

45. In order to implement "or" bids, we would need to modify the method by which we determine retained bids. Rather than using the method described in "II.B. Definitions: Winning and Retained Bids," we would determine retained bids as follows:

- Retain a global package bid if it is the provisional winner. Do not retain attached "or" bids.
- Retain a national package bid if it would be part of the provisional winning set including national packages and individual license bids, but excluding global and regional packages. Do not retain attached "or" bids.
- Retain a regional package bid if it would be part of the provisional winning set including regional packages and individual license bids, but excluding global and national packages. Do not retain attached "or" bids.
- Retain individual license bids if it would be part of the provisional winning set including individual license bids, but excluding global, national and regional package bids. Do not retain attached "or" bids.

We seek comment on this proposal, including whether the number of "or" bids per bidder be limited.

#### B. Bid Cancellation

46. Another method that could overcome the reluctance of bidders that have retained but non-provisional winning bids from bidding on other licenses that they consider substitutes is to allow bidders to *cancel* their bids. If we adopted such a procedure, bidders would be permitted to cancel only non-provisional winning retained bids; provisional winning bids could not be cancelled. Allowing non-provisional winning retained bid cancellation could avoid the possible complexity of "or" bids and provide bidders more flexibility to pursue backup strategies—and to explore ways to beat package bids. However, it also could facilitate adverse strategic bidding, similar to that associated with allowing withdrawal of provisional winning bids. Allowing cancellation of retained but non-provisional winning bids could also make it *more* difficult for bidders for single licenses or smaller packages to beat package bids. Moreover, if bidders were permitted to freely cancel non-provisional winning retained bids, the total of retained bids would not necessarily always increase during the auction and we might be unable to ensure an acceptable pace of the auction. We therefore tentatively conclude not to permit bidders to cancel bids. We seek comment, however, on this.

47. If we permitted cancellation of non-provisional winning bids, we would also likely adopt the option of retaining all bids. The possibility that bids may be cancelled means that many, or all, bids are potentially part of a winning set of bids, and thus it may be appropriate to retain all bids. Rather than the auction system canceling non-provisional winning bids automatically, bidders would be required to cancel those bids. If we were to adopt this approach, it would also be necessary to modify the activity rules and the procedures for calculating minimum acceptable bids. The currently proposed activity rule could provide inadequate incentives to move the auction along if the same activity credit were given to all bids regardless of their likelihood of winning. We seek comment on this proposal.

#### C. Bid Composition Restriction

48. We seek comment on bid composition restrictions. For example, the Milgrom-McAfee bid composition restriction would not allow a bidder that is active in a round on a package, but not on a subset of that package, to bid subsequently for the subset. Such a restriction could help mitigate the *threshold problem*. It would tend to deter bidders that are interested in multiple license but do not have strong synergies from strategically making package bids to create a threshold problem for bidders interested in subsets of the package. Such a rule would, however, somewhat limit bidders' flexibility. We seek comment on this device and similar restrictions.

#### IV. Conclusion

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

Federal Communications Commission.

**Louis J. Sigalos,**

*Deputy Chief, Auctions and Industry Analysis Division.*

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## FEDERAL RESERVE SYSTEM

### Change in Bank Control Notices; Acquisitions of Shares of Banks or Bank Holding Companies

The notificants listed below have applied under the Change in Bank Control Act (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire a bank or bank holding company. The factors that are considered in acting on the notices are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

The notices are available for immediate inspection at the Federal Reserve Bank indicated. The notices also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing to the Reserve Bank indicated for that notice or to the offices of the Board of Governors. Comments must be received not later than June 19, 2000.

**A. Federal Reserve Bank of Minneapolis** (JoAnne F. Lewellen, Assistant Vice President), 90 Hennepin Avenue, Minneapolis, Minnesota 55480-0291:

1. *John L. Franklin*, Sidney, Montana; to acquire voting shares of 1st United Bancorporation, Inc., Sidney, Montana, and thereby indirectly acquire voting shares of 1st Bank, Sidney, Montana.

Board of Governors of the Federal Reserve System, May 30, 2000.

**Robert deV. Frierson,**

*Associate Secretary of the Board.*

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## FEDERAL RESERVE SYSTEM

### Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies