

KLCS-TV, Los Angeles, California

Before The
Federal Communications Commission
Washington, D.C. 20554

In the Matter of:)
Expanding Economic and Innovation)
Opportunities of Spectrum through) Docket No. 12-268
Incentive Auction)

INTRODUCTION

KLCS-TV is a Non-Commercial Educational (NCE) station licensed to the Los Angeles Unified School District since 1973. KLCS is affiliated with the PBS network and utilizes a high-power transmitter on channel 41 from Mt. Wilson. Here are our comments on the Incentive Auction process.

BID PROCESS

From the perspective of a NCE in a large metropolitan area, we feel that a reverse clock auction would be the most desirable method for the first portion of the auction for a NCE broadcaster. This method would level the playing field for the NCE broadcasters that do not have the staff or the financial expertise to determine what their initial bid price must be. Indeed since NCE broadcasters are non-profits the valuation of their existing spectrum has no basis in any sound accounting principle. There is no multiple of cash flow to be examined as there is in a commercial station upon which to base the required selling price. By allowing the NCE to participate in the clock option, however, we feel it would allow the NCE entity to achieve a fair value for their spectrum.

LEGAL CONSIDERATIONS

It becomes a legal question as to whether NCE stations may elect to sell their spectrum outright. Since most of the NCE stations are owned by public entities, school boards, colleges and states, the sale of this type of asset without a competitive bid that is open to the public is typically forbidden and may generate litigation that cannot be foreseen. Unless the spectrum auction legally precludes local laws requiring public participation, there is a danger of involving both the non-profit entity and the Commission in a legal battle that can go on for years, defeating the ultimate purpose of the auction. It would be helpful for the FCC to clarify how to harmonize local and federal laws as to the sale of public property. Perhaps the final Rules will provide a specific NCE preemption or guidance to preclude local interference with the process.

RELOCATION TO VHF CHANNELS

Assuming the only accommodation a NCE station was willing to make was relocation to a VHF channel, it renders the legal issue moot. Unfortunately, without some certainty as to which VHF channel would become its new home, it is impossible to ascertain the true cost of the move and therefore the adequacy of the price. This is primarily due to the basic physics of transmission. As the channel

frequency decreases, the amount of power needed to cover a specified area increases due to the reduced gain factor of the antenna as wavelength increases. In essence it would cost a station considerably more for low VHF as opposed to high VHF. If the Commission cannot specify the channels to be used the operator cannot determine how much it would cost them to relocate, not only the initial build-out but the ongoing tower aperture rental and operational power cost to the station. Determining whether it would be fiscally prudent to move becomes a guessing game without assurance that it would not negatively impact the ultimate coverage, monthly operating expenses, or long-term financial condition of the station.

PROBLEMS WITH LOW-VHF CHANNELS:

There are several factors that feed the consensus that the low VHF band is unusable for digital television. First, there are few, if any, manufacturers currently able to provide a low-VHF, high-power transmitter. Secondly, a high-power, Low-VHF antenna has not been manufactured in nearly a decade in the U.S., and while it would be possible to build one the lead time could be extremely long. Additionally the amount of gain that a low VHF antenna can achieve is limited due to the size of the radiating elements. This now means that an enormous amount of power would be necessary to overcome the low antenna gain.

Thirdly, the high noise floor in the low VHF band renders the use of this spectrum for digital purposes doubtful, especially given the lack of receive antennas owned by or available for sale to the public. Sources of noise are expected to increase over time as new technology invades the metro area to the point a well maintained, outdoor, all-channel, receive antenna becomes absolutely necessary to receive the low VHF signals even under the best of conditions. We are concerned that all-channel receive antennas will neither be available to nor desired by the public following this conversion.

Therefore, to adequately evaluate relocation to any VHF channel, the specific channel under consideration must be identified early in the auction process.

EXTENSION OF "MUST CARRY"

In the event that the proposed new channel for a station cannot replicate the original coverage area, the new rules should grandfather the 'must carry' requirement based on the original coverage area. It is counterproductive for a station to cooperate (for a VHF channel change) with the FCC in the auction and lose audience in the process due to the physics of transmission and the unavailability of receive antennas. We believe a continuation of the "must carry" service area should be based on the originally licensed coverage pattern with the provision that the station may alternately feed a useable signal, via fiber or other means, to the DTH provider.

BUILD-OUT TIMING FOR CHANNEL CHANGE

Eighteen months as a period for the build out of new facilities may not be realistic or even possible, especially for stations relocated to a VHF channel. There are a limited number of trained tower crews available in the U.S., and equipment suppliers may need to retool for VHF transmitters. The scheduling issues given these limitations may prove problematical. Broadcast antenna manufacturers are reportedly not geared up to produce the potential quantity of high power antennas that will be needed, especially all at once, in the eighteen month time frame. Finally due to the mandatory competitive bid

process by public entities a large amount of this timeframe may be used just to secure a vendor. This in turn would put the NCE at the end of the production line for the required equipment.

SUMMARY AND CONCLUSION

KLCS foresees a uniquely difficult process of clearing spectrum in the congested Los Angeles Metro area. We recommend that as many "knowns" be disclosed early in the process so that the otherwise disadvantaged non-profit station will have an equal basis for participation. Exchange of channels from UHF to VHF is a terrible risk if there is no technical accommodation to assure continued OTA and cable coverage.

Submitted this 16th day of January, 2013