

WRNN-TV ASSOCIATES, LIMITED PARTNERSHIP

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February 5, 2015

VIA ECFS

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Notice of Ex Parte Presentation

GN Docket No. 12-268, Expanding the Economic and Innovation Opportunities of
Spectrum Through Incentive Auctions
AU Docket No. 14-252, Broadcast Incentive Auction Comment Public Notice Auction
1000, 1001 and 1002

Dear Ms. Dortch:

The undersigned is Chief Operating Officer of WRNN-TV Associates, Limited Partnership (“WRNN”), owner of WRNN-TV, Kingston, New York. As the operator of an independent station that serves a substantial majority of households in the nation’s largest media market, WRNN has a strong interest in the outcome of this proceeding. In particular, WRNN has urged the Commission to maximize the opportunities for broadcasters to participate in channel sharing arrangements, to adopt simple and transparent auction procedures, and to properly recognize the extraordinary value of the spectrum to be acquired in the reverse auction.

On Tuesday, February 3, 2015, I participated in a meeting with Preston Padden, Executive Director of the Expanding Opportunities for Broadcasters Coalition (the “Coalition”), Peter Cramton of the University of Maryland, anonymous representatives of the licensees of auction-eligible television stations, Ari Meltzer, Todd Stansbury, and Richard Bodorff (by telephone) of Wiley Rein LLP, Gary Epstein (IATF Chairman), Howard Symons (IATF Vice Chairman), William Lake (MB Chief), Melissa Dunford (WTB), AJ Glusman (IATF), Mary Margaret Jackson (IATF), Sasha Javid (WTB), Brett Tarnutzer (WTB), and Paul Milgrom and Ilya Segal

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(both by telephone) of Stanford University. Notice of this meeting was originally provided by letter dated February 3, 2015.¹

As noted in the February 3 letter, the Commission deserves considerable gratitude for its efforts to promote openness and deliberation, to develop a thoughtful and elegant auction, and to proceed with the auction on the currently projected schedule. WRNN also agrees that certain modifications to the proposed auction regime will best promote broad participation by broadcasters and maximize the chance of a successful auction. In particular, the FCC should increase opening bids for all stations to reflect true market demand as recently evidenced by the AWS-3 auction. The Commission also should modify or replace the proposal for dynamic reserve pricing, and greatly enhance transparency, consistent with statutory obligations for confidentiality, so that broadcasters can engage in necessary and reasonable price discovery expected by participants in any auction process.

With respect to the methodology for establishing opening prices in the reverse auction, WRNN voiced its general support for the station volume formula proposed by the Commission in the Auction Comment Public Notice, which weighs population and interference constraints equally.² WRNN believes that this formula properly balances the multiple policy goals articulated by the Commission for this auction.

WRNN noted that its ownership has decades of experience operating WRNN-TV and other stations in some of the largest – and for purposes of the auction most strategically important – markets in the nation. Population is one of the most, if not *the* most, important elements by which we and other broadcasters value our properties, and distinguish our stations from others. This is critical for the repacking process because participation of many stations with high population counts, especially in the major cities, is essential to meet larger clearing targets. As the FCC has noted, without a properly weighted population component to complement the interference metric, the Commission will likely be unable to clear more spectrum in markets where the forward auction value of relinquished spectrum usage rights is apt to be the highest.

Moreover, failing to properly weigh population in the station volume formula could severely undervalue larger stations relative to stations with substantially inferior service areas. This imbalance could cause the largest stations either to forego participating in the auction or to drop out sooner than would otherwise have been the case, which could result in excessive clearing costs for the most valuable spectrum in major markets.

¹ Letter from Preston Padden, Executive Director, Expanding Opportunities for Broadcasters Coalition, to Marlene H. Dortch, Secretary, Federal Communications Commission, GN Docket No. 12-268, AU Docket No. 14-252 (Feb. 3, 2015).

² Comment Sought On Competitive Bidding Procedures For Broadcast Incentive Auction 1000, Including Auctions 1001 And 1002, FCC 14-191, AU Docket No. 14-252, GN Docket No. 12-268 (Dec. 17, 2014).

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Equally weighting population and interference constraints to establish station volumes for opening bids offers the best chance for a positive auction outcome. The formula, properly scaled, will promote broad participation by broadcasters and position the Commission to clear a substantial amount of spectrum at a cost that can be covered by forward auction revenues, all within the current timeframe proposed by the Commission.

Respectfully submitted,

WRNN-TV ASSOCIATES, LIMITED PARTNERSHIP

By: /s/ Christian French
Chief Operating Officer

cc: Gary Epstein, Howard Symons, William Lake, Melissa Dunford, AJ Glusman,
Mary Margaret Jackson, Sasha Javid, Brett Tarnutzer, Paul Milgrom, Ilya Segal