

determining winning and provisionally winning bids, the Bureau considers all bids made throughout the course of the auction.

ix. Bid Removal and Bid Withdrawal

123. In the *Auction No. 51 Comment Public Notice*, the Bureau proposed not to allow any bid withdrawals in Auction No. 51. The Bureau received no comments on this issue. Therefore, the Bureau adopts its proposal.

124. Bid Removal Procedures. Before the close of a bidding round, a bidder has the option of removing any bids placed in that round. By using the "remove bid" function in the bidding system, a bidder may effectively "unsubmit" any bid placed within that round. Removing a bid will affect a bidder's activity for the round in which it is removed, *i.e.*, a bid that is removed does not count towards bidding activity. This procedure will enhance bidder flexibility during the auction, and therefore, the Bureau adopts these procedures for Auction No. 51.

x. Round Results

125. Bids placed during a round will not be made public until the conclusion of that bidding period. After a round closes, the Bureau will compile reports of all bids made in that round, the set of bids considered when determining the current provisionally winning bids, current price estimates, new minimum acceptable bids for all bidders, current provisionally winning bids, and bidder eligibility status (bidding eligibility and activity rule waivers), and post the reports for public access. Reports reflecting bidders' identities for Auction No. 51 will be available before and during the auction. Thus, bidders will know in advance of this auction the identities of the bidders against which they are bidding. Details regarding round results formats and locations will be included in a subsequent public notice.

xi. Auction Announcements

126. The FCC will use auction announcements to announce items such as schedule changes. All FCC auction announcements will be available by clicking a link on the FCC Automated Auction System.

xii. Default

127. The Commission recently adopted a special rule for calculating default payments in connection with package bidding. In the event a winning bidder defaults on payments due after an auction closes or is disqualified after the auction, a default payment will be assessed. The default payment will

consist of a deficiency portion and an additional 25% payment. The special default rule is modeled on the default rule used in other auctions. However, there are substantial differences, perhaps most significantly in the amount of the additional payment. The default rule used in other auctions sets the additional payment at three percent (3%) of the lesser of the subsequent winning bid and the defaulted bid. In contrast, the default rule for use with package bidding sets the additional payment at twenty-five percent (25%) of the lesser of the subsequent winning bid and the defaulted bid.

128. The deficiency portion will make up any loss to the Commission that results when defaulted bid(s) are replaced by subsequent winning bid(s). If the subsequent winning bid(s) exceed the defaulted bid(s), no deficiency portion will be assessed. Even in the absence of a deficiency portion, however, an additional 25% payment will be due. Where a defaulting bidder held winning bids on individual licenses (*i.e.*, not as part of a package), and in a subsequent auction the licenses are also won individually, the deficiency portion will be calculated by subtracting the subsequent winning bid from the defaulted bid. The deficiency portion for such bids will be calculated on a license-by-license basis (*i.e.*, in the event of defaults on multiple bids, the differences between the amounts originally bid and the amounts subsequently bid will not be aggregated to determine a net amount owed).

129. Where a defaulting bidder won licenses in package(s), and in a subsequent auction the licenses are won either (a) In the same package(s), or (b) in smaller packages or as individual licenses that correlate to the defaulted package(s), the deficiency portion will be determined on a package-by-package basis. In the event a defaulting bidder defaults on more than one such bid, the differences between the amount originally bid and the amount(s) subsequently bid will not be aggregated to determine a net amount owed. Thus, in this situation, the deficiency portion will be calculated in a manner analogous to where the licenses are sold individually. However, with regard to each individual package, where the licenses are subsequently sold individually or as part of smaller packages, the amounts received in the subsequent auction will be aggregated in order to determine any deficiency.

130. Where a defaulting bidder or bidders won licenses either individually or as part of packages, and in a subsequent auction the licenses are won as larger packages or different packages

(not including the situation described in the preceding paragraph), the deficiency portion will be calculated by subtracting the aggregate amount originally bid for the licenses from the aggregate amount bid in the subsequent auction for the licenses. Thus, in this situation, the deficiency portion will not be calculated on a bid-by-bid basis.

131. If, in a situation requiring that bids be aggregated in order to determine the deficiency portion of the default payments for the bids, there are multiple defaulting bidders, the default payment (both the deficiency portion and the additional 25% payment portion) will be allocated to the defaulting bidders in proportion to their share of the aggregated default bids.

132. In the event that a bidding credit applies to any applicable bid(s), the Bureau will assess the deficiency portion of the default payment using the lesser of the difference between gross bids and the difference between net bids. (In the event that a bidder does not have a bidding credit, the bidder's gross bid and net bid are the same.) In other words, the Bureau will compare (i) The sum of the gross defaulted Auction No. 51 bid(s) minus the gross subsequent winning bid(s) and (ii) the sum of the net defaulted Auction No. 51 bid(s) minus the net subsequent winning bid(s). The Bureau will impose the lesser of (i) and (ii) as the deficiency portion.

133. As noted at the outset, the default payment consists of the deficiency portion and an additional 25% payment. The additional payment will be 25% of the lesser of the subsequent winning bid(s) and the defaulted bid(s). The Bureau will use the same gross or net bid(s) that it used to calculate the deficiency portion when assessing the additional 25% payment. That is, the Bureau will compare the defaulted and subsequent bid(s) according to the methods described for calculation of the deficiency portion of the default payment when determining whether the defaulted bid(s) or the subsequent winning bid(s) is the lesser amount. Should there be no difference between the gross or net bid(s) for purposes of assessing the deficiency portion, the Bureau will assess the additional 25% payment using the lesser of the gross or net bid(s).

xiii. Maintaining the Accuracy of FCC Form 175 Information

134. As noted in section II.G, after the short-form filing deadline, applicants may make only minor changes to their FCC Form 175 applications. Applicants must make these modifications to their FCC Form 175 electronically and submit