



Federal Communications Commission
Washington, D.C. 20554

September 5, 2003

DA 03-2801

Mr. Vincent D. McBride
Managing Partner
McBride Spectrum Partners
2655 30th Street
Suite 203
Santa Monica, California 90405

Re: Auction No. 44

Dear Mr. McBride:

McBride Spectrum Partners, LLC ("McBride Spectrum"), a participant in Auction No. 44, withdrew high bids on the following licenses: (i) CMA118-C; and (ii) CMA180-C.¹ Auction No. 49, the subsequent auction for the licenses on which McBride Spectrum withdrew high bids in Auction No. 44, has been completed.² Therefore, in accordance with the Commission's rules, we are able to determine that no withdrawal payment is owed and calculate the appropriate refund, as described below.

Under the Commission's Rules, a bidder that withdraws a high bid during the course of an auction is subject to a bid withdrawal payment equal to the difference between the amount of the withdrawn bid and the amount of the subsequent winning bid.³ If a high bid is withdrawn on a license that remains unsold at the close of the auction, the withdrawing bidder will be required to make an interim payment equal to three percent (3%) of the net amount of the withdrawn bid.⁴ This payment amount is deducted from any up-front payments or down payments deposited for this bidder's account with the Commission.⁵ If, in a subsequent auction, that license receives a winning bid in an amount equal to or greater than the withdrawn bid amount, then no final bid withdrawal payment will be assessed, and upon appropriate request, the Commission will refund

¹ Lower 700 MHz Auction Closes, Winning Bidders Announced, Down Payments Due October 4, 2002, *Ten-Day Petition to Deny Period, Public Notice*, DA 02-2323 at Attachment C (rel. September 20, 2002) ("*Auction No. 44 Winning Bidders' Public Notice*").

² Lower 700 MHz Auction Closes, Winning Bidders Announced, Down Payments Due July 2, 2003, *Ten-Day Petition to Deny Period, Public Notice*, DA 03-1978 (rel. June 18, 2003) ("*Auction No. 49 Winning Bidders' Public Notice*").

³ 47 C.F.R. § 1.2104(g)(1).

⁴ *Id.*; *Auction No. 44 Winning Bidders' Public Notice* at Attachment C. This attachment identifies bidders that withdrew bids in Auction 44 and indicates the interim three percent bid withdrawal payment.

⁵ See 47 C.F.R. § 1.2106(e); *Auction No. 44 Winning Bidders' Public Notice* at Attachment C.

the interim three percent (3%) payment.⁶ If, in a subsequent auction, the winning bid for that license is less than the bidder's withdrawn bid amount, then the bidder will be required to make a final bid withdrawal payment equal to either the difference between the bidder's net withdrawn bid and the subsequent net winning bid, or the difference between the bidder's gross withdrawn bid and the subsequent gross winning bid, whichever is less.⁷

With respect to McBride Spectrum's bid withdrawals on unsold licenses in Auction No. 44, the Commission has previously deducted interim bid withdrawal payments from the funds on deposit with the Commission.⁸ As shown in Attachment A,⁹ in the case of license CMA118(C), the winning bid amount, \$282,000, in the subsequent auction was greater than McBride Spectrum's net withdrawn bid amount, \$65,650 and in the case of license CMA180(C), the net winning bid amount, \$52,650, in the subsequent auction was greater than McBride Spectrum's net withdrawn bid amount, \$35,750.¹⁰ Therefore, in accordance with Section 1.2104 of the

⁶ 47 C.F.R. § 1.2104(g)(1).

⁷ *Id.*

⁸ *Auction No. 44 Winning Bidders' Public Notice*, at Attachment C. In Attachment C, the Commission explained that the interim bid withdrawal payments were based upon three percent (3%) of the net withdrawn bids on each of the licenses: (i) CMA118(C) ($\$65,650 \times 3\% = \$1,970$); and (ii) CMA180(C) ($\$35,750 \times 3\% = \$1,073$).

⁹ Because the subsequent winning bidder for license CMA118(C) in Auction No. 49 did not apply for a bidding credit, the winning bid is both the gross and the net winning bid. *See Auction No. 49 Winning Bidders' Public Notice*, Attachment A, p. 2 of 13. Accordingly, Attachment A uses McBride Spectrum's net withdrawn bid amount in Auction No. 44 for license CMA118(C) minus the winning bid in Auction No. 49 in determining that there is no withdrawal payment.

¹⁰ Attachment A (calculates the refund); *Auction No. 49 Winning Bidders' Public Notice* at Attachment C (Attachment C sets forth the withdrawal payments or refunds, based upon a reconciliation of final results in Auction No. 44 and Auction No. 49).

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Commission's rules, the Commission will refund to the payor(s) of record the \$3,043 withheld in connection with these licenses upon receipt of the necessary wire transfer instructions.

Sincerely,

Kelly A. Quinn
Deputy Chief
Auctions and Industry Analysis Division
Wireless Telecommunications Bureau

ATTACHMENT A

**Lower 700 MHz Auction
Multi-Auction Refund Report**

License Number	Freq Blk	Market Description	Winning Bid Amount (Auction 49)	McBride Spectrum, LLC's Withdrawn Net Bid Amount (Auction 44)	McBride Spectrum, LLC's Interim Withdrawal Payment	McBride Spectrum, LLC's Final Withdrawal Payment	Refund Amount Due McBride Spectrum, LLC
CMA018	C	Reading, PA	\$282,000	\$65,6500	\$1,970	0	\$1,970
CMA180	C	Springfield, OH	\$52,650	\$35,750	\$1073	0	\$1073