

NATIONAL ASSOCIATION OF BLACK OWNED BROADCASTERS

1201 Connecticut Avenue, N.W., Suite 200, Washington, D.C. 20036
(202) 463-8970 • Fax: (202) 429-0657

BOARD OF DIRECTORS

JAMES L. WINSTON
President
MICHAEL L. CARTER
Vice President
KAREN E. SLADE
Treasurer
LOIS E. WRIGHT
Counsel to the Board
ARTHUR BENJAMIN
CAROL MOORE CUTTING
ALFRED G. LIGGINS
JERRY LOPES
DUJUAN MCCOY
STEVEN ROBERTS
MELODY SPANN-COOPER
JAMES E. WOLFE, JR.

July 15, 2015

VIA ELECTRONIC FILING

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

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

Dear Ms. Dortch:

On July 14, 2015, the undersigned President of the National Association of Black Owned Broadcasters, Inc. ("NABOB") met separately with: (1) Chanelle Hardy, Chief of Staff and Media Legal Advisor, and David Strickland, Acting Legal Advisor, in the office of Commissioner Mignon Clyburn; (2) Jessica Almond, Acting Legal Advisor, Engineering and Technology, Wireless, and Incentive Auction, in the office of Chairman Tom Wheeler, and (3) Michele Ellison, Deputy General Counsel. In those conversations, the undersigned presented the following comments on behalf of NABOB:

NABOB supports the Comments of the Expanding Opportunities for Broadcasters Coalition (EOBC), in which EOBC has requested that the Commission revise its formula for establishing opening bid prices for the Reverse Auction. As EOBC pointed out, adjusting the formula to give greater weight to a station's preclusive impact results in higher opening bid prices, better reflects the value of the spectrum of stations, and can lead to greater broadcaster participation in the Reverse Auction.

NABOB also supports the request of the EOBC to keep the Reverse Auction as simple as possible. NABOB noted that there are many broadcasters that may be discouraged from participating in the Reverse Auction if it appears too complex and difficult to participate, and too difficult to estimate the likelihood of success in the auction.

In response to staff questions, NABOB also pointed out that the June 25, 2015 Fact Sheet on bidding credits raises a number of concerns. NABOB pointed out that placing a cap on the bidding credits for all designated entities would be an unnecessarily broad remedy to address the concerns raised by the bidding in the AWS-3 auction. The concerns raised by that auction related to designated entities with large investments from existing major telecommunications companies. NABOB pointed out that there has been determination that there was any improper activity in the bidding in the AWS-3 auction. NABOB therefore proposed that there should be no caps. NABOB added that, if the Commission is going to impose caps, any cap on designated entity bidding should be limited to designated entities that receive substantial investments from major telecommunications companies. NABOB pointed out that a designated entity backed by financial interests or non-telecommunications companies would not be subject to the potential influences that a designated entity backed by a major telecommunications company might experience. Therefore, a cap would not be needed, because the potential for such influence would not exist.

NABOB added that, if the Commission does choose to place a cap on designated entity bidding, the proposed cap of \$150 million is too low. NABOB pointed out that, in the AWS-3 auction, a cap this low would have precluded a designated entity from acquiring licenses in some of the largest metropolitan areas, where the greatest concentrations of minorities live. The bid prices in the AWS-3 auction were as follows:

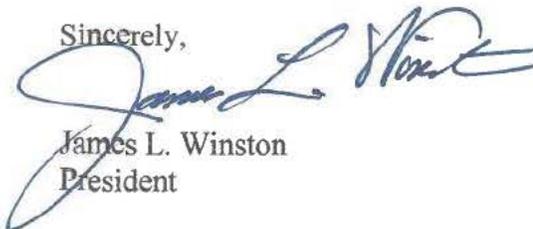
New York	\$2.7 billion
Los Angeles	\$2.1 billion
Washington, DC	\$967 million
San Francisco	\$783 million
Chicago	\$582 million
Houston	\$551 million
Philadelphia	\$547 million
Miami	\$498 million

It is reasonable to anticipate that a minority owned bidder would be interested in bidding where the greatest concentrations of minorities are located. The proposed cap on bidding credits would have blocked these opportunities for designated entities in the AWS-3 auction – and industry analysts suggest that the bidding in the Forward Auction could go higher than in the AWS-3 auction.

Ms. Marlene H. Dortch
July 15, 2015
Page 3 of 3

In accordance with Section 1.1206(b) the Commission's rules, this notice is being filed in the Commission's Electronic Comment Filing System.

Sincerely,

A handwritten signature in blue ink, appearing to read "James L. Winston". The signature is fluid and cursive, with a large initial "J" and "W".

James L. Winston
President

cc: Chanelle Hardy
David Strickland
Jessica Almond
Michele Ellison