

FOR IMMEDIATE RELEASE

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An incentive auction of broadcast television spectrum is an enormously complicated task involving a host of complex inter-related and moving parts. NAB fully supports the Commission's efforts to craft a successful incentive auction that creates an environment supporting growth and innovation both in mobile broadband and broadcasting, and to conduct the auction as expeditiously as reasonably possible. We will be engaged and will push hard for consensus around smart solutions. To that end, we urge the Commission to eschew calls for artificial timetables for completing the auction that may ultimately undermine its effective execution. To make this first-in-the-world incentive auction a success, the Commission must be focused on getting the auction *right*, not simply *done*.

NAB's initial comments focus on three of the essential components of the incentive auction process: (1) repacking; (2) the post-auction 600 MHz band plan; and (3) the TV Broadcaster Relocation Fund. First, NAB notes that repacking is critical to achieving a positive outcome both for the auction and the future strength and innovative capacity of the broadcast industry. At this stage, however, it is evident that progress on the repacking process is far behind the design of the auction itself. In particular, the Commission needs to focus on (a) conducting and completing international coordination with Canada and Mexico, and (b) creating and publicly vetting its repacking methodology. As a matter of both law and good public policy, this process cannot move forward until these critical elements of repacking are fully addressed and resolved.

The *Notice* properly undertook the task of defining, in real-world terms, the statutory requirement to make “all reasonable efforts” to preserve the same coverage areas and populations currently served by non-volunteering stations. To reach the correct result, the Commission must remain faithful to Congressional intent to protect the viewers of those broadcasters choosing not to volunteer for the auction. NAB’s proposal, set forth in these comments, to define “all reasonable efforts” will protect television viewers as Congress intended, while also providing the Commission flexibility in exceptional circumstances. Specifically, NAB proposes a modified version of the *Notice*’s “Option 2,” which would permit replacement interference and cap the aggregate amount of new interference for each station remaining post-auction. The *Notice*’s preferred proposal, in contrast, is inconsistent with Congress’ intent because it treats viewers as fungible and is likely to remove service from hundreds of thousands of consumers currently with access to stations’ signals.

Second, NAB and many in the wireless and technology industries strongly believe that the Commission should adopt its alternative “Channel 51 down” band plan. This band plan is spectrally efficient and would preserve dedicated broadcast and commercial mobile wireless blocks of spectrum that will effectively limit harmful interference.

NAB strongly urges the Commission not to adopt a “split” and “variable” band plan. Such a plan is technically and practically unworkable, and has the potential to undercut many of the expected benefits of the incentive auction. A “split plan” would place high powered broadcast operations in the gap between wireless carriers’ uplink and downlink, which would (a) cause serious interference between broadcast and wireless services, to the detriment of consumers; (b) drive up the cost of television receivers; and (c) result in interference between wireless operations. The “variable” aspect of the lead plan proposed in the *Notice* would result in varied amounts of uplink from market to market and in the use

of the same channel for broadcasting in one market but mobile wireless in an adjacent market. This variability would cause severe interference problems for broadcast and especially for wireless services. The only solution to such interference would be to create large wireless exclusion zones, thereby significantly reducing the ability of wireless carriers to make meaningful use of the auctioned spectrum.

Third, NAB offers several proposals to address questions concerning the TV Broadcaster Relocation Fund. Because Congress created the Relocation Fund as a means to make non-volunteering broadcasters whole following the auction and repacking, the Commission should treat the Fund as its budget for repacking. NAB estimates that approximately 400-500 stations can be repacked within the \$1.75 billion budget; this number should serve as an input into the Commission's repacking model. Given statutory requirements, the timing of reimbursement is also critical. Completing the construction of relocated stations, and thus the reimbursement of these stations' costs, within three years of the completion of the forward auction is challenging. NAB therefore urges the Commission not to deem the forward auction complete until, or after, the time at which relocated stations file their construction permit applications and final licenses are issued to auction winners. NAB also supports the appointment of an independent third-party administrator for the Fund.

NAB urges the Commission to take the time and care necessary to develop a successful auction, repacking process, post-auction band plan and sound plan to administer the Relocation Fund. With the necessary time and input from the industries most affected by the transition and the public at large, the Commission can meet these challenges in a way that ultimately benefits the American public.