



Federal  
Communications  
Commission

# **Stanford Institute for Economic Policy Research (SIEPR)**

## **Incentive Auction Design Conference**

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**Chair, Incentive Auction Task Force**

**February 25-26, 2013**

# Broadcast Incentive Auction: From Idea to Law

National Broadband  
Plan (Mar. 2010)

“Congress should consider expressly expanding the FCC’s authority to enable it to conduct incentive auctions in which incumbent licensees may relinquish rights in spectrum assignments to other parties or to the FCC.”

President’s Nat’l  
Wireless Initiative  
(Feb. 2011)

“As recommended in the FCC’s National Broadband Plan, legislation is needed to allow the FCC to conduct “voluntary incentive auctions” that enable current spectrum holders to realize a portion of auction revenues if they choose to participate.”

Spectrum Act  
(Feb. 2012)

“...the Commission may encourage a licensee to relinquish voluntarily some or all of its licensed spectrum usage rights in order to permit the assignment of new initial licenses subject to flexible-use service rules by sharing with such licensee a portion...of the proceeds...from the use of a competitive bidding system...”

Notice of Proposed  
Rulemaking  
(Oct. 2012)

“The FCC issued a Notice of Proposed Rulemaking on October 2, 2012, which launches the process which will leverage the collective expertise of the leading authorities in telecommunications, computer science, engineering, economics and law, as well as members of the public at large, to craft the best possible incentive auction.”

***Initial NPRM comments received January 25, 2013***  
***Reply comments due March 12, 2013***

***“The Commission shall conduct a reverse auction to determine the amount of compensation that each broadcast television licensee would accept in return for voluntarily relinquishing some or all of its broadcast television spectrum usage rights in order to make spectrum available for assignment through a system of competitive bidding...”***

***- Spectrum Act Section 6403(a)(1)***



# Broadcast Incentive Auction: Objectives

## Relieve Spectrum Crunch

- Repurpose maximum amount of UHF spectrum while providing for a healthy broadcast industry

## Statutory Fiscal Objectives

- Forward auction proceeds must exceed reverse auction payments
- Cover the repacking reimbursement costs
- Other congressional objectives (FirstNet, deficit reduction)

## Promote Wireless Innovation

- Launchpad for advanced wireless networks
- Contiguous unlicensed band

## Vibrant and Healthy Mobile Market

- Availability of low-band spectrum for a range of mobile broadband providers



# Broadcast Incentive Auction: Design Goals

## Simplicity

- Want to make bidding for TV broadcasters simple because *their participation is critical to the success of the auction*

## Efficiency

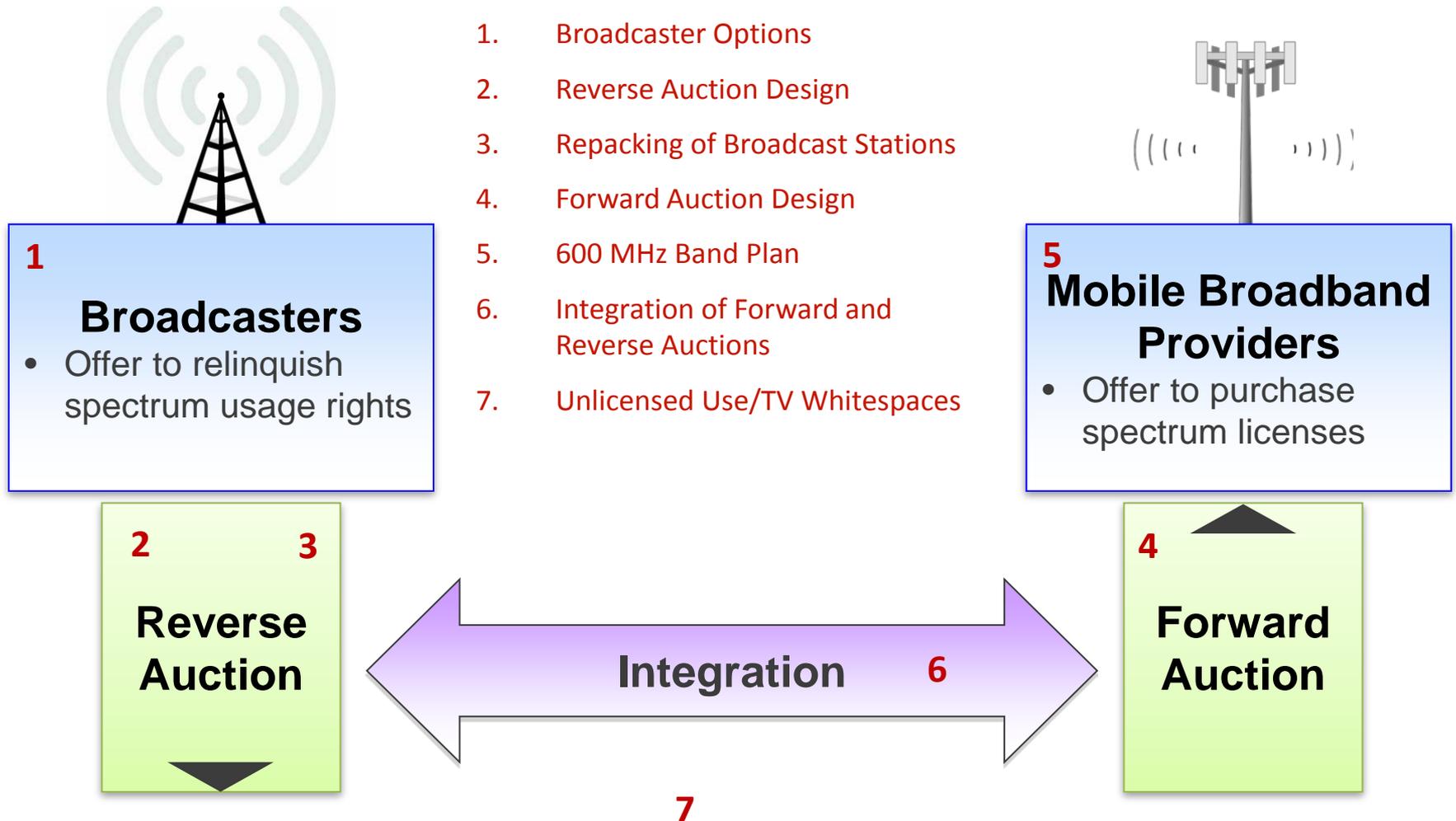
- Measured in terms of both achieving the optimal auction outcome and closing the auction in a timely fashion

## Transparency

- Critical for stakeholder buy-in



# Broadcast Incentive Auction: Key Components





# Broadcast Incentive Auction: Process

## Incentive Auction Process Timeline

