



Federal Communications Commission
Washington, D.C. 20554

March 22, 2012

DA 12-442

Via Certified Mail, Return Receipt Requested

Longstreet Communications International, Inc.
Attn: Mr. William Yu, President
77 Longstreet Road
Holmdel, NJ 07733

Re: Final Default Payment for Auction 5 License (B012C Altoona, PA)

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

Dear Mr. Yu:

This Order provides notice and demands payment of a debt owed to the United States based on the default of Longstreet Communications International, Inc. ("Longstreet") on its second down payment for a license it won in Auction 5.

Longstreet had the winning bid in Auction 5 for the broadband Personal Communications Services ("PCS") license in Altoona, Pennsylvania ("B012C").¹ After the close of the auction, Longstreet failed to timely pay its second down payment obligation for this license.² Longstreet, a winning bidder eligible to pay its bid obligation in installments, then filed a request for waiver of the second down payment deadline, which the Bureau granted assessing a five percent late fee.³ Although Longstreet paid its second down payment of \$110,925, it filed another request for waiver seeking relief from the five percent late fee.⁴ The Bureau denied this request, and Longstreet failed to remit the assessed late fee.⁵

¹ See "Entrepreneurs' C Block Auction Closes," *Public Notice*, DA-96-716 (May 8, 1996).

² Longstreet Communications International, Inc. Request for Waiver of Section 24.711(A)(2) of the Commission's Rules Regarding Market No. B012, *Order*, 12 FCC Rcd. 1549 (1997).

³ *Id.*

⁴ See Longstreet Communications International, Inc. Request for Waiver of Section 24.711(a)(2) of the Commission's Rules Regarding Market No. B012, *Order*, 14 FCC Rcd 4032 (WTB 1999).

⁵ *Id.*; see also Longstreet Communications International, Inc., *Order*, 15 FCC Rcd 8562 (2000) (*Interim Default Order*). In 1998, the Commission allowed for the restructuring of installment debt by certain eligible PCS licensees. Although Longstreet had not been awarded the license it won, because its request for waiver of the five percent late fee was pending, Longstreet was permitted to make a conditional restructuring election and it chose to disaggregate license B012C, retaining what became known as the PBB012C1 block of 15 MHz of PCS spectrum and returning PBB012C2. See Wireless Telecommunications Bureau Announces Broadband Personal Communications Services C Block Elections, *Public Notice*, DA 98-1168 (WTB 1998). Accordingly, license PBB012C2 was auctioned to a winning bidder in Auction 22. Following the Bureau's denial of Longstreet's request for waiver from the late fee

Thus, pursuant to the Commission's rules,⁶ Longstreet owes a default payment, which is a debt owed to the United States.⁷ In 2000, the Commission assessed Longstreet an initial default payment of \$66,555.00, from the monies it had on deposit.⁸ Two new licenses for the same spectrum were offered in two subsequent auctions of broadband PCS licenses (Auction 22 and Auction 35), and because those licenses received winning bids,⁹ the Commission is now able to calculate Longstreet's final default payment obligation with respect to the licenses.¹⁰

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 is disqualified is subject to a default payment.¹¹ 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.¹² The second component of the default payment is an additional payment, which, pursuant to the rule in effect at the time of Auction 5, is equal to three percent (3%) of the defaulter's bid, or the subsequent winning bid, whichever is less.¹³ In the event that the subsequent winning bid is greater than or equal to the defaulted bid, the total default payment is equal to three percent (3%) of the defaulted bid.¹⁴

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 Longstreet has on deposit, Longstreet owes an outstanding balance of \$1,045,600.89. 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.

and Longstreet's failure to remit the required late fees, PBB012C1 was subsequently auctioned to a winning bidder in Auction 35. *See n. 9 infra.*

⁶ *See* 47 C.F.R. §§ 1.2104(g)(2), 24.711(a)(2)(1996).

⁷ *See* 31 U.S.C. § 3701(b)(1).

⁸ *See Interim Default Order*, 15 FCC Rcd at 8565; *see also* 47 C.F.R. § 1.2104(g)(2).

⁹ *See* C, D, E and F Block Broadband PCS Licenses Auction Closes, *Public Notice*, DA 99-757 (WTB 1999); *see also* C and F Block Broadband PCS Auction Closes, *Public Notice*, DA 01-211 (WTB 2001).

¹⁰ 47 C.F.R. § 1.2104(g)(2).

¹¹ 47 C.F.R. §§ 1.2104(g)(2), 24.711(a)(2) (1996).

¹² 47 C.F.R. § 1.2104(g)(2)(i).

¹³ 47 C.F.R. § 1.2104(g)(2)(1996).

¹⁴ *Id.*

Important Notice Information

The following provides notification of procedures and information required by the Debt Collection Improvement Act of 1996 (“DCIA”).¹⁵ The outstanding balance shown in Attachment A is a debt Longstreet 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”).¹⁶ 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),¹⁷ interest,¹⁸ and penalties¹⁹ 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. § 3717.²⁰ A penalty of six percent (6%) accrues on any portion of the debt that remains unpaid for more than 90 days from the Due Date.²¹ 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.²² In addition to these charges, the Commission may initiate administrative offset,²³ and it may refer the delinquent debt to the United States Treasury or the Department of Justice (“DOJ”) for further collection action.²⁴ The United States Treasury will impose an additional administrative collection charge,²⁵ and it may also commence administrative offset.²⁶ An additional surcharge may be imposed, if DOJ initiates judicial action to recover judgment.²⁷ Furthermore, any portion of the debt that

¹⁵ 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.

¹⁶ As noted at Attachment B, if the 30th day falls on a non-business day, payment must be received on the next business day.

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

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

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

²⁰ 47 C.F.R. § 1.1940(b).

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

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

²³ 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).

²⁴ 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.

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

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

²⁷ 28 U.S.C. § 3011.

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), Longstreet Communications International, 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, Longstreet Communications International, Inc.'s interim payment or funds on deposit will be applied towards the final default payment.

IT IS FURTHER ORDERED that Longstreet Communications International, Inc.'s debt of \$1,045,600.89 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.

IT IS FURTHER ORDERED that this Order and a FCC Remittance Advice Form (FCC Form 159, Version 2/03) shall be sent to Longstreet Communications International, 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

cc: Sheila Chen

ATTACHMENT A

Multi-Auction Default Payment Report

License Number Frequency Block (Original 30 MHz license PBB012C split into two 15 MHz licenses)	Defaulted Gross Bid Auction 5 for 30 MHz	Defaulted Net Bid Auction 5 for 30 MHz	Re-auction Bid Auction 22 for 15 MHz (Gross and Net Bids Were the Same Amount)	Re-auction Bid Auction 35 for 15 MHz (Gross and Net Bids Were the Same Amount)	Total Subsequent Winning Bids for 30 MHz (Auctions 22 and 35)	3% Payment	Differen Between Defaulted Amount a Final Bi Amounts Subsequ Auction
BTA012-C1 (PBB012C1)	\$2,958,000.00	\$2,218,500.00		\$925,000.00	\$980,463.00	\$29,413.89	\$1,238,037.00
----- BTA012-C2 (PBB012C2)			\$55,463.00				

Total Final Default Payment Due	\$1,267,450.89
Less Amount on Deposit	\$221,850.00
Outstanding Balance Due on Final Default Payment	\$1,045,600.89

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: "5")

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.