



Federal Communications Commission
Washington, D.C. 20554

March 22, 2012

DA 12-440

Via Certified Mail, Return Receipt Requested

Spectrum Acquisitions, Inc.
Attn: Alejandro J. Calderon
Suite 114
9150 East Del Camino Drive
Scottsdale, AZ 85258

Re: Final Default Payment for Auction 73 License CMA663-B (Hudspeth, TX)

DO NOT DISCARD THIS IMPORTANT NOTICE
OF A DEMAND FOR PAYMENT
OF A DEBT OWED THE UNITED STATES AND ORDER OF PAYMENT

Dear Mr. Calderon:

This Order provides notice and demands payment of a debt owed to the United States based on the default of Spectrum Acquisitions, Inc. ("SAI") on its final payment for a license it won in Auction 73.

SAI had the winning bid in Auction 73 for the 700 MHz band license in the Hudspeth, TX Cellular Market Area ("CMA"). After the close of Auction 73, SAI defaulted on its final payment obligation for this license.¹ Thus, pursuant to the Commission's rules,² SAI owes a default payment, which is a debt owed to the United States.³ In 2008, the Commission assessed SAI a total initial default payment of \$30,345.00, from the monies it had on deposit.⁴ A new license for the same spectrum was offered in a subsequent auction of 700 MHz band licenses (Auction 92), and because it received a winning bid,⁵ the Commission is now able to calculate SAI's final default payment obligation with respect to the license.⁶

Under the Commission's rules, at the close of the auction, a winning bidder assumes a binding obligation to pay the full amount of its accepted winning bid. A bidder who defaults on that obligation or

¹ See Letter from Margaret W. Wiener, Chief, Auctions and Spectrum Access Division, and Roger S. Noel, Chief, Mobility Division, Wireless Telecommunications Bureau, to Spectrum Acquisitions, Inc., Attn: Alejandro J. Calderon, 23 FCC Rcd 14,088 (WTB/ASAD/MD 2008) ("*SAI Letter*").

² See 47 C.F.R. §§ 1.2104(g)(2), 1.2109(b).

³ See 31 U.S.C. § 3701(b)(1).

⁴ See *SAI Letter*, 23 FCC Rcd at 14,090; see also 47 C.F.R. § 1.2104(g)(2).

⁵ See "Auction of 700 MHz Band Licenses Closes, Winning Bidders Announced for Auction 92," *Public Notice*, DA 11-1269, rel. July 28, 2011 (WTB 2011).

⁶ 47 C.F.R. § 1.2104(g)(2).

is disqualified is subject to a default payment.⁷ The default payment has two components. The first component is the difference between the bidder's net defaulted bid and the subsequent net winning bid, or the difference between the bidder's gross defaulted bid and the subsequent gross winning bid, whichever is less, the next time a license for the spectrum is won, should the subsequent winning bid be less than the defaulted bid.⁸ The second component of the default payment is an additional payment, which, pursuant to the rule in effect at the time of Auction 73, is equal to fifteen percent (15%) of the defaulter's bid, or the subsequent winning bid, whichever is less.⁹ In the event that the subsequent winning bid is greater than or equal to the defaulted bid, the total default payment is equal to fifteen percent (15%) of the defaulted bid.¹⁰

As shown in Attachment A, in accordance with section 1.2104(g)(2) of the Commission's rules, we have completed the final default payment calculation and, after applying the monies SAI has on deposit, SAI owes an outstanding balance of \$110,800.00. This debt to the United States is payable in full and without further demand within 30 days of the date of this Order in accordance with the Notice Information provided below and Payment Instructions at Attachment B.

Important Notice Information

The following provides notification of procedures and information required by the Debt Collection Improvement Act of 1996 ("DCIA").¹¹ The outstanding balance shown in Attachment A is a debt SAI owes to the United States. It is payable in full and without further demand, and payment must be received no later than the payment due date, which is 30 days from the date of this Order ("Due Date").¹² Any portion of the debt unpaid at the end of the Due Date will be considered delinquent and administrative charges (incurred for processing and handling delinquent debts),¹³ interest,¹⁴ and penalties¹⁵ will accrue beginning from that date. Interest accrues at a minimum annual rate established annually by the Treasury in accordance with 31 U.S.C. § 3717.¹⁶ A penalty of six percent (6%) accrues

⁷ 47 C.F.R. §§ 1.2104(g)(2), 1.2109(b).

⁸ 47 C.F.R. § 1.2104(g)(2)(i).

⁹ 47 C.F.R. § 1.2104(g)(2)(2007); *see* Auction of 700 MHz Band Licenses Scheduled for January 24, 2008; Notice and Filing Requirements, Minimum Opening Bids, Reserve Prices, Upfront Payments, and Other Procedures for Auctions 73 and 76, *Public Notice*, 22 FCC Rcd 18,141 (2007).

¹⁰ *Id.*

¹¹ Public Law 104-134, 110 Stat. 1321, 1358 (Apr. 26, 1996) *codified in relevant part at* 31 U.S.C. §§ 3716 (administrative offset) and 3717 (interest and penalty on claims); *see also* 47 C.F.R. §§ 1.1911, 1.1912, and 1.1940.

¹² As noted at Attachment B, if the 30th day falls on a non-business day, payment must be received on the next business day.

¹³ 31 U.S.C. § 3717(e)(1); 47 C.F.R. § 1.1940(c).

¹⁴ 31 U.S.C. § 3717(b); 47 C.F.R. § 1.1940(b).

¹⁵ 31 U.S.C. § 3717(e); 47 C.F.R. § 1.1940(d).

¹⁶ 47 C.F.R. § 1.1940(b).

on any portion of the debt that remains unpaid for more than 90 days from the Due Date.¹⁷ However, the Commission will waive payment of the accrued interest, if the full amount of the debt is paid within 30 days of the Due Date.¹⁸ In addition to these charges, the Commission may initiate administrative offset,¹⁹ and it may refer the delinquent debt to the United States Treasury or the Department of Justice (“DOJ”) for further collection action.²⁰ The United States Treasury will impose an additional administrative collection charge,²¹ and it may also commence administrative offset.²² An additional surcharge may be imposed, if DOJ initiates judicial action to recover judgment.²³ Furthermore, any portion of the debt that is unpaid after the Due Date is a delinquent debt, which will trigger application of the Commission’s red light procedures at 47 C.F.R. § 1.1910.

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)(2) of the Commission’s rules, 47 C.F.R. § 1.2104(g)(2), Spectrum Acquisitions, Inc. is ASSESSED a final default payment obligation as computed in Attachment A.

IT IS FURTHER ORDERED that, pursuant to sections 1.2104 and 1.2106 of the Commission’s rules, 47 C.F.R. §§ 1.2104 and 1.2106, Spectrum Acquisitions, Inc.’s interim payment or funds on deposit will be applied towards the final default payment.

IT IS FURTHER ORDERED that Spectrum Acquisition Inc.’s debt of \$110,800.00 is payable in full and without further demand, and it must be paid within 30 days of the date of this Order (the Due Date), in accordance with the payment instructions in Attachment B, and any portion of the debt unpaid after the Due Date is delinquent, and under 31 U.S.C. § 3717, administrative charges, interest, and penalties will accrue.

¹⁷ 31 U.S.C. § 3717(e)(2); 47 C.F.R. § 1.1940(d).

¹⁸ 31 U.S.C. § 3717(d) and 47 C.F.R. § 1.1940(g).

¹⁹ 47 C.F.R. § 1.1912. Under this provision the Commission may refer the debt to the Treasury for centralized administrative offset whereby, subject to certain exceptions, money otherwise payable to the debtor by the United States government may be used to satisfy the debt. In addition, “unless otherwise prohibited by law,” the Commission may conduct “non-centralized, ad hoc case-by-case offsets when centralized offset is unavailable or inappropriate.” 47 C.F.R. § 1.1912(c).

²⁰ 31 U.S.C. §§ 3711(g), 3716; 28 U.S.C. § 3001, *et seq.*; 47 C.F.R. § 1.1912. Transfer may be made without further notice at any time after the Due Date.

²¹ 31 U.S.C. § 3717(e); 31 C.F.R. § 285.12(j).

²² 31 U.S.C. § 3716; 47 C.F.R. § 1.1912(b) (mandatory centralized administrative offset).

²³ 28 U.S.C. § 3011.

IT IS FURTHER ORDERED that this Order and a FCC Remittance Advice Form (FCC Form 159, Version 2/03) shall be sent to Spectrum Acquisitions Inc. 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,

Margaret W. Wiener
Chief, Auctions and Spectrum Access Division
Wireless Telecommunications Bureau

ATTACHMENT A

Multi-Auction Default Payment Report

License Number Frequency Block	Defaulted Gross Bid Auction 73	Defaulted Net Bid Auction 73	Re-auction Gross Bid Auction 92	Re-auction Net Bid Auction 92	15% Payment	Lower Difference Payment	Final Payment
WY-CMA663-B (Hudspeth, TX)	\$238,000.00	\$202,300.00	\$42,000.00	\$31,500.00	\$4,725.00	\$170,800.00	\$170,800.00

Total Final Default Payment Due	\$170,800.00
Less Amount on Deposit	\$60,000.00
Outstanding Balance Due on Final Default Payment	\$110,800.00

ATTACHMENT B

Payment Instructions

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

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 6:00 PM Eastern Time, no later than thirty days from the date of this 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: **021030004**

Receiving Bank: **TREAS NYC**

33 Liberty Street
New York, NY 10045

ACCOUNT NAME: **FCC**

ACCOUNT NUMBER: **27000001**

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

APPLICANT FRN: (same as FCC Form 159, block 21)

PAYMENT TYPE CODE: (same as FCC Form 159, block 24A: "APEN")

FCC CODE 1: (same as FCC Form 159, Block 28A: "73")

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

LOCKBOX NO.: #**979088**

Please fax a completed remittance advice (Form 159) to U.S. Bank, St. Louis, Missouri at (314) 418-4232 **at least one hour before initiating the wire transfer** (but on the same business day).

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