

# FCC INCENTIVE AUCTION & TV SPECTRUM REPACK

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# MEETING STATEMENT ON COMPLIANCE WITH ANTI-COLLUSION AND ANTITRUST RULES

- **Meeting Statement on Compliance with Anti-Collusion and Antitrust Rules**
- Planning and Educational meetings for the Post-Auction Spectrum Repacking and ATSC 3.0 deployment serve a valuable and pro-competitive role in the industry by disseminating ideas about industry innovation and forming industry views to share with policymakers. These meetings, however, also involve discussions among competitors in the ongoing FCC auction. All participants in today's meeting must commit to prevent any disclosure of bids or bidding strategy at or around this meeting.
- This group is committed to ensuring that its meetings and activities are conducted in full compliance with FCC and antitrust law. We will limit today's discussions to the topics on our written agenda, and will not discuss any bids or bidding strategies or any matters of competitive significance to individual members in their respective markets in this meeting or in any breaks. By participating in this meeting, you agree not to discuss any company's participation in the auction, including identifying stations in the auction, any company-specific post-auction market configurations, bidding options or strategies, price points, existence and/or terms of specific channel sharing agreements, or any matters of competitive significance to individual members in their respective markets. If you hear someone starting a discussion that may be prohibited by this policy, please remind them of the policy and stop the discussions immediately.

# AGENDA

- Time Line
- Repack Considerations
- Preparation Steps
- Reimbursement Process
- Building ATSC 3.0 “Ready” Facilities
- Conclusions

# TIME LINE

- March 29 was deadline for stations to “be in or be out”.
- FCC Currently determining potential clearing targets – expect announcement shortly.
- Reverse Auction Actual Bidding to commence in the next few weeks after Clearing Target Announcement.
- Forward Auction to Commence shortly after that.
- Auction Closes when “Final Stage Rule” is satisfied.
- Forward Auction Licenses are Granted, Broadcasters that participated in the auction receive auction proceeds
- Stations that are moving to Channel Sharing Stations have 3 months to move to sharing facilities and relinquish old channels
- FCC Develops “Channel Reassignment Public Notice” (CRPN)
- Publishing of CRPN starts clock ticking on repacking schedule.
  - Public Notice Date (**PND**)

# TIME LINE

- Repacked Stations have 3 Months from PND to file Construction Permit Applications (FCC Form 2100) electronically filed in new FCC LMS (Licensing & Mgmt System) database
- CP Application must include narrative about how station plans to implement the construction of their facility while remaining on-air.
- CP Application to include estimated costs for temporary (interim) and permanent installations for both Main and Aux transmitter facilities (FCC Schedule 399):
  - Tower Work
  - Antenna(s)
  - Transmission Line(s)
  - Transmitter(s)
  - Attorney and Engineering Fees
  - Miscellaneous
    - Zoning Matters
    - Building Modifications
    - Building Permits
    - NEPA and RFR Compliance Matters
    - NFS and BLM Matters
    - AM Pattern Disturbance Matters
    - Medical Facility Notifications

# TIME LINE

- FCC to Process CP applications “immediately” & Grant CPs
- Station Construction Period Begins
  - Some stations have less than full 39 Months to construct - likely based upon “Regional Repacking Plan”
- FCC Allocates Funds to Stations to Pay for Repack
  - Stations can start to draw funds from Reimbursement Fund
    - 80% of total estimated costs to Commercial Stations
    - 90% of total estimated costs to Educational Stations
- Stations build Permanent or Interim Facilities prior to their particular deadline, and before 39 month deadline
- All reimbursement claims must be made prior to end of Reimbursement Period (3 Years).

# TIME LINE

- Stations construct facilities according to their submitted plan and budget
  - As needed, file amendments
- Stations transition operations to new RF channel
  - Presumably in some coordinated schedule?
    - Work with Cable/Satellite providers on transition
- Build permanent facilities if operating on interim facilities
  - Or build Aux facilities if operating on new “Main”
- Stations file for license for new Main/Aux facilities
- Remove or abandon old RF channel equipment
- Complete all final accounting and invoice submissions

# REPACK CONSIDERATIONS

- Market by Market, Regional Repack, or “No Particular Plan” Repack?
  - FCC under pressure to appoint a Repack “Czar” or come out with Regional Plan – requested by Carriers and supported by NAB.
    - Likely after Auction is underway and clearing targets are announced.
- Current FCC Schedule is “Up to 39 Months”
  - May be much shorter in markets where wireless carriers want access to spectrum sooner
- Consider how to approach buildout:
  - Build New Interim Facility on existing channel or new channel
  - Convert Main Facility or Aux Facility first
  - Availability of “abandoned” channels for temporary operations
    - Temporary use of abandoned antennas/line or large multi-user antenna/site
    - Possible to operate interim facilities on a third channel under STA.



# REIMBURSEMENT PROCESS

- Submit Budget Estimates with CP Application
  - Can use “Catalog of Cost”
  - Can submit Vendor Quotes and Estimates
  - Must submit quotes for items not in the “Catalog”
- Budget approval within a “few days”
  - Stations allocated budget based upon submissions
  - 80% Commercial
  - 90% Educational
    - Can start to draw as soon as invoices are submitted
- Submit invoices as received to draw on funds

# REIMBURSEMENT PROCESS

- If funds run low – Broadcasters likely to ask Congress for additional funding.
  - Asking for additional \$1B = Total \$2.75B
- If no additional funding - FCC will total up costs and available funds to determine percentage that is reimbursed.
  - Example: Total Costs = \$2.19B; Available Funds = \$1.75B
  - Stations would get 80% of costs reimbursed

# CONSIDER BUILDING FOR ATSC 3.0

- Transmitter that is ATSC 3.0 “Ready” or “Upgradeable”
- Antenna with Circular Polarization or Elliptical Polarization
  - Enable mobile services and deep indoor signal penetration
- Consider SFN Design Parameters
  - “Sparse” SFN – Transmitter Placement & Antenna Patterns
- Consider Post-Repack Interference Scenarios
  - Much worse than today – Adjacent Channel, Co-Channel, 600MHz ISIX, White Space Devices, Vacant Channel Proceeding, etc.

# PREPARATION STEPS

- Develop Internal Station “Repack Team” – Finance, Engineering, Legal, Administration
  - Who Develops Budget Estimates for submission to FCC?
  - Who Submits Invoices and handles FCC Payments? Tracks Budget?
  - Who Develops Technical Facility Plans?
  - Who Interfaces with Vendors, Contractors, and Consulting Engineers?
  - Who handles FCC and other Regulatory Matters?
  - Who handles Insurance Issues and Risk Mitigation?
  - Who handles Cable/Satellite Providers and their feeds?
- Inventory Existing Equipment to determine if replacement or retune is needed
- Determine if retuning possible or replacement is required
  - Obsolete? Parts Unavailable? Non-Serviceable?
- Tower Structural – Tower Mapping & Structural Study under EIA 222 Rev X ?
  - (Rev. G current and Rev. H is in the works)

# PREPARATION STEPS

- Develop operational plan for each station
  - Plan Buildout of Interim Facilities
  - Which Antennas to Change Out
    - Transmission Line Considerations
- Engage Vendors in discussion of options, plan development, & scheduling issues:
  - Tower Riggers, Structural Engineers, Transmitter, Antenna, Transmission Line Vendors, Consulting Engineers, Field Engineering/Installation Contractors
- Determine what permits and authorizations will be required
- Take your vacation in Summer 2016 – before it all starts!