LPTV SPECTRUM RIGHTS COALITION

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

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

Dear Ms. Dortch:

Coalition Director, Mike Gravino, meet on September 11th with FCC Commissioner Brendan Carr, and Nirali Patel, Acting Legal Advisor for Media, Consumer Protection, and Enforcement.

<u>Topics discussed were</u>:

1) a state of the industry report;
2) the auction and repacking impacts on LPTV and TV translators;
3) Congressional bills for relocation funding and the need for an FCC economic impact analysis;
4) the Phase Zero impacts which the FCC had never studied;
5) a potential win-win solution to the proposed vacant channel rulemaking;
6) the potential problems with the Next Gen rulemaking regarding the lighthouse stations concept, the temporary channel proposal, and the proposed new 26 dBu contours;
7) the already authorized T-Band auction, and;
8) a potential future Class A filing window.

The following detailing of many of the above topics was submitted.

“Dear Commissioner Carr:

Our five year old industry Coalition of over 1000 Class A, LPTV, and TV translator owners, investors, licensees, and new permittees would like to give you our own unique perspective about the impacts to us from the incentive auction and repacking process. We also will comment on proposed relocation funding, and the so-called vacant channels rulemaking sought by unlicensed advocates.

## AUCTION & REPACK IMPACTS

1. There will be displaced from UHF 38-50 as many as 3100 LPTV and TV translator licenses and new construction permits, which is 59% of the spectrum sold in the incentive auction.

2. Since the auction generated about $19 billion in revenues, it could be said that LPTV and TV translators are contributing about $11 billion of value to the auction.

3. Including the 3100 licenses and permits displaced from UHF 38-50, and additional 1200 built stations from VHF 2 to UHF 36 will also be directly displaced, and another 800+ displaced because of new interference from moving primary stations. In total, about 5000 built and licensed stations, and existing construction permits will have to move and/or adjust their signal coverage due to the auction and repacking, and at their own cost.

4. The costs of these displacements and station rebuilds will range, according to the GAO and NAB, from $50,000 to $600,000 each, depending on many factors. Our Coalition has estimated an average of $150,000 each.

5. Whatever the final out of pocket costs to our industry, it will surely exceed $300 million over the next four years. The FCC has never studied this and needs to do it now!

6. There will eventually be built and operating almost 10,000 6-MHz channels of Class A, LPTV, and TV translators. Combined, they will reach as many as 2 billion TV pops, as compared to the 1800 full power stations, which reach 4 billion TV pops.

## LPTV RELOCATION FUNDING SHOULD BE BASED ON AN ECONOMIC STUDY

1. Ranking member’s Pallone’s proposed “Viewer Protection Act of 2017”, which would provide additional funding to the primary TV broadcasters relocation fund, would also

allow any “leftover” funds to be used for LPTV and TV translator funding.

2. While this is a most welcome provision, our industry’s small family businesses and civic owners should not have to rely on what is left over. We should be given a fixed amount based on an economic analysis that the FCC should conduct. Chairman Pai has indicated that economic analyses should be done for all new FCC rulemakings.

## PHASE ZERO - THE FIRST 16 MONTHS OF IMPACTS THE FCC NEVER STUDIED

1. As soon as the incentive auction concluded, and the FCC issued its 10 phase Transition Plan, our Coalition discovered and alerted the FCC to an unforeseen impact we coined, “Phase Zero”. This is a new phase, which encompasses the first 16 months of the 39 month repacking. In Phase Zero, 100s of LPTV and TV translators will be displaced because of T-Mobile’s early roll-out and use of the spectrum it won in the auction.

2. While legal under the rules, the problem is that the LPTV Special Displacement Window will not be conducted until well after many of the Phase Zero displacements, meaning stations could be dark for more than a year.

3. The FCC responded to a request by our Coalition, and authorized an additional early filing process for LPTV and TV translator temporary channels. However, these small businesses would have to potentially build twice if they did not secure the same channel in the Special Window.

4. Our Coalition requested to T-Mobile that they assist these displacements, and they announced a program to pay for the second moves under specific criteria.

5. Since the FCC never studied any impacts on LPTV and TV translators, we wonder what other surprises we will see in the entire 39 month process.

## THE VACANT CHANNEL RULEMAKING THE HARMFUL IMPACTS COULD BE SUBSTANTIAL

1. The biggest problem with the so called “vacant channel” rulemaking is with how the FCC and unlicensed advocates have designed to accomplish it. Their approach is to reserve the final open TV channel in a market for unlicensed use.

2. What both the advocates and the FCC have failed to understand, is that in about 25% of all LPTV and TV translator assignments, stations already share a channel in a geographic area. As many as 4 LPTV can share the same channel in a market if they are spread out enough in that market. We see this especially in the major urban areas.

3. The advocates and the FCC have never conducted a formal impact analysis of this proposed rulemaking. Our Coalition has identified that as many as 600-800 less channels would lost, just while LPTV and TV translators have a lot less channels to repack into. The FCC needs to conduct an economic impact analysis of this proposed rulemaking.

4. It can also be said that each of the 13 UHF channels sold in the auction were each sold for $1.5 billion, based on the final $19+ billion closing. So, an additional, nationwide channel for unlicensed will cost the taxpayers an additional $1.5 billion in lost revenues.

5. Our Coalition went to the major unlicensed advocates and offered to them for sale LPTV spectrum in key urban areas which they would need to complete a national unlicensed band. They refused to consider paying for the spectrum rights. Over 80% of the country (rural areas) has substantial spectrum reserves they can already use but have not. Now they want the coveted major urban 6 MHz channels which LPTV needs to repack into. And they want it for free.

Respectfully submitted,

______/signature/________
Michael Gravino
Director