



March 4, 2015

VIA ELECTRONIC FILING

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

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

Dear Ms. Dortch:

The Expanding Opportunities for Broadcasters Coalition (the
“Coalition”)¹ hereby submits these Informal Comments pursuant to Section
1.1206 of the Commission’s rules.

In our initial comments in response to the FCC’s *Auction Comment Public Notice*, we explained why the agency’s proposed pricing formula is flawed and contrary to the pricing policy that the Commission adopted in the *Incentive Auction Report and Order*.² Our Coalition did not stop at simply criticizing the proposal offered by the FCC; rather, we offered several alternatives, including the EOBC Compromise Proposal. This proposal preserves the fundamental

¹ Pursuant to the Public Notice issued on December 18, 2012 (DA 12-2040), these informal comments represent the views of a coalition of broadcasters who own or have financial interests in more than 85 auction-eligible stations and who desire to remain anonymous at this time. Together, the Coalition members own both full power and Class A television stations in a number of markets, including stations in several of the ten largest DMAs. The individual members of the Coalition may not agree with all positions taken in these informal comments. The Coalition’s name and mailing address are provided in accordance with Section 1.419 of the Commission’s rules. See 47 C.F.R. § 1.419(d).

² See Comments of the Expanding Opportunities for Broadcasters Coalition, AU Docket No. 14-252 & GN Docket No. 12-268 (Feb. 19, 2015) (“EOBC PN Comments”).

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structure of the Commission's proposal while modifying the exponent of the population factor from 0.5 to 0.25. Thus, a station's volume would be measured using the following formula:

$$\text{Station Volume} = (\text{Interference})^{0.5} * (\text{Population})^{\del{0.5}0.25}$$

This modest change to the FCC's formula more appropriately reflects a station's true spectrum value. The FCC's constraint files and ISIX methodology both demonstrate that a station's impact extends far beyond its protected contour. A single station in New York City can interfere with other broadcasters or wireless operations from Boston to Baltimore. Our reweighting of the FCC formula gives broadcasters the credit they deserve for the spectrum they occupy beyond their own service area—spectrum that the FCC wants to buy at a discount using its formula.

Attached hereto is a spreadsheet comparing the opening prices under the FCC's proposed formula and the EOBC Compromise Proposal for every TV station. The values in this spreadsheet are based on the \$900 base clock price proposed in the *Auction Comment Public Notice* (although, as we explained in our opening comments, this amount should be increased to reflect the lessons from the AWS-3 auction). We have posted on our blog, <http://broadcastcoalition.wordpress.com/>, an Excel version of this spreadsheet that allows comparison of opening prices using different clock values and that includes all of the assumptions behind these calculations.

The EOBC Compromise Formula yields higher opening prices for every television station owner in the country – more “incentive” for the Incentive Auction. These meaningful increases for broadcasters will produce a more robust and successful auction at a price that is easily justified (if not way too low) in light of the unmistakable market signals from the AWS-3 auction.

Under almost any metric, the EOBC Compromise Proposal is superior to the formula proposed in the *Auction Comment Public Notice*. The Coalition therefore urges the Commission to quickly embrace the EOBC Compromise Proposal and move on to the other compelling issues (*e.g.* DRP, clearing

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targets, and the placement of broadcasters in the 600 MHz band) that it will need to resolve before accepting reverse auction applications by the end of this year.

Respectfully Yours,

/s/ Preston Padden /s/ _____

Preston Padden
Executive Director
Expanding Opportunities for Broadcasters Coalition