

Incentive Auction and Repacking – Where We Go From Here

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What We'll Cover Today

- Where we are in the auction process
- Likely timing for next steps
- Issues for the repacking
- How ATSC 3.0 fits into the timeline
- Quiet period/prohibited communications rules
- What broadcasters can do now to get ready

Incentive Auction Status

- “Reverse” auction ended this week
- Broadcasters promised \$86,422,558,704!
- “Forward” auction to begin soon – needs to cover those costs, and about \$2 billion more, to be successful
- If that much is not raised by the forward auction, we do it again (another “stage”) with the FCC proposing to take less spectrum

If We Don't Succeed, We Try Again

- Staging rules – FCC can try multiple “stages” with lower spectrum “clearing targets” until auction succeeds
- No one yet has any final commitment from the FCC to receive the money they were “frozen” at in the reverse auction that just closed – as prices will likely fall in the next stage, if needed
- No closing until forward auction brings enough to cover reverse auction plus various other costs set out in the law

What's Next?

- Closing public notice with channel repacking details after auction is completed
- After that notice, wireless buyers pay their bids to the FCC
- Repacked stations have 3 months to file minor modification CP application with specifics for implementation, and need to provide cost estimates for reimbursement purposes
- Stations bought out have 3 months from payment to cease operations (payment comes some indeterminate time after the wireless buyers pay their winning bids and are granted licenses) – one extension possible

More Dates

- Channel sharing stations have 6 months from auction closing public notice to move to shared facility – one 3 month extension possible, a second if it won't impede wireless users
- Must file CP application to provide details of channel sharing (with CSA) at least 60 days in advance of new operations
- Post-auction channel sharing agreements allowed if stations checked the right box in January

Repacking

- 39 months from repacking public notice to get it all done
- Some stations may get less time – to be set by FCC after review of CP applications
- Some extensions may be granted – but right now, turn off on the old channel at the end of 39 months
- Portion of repacking expenses available for draw-down as repacking proceeds
- Discussions about regional repacking – still not decided
- Construction completion or FCC-set deadline for final expense details for reimbursement
- Note obligations to provide notice to viewers and MVPD operators throughout the process

Other Issues

- After repacking minor modification applications have been processed, there will be a limited opportunity to file for alternate channels or to increase facilities
- LPTV- translator window after full power stations file modification applications
- Will there be reserved channel(s) for unlicensed wireless?

ATSC 3.0

- Currently, no rules for ATSC 3.0 so it is not built into repacking plans
- FCC has only taken preliminary comments – no formal Notice of Proposed Rulemaking out yet
- Request filed asking FCC to issue an NPRM by October 1, so that changes can be made during repacking construction
- Reimbursement may not apply to new equipment not necessary for repacking channel change

Quiet Period/Prohibited Communications

- Can't talk to covered TV station about bidding plans or strategies until post-auction repacking notice comes out – and can't talk to “conduits” to other stations
- Can only say whether application filed in January – nothing more, even if you dropped out of bidding
- Can talk about routine business matters, but need to be careful not to reveal bids or bidding strategies – which may include whether you will be around this time next year
- Consult counsel before getting into any discussions that could reveal bidding information or auction intentions

What Can You Do Now?

- Internal planning
- Inventory and cost estimate for equipment replacement
- Legal review of documents – e.g. look at tower leases to determine obligations to other tenants during repacking
- Some engineering review if it does not reveal bids or bidding strategies

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