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August 8, 2017

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Notice of Ex Parte Communication, GN Docket No. 12-268, ET Docket No. 14-165, MB Docket No. 15-146

Dear Ms. Dortch:

Coalition Director, Mike Gravino, met on August 1st with 17 FCC staff members of the Incentive Auction Task Force, the Media Bureau, and the Office of Engineering Technology (see below).

The first topic discussed was the need for a post auction economic analysis of the impacts of repacking on non-eligible-for-the-auction LPTV and TV translator license and construction permit holders. The second topic was an introduction to a potential solution to ending the vacant channel war. Attached is a redacted presentation of this solution.

In attendance for the FCC were: Jean Kiddo, IATF, Hillary DeNigro, IATF, Julius Knapp, OET, Barbara Kreisman, MB, Sasha David, IATF, Tony Coudert, IATF, Rudy Sullivan, IATF, Brian Smith, IATF, Erin Griffith, IATF, Charles Meisch, IATF, Joyce Burstein, MB, Shawn Maher, MB, Geraldine Matise, IATF, Hugh Van Tuyl, IATF, Ira Kelter, IATF, Walter Johnston, OET, and Paul Murray, OET.

Respectfully submitted,

_____/signature/_____
Michael Gravino
Director



HOW TO END THE VACANT CHANNEL WAR

A POTENTIAL FREE MARKET SOLUTION TO A NATIONAL PROBLEM

VACANT CHANNEL WAR

IMMEDIATE TRUCE MUST BE DECLARED!

Tech Co

Wants spectrum for TVWS in rural areas and unlicensed uses in urban markets

Secondary Broadcasters

have the right to repack as per the rules

Primary Broadcasters

needs spectrum for NextGen 3.0 coverage and do not want their translators displaced by unlicensed

Wireless Mics

needs expanded entertainment, sports, and news coverage in urban areas



THE UNLICENSED COMMONS

RURAL AND URBAN OBJECTIVES ARE VERY DIFFERENT

RURAL



URBAN



EXTEND AFFORDABLE
BROADBAND
TO AREAS WITHOUT IT
BY USING MULTIPLE METHODS

RESERVE SPECTRUM
FOR NEW TECH USES WHICH
DEPEND ON UNLICENSED
FOR BUSINESS MODEL

QUESTIONS TO ANSWER

HOW CAN ALL SIDES ACHIEVE THEIR OWN OBJECTIVES
WHILE RESPECTING THE RIGHTS AND NEEDS OF OTHERS?

HOW DO WE PROVIDE A
NATIONAL RESERVE OF LOW
BAND SPECTRUM FOR
UNLICENSED USE SO THAT
THE TECH INDUSTRY HAS
THE ASSURANCE TO
DEVELOP AND FINANCE THE
NEEDED EQUIPMENT AND
SERVICES?

CAN WE DO IT WITHOUT
DISADVANTAGING THE
LPTV INDUSTRY, BUT
ENGAGING WITH IT IN A
MUTUALLY BENEFICIAL
PROCESS?

HOW CAN WE DO IT SO THAT
THE PROCESS RESPECTS
AND DOES NOT HINDER THE
INCENTIVE AUCTION &
REPACK RULEMAKING?

CAN WE CREATE A 5-7 YEAR
BRIDGE TO THE FUTURE TO
WHEN A LEGISLATIVE
SOLUTION CAN BE
COORDINATED WITH THE A
NEW INCENTIVE AUCTION
FOR T-BAND SPECTRUM?



LOW BAND SPECTRUM NEEDS

WHICH INDUSTRIES WANT ACCESS TO VHF 2-13 AND UHF 14-36?

TECH COMPANIES

wants it for TVWS in rural areas and unlicensed in urban markets

WISPs

They rely on it for unlicensed business models

WIRELESS MIC USERS & MFGs

They need it for entertainment, sports, and news coverage in urban areas

LMR USERS

Using it until T-Band Auction



10,000 CLASS A, LPTV & TV TRANSLATOR LICENSES & NEW PERMITS

2 BILLION TV POPS
12 BILLION MHz POPS

1800+ PRIMARY BROADCASTERS

Needs it for NextGen 3.0 coverage

MOBILE CARRIERS

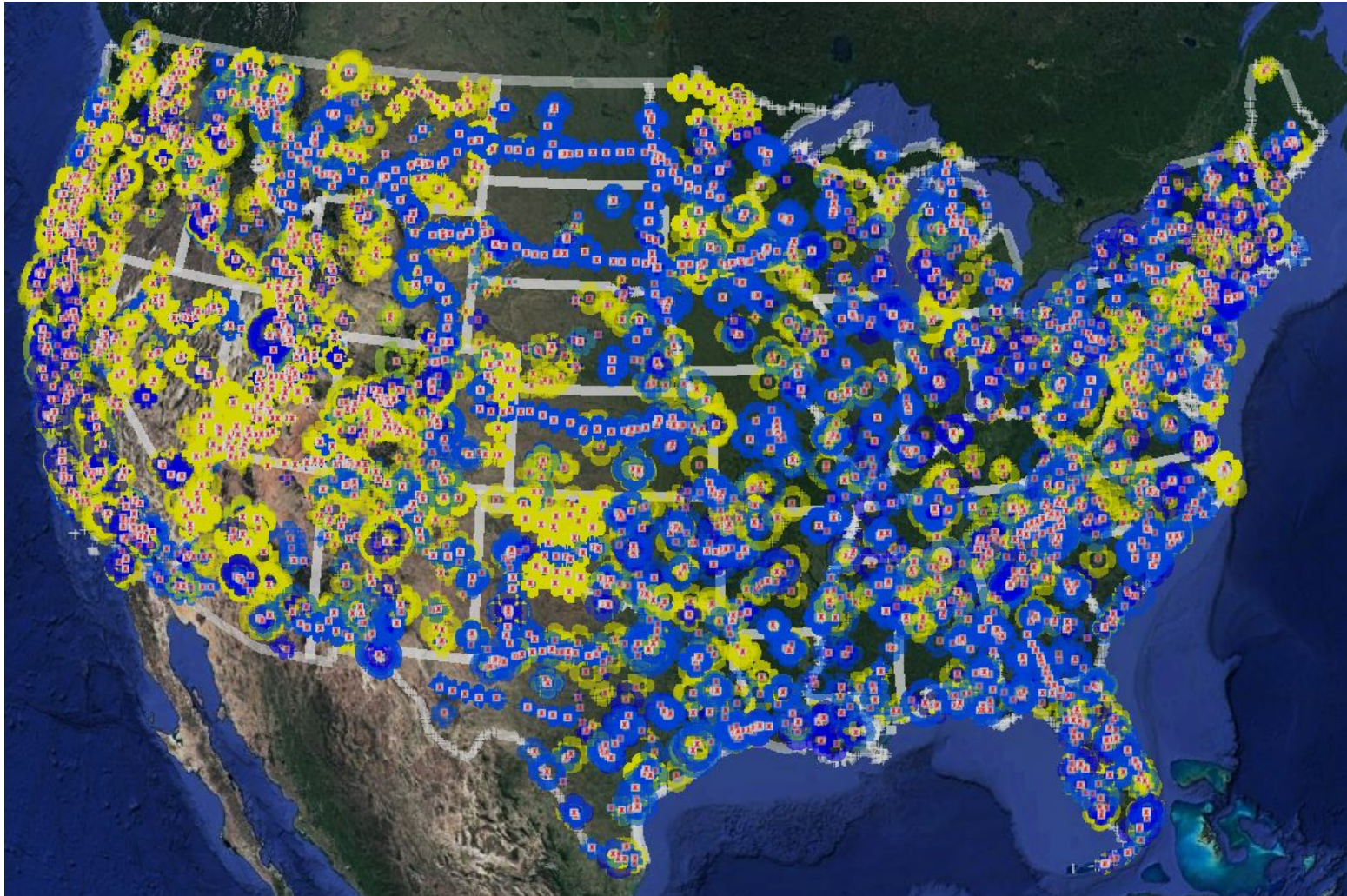
Just bought it and needs more for expanded business models

MVPD

Just bought it and needs more for wireless business models

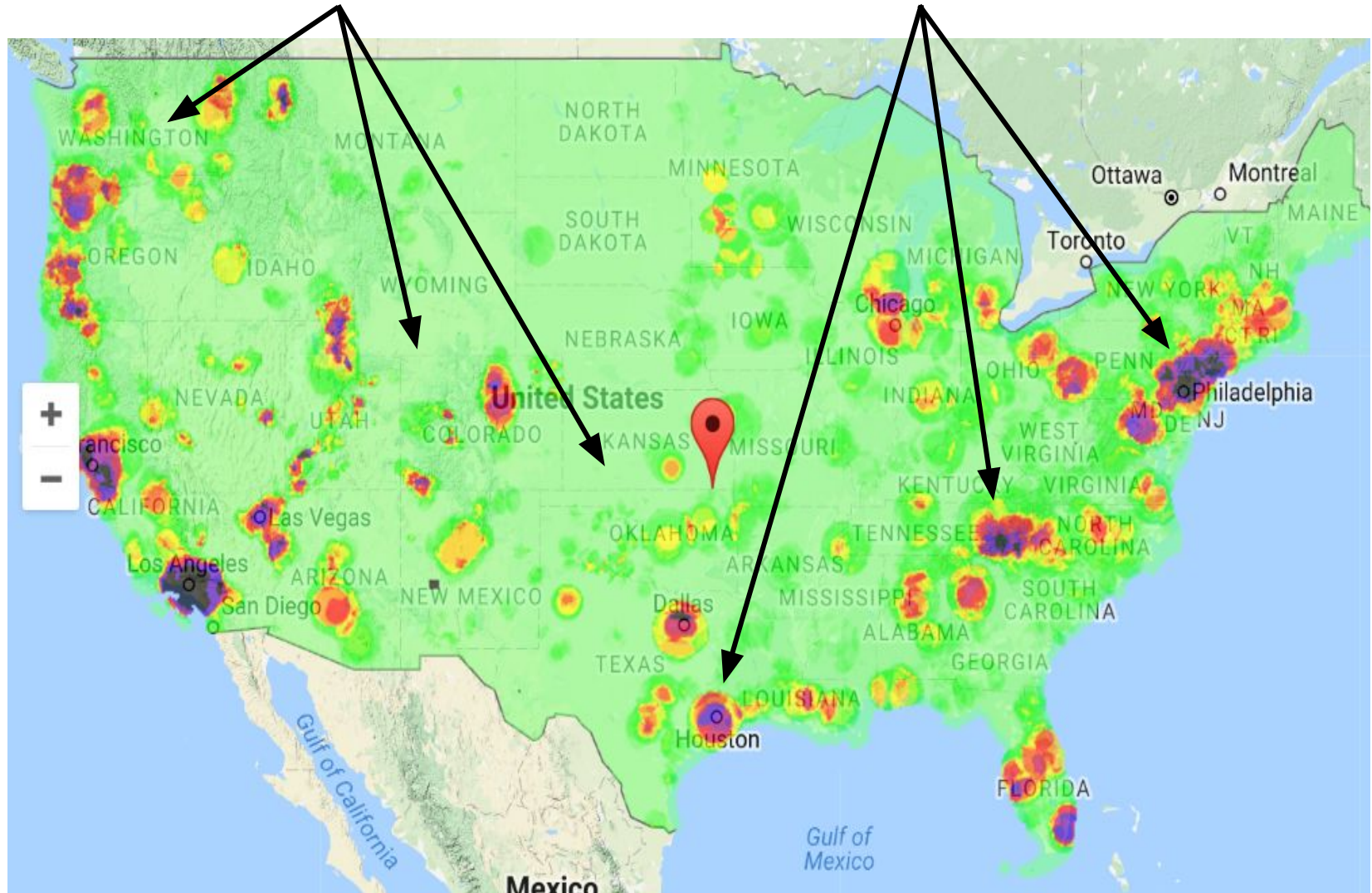
LOW BAND SPECTRUM RESERVE

10,000 CLASS A, LPTV & TRANSLATOR 6-MHz LICENSES & NEW PERMITS
2 BILLION TV POPS - 12 BILLION MHz POPS



THE UNLICENSED COMMONS

EXISTING OPPORTUNISTIC USES vs NEED FOR RESERVED CHANNELS



NATIONWIDE UNLICENSED COMMONS

OBJECTIONS TO OVERCOME

THE TECH CO
SHOULD HAVE
BOUGHT
SPECTRUM IN
THE AUCTION!
THEY GOT THE
MONEY.

UNLICENSED
USERS MAY NOT
INTERFERE
WITH LICENSED
SERVICES!

ONE NATIONAL
UNLICENSED
CHANNEL IN EACH
PEA COULD MEAN
400-800 LESS
CHANNELS FOR
LPTV TO REPACK
INTO!

EACH OF 13 UHF
NATIONWIDE
CHANNELS SOLD
IN THE AUCTION
COST \$1.5 BILLION!



WHICH SOLUTION SET?

DO NOTHING

JUST LET THE EXISTING
PROCESS UNFOLD
UNPREDICTABLE OUTCOMES

39+12 MONTH KNOWN
PROCESS

AUCTION PROCEEDS
TRICKLE DOWN INTO
CLASS A & LPTV

DISPLACEMENT IMPACTS NOT
YET FULLY KNOWN

MULTIPLE LPTV ROLL-UP
ATTEMPTS BEING MADE

BROADCASTERS STRONG
ENOUGH TO FIGHT OFF ANY
VACANT CHANNEL RULES
DURING REPACK

MEDIA RULES DISRUPTION
CREATES UNCERTAINTIES
AND OPPORTUNITIES

HUGE AMOUNT OF
SPECTRUM STAYS UNUSED

TECH SECTOR DIRECTED

MAJOR ADVOCATES PAY FOR AND HAVE
MANAGED UNLICENSED SPECTRUM

A 5-7 YR "BRIDGE" IS NEEDED TO FULLY REALIZE ANY
NEW "LEGISLATIVE FIXES" FOR NATIONAL UNLICENSED
CHANNELS

TECH SECTOR MUST DIRECT AND CONTROL THE DESIGN,
BUILDING, AND MAINTENANCE OF THE BRIDGE

SPECTRUM USAGE RIGHTS ARE AVAILABLE TO PROCURE
THREE NATIONAL CHANNELS FOR UNLICENSED USE

INITIAL ESTIMATES ARE THAT A

A NATIONAL CHANNEL IS VALUED AT \$1.538 B FOR FLEX
USE, (BASED ON REVERSE AUCTION PRICE OF \$7.50/POP)
4 = 's \$6B+ OF SPECTRUM TO BE PROVISIONED FOR USE

A CAN
ADEQUATELY CONTROL THE SPECTRUM NEEDED TO
BUILD THE BRIDGE - FAST!

TECH INDUSTRY MUST

WHICH SOLUTION SET?

THE FUTURE OF LOW BAND UNLICENSED DEPENDS ON
WHO IS DIRECTING THE PROCESS

CONGRESS

WAIT FOR A
LEGISLATIVE
SOLUTION TO BE
DEVELOPED AND
THEN HEAD TO
COURT

TECH SECTOR DIRECTED

MAJOR ADVOCATES PAY FOR
AND HAVE MANAGE
UNLICENSED SPECTRUM



PRIMARY BROADCASTER DIRECTED

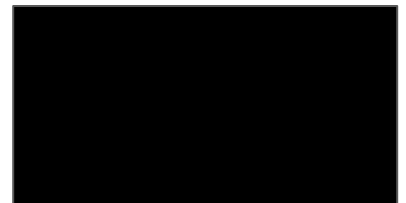
BROADCASTERS REFUSE TO YIELD
SPECTRUM FOR ADDITIONAL
UNLICENSED AND FIGHT ANY FCC
ATTEMPT IN COURT

DO NOTHING

JUST LET THE
EXISTING PROCESS
UNFOLD
*UNPREDICTABLE
OUTCOMES*



SECONDARY BROADCASTER DIRECTED



ENABLING MECHANISMS

THREE POSSIBLE MECHANISMS
TO BUILD A NATIONAL LOW BAND UNLICENSED COMMONS
WHILE AVOIDING A WAR AND WHICH WILL NOT DISADVANTAGE LPTV



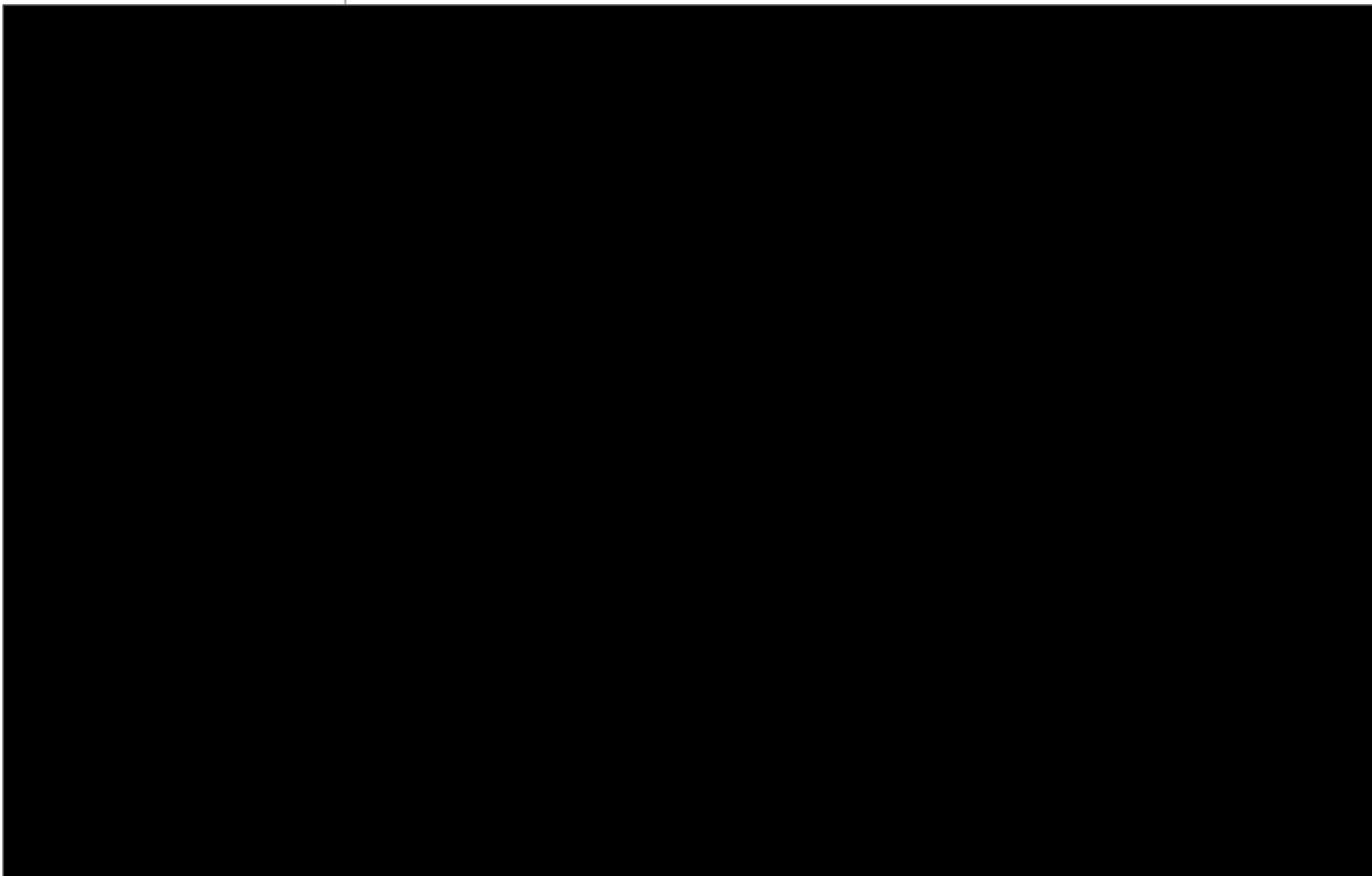
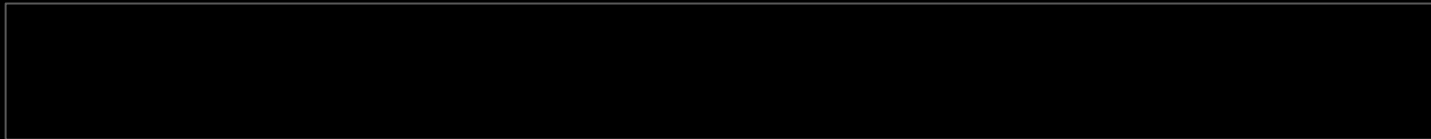
DDSA* FOR ALL BILL

- > DISRUPTIVE FREE MARKET MODEL
- > REQUIRES CONSIDERABLE FCC AND CONGRESSIONAL APPROVALS, BUT DOABLE
- > ENTIRE INDUSTRY ENABLING MECHANISM

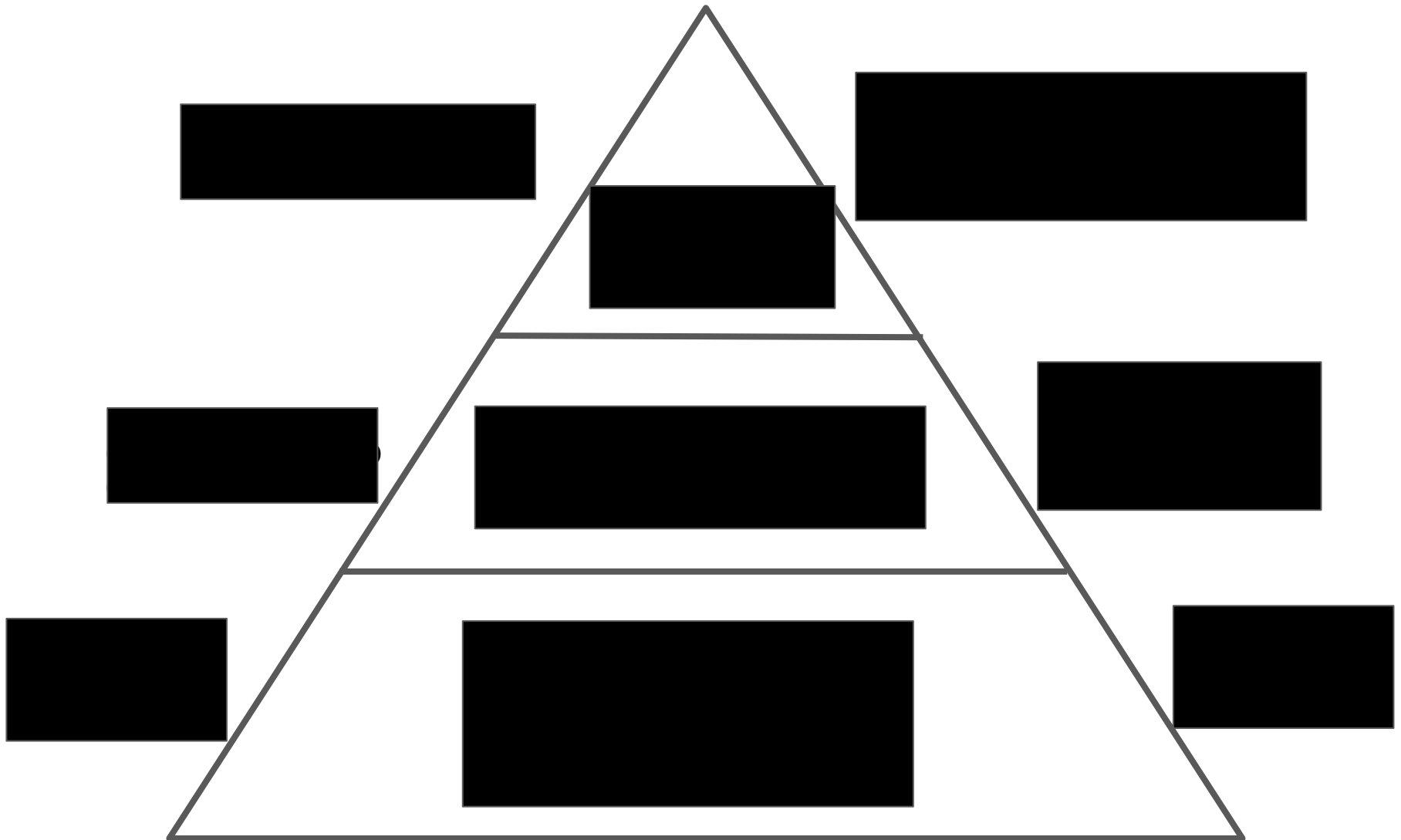
*1999 DIGITAL DATA SERVICES ACT

NEXT INCENTIVE AUCTION

- > RIGGED MODEL WHICH MAY NOT INCLUDE LPTV
- > REQUIRES CONSIDERABLE FCC AND CONGRESSIONAL APPROVAL AND TIME
- > T-BAND AUCTION TIMEFRAME IS MOST LIKELY IN 2021/2022



LOW BAND SPECTRUM ACCESS



DDSA* FOR ALL MODEL

*1999 DIGITAL DATA SERVICES ACT

DISRUPTIVE FREE MARKET MECHANISM



- ZERO UPFRONT COST TO GOVERNMENT
- SIMPLY LEGISLATIVE ADDITION TO CURRENT LAW AND RULES
- CBO WOULD SCORE IT NEUTRAL TO POSITIVE REVENUES
- COULD GENERATE SIGNIFICANT TAX REVENUES & USAGE FEES
- WOULD ALLOW VOLUNTARY PARTICIPATION BY ALL 10,000 LICENSES AND PERMITS TO ELECT ANY FLEXIBLE NON-INTERFERING USE
- IF REVERSE AUCTION WAS \$7.50 PER TV POP THEN DDSA FOR ALL WOULD CREATE A NEW \$15 BILLION MARKET CAP FOR LPTV!
- CAN BE PROVISIONED VERY QUICKLY
- CAN BE PAIRED WITH A MANDATORY SPECTRUM ACCESS AND/OR SHARING REGIME

T-BAND AUCTION OPTION

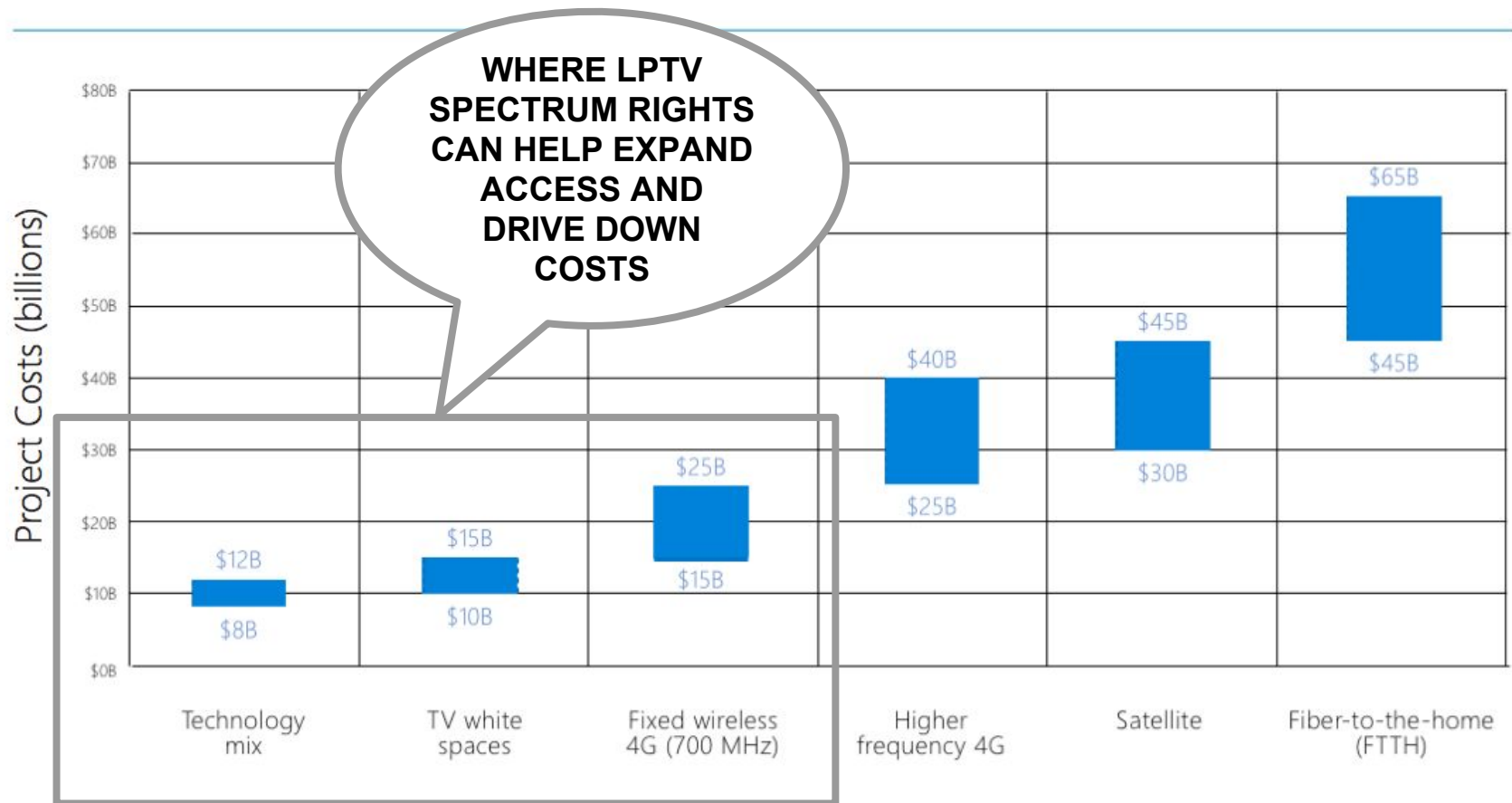
WHEN CAN WE DEPLOY THE UNLICENSED COMMONS?

ACTIVITY	2017	2018	2019	2020	2021	2022	2023	2024	2025
AUCTION & T-BAND ENABLING LEGISLATION YEAR	5	6	7	8	9	10	11	12	13
T-BAND RELOCATION PLANNING									
T-BAND TV BAND AUCTION									
T-BAND TV BAND REPACKING									
PARTIAL NATIONAL UNLICENSED CHANNELS									
FULL NATIONAL UNLICENSED CHANNELS									
INCENTIVE AUCTION REPACKING									
PARTIAL NATIONAL UNLICENSED CHANNELS									
FULL NATIONAL UNLICENSED CHANNELS									

REDACTED FOR PUBLIC FILING

COSTS

Cost Comparison to Connect 23.4 Million People in Rural America



DATA SOURCES: THE BOSTON CONSULTING GROUP, 2017;
FCC 2016 BROADBAND PROGRESS REPORT