

Services

Services

BIDDER SUPPORT

LECG experts have led a number of bidding teams in auctions around the world. We build strategies based on our client's valuations and objectives, competitive analyses and analyses of the auction design and its implementation. We work with the client in a series of "dry runs" of the auction to simulate the situation in which they are about to find themselves. We also prepare custom software tools to assist in running these simulations, managing the auction information and performing up-to-the-minute analyses. We can assist in setting up the bidding rooms and in developing protocols for conducting the bidding. Finally, we can provide our clients with on-site support throughout the auction to assist in implementing the bidding strategy.

MARKET DESIGN AND IMPLEMENTATION

LECG experts have worked on the design of a number of auction and market mechanisms in a variety of settings. We work to build to build economic mechanisms that promote the client's objectives, such as transparency, objectivity, efficiency and revenue generation. We can also design and execute the implementation of the auction design.

LITIGATION, ARBITRATION AND REGULATORY SUPPORT

LECG assists law firms and corporate counsel in litigation, mediation, arbitration, settlement negotiations and regulatory hearings involving auctions and markets. LECG experts help to clarify the central issues our clients face, provide a critical review of opposing testimony, assist in the formulation of positions, and provide comprehensive and credible expert testimony. Our experts also have extensive experience conducting damage studies arising from alleged breaches of contract, lost profits, and business interruption suits.

VALUATION AND BUSINESS MODELING

LECG experts have experience in the valuation a variety of assets not traded on public markets, including spectrum licenses, prospective ventures and privately-held companies. We also have experience with transaction-related valuations of securities, intellectual property and contract rights and obligations. LECG has extensive experience in valuing firms in communications industries, both domestic and foreign. In addition, we evaluate potential suppliers and partners and their effect on the ultimate value. We have valued manufacturers of communications equipment, interactive television companies, cellular ventures and licenses.

Representative Engagements

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BIDDER SUPPORT

Spectrum License Auctions

LECG experts have served as Bid Strategists during the recent Bidder Support for Universal Mobile Telecommunications System (UMTS) auctions throughout Europe. Many of our clients were the successful bidders in these auctions, among the largest in history. Typically, LECG experts are responsible for rule analysis, auction simulations and mock auctions, developing bidding strategy, and designing auction analysis software. Our principals provide in-depth, round-by-round analysis of bidding behavior for the duration of the auction. While absolute prices can be very high, our clients have been successful in obtaining licenses at relatively low prices, and in obtaining higher value spectrum.

Energy Markets

LECG experts provided design advice for auctions of electric generation assets. We advise utilities on auction theory, design and bidding strategy.

MARKET DESIGN AND IMPLEMENTATION

As part of a study on an alternative regulatory procedure for transmission capacity expansion projects in Argentina, LECG experts developed an innovative regulatory scheme based on an auction of incremental transmission capacity rights.

We have also consulted with government on the use of an auction mechanism to allocate gas transmission capacity.

Energy Market Design

LECG consultants were deeply involved with the development of the locational pricing, multisettlement systems and financial rights auctions in PJM and New York, and filed testimony on behalf of the PJM Supporting Companies and Member Systems of the New York Power Pool. LECG has also provided a variety of assistance to the New York ISO during the start-up phase of the New York ISO - software testing, settlement price validation,

Auctions in which LECG experts have worked include

- ▶ United Kingdom 3G Mobile
- ▶ Belgium 3G Mobile
- ▶ Netherlands DCS 1800
- ▶ Netherlands 3G Mobile
- ▶ Germany 3G Mobile
- ▶ Switzerland WLL
- ▶ Australia PCS 2000
- ▶ Netherlands DCS 1800
- ▶ Nigeria GSM
- ▶ Turkey GSM
- ▶ Columbia WLL
- ▶ Mexico PCS
- ▶ USA PCS C Blocks
- ▶ USA PCS D, E & F Blocks
- ▶ Canada 24/38 GHz
- ▶ USA 39GHz
- ▶ New Zealand 2GHz

identification and correction of erroneous settlement prices, implementation of the auction of financial transmission rights. LECG developed alternative regulatory mechanisms for the stabilization and pass-through of contractual prices in the Argentine wholesale electricity market; advised on establishing futures and option contracts for electricity in Argentina. LECG experts also advised participants in the New Zealand electricity industry working to establish a contractual structure under which transmission customers will determine security policy, technical standards, and the quality of electricity supply from the national transmission grid, including pricing of services and cost allocation.

Auction Design Spectrum Licenses

Assisted the Mexican Ministry of Communications in developing auction rules for its first and many other spectrum auctions. Developed spectrum management legislation in El Salvador and Guatemala. Designed and implemented auction plans for spectrum licenses in Guatemala. (Spiller)

Auction Design for the Licensure of Intellectual Property

In addition to the sale of assets in the energy industry, our experts provided advice on mechanisms to price and allocate intellectual property for a multinational corporation.

LITIGATION AND REGULATORY SUPPORT

Generation Asset Auction

Our experts provide a variety of services to such clients, including specific advice and expert testimony. We testified on behalf of a major U.S. electric utility relating to auction design issues with respect to the sale of its generation assets and related contracts. By testifying as to the relative tradeoffs between alternative designs, we were able to help our client

Allegations of Bidding Rings and Collusive Behavior

LECG experts have analyzed allegations of bidding rings and collusive bidder behavior where bidders have been accused of behaving anti-competitively. Empirical evidence of the bidding behavior can be analyzed to investigate whether or not such behavior in fact

Over

Areas of Expertise

- ▶ Bidder Design and Game Theoretic Analyses
- ▶ Regulatory Advice and Support
- ▶ Custom Auction Software Tools
- ▶ Information Management
- ▶ Simulations and Practice Sessions
- ▶ Behavioral Dynamics
- ▶ Protocol and Facility Design
- ▶ Design and Implementation of Bidding Strategies
- ▶ License Valuation and Business Case Modeling

Areas of Expertise

Overview

The trend towards deregulation and the emergence of new technologies has raised interest around the globe in efficient auctions. Whether it is selling off state assets in deregulating industries, or selling public commodities, such as mineral, energy, or spectrum resources, governments have increasingly turned to auctions to transfer the resource to private hands. Design of such auctions matters, as does the conduct of bidders in terms of revenues raised and the impact on the market place. Choosing the appropriate design, and, for bidders, choosing the ideal strategy, has become an important matter for governments and industry participants.

view

LECG, LLC is a global consulting services firm that provides sophisticated economic and financial analysis, expert testimony, and litigation support to the world's leading law firms, Fortune 500 companies, private and public sector industries, and government agencies. Our core areas of expertise include antitrust, industry deregulation, damages analysis, economic and financial modeling, intellectual property valuation, telecommunications, electricity, environmental economics, healthcare, international trade, and public policy. Founded in 1988, LECG has professionals in offices on four continents that provide a broad range of objective consulting services to effectively address today's diverse business challenges.

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AUCTIONS



- BUENOS AIRES
- CAMBRIDGE
- COLLEGE STATION
- EMERYVILLE
- EVANSTON
- KANSAS CITY
- LONDON
- LOS ANGELES
- NEW YORK
- PALO ALTO
- SALT LAKE CITY
- SAN FRANCISCO
- TORONTO
- WASHINGTON, DC
- WELLINGTON