



May 12, 2015

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> 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 May 1, 2015, AT&T submitted a letter addressing two related facets of the forthcoming broadcast spectrum incentive auction: (1) the limit on the degree of variability that will be permitted in the band plan; and (2) the use of Dynamic Reserve Pricing (DRP) in the reverse auction. The National Association of Broadcasters (NAB) generally supports AT&T's position on both issues.

By way of background, international coordination remains a significant and unresolved challenge for the Commission and all stakeholders in the auction. Domestic television stations in the border regions will be unable to move to new channel assignments until those assignments are coordinated with the Canadian and Mexican governments. While the FCC must accept bids from volunteers in these regions to clear space to allow repacking, the border regions will remain impaired by domestic television stations until their new channel assignments are coordinated, and by foreign television stations until they are assigned new channels. While these impairments may not ultimately be permanent, they are significant, and they complicate both the auction and the FCC's proposal for measuring variability in its pursuit of a near-nationwide band plan.

Getting the band plan as close to nationwide as possible is critical for the auction's success and for the stability of the band plan following the auction. During the auction and repacking, when the Commission assigns television stations to the wireless portion of the band it creates new impairments above and beyond the existing foreign impairments. As NAB has demonstrated, creating impairments covering 20 percent of weighted population threatens the success of the forward auction by dramatically curtailing the amount of

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

unimpaired spectrum available in the forward auction.<sup>1</sup> This outcome would significantly limit auction revenues and could ultimately threaten the viability of the auction. It would also lay the groundwork for years of interference disputes between broadcast television stations and wireless carriers.

NAB supports an approach that recognizes that border areas are subject to impairments from foreign stations that could be resolved by future agreements with Canada and Mexico. These temporary impairments should not stand in the way of the FCC pursuing a band plan that is truly near-nationwide. Simply put, the border regions are different, and they should be treated differently. Critically, however, the Commission should not use foreign impairments as a means of “masking” new impairments created by reassigning domestic television stations to channels in the wireless portion of the band; that is, an existing foreign impairment in Los Angeles should not leave the Commission free to create a new domestic impairment.

AT&T proposes to limit non-border impairments in the 600 MHz band following the auction to no more than three percent of weighted population beyond foreign impairments in the border regions. This is generally consistent with the proposal NAB previously set forth, which would essentially ignore foreign impairments for the purpose of establishing a near-nationwide band plan, but limit the Commission to creating new domestic impairments covering three percent or less of weighted population.<sup>2</sup>

NAB similarly agrees with AT&T that the Commission should reject the use of DRP in the reverse auction. Apart from its wholly arbitrary application, under DRP, the Commission will not accept a broadcaster’s voluntary bid even when there is no way for the Commission to repack that broadcaster in its original band. Instead, the Commission will continue to lower the price offered in an attempt to cajole the broadcaster into selling more cheaply.

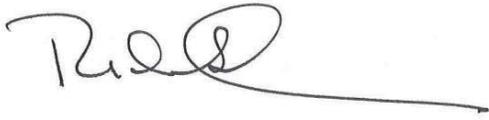
This is a pennywise, pound-foolish approach. DRP increases uncertainty and is likely to create needless impairments in the 600 MHz band, which reduces or eliminates fungibility between wireless license blocks. DRP may artificially restrict the amount of unimpaired spectrum the FCC can offer in the forward auction which, in turn, will depress forward auction revenues. The Commission would be far better served by accepting the bids of stations that are willing to relinquish spectrum.

---

<sup>1</sup> See, e.g., Comments of the National Association of Broadcasters at 11-15, GN Docket No. 12-268, AU Docket No. 14-252 (filed Feb. 20, 2015); Letter from Patrick McFadden to Marlene H. Dortch, GN Docket No. 12-268, AU Docket No. 14-252 (filed March 13, 2015).

<sup>2</sup> See Letter from Rick Kaplan to Marlene H. Dortch, GN Docket No. 12-268, AU Docket No. 14-252 (filed March 25, 2015).

Respectfully Submitted

A handwritten signature in black ink, appearing to read "Rick Kaplan". The signature is stylized with a large, circular flourish at the end that extends into a long horizontal line.

Rick Kaplan  
General Counsel and Executive Vice President,  
Legal and Regulatory Affairs  
National Association of Broadcasters