



July 13, 2015

Gary M. Epstein
Chair, Incentive Auction Task Force
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions, GN Docket No. 12-268; Policies Regarding Mobile Spectrum Holdings, WT Docket No. 12-269; Comment Sought on Competitive Bidding Procedures for Broadcast Incentive Auction 1000, Including Auctions 1001 and 1002, AU Docket No. 14-252, Notice of *Ex Parte* Communication

Dear Gary:

The National Association of Broadcasters appreciates the Incentive Auction Task Force's release of additional information regarding the FCC staff's clearing target determination simulations.¹ The release of additional information can assist stakeholders in their efforts to provide meaningful feedback on the complex issues raised by setting a clearing target, including the decision of whether or not to impair the duplex gap, during the extended period to make presentations regarding the forthcoming incentive auction Procedures Public Notice.²

One major challenge in reviewing the data released is that the staff provided partial results from only two simulations for each of three clearing targets: 84 MHz; 114 MHz; and 126 MHz. This is not enough data for stakeholders to give truly informed input on impairing the duplex gap, let alone the impact of a variable plan more generally.

Most notably, we assume that the staff performed more than only two simulations for each of these clearing targets. The only way to develop a comprehensive picture of the effect of various impairment scenarios is to examine *all* of the potential outcomes. Therefore we would imagine that the staff (or its contractors) has run hundreds, if not thousands of

¹ Letter from Gary M. Epstein to Marlene H. Dortch, GN Docket No. 12-268, GN Docket No. 12-269, AU Docket No. 14-252 (July 10, 2015).

² Waiver of Sunshine Period Prohibition for Agenda Item on Thursday, July 16, 2015 Open Meeting (July 10, 2015).

1771 N Street NW
Washington DC 20036 2800
Phone 202 429 5300

simulations to study their impact. By way of example, in June, 2014, in the interest of transparency, the staff released 100 repacking simulations: 51 associated with a clearing of 120 MHz and 49 associated with a clearing of 84 MHz.³ This release allowed NAB and others to provide more helpful feedback to the Commission on repacking, and indeed, led to NAB's helpful tool for broadcasters as they weigh their auction participation options.⁴

To further the auction design's transparency, but most of all to ensure the Commission receives the most useful feedback geared towards holding a successful auction, NAB respectfully requests that the staff release the results of underlying data for all of the simulations performed. Given the short amount of time remaining to analyze and comment on this information, we ask that you provide this data as soon as possible, and that the data be provided in a machine-readable form (e.g., a spreadsheet).

In addition, when the Commission provides this data, it would also be helpful if the staff would clarify the following elements of its Friday, July 10 release:

- What are the "major networks" described in the assumptions for the three broadcaster participation scenarios, and how was network-station affiliation determined?
- By "PBS stations," does the staff mean non-commercial stations generally, or PBS stations specifically?
- How did the staff determine what constitutes the "largest" PBS, network, or non-major network station in each DMA – population, coverage, power, or ratings?
- What does it mean to assume that Canadian operating stations are "fixed?"
- By "incorporated US-Canada and Canada-US ISIX data," does the staff mean that interference on each side of the border was counted separately? If so, what criteria were used to limit ISIX in Canada?
- Prior FCC repacking simulations assumed participation levels of 80, 90, or 100 percent. Why do these simulations assume participation levels of only 40-70 percent?
- Are participation levels shown as a percentage of all auction-eligible stations in a given DMA, or only stations remaining after the assumptions governing participation are applied (e.g., excluding major network stations)?
- Does "stations with EV > \$100 million" mean stations with high-end estimated payouts of \$100 million or less, or something else?

³ Letter from Gary M. Epstein to Rick Kaplan, GN Docket No. 12-268, ET Docket No. 13-26 (June 30, 2014).

⁴ National Association of Broadcasters, TV Broadcaster Participation By Market, available at: <http://www.nab.org/spectrumAuctions/participationbyMarket.asp>.

We very much appreciate your time and attention to this matter. We believe that by releasing more information the Commission will allow parties to contribute in a truly meaningful way. Thank you for your consideration.

Respectfully Submitted

A handwritten signature in black ink, appearing to read "Rick Kaplan", with a long horizontal line extending to the right from the end of the signature.

Rick Kaplan
General Counsel and Executive Vice President,
Legal and Regulatory Affairs
National Association of Broadcasters