

Spectrum Incentive Auctions: Minimizing Viewer Disruption

Following the spectrum incentive auction, the Federal Communications Commission (FCC) will repack remaining TV stations, moving their channel assignments to free up the largest amount of spectrum possible. This is the same process that occurred when TV stations transitioned to all-digital broadcasting in 2009 (the DTV transition), but this time stations will not have a second channel to operate to ensure continuity of service.

Broadcasters want to ensure that the FCC provides advanced notice of a repacking strategy and time for stations to comment on the plan before it is finalized to minimize the risk of viewer disruption.

Minimizing Viewer Disruption Should Be a Central Goal of the FCC

- More than 54 million Americans rely solely on free, over-the-air TV, and hundreds of millions more enjoy broadcast programming through a subscription TV service, such as cable or satellite. The FCC can ensure minimal viewer disruption in the repacking process by prioritizing a TV station's ability to reach the same viewers it currently reaches post-repacking. Viewers should not lose access to any of the stations that they currently receive.
- Instead of minimizing viewer disruption, the FCC's focus appears to be extracting every possible amount of spectrum from broadcasting to give to major wireless companies. Congress authorized the FCC to conduct incentive auctions to create a market mechanism to allow spectrum to be repurposed where the market demonstrates it is most valuable. It did not, however, suggest or authorize the FCC to use the voluntary auctions as a way to transfer as much spectrum as possible from broadcasters to wireless companies, regardless of the outcome of the auction.
- Unfortunately, the FCC's notice of proposed rulemaking (NPRM) does not include a goal of minimizing viewer disruption by repacking as few broadcasters as possible, but instead singularly focuses on reclaiming as much broadcaster spectrum as possible. Repacking fewer broadcasters also allows more money to go to the U.S. Treasury as opposed to reimbursing broadcasters' moving costs. Given these issues, why doesn't the FCC identify repacking as few broadcasters as possible as a goal?

Global Coordination is Imperative for Viewers in Border Regions

- Congress must ensure that Americans living in border regions such as Detroit, Seattle and San Diego do not lose access to free, broadcast TV and emergency information by requiring the FCC to address border interference concerns **before** undertaking an incentive auction and subsequent repacking.
- Although the incentive auction law requires frequency coordination with Canada and Mexico, the 140-page NPRM contains only three paragraphs on the issue. By comparison, prior to the DTV transition in 2009, federal authorities met extensively with Mexican and Canadian officials over a 10-year period.

A Comprehensive Spectrum Strategy Could Help Prevent Unnecessary Viewer Disruption

- In addition to spectrum incentive auctions, a thorough spectrum strategy should include exploring additional issues, such as whether wireless carriers use spectrum efficiently and spectrum sharing. Unfortunately, these issues were almost completely overlooked by the FCC's 2010 National Broadband Plan. However, a 2012 report from the President's Council of Advisors on Science and Technology (PCAST) places considerable emphasis on spectrum sharing as a way to alleviate spectrum shortages.
- Recent marketplace transactions have also changed the landscape of spectrum holdings for wireless companies that have been able to secure spectrum to meet their needs:
 - Verizon Wireless's acquisition of SpectrumCo.;
 - AT&T's purchase of nearly the entire WCS spectrum band as well as its numerous 700 MHz B block purchases;
 - T-Mobile's acquisition of spectrum from AT&T, Verizon Wireless and its merger with MetroPCS; and
 - Sprint taking a majority stake in Clearwire and purchasing spectrum from U.S. Cellular.
- The massive amounts of spectrum occupied by the U.S. government also need to be addressed as part of a comprehensive broadband strategy.

Such market-based solutions, in addition to greater emphasis on spectrum-sharing and technical solutions (such as small cell technology), should be considered a preferred course of action rather than permanently altering viewers' access to free, broadcast TV.

Don't Let Viewers Become Pawns in an Alternative Agenda

- Recent decisions at the FCC may suggest a desire to create an environment for broadcasters – especially those that are struggling financially – that encourages them to get out of the business. Burdens as a result of the FCC's political file decision, its viewability order and now elements of the media ownership order that is circulating require a closer look in light of the FCC's stated goal to hand over as much spectrum as possible to wireless companies.

It is important that members of Congress understand the impact repacking could have on their constituents – our TV viewers. It's critical that the FCC put forth a thoughtful repacking plan that provides stations adequate time to understand and prepare for moves, minimizing viewer disruption.