



Federal Communications Commission
Washington, D.C. 20554

October 31, 2006

DA 06-2154

Via Certified Mail, Return Receipt Requested

Kemp Communications, Inc.
Attn: Will Kemp, President
3800 Howard Huges Parkway
Wells Fargo Tower, 17th Floor
Las Vegas, NV 89109

Re: Final Bid Withdrawal Payment For Auction No. 37

Dear Mr. Kemp:

Kemp Communications, Inc. ("Kemp"), a participant in Auction No. 37, withdrew its high bids on FM construction permits FM015-C3, FM020-A and FM081-A in that auction.¹ Auction No. 62, the subsequent auction for the permits on which Kemp withdrew its high bids, has closed. As shown on Attachment A, in accordance with the Federal Communications Commission's ("Commission's") rules, we are now able to calculate Kemp's final bid withdrawal payment obligations for those three permits.

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the course of an auction is subject to a bid withdrawal payment equal to the difference between the amount of the withdrawn bid and the amount of the subsequent winning bid. If a high bid is withdrawn on a license or permit that remains unsold at the close of the auction, the withdrawing bidder will be required to make an interim payment equal to three percent (3%) of the net amount of the withdrawn bid.² This payment amount is deducted from any upfront payments or down payments deposited for this bidder's account with the Commission.³ If, in a subsequent auction, that license or permit receives a winning bid in an amount equal to or greater than the withdrawn bid amount, then no final bid withdrawal payment will be assessed, and, upon appropriate request, the Commission will refund the interim three percent (3%) payment.⁴ If in a subsequent

¹ Kemp withdrew bids on two additional permits, FM234-C1 (Overton, NV) and FM318-C2 (Parowan, UT), in Auction No. 37. Permit FM234-C1 received a winning bid in Auction No. 37 for an amount equal to Kemp's bid, and therefore the Commission assessed no bid withdrawal payment for that permit. Permit FM318-C2 was not resold during Auction No. 62. Accordingly, the Commission will assess a final bid withdrawal payment for that permit once it receives a final bid. 47 C.F.R. § 1.2104(g)(1). See, "FM Construction Permits Auction Closes," *Public Notice*, 20 FCC Rcd. 1021 (WTB/MB) 2004.

² Implementation of Section 309(j) of the Communications Act—Competitive Bidding, PP Docket No. 93-253, *Fifth Report and Order*, 9 FCC Rcd 5532, 5563 at n. 51 (1994); C.H. PCS, Inc., 11 FCC Rcd 14495 (1996) (requiring a three percent deposit).

³ 47 C.F.R. § 1.2106(d) and (e).

auction, the winning bid for that license or permit is less than the bidder's withdrawn 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.⁵

As shown in Attachment A, in accordance with Section 1.2104(g)(1), after applying any interim bid withdrawal payments or amounts on deposit with the Commission, Kemp has an outstanding balance of \$23,606.00.⁶

Kemp is in debt to the United States in the amount of \$23,606.00,⁷ payable in full, immediately, and without further demand. As permitted under 31 U.S.C. § 3717, the debt is subject to interest, penalties, and administrative costs, and interest accrues from the date of this letter, which is also its mailing date. Kemp, the debtor, may avoid payment of the interest if it tenders to the Commission full payment within 30 days of the date of the letter. Moreover, the debt is subject to an additional charge to cover the cost of processing and handling of delinquent debts, and a penalty charge in the amount permitted by law. The penalty charge for delinquent debt payments permitted by 31 U.S.C. § 3717 currently is 6 percent a year for the failure to pay any part of the debt more than 90 days past due.

Ordering Clauses

Accordingly, IT IS ORDERED that, pursuant to Sections 4(i) and 309 of the Communications Act of 1934 as amended, 47 U.S.C. §§ 154(i), 309, and Section 1.2104(g) of the Commission's rules, 47 C.F.R. § 1.2104(g), Kemp Communications, Inc. is ASSESSED final bid withdrawal payments as computed in Attachment A.

IT IS FURTHER ORDERED that, pursuant to 47 C.F.R. §§ 1.2104 and 1.2106, Kemp Communications, Inc.'s interim bid withdrawal payments or funds on deposit will be applied towards the sum of the final bid withdrawal payment.

IT IS FURTHER ORDERED that Kemp Communications, Inc.'s debt of \$23,606.00 be paid immediately, in accordance with the payment instructions in Attachment B, within 30 days of the date of this letter, and if it is unpaid 30 days after the date of this letter, interest will accrue

⁴ 47 C.F.R. § 1.2104(g)(1).

⁵ 47 C.F.R. § 1.2104(g)(1).

⁶ The withdrawal payment obligation for permit FM081-A has been reduced because the winning bidder for that license in Auction No. 62, Big D Consulting, Inc., subsequently lost its eligibility for a bidding credit, thus changing the amount of the net winning bid that is offset against the net withdrawn bid. *See*, "Auction of FM Broadcast Construction Permits Closes, Winning Bidders Announced for Auction No. 62," *Public Notice*, 21 FCC Rcd. 1071 (WTB/MB) 2006. *See also*, Big D Consulting, Inc. Form 301 application, file no. BNPH-20060310ACU.

⁷ *See* Attachments A and B.

from the date of this letter along with penalties and administrative costs permitted by 31 U.S.C. § 3717.

IT IS FURTHER ORDERED that this letter shall be sent to the applicant and its representatives by certified mail, return receipt requested. This action is taken pursuant to authority delegated by Section 0.331 of the Commission's rules, 47 C.F.R. § 0.331.

Sincerely,

Rita Cookmeyer
Financial Policy Analyst
Auctions and Spectrum Access Division
Wireless Telecommunications Bureau

ATTACHMENT A

Multi-Auction Bid Withdrawal Payment Report

Permit Number	Withdrawn Gross Bid Auction # 37	Withdrawn Net Bid Auction # 37	Re-auction Gross Bid Auction # 62	Re-auction Net Bid Auction # 62	Difference Between Withdrawn Bid Amount and Final Bid Amount
FM015-C3	\$1,469,000.00	\$1,101,750.00	\$1,634,000.00	\$1,062,100.00	\$0.00
FM020-A	\$509,000.00	\$381,750.00	\$372,000.00	\$372,000.00	\$9,750.00
FM081-A	\$2,395,000.00	\$1,796,250.00	\$1,684,000.00	\$1,684,000.00	\$112,250.00

Final Withdrawal Obligations	\$122,000.00
Less 3% Interim Payments	\$98,394.00
Total Due	\$23,606.00

ATTACHMENT B

The following information is being provided to assist you in making your payment.

PAYMENT INSTRUCTIONS

All payments must be made in U.S. currency in the form of a wire transfer. No personal checks, cashier's checks or other forms of payment will be accepted. Wire transfer payments must be received by Mellon Bank by 6:00 PM Eastern Time, no later than thirty days from the date of the ORDER; however, if the 30th day falls on a non-business day, e.g., Saturday, Sunday or holiday, it is due the next business day. Applicants must allow sufficient time for the wire transfer to be initiated and for the transmission to be completed prior to the deadline. To submit funds by wire, applicants will need the following information to properly effect the transmittal:

ABA Routing Number: 043000261

Receiving Bank: Mellon Pittsburgh

BNF: FCC/Account #911-6106

OBI Field: (Skip one space between each information item)

“AUCTIONPAY”

FCC REGISTRATION NO. (FRN) (same as FCC Form 159, Block 11 and/or 21)

PAYMENT TYPE CODE (enter “APEN”) same as FCC Form 159, Block 24A

PAYOR NAME (same as FCC Form 159, Block 2)

LOCKBOX No.: 358850

A completed FCC Remittance Advice Form (FCC Form 159, Version 2/03) must accompany payments. On the same business day that the applicant submits payment to Mellon Bank, the applicant must submit a completed FCC Form 159 via facsimile at (412) 209-6045, at least one-hour prior to placing the order for the wire transfer. The specified debt is due and payable to the United States immediately and without demand, and it is subject to interest, penalties, and additional administrative costs. Interest accrues from the date of the ORDER; however, to avoid the payment of charges (i.e., interest, penalties, and administrative costs) and enforced collection, full payment must be made and received within 30 days from the date of the ORDER. Debtor's failure to make complete timely payment will result in assessment of such charges permitted by 31 U.S.C. § 3717.

For questions regarding the submission of payment, and the FCC Form 159, contact Gail Glasser, Office of the Managing Director, Financial Operations Center, Auctions Accounting Group, at (202) 418-0578.