

58. Applicants must fax a completed FCC Form 159 (Revised 2/00) to Mellon Bank at (412) 209-6045 at least one hour before placing the order for the wire transfer (but on the same business day). On the cover sheet of the fax, write "Wire Transfer—Auction Payment for Auction Event No. 51." In order to meet the Commission's upfront payment deadline, an applicant's payment must be credited to the Commission's account by the deadline. Applicants are responsible for obtaining confirmation from their financial institution that Mellon Bank has timely received their upfront payment and deposited it in the proper account. Detailed instructions for completion of FCC Form 159 are included in Attachment E of the *Auction No. 51 Procedures Public Notice*.

ii. Amount of Upfront Payment

59. In the *Part 1 Order* the Commission delegated to the Bureau the authority and discretion to determine appropriate upfront payment(s) for each auction. In addition, in the *Part 1 Fifth Report and Order*, the Commission ordered that "former defaulters," *i.e.*, applicants that have ever been in default on any Commission license or have ever been delinquent on any non-tax debt

owed to any Federal agency, be required to pay upfront payments fifty percent greater than non-"former defaulters." In the *Auction No. 51 Comment Public Notice*, the Bureau proposed that the amount of the upfront payment would determine the initial maximum eligibility (as measured in bidding units) for each bidder. Each license is assigned a specific number of bidding units equal to the upfront payment, on a bidding unit per dollar basis. For a package, the Bureau proposed to calculate the bidding units by adding together the bidding units of the individual licenses that make up the package. In order to bid on a license or package, otherwise qualified bidders that applied for the license(s) on Form 175 must have an eligibility level that meets or exceeds the number of bidding units assigned to the license or package. At a minimum, therefore, an applicant's total upfront payment must be enough to establish eligibility to bid on at least one of the licenses applied for on Form 175, or else the applicant will not be eligible to participate in the auction. An applicant does not have to make an upfront payment to cover all licenses for which the applicant has applied on Form 175, but rather to cover the maximum number of bidding units that

are associated with licenses on which the bidder wishes to bid (via bids on licenses and/or packages) at any given time.

60. In the *Auction No. 51 Comment Public Notice*, the Bureau proposed to calculate upfront payments on a license-by-license basis using the following formula:

$$\$0.00001 * \text{kHz} * \text{License Area} \\ \text{Population rounded.}$$

The Bureau received no comments on this issue. Therefore, the Bureau adopts its proposed upfront payments. The specific upfront payments and bidding units for each license are set forth in Attachment A of the *Auction No. 51 Procedures Public Notice*.

61. In calculating its upfront payment amount, an applicant should determine the bidding units of all the licenses it may wish to win at one time and submit an upfront payment covering that number of bidding units. In order to make this calculation, an applicant should add together the upfront payments for all of these licenses. Applicants should check their calculations carefully, as there is no provision for increasing a bidder's maximum eligibility after the upfront payment deadline.

EXAMPLE: UPFRONT PAYMENTS AND BIDDING FLEXIBILITY

Market No.	Channel No.	Market name	Bidding units	Upfront payment
RPC001	17	Northeast	34,000	\$34,000
RPC002	17	South	38,000	38,000

If a bidder wishes to bid on both licenses in a round or on a package of both licenses, it must have selected both on its FCC Form 175 and purchased at least 72,000 bidding units (34,000 + 38,000). If a bidder only wishes to bid on one license, but not both, purchasing 38,000 bidding units would meet the requirement for either license. The bidder would be able to bid on either license, *but not both at the same time*. If the bidder purchased only 34,000 bidding units, it would have enough eligibility for the Northeast license but not for the South license.

62. Former defaulters should calculate their upfront payment for all licenses by multiplying the number of bidding units they wish to purchase by 1.5. In order to calculate the number of bidding units to assign to former defaulters, the Commission will divide the upfront payment received by 1.5 and round the result up to the nearest bidding unit.

Note: An applicant may, on its FCC Form 175, apply for every applicable license being offered, but its actual bidding in any round will be limited by the bidding units reflected in its upfront payment.

iii. Applicant's Wire Transfer Information for Purposes of Refunds of Upfront Payments

63. The Commission will use wire transfers for all Auction No. 51 refunds. To ensure that refunds of upfront payments are processed in an

expeditious manner, the Commission is requesting that all pertinent information as listed be supplied to the FCC. Applicants can provide the information electronically during the initial short-form filing window after the form has been submitted. Wire Transfer Instructions can also be manually faxed to the FCC, Financial Operations Center, Auctions Accounting Group, ATTN: Gail Glasser or Tim Dates, at (202) 418-2843 by August 26, 2003. All refunds will be returned to the payer of record as identified on the FCC Form 159 unless the payer submits written authorization instructing otherwise. For additional information, please call Gail Glasser at (202) 418-0578 or Tim Dates at (202) 418-0496. Name of Bank, ABA Number, Contact and Phone Number, Account Number to Credit, Name of Account Holder, FCC Registration

Number (FRN), Taxpayer Identification Number, Correspondent Bank (if applicable), ABA Number, Account Number.

E. Auction Registration

64. Approximately ten days before the auction, the FCC will issue a public notice announcing all qualified bidders for the auction. Qualified bidders are those applicants whose FCC Form 175 applications have been accepted for filing and have timely submitted upfront payments sufficient to make them eligible to bid on at least one of the licenses for which they applied.

65. All qualified bidders are automatically registered for the auction. Registration materials will be distributed prior to the auction by two separate overnight mailings, one containing the confidential bidder identification number (BIN) and the