduce the bidder's demand for that product to the quantity specified in the proxy instruction at the price specified in the proxy instruction. For example, if a bidder has a processed demand of three blocks for a product with a start-of-round price of $900 and a clock price of $1,000, and the bidder is willing to purchase three blocks of the product for a price up to $1,800 per block but is not willing to purchase any blocks when the price per block exceeds $1,800, the bidder could submit a proxy instruction to reduce its demand for the product to zero blocks at $1,800. In that case, the bidding system would submit proxy bids to maintain the bidder's demand for three blocks of the product in each subsequent round as long as the clock price is less than $1,800. Proxy bids would be processed by the bidding system in the same way as bids submitted by the bidder in the round.

69. A bidder may submit more than one proxy instruction for a given product as long as one of those proxy instructions is for a quantity of zero blocks. For example, if a bidder has a processed demand of four blocks for a product with a start-of-round price of $900 and a clock price of $1,000, and the bidder is willing to purchase four blocks of the product for a price up to $3,000 per block and two blocks of the product for a price of up to $4,000 per block, the bidder could submit a proxy instruction to reduce its demand for the product to two blocks at $3,000 and another proxy instruction to further reduce its demand to zero blocks at $4,000.

70. In the case of a product for which the bidder either submitted a bid to reduce demand to zero or a proxy instruction, for any bid to reduce demand for the product that is not applied in full during bid processing, the bidding system will automatically generate a proxy instruction at the bid price and, in the following rounds, submit proxy bids on behalf of the bidder according to that proxy instruction. For example, suppose that the start-of-round price for a product is $10,000, the clock price is $12,000, and a bidder with processed demand of two for the product submits a bid to reduce its demand to zero at price $11,500. If the bid is not applied during bid processing (e.g., because there was no excess demand and no other bids for the product in the round), in the following round the bidding system would submit a proxy bid on behalf of the bidder to reduce its demand for the product to zero at price $11,500. The purpose of this system-created proxy instruction is to preserve in the bidding system the bidder's interest in reducing its demand for the product to zero at a price of $11,500, which may help avoid having blocks of the product sold later in the auction to another bidder at a price less than the $11,500 that the initial bidder was willing to pay.

71. In any round, a bidder can remove or modify any existing proxy instructions or proxy bids for the round by resubmitting its bids (through the user interface or file upload), including the modifications, which would replace any bids and proxy instructions previously submitted. The bidding system would take the last bid submission as that bidder's bids and proxy instructions.

72. As is the case for intra-round bid amounts, proxy instruction prices would be limited to multiples of $10 for prices below $10,000; to multiples of $100 for prices between $10,000 and $100,000, inclusive; and to multiples of $1,000 for prices above $100,000. Proxy instructions would not be publicly released either during or after the auction.

73. OEA and WTB seek comment on the proposed procedures for proxy bids.

#### f. Missing Bids

74. Under the proposed clock auction format, for every product for which a bidder has processed demand at the end of a round, a bidder would be required to submit a bid in the next round or have a proxy instruction in place, even if its demands at the new round's prices are unchanged. If a bidder does not submit bids in the current round for all of the products for which it had processed demand in the previous round and does not have proxy instructions in place, the bidding system would consider those products to have missing bids.

75. Missing bids would be treated by the bidding system as requests to reduce the bidder's demand to zero at the start-of-round prices for the products with missing bids. If these requests are applied, even if applied partially, then a bidder's activity, and its bidding eligibility for the next round, may be reduced. A bidder can avoid having missing bids by either indicating its demand in every round or by entering appropriate proxy instructions. OEA and WTB seek comment on this proposal.

### 7. Bid Processing

76. OEA and WTB propose that after each bidding round under the proposed clock auction format, bids would be processed according to the bid processing procedures described herein to determine the processed demand of each bidder for each product and the posted price for each product. The posted price would serve as the start-of-round price for the next round. OEA and WTB seek comment on the full bid processing procedures for Auction 115 proposed in detail herein.

#### a. No Excess Supply Rule for Bids to Reduce Demand

77. Bidding would be subject to a "no excess supply" rule, wherein the bidding system would not allow a bidder to reduce the quantity of blocks it demands for a product if the reduction would cause aggregate demand to fall below, or be less than, the supply of blocks in the product, which would create excess supply. Therefore, if a bidder has processed demand for a product in the previous round, and submits a bid to reduce the number of blocks if the price should increase above the price in its bid, the bidding system would treat the bid as a request to reduce demand that would be applied only if applying the bid would not result in, or further increase, excess supply. However, if a bid to reduce demand is not applied, the bidder will not be asked to pay more for the block than the highest price it agreed to pay.

### b. Eligibility Rule for Bids to Increase Demand

78. The bidding system would not allow a bidder in Auction 115 to increase the quantity of blocks it demands for a product if the total number of bidding units associated with the bidder's demand would exceed the bidder's bidding eligibility for the round. Therefore, if a bidder submits a bid to increase the number of blocks for which it has processed demand as of the previous round, the bidding system would treat the bid as a request to increase demand that would be applied only if that would not cause the bidder's processed activity to exceed its eligibility.

### c. Partial Application of Bids

79. A bid that involves a reduction from the bidder's previous demands could be applied partially—that is, reduced by fewer blocks than requested in the bid—if excess demand is insufficient to support the entire reduction. Accordingly, the bidding system would apply a bidder's request to reduce demand as much as possible consistent with the no excess supply rule. A bid to increase a bidder's demand could be applied partially if the total number of bidding units associated with the bidder's demand exceeds the bidder's bidding eligibility for the round. Therefore, the bidding system would accommodate a bidder's request to increase demand as much as possible as long as the bidder's activity does not exceed its eligibility.

### d. Processed Demand

80. After a round ends, the bidding system would first consider and apply all bids to maintain processed demand at the clock price. Bids to maintain a bidder's processed demand at the clock price would always be applied. Then the bidding system would process bids to change demand in order of price point, and by pseudo-random number in the case of tied price points, where the price point represents the percentage of the bidding interval for the round. For example, if the start-of-round price is $1,200 and the clock price is $1,300, a bid at $1,230 is at the 30% price point (30% of the $100 bidding interval for the round).

81. To process bids to change demand, the bidding system would consider bids at the lowest price point across all products, then look at bids at the next price point across all products, and continue in ascending order up to bids to change demand at the clock price. To determine whether a bidder's request to reduce demand for a product can be applied, the bidding system would determine whether there is

excess demand for that product at that point in the processing. To determine whether a request to increase demand can be applied, the bidding system would evaluate the activity associated with the bidder's processed demands at that point in the bid processing. If a bid for a product can be applied fully or partially at that point in the processing, the bidding system would recalculate the number of blocks that the bidder holds in processed demand, the aggregate demand for the product, and the bidder's processed activity.

82. If a bid to change demand could not be applied in full at the price point indicated in the bid, e.g., because demand would fall below supply or because the bidder's processed activity would exceed its eligibility, the unfulfilled bid, or portion thereof, would be held in a queue and reconsidered, again in price point order, if later in the processing (after other bids are processed) there should be excess demand for that product or if the bidder's processed activity is sufficiently reduced below its eligibility. This process of reconsidering unfulfilled bids held in the queue in ascending order of original price point repeats iteratively, with the reconsidered bids being applied (fully, partially, or not at all) and then products' aggregate demand and bidders' processed demand and activity being recalculated. The bid processing ends when no further bids remaining in the queue can be applied. The bidding system would not carry over unfulfilled bid requests to the next round, except for generating proxy instructions as described above. The bidding system would advise bidders of the status of their bids when round results are released.

#### e. Price Determination

83. During bid processing, the bidding system also would determine, based on aggregate demand, the posted per-block price for each product for the round, which would serve as the start-of-round price for the next round. The start-of-round price for a block in a product would increase across rounds if there is excess demand for blocks in the product.

84. Specifically, if, at the end of a round, the aggregate demand for blocks in a product exceeds the supply of blocks, the posted price for the round would equal the clock price. If a reduction in demand was applied during the round that caused demand for the product to equal supply, the posted price would be the price at which the reduction was applied. If aggregate demand is less than or equal to supply and no bid to reduce demand was applied for the product, then the posted price would equal the

start-of-round price for the round. The range of acceptable bid amounts for the next round would be set by adding the percentage increment to the posted price.

85. Under these procedures, when a bid to reduce demand cannot be fully applied, the bidder would not face a price that is higher than its bid price. Specifically, if a bid to reduce demand cannot be fully applied, it must be the case that there is no excess demand for the product at the bid price and, therefore, the posted price would not be higher than that price.

86. After each round of bid processing, each bidder would be informed of its processed demands, its processed activity, and the aggregate demand for each product. If the stopping rule has not been met, the bidding system would announce clock prices to determine the range of acceptable bids for the next round.

#### f. Winning Bids in the Clock Phase

87. A bidder with processed demand for a product at the time the stopping rule is met would become the winning bidder of licenses corresponding to that number of blocks and would be assigned specific frequencies in the assignment phase. The final clock phase price for a generic block in a product would be the posted price of the final round.

## B. Assignment Phase

88. Following the conclusion of the clock phase, OEA and WTB propose to conduct an assignment phase that determines specific frequency assignments for the generic blocks won in the clock phase. The assignment phase would proceed in a series of single-round sealed-bid bidding rounds, where clock phase winning bidders may submit bids to indicate their preferences for specific frequency licenses corresponding to the generic blocks they won in the clock phase. A clock phase bidder that won multiple blocks in a PEA would be assigned contiguous blocks in that PEA regardless of whether it participates in the assignment phase. Therefore, in the assignment phase, winning bidders in the clock phase bid for the specific frequencies they might prefer for the contiguous blocks that they will be assigned.

### 1. Sequencing and Grouping of PEAs

89. OEA and WTB propose to sequence assignment rounds to make it easier for bidders to incorporate frequency assignments from previously assigned areas into their bid preferences for other areas, recognizing that bidders winning multiple blocks of licenses generally will prefer contiguous

blocks across adjacent PEAs. To that end, OEA and WTB propose to conduct rounds for the largest markets first to enable bidders to establish a "footprint" from which to work. Specifically, OEA and WTB propose that the assignment phase begin with a separate assignment round for each of the top 20 PEAs, and to sequentially order these twenty assignment rounds by descending order of PEA population.

90. Once the top 20 PEAs have been assigned, OEA and WTB propose to conduct, for each of the six Regional Economic Area Groupings (REAGs), a series of assignment rounds for the remaining PEAs within each region. The six REAGs are: Northeast, Southeast, Great Lakes, Mississippi Valley, Central, and West. OEA and WTB propose to conduct the bidding for the six REAGs in parallel in order to reduce the total amount of time required to complete the assignment phase. To help maximize contiguity across PEAs, OEA and WTB further propose that, where feasible, multiple PEAs will be grouped together if they: (1) are located in the same REAG; (2) are outside the top 20 PEAs; and (3) include the same bidders winning the same number of blocks. In addition, all PEAs in the group must either be uniformly subject to, or not subject to, the small market bidding credit cap. OEA and WTB would sequence the assignment rounds within a REAG in descending order of population for a PEA group or individual PEA.

91. OEA and WTB seek comment on these proposals.

**2. Acceptable Bids and Bid Processing**

92. OEA and WTB propose that, in each assignment round, a bidder will be asked to assign a price to one or more possible frequency assignments for which it wishes to express a preference, consistent with the generic blocks it won in the clock phase. The price will represent a maximum payment that the bidder is willing to pay, in addition to the clock phase price for the generic blocks, for the frequency-specific license or licenses in its bid.

93. OEA and WTB propose to use an optimization approach to determine the winning frequency assignment for each PEA or PEA group. OEA and WTB propose that the bidding system will select the assignment that maximizes the sum of bid amounts among all assignments that satisfy the contiguity requirements, that is, where every winning bidder is assigned contiguous spectrum in the PEA or PEA group. Furthermore, if multiple blocks in a PEA remain unsold, the unsold licenses will be contiguous. OEA and WTB propose that the additional price a bidder will pay for a specific frequency

assignment (above the clock phase price) will be calculated consistent with a generalized "second price" approach—that is, the winner will pay a price that would be just sufficient to result in the bidder receiving that same winning frequency assignment while ensuring that no group of bidders is willing to pay more for an alternative assignment that satisfies the contiguity requirements. This price will be less than or equal to the price the bidder indicated it was willing to pay for the assignment. OEA and WTB propose to determine prices in this way because it simplifies bidders' bidding strategies, incentivizing them to bid their full value for the assignment, knowing that if the assignment is selected, they will pay no more than would be necessary to ensure that the outcome is competitive. OEA and WTB propose to determine prices using the Vickrey-nearest approach, as described in the Auction 115 Assignment Phase Technical Guide, which will be available in the Education section on the Auction 115 website at *www.fcc.gov/auction/115*.

94. OEA and WTB seek comment on these proposed procedures.

## VI. TUTORIALS AND ADDITIONAL INFORMATION FOR APPLICANTS

95. OEA and WTB intend to provide additional information on the bidding system and to offer demonstrations and other educational opportunities for applicants in Auction 115 to familiarize themselves with the FCC auction application system and the bidding system. For example, OEA and WTB intend to release online tutorials that will help applicants understand the procedures to be followed in the filing of their auction short-form applications (FCC Form 175) and on the bidding procedures for Auction 115, as well as technical guides that supplement the information in the *Auction 115 Comment Public Notice* and provide the mathematical details and algorithms of the procedures described herein.

## VII. INITITAL REGULATORY FLEXIBILITY ANALYSIS

96. As required by the Regulatory Flexibility Act of 1980, as amended (RFA), the Commission prepared Initial Regulatory Flexibility Analyses (IRFAs) in connection with the *Upper C-band NPRM*, 90 FR 56076, December 5, 2025, and other Commission notices of proposed rulemaking pursuant to which Auction 115 will be conducted. Final Regulatory Flexibility Analyses (FRFAs) likewise were prepared in the *Upper C-band Report and Order* and other Commission rulemaking orders pursuant to which Auction 115 will be conducted. OEA and WTB have prepared this IRFA of the procedures proposed in the *Auction 115 Comment Public Notice*, assessing the possible significant

economic impact on a substantial number of small entities. The Commission requests written public comments on this IRFA. Comments must be identified as responses to the IRFA and must be filed by the deadlines for comments specified in the **DATES** section of this document. The Commission will send a copy of the *Auction 115 Comment Public Notice*, including this IRFA, to the Chief Counsel for the Small Business Administration (SBA) Office of Advocacy.

97. *Need for, and Objectives of, the Proposed Procedures.* If adopted, the proposed procedures for conducting Auction 115 as described in the *Auction 115 Comment Public Notice* would constitute the more specific implementation of the competitive bidding rules contemplated by 47 CFR parts 1 and 27, which were adopted by the Commission in multiple notice-and-comment rulemaking proceedings, including the delegation of authority to establish additional procedures to be adopted prior to a spectrum license auction. The *Auction 115 Comment Public Notice* seeks comment on proposed procedures, terms, and conditions governing Auction 115, including the minimum opening bid amounts for the generic blocks in a PEA, and is fully consistent with the underlying rulemaking orders, including the *Upper C-band Report and Order* and other relevant competitive bidding orders.

98. The Commission is offering licenses in Auction 115 pursuant to its statutory mandate to grant spectrum licenses in the Upper C-band through a system of competitive bidding, and to complete competitive bidding for such licenses within two years. Auction 115 will offer 160 megahertz of spectrum in the 3.98–4.14 GHz portion of the Upper C-band licensed on an unpaired basis in eight 20-megahertz blocks by PEA in the contiguous states and the District of Columbia (PEAs 1–41, 43–211, 213–263, 265–297, 299–359, and 361–411).

99. The *Auction 115 Comment Public Notice* also provides notice to Auction 115 applicants, some of which are small entities, of proposed auction procedures and provides adequate time for applicants to comment on proposed procedures. To promote the efficient and fair administration of the competitive bidding process for all Auction 115 participants, the *Auction 115 Comment Public Notice* seeks comment on the following proposed procedures:

- A requirement that any applicant seeking to participate in Auction 115 certify in its short-form application, under penalty of perjury, that it has read the public notice adopting procedures for Auction 115 that will be released in advance of the short-form application deadline, and that it has familiarized itself with those procedures and the requirements for obtaining a license and operating facilities in the 3.98–4.14 GHz portion of the Upper C-band;

- Establishment of bidding credit caps for eligible small businesses and rural service providers in Auction 115;
- A specific upfront payment amount for a generic block of each product available in Auction 115;
- Establishment of a bidder's initial bidding eligibility in bidding units based on that bidder's upfront payment through assignment of a specific number of bidding units for each generic block;
- The ability of OEA, in conjunction with WTB, to exercise its discretion to delay, suspend, or cancel bidding in Auction 115 for any reason that affects the ability of the competitive bidding process to be conducted fairly and efficiently;
- Establishment of an additional default payment of 15% under 47 CFR 1.2104(g)(2) in the event that a winning bidder defaults or is disqualified after the auction;
- Use of anonymous bidding/limited information procedures under which the Commission will not make public until after the bidding has closed: (1) PEAs that an applicant selects for bidding in its short-form application (FCC Form 175); (2) the amount of any upfront payment made by or on behalf of an applicant for Auction 115; (3) any applicant's bidding eligibility; and (4) any other bidding-related information that might reveal the identity of the bidder placing a bid;
- Designation of AT&T, T-Mobile, and Verizon as nationwide providers for the purpose of implementing the Commission's competitive bidding rules in Auction 115;
- Use of a clock auction format for Auction 115, under which each qualified bidder will indicate in successive clock bidding rounds its demands for generic blocks in specific geographic areas at the prices associated with the rounds;
- Retention by OEA of discretion to adjust the bidding schedule in order to manage the pace of Auction 115;

- Use of a simultaneous stopping rule for Auction 115, under which all blocks in all PEAs would remain available for bidding until the bidding stops in every PEA;
- Use of an activity rule that would require bidders to be active on between 90% and 100% of their bidding eligibility in all clock rounds, with the initial activity requirement percentage set at 95% and with OEA retaining discretion to change the activity requirement percentage during the auction;
- A specific minimum opening bid amount for a generic block of each product available in Auction 115;
- Establishment of acceptable bid amounts, including clock price increments and intra-round prices;
- Permitting each bidder to place bids that indicate its desired quantity of blocks for a product at the prices associated with the round;
- Permitting a bidder to submit a proxy instruction to request a reduction in its demand for a product at a price higher than the current round's clock price for Auction 115;
- A requirement that bidders indicate their demands in every round or submit appropriate proxy instructions, even if their demands at the new round's prices are unchanged from the previous round, and the treatment of bids to reduce demand as a request to reduce demand for the product;
- A methodology for processing bids and requests to reduce and increase demand; and
- Establishment of an assignment phase that will determine which frequency-specific licenses will be won by the winning bidders of generic blocks during the clock phase.

100. *Legal Basis.* The Commission's statutory obligations to small businesses participating in a spectrum license auction under the Communications Act of 1934, as amended (the Act), are found in 47 U.S.C. 309(j)(3)(B) and 309(j)(4)(D). The statutory basis for the Commission's competitive bidding rules is found in various provisions of the Act, including 47 U.S.C. 154(i), 301, 303(e), 303(f), 303(r), 304, 307, and 309(j). The Commission has established a framework of competitive bidding rules pursuant to which it has conducted auctions since the inception of the auctions program in 1994 and would conduct Auction 115. The Commission has directed that OEA and WTB, under delegated authority, seek

comment on a variety of auction-specific procedures prior to the start of bidding in each auction.

101. *Description and Estimate of the Number of Small Entities to Which the Proposed Rules Will Apply.* The RFA directs agencies to provide a description of and, where feasible, an estimate of the number of small entities that may be affected by the proposed rules and policies, if adopted. The RFA generally defines the term "small entity" as having the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction." In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act. A "small business concern" is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA. The SBA establishes small business size standards that agencies are required to use when promulgating regulations relating to small businesses; agencies may establish alternative size standards for use in such programs, but must consult and obtain approval from SBA before doing so.

102. OEA's and WTB's actions, over time, may affect small entities that are not easily categorized at present. OEA and WTB therefore describe three broad groups of small entities that could be directly affected by their actions. In general, a small business is an independent business having fewer than 500 employees. These types of small businesses represent 99.9% of all businesses in the United States, which translates to 34.75 million businesses. Next, "small organizations" are not-for-profit enterprises that are independently owned and operated and not dominant in their field. While OEA and WTB do not have data regarding the number of non-profits that meet that criteria, over 99% of nonprofits have fewer than 500 employees. Finally, "small governmental jurisdictions" are defined as cities, counties, towns, townships, villages, school districts, or special districts with populations of less than fifty thousand. Based on the 2022 U.S. Census of Governments data, OEA and WTB estimate that at least 48,724 out of 90,835 local government jurisdictions have a population of less than 50,000.

103. The proposed procedures in the *Auction 115 Comment Public Notice* will apply to small entities in the industries identified in the chart in Table 1 by their six-digit North American Industry Classification System (NAICS) codes and corresponding SBA size standard and in the chart in Table 2. Based on currently available U.S. Census data regarding the estimated number of small firms in the identified industries, OEA and WTB conclude that the proposed procedures could impact a substantial

number of small entities. Where available, OEA and WTB also provide additional information regarding the number of potentially affected entities in the industries identified in Tables 1 and 2.

**Table 1. 2022 U.S. Census Bureau Data by NAICS Code**

| **Regulated Industry** | **NAICS Code** | **SBA Size Standard** | **Total Firms** | **Total Small Firms** | **% Small Firms** |
|---|---|---|---|---|---|
| Wireless Telecommunications Carriers (except Satellite) | 517112 | 1,500 employees | 1,184 | 1,081 | 91.30% |
| Satellite Telecommunications | 517410 | $44 million | 332 | 195 | 58.73% |

Affected entities in the Wireless Telecommunications Carriers (except Satellite) industry include Wireless Broadband Internet Access Service Providers, Wireless Carriers and Service Providers, Wireless Communications Services, and Wireless Telephony. Affected entities in the Satellite Telecommunications industry include Fixed Satellite Very Small Aperture Terminal (VSAT) Systems and Mobile Satellite Earth Stations.

**Table 2. Telecommunications Service Provider Data**

| **2025 Universal Service Monitoring Report Telecommunications Service Provider Data (Data as of December 2024)** | **SBA Size Standard (1500 Employees)** | | |
|---|---|---|---|
| **Affected Entity** | **Total # FCC Form 499A Filers** | **Small Firms** | **% Small Entities** |
| Wireless Telecommunications Carriers (except Satellite) | 608 | 522 | 85.86 |
| Wireless Telephony | 336 | 262 | 77.98 |

Affected entities in the Wireless Telecommunications Carriers (except Satellite) industry include all reporting wireless carriers and service providers. Affected entities in the Wireless Telephony industry include Cellular/PCS/SMR – Specialized Mobile Radio Licensees and SMR (Dispatch).

104. *Description of Economic Impact and Projected Reporting, Recordkeeping, and Other Compliance Requirements for Small Entities.* The RFA directs agencies to describe the economic impact of its proposed rules on small entities, as well as projected reporting, recordkeeping and other compliance requirements, including an estimate of the classes of small entities which will be subject to the requirement and the type of professional skills necessary for preparation of the report or record.

105. In the *Auction 115 Comment Public Notice*, OEA and WTB do not propose any new reporting, recordkeeping, or other compliance requirements for small entities or other auction applicants. Moreover, the auction application process is designed to minimize reporting and compliance requirements for applicants, some of which are small entities. In the first part of the Commission's two-phased auction application process, parties desiring to participate in an auction file streamlined, short-form applications in which they certify their qualifications under penalty of perjury. A party's eligibility to participate in bidding is based on an applicant's short-form application and certifications, as well as its upfront payment. In the second phase of the auction process, there are additional compliance requirements for winning bidders. Thus, a small business that fails to become a winning bidder does not need to file a long-form application and provide the additional showings and more detailed demonstrations required of a winning bidder. This approach will particularly benefit small entities that seek to participate in the auction because it avoids imposing on an auction applicant/bidder that does not ultimately become a winning bidder the burden of submitting this additional information.

106. At this time, OEA and WTB do not expect the processes and procedures proposed in the *Auction 115 Comment Public Notice* will require small entities to hire attorneys, engineers, consultants, or other professionals to participate in Auction 115 and comply with the procedures OEA and WTB ultimately adopt because of the information, resources, and guidance OEA and WTB make available to potential and actual auction participants at no cost. For example, OEA and WTB intend to release an online tutorial that will help applicants understand the procedures for filing the short-form application (FCC Form 175). OEA and WTB also intend to make information on the bidding system available and offer demonstrations and other educational opportunities for applicants in Auction 115 to familiarize themselves with the FCC auction application system and the bidding system. By providing these resources, as well as the resources discussed herein, OEA and WTB expect small entities that use the available resources to experience lower participation and compliance costs. Nevertheless, while OEA and WTB cannot quantify the cost of compliance with the rules and proposed procedures, OEA and WTB do not believe that the costs of compliance will unduly burden small entities that choose to participate in the auction because the proposals for Auction 115 are similar in many respects to the procedures in recent auctions conducted by the Commission.

107. *Discussion of Significant Alternatives Considered That Minimize the Significant Economic Impact on Small Entities.* The RFA directs agencies to provide a description of any significant alternatives to the proposed rules that would accomplish the stated objectives of applicable statutes, and minimize any significant economic impact on small entities. The discussion is required to include alternatives such as: "(1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance and reporting requirements under the rule for such small entities; (3) the use of performance rather than design standards; and (4) an exemption from coverage of the rule, or any part thereof, for such small entities."

108. In the *Auction 115 Comment Public Notice*, OEA and WTB set forth proposals to facilitate participation in Auction 115 that result in both operational and administrative cost savings for small entities and other auction participants. For example, given the numerous resources that will be made available from the Commission at no cost to potential applicants and bidders, the processes and procedures proposed in the *Auction 115 Comment Public Notice* should result in minimal economic impact on small entities. Prior to the start of bidding, the Commission will hold a mock auction to allow qualified bidders the opportunity to familiarize themselves with both the bidding processes and systems that will be used in Auction 115. During the auction, participants will be able to access and participate in bidding via the Internet using a web-based system, or telephonically, providing two cost-effective methods of participation and avoiding the cost of travel for in-person participation. Further, small entities as well as other auction participants will be able to avail themselves of a telephone hotline for assistance with auction processes and procedures, as well as a telephone technical support hotline to assist with issues such as access to or navigation within the short-form application and use of the FCC's auction system. All auction participants, including small business entities, will also have access to various other sources of information and databases through the Commission that will aid in both their understanding of and participation in the process. These mechanisms are made available to facilitate participation by all qualified bidders and may result in significant cost savings for small business entities that utilize these mechanisms. Alternatively, OEA and WTB will continue to consider additional ways to assist small entities, many of which have limited resources, in their efforts to participate more efficiently in Auction

115 and seek comment on such proposals. These steps, coupled with the advanced description of the bidding procedures, should ensure that the auction will be administered efficiently and fairly, thus providing certainty for small entities.

109. Lastly, in the *Auction 115 Comment Public Notice*, OEA and WTB seek to promote opportunities and reduce economic barriers to entry for small entities wishing to grow their businesses through the auction process. In keeping with these objectives, for Auction 115, OEA and WTB propose a $25 million cap on the total amount of bidding credits that may be awarded to an eligible small business and a $10 million cap on the total amount of bidding credits that may be awarded to a rural service provider. In addition, OEA and WTB propose a $10 million cap on the overall amount of bidding credits that any winning small business bidder may apply to winning licenses in markets with a population of 500,000 or less. Based on the technical characteristics of the Upper C-band licenses and an analysis of past auction data, OEA and WTB anticipate that the proposed caps will allow the majority of small businesses in each auction to take full advantage of the bidding credit program, thereby lowering the relative costs of participation for small businesses. OEA and WTB seek comment on, and will consider alternatives to, the proposed cap levels in an effort to maximize small entity participation in the auction process, while minimizing potential abuse of the bidding credit program, thereby protecting its integrity.

110. To assist with the Commission's evaluation of the economic impact on small entities that may result from the actions and alternatives that have been discussed in this proceeding, the *Auction 115 Comment Public Notice* seeks alternative proposals, and requests information on the potential costs of such alternatives to small entities. The Commission expects to consider more fully the economic impact on small entities following its review of comments filed in response to the *Auction 115 Comment Public Notice*, including costs and benefits information. The Commission's evaluation of the comments filed in this proceeding will shape the final conclusions it reaches, the final alternatives it considers, and the actions it ultimately takes in this proceeding to minimize any significant economic impact on small entities resulting from the final procedures that are ultimately adopted.

111. *Federal Rules that may Duplicate, Overlap, or Conflict with the Proposed Rules.* None.

Federal Communications Commission.

**Gary Michaels,**

*Senior Deputy Chief, Auctions Division, Office of Economics and Analytics.*

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