



March 13, 2015

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

Re: In the Matter of Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions, GN Docket No. 12-268, AU Docket No. 14-252, Notice of *Ex Parte* Communication

Dear Ms. Dortch:

On March 11, 2015, Bruce Franca, Robert Weller, and the undersigned of the National Association of Broadcasters (“NAB”) met with Gary Epstein, Howard Symons, A.J. Glusman, Sasha Javid, Jonathan McCormack of the Incentive Auction Task Force, Martha Stancill, Blaise Scinto, Madelaine Maior, Jennifer Tonchin, Margaret Wiener, Chris Helzer and Jon Leibovitz of the Wireless Telecommunications Bureau, Julius Knapp, Matthew Hussey, Alan Stillwell, Martin Doczkat, Aspasia Paroutsas and Barbara Pavon of the Office of Engineering and Technology, and Lawrence Chu of the Office of Strategic Planning & Policy Analysis.

During this meeting, NAB discussed the attached presentation, demonstrating the potential effects of repacking television stations in the wireless portion of the 600 MHz band. According to our analysis, placing even a few stations in the wireless part of the band can create significant impairments that dramatically affect the amount of spectrum available for bidders in the forward auction. Indeed, as this analysis demonstrates, it is easy to imagine a handful of stations in the wireless band limiting the forward auction to two or three blocks of paired spectrum available in the Northeast corridor, while still staying well under the Commission’s proposed 20 percent standard for market variability.

Not only would such an outcome threaten the success of the incentive auction, it would result in spectrum lying fallow in some of the most congested markets in the country. This is poor spectrum management policy, as well as a flawed approach to ensuring the success of the auction.

It may be tempting to theorize that, if significant impairments are created at a given stage of the auction, the forward auction will not raise enough money to close, and the

1771 N Street NW
Washington DC 20036 2800
Phone 202 429 5300

auction will automatically move on to further stages. NAB respectfully submits that such a “fingers crossed” approach to structuring the auction is unwise. First, it is entirely speculative. Second, the Commission should be proactively designing rules for the auction that *minimize* the potential for failure, rather than passively hoping uncertain outcomes may save the Commission from poor structural choices. Hoping for the best only works as part of a strategy that also involves preparing for the worst.

The best way to minimize chances for a failed auction is to focus on maximizing the amount of unimpaired, paired spectrum the Commission can offer in the highest demand markets, and to design rules that will guide the auction towards that goal. This means significantly restricting the level of variability the auction can accommodate. We urge the Commission to restrict impairments to no more than three percent of population, or to adopt a nationwide band plan in the vast majority of the country that provides exceptions only in the border regions.

Respectfully Submitted

A handwritten signature in black ink, appearing to read "Patrick McFadden", with a long horizontal flourish extending to the right.

Patrick McFadden
Vice President Spectrum Policy,
Legal and Regulatory Affairs
National Association of Broadcasters

cc: Gary Epstein
Howard Symons
A.J. Glusman
Sasha Javid
Jonathan McCormack
Martha Stancill
Blaise Scinto
Madelaine Maior
Jennifer Tonchin
Margaret Wiener
Chris Helzer
Jon Leibovitz
Julius Knapp
Matthew Hussey
Alan Stillwell
Martin Doczkat
Aspasia Paroutsas
Barbara Pavon
Lawrence Chu