



PUBLIC NOTICE

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MEDIA BUREAU SEEKS COMMENT ON WIDELITY REPORT AND CATALOG OF POTENTIAL EXPENSES AND ESTIMATED COSTS

GN Docket No. 12-268

Comment Date: April 21, 2014
Reply Comment Date: May 6, 2014

The Spectrum Act¹ establishes a \$1.75 billion TV Broadcaster Relocation Fund to be used for reimbursement of eligible relocation costs.² In the *Broadcast Television Incentive Auction NPRM*, the Commission sought comment on the types of costs broadcasters and MVPDs are likely to incur and how to determine whether such costs are “reasonable” for purposes of reimbursement under the statute.³ Comments in response to the NPRM suggested that the Commission establish cost estimates for categories of reimbursable expenses.⁴ The Commission engaged Widelity Inc. (Widelity) to aid the Commission in understanding the process and costs associated with the post-incentive auction transition. In September 2013, the Commission released a Public Notice seeking comment on an initial “Catalog of Eligible Expenses” and encouraging commenters to identify additional expense categories that include costs broadcasters and MVPDs are likely to incur in the post-auction transition.⁵ The Commission also held two public workshops specifically on the reimbursement process. Widelity has produced the attached report, “Response to the Federal Communications Commission for the Broadcaster Transition Study Solicitation” along with a “Catalog of Potential Expenses and Estimated Costs” (Appendix B to the Report). In producing both of these items, Widelity conducted confidential interviews of a broad range of industry players, including TV broadcast group engineers, radiofrequency and structural engineers,

¹ Middle Class Tax Relief and Job Creation Act of 2012, Pub. L. No. 112-96, §§ 6402, 6403, 125 Stat. 156 (2012) (“Spectrum Act”).

² *Id.* at § 6403(d)(1); 47 U.S.C. § 309(j)(8)(G)(iii)(I). The Spectrum Act requires that the Commission “reimburse costs reasonably incurred by” broadcast television licensees that are reassigned to new channels as a result of the incentive auction. Spectrum Act § 6403(b)(4)(A)(i). In addition, the Spectrum Act requires the Commission to reimburse MVPDs that reasonably incur costs in order to continue to carry the signals of licensees reassigned to new channels as a result of the reverse auction or repacking process. *Id.* at § 6403(b)(4)(A)(ii).

³ *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions, Notice of Proposed Rulemaking*, 27 FCC Rcd 12357, 12470 ¶ 343 (2012) (“NPRM”).

⁴ *See, e.g.*, Comments of Nat’l Ass’n of Broadcasters, Jan. 25, 2013, at 53 (entities should receive an initial payment based on a schedule of estimated costs established by the Commission).

⁵ *See Media Bureau Seeks Comment on Catalog of Eligible Expenses and Other Issues Related to the Reimbursement of Broadcaster Channel Reassignment Costs*, GN Docket No. 12-268, Public Notice (rel. September 23, 2013).

suppliers, support companies, manufacturers, attorneys, and network engineers.⁶ The Widality Report recognizes that the post-auction repacking process will be complex and that the complexity will vary from station to station. Nevertheless, the Report concludes that, despite the significant challenges that the industry will face, “[w]ith cooperation as well as patience, creative problem solving, and guidance from the FCC and industry groups such as the National Association of Broadcasters, Association of Public Television Stations, and state broadcast associations, the transition can be achieved with the desired outcomes.”⁷

We seek additional input from interested parties on the report and particularly on the Catalog of Potential Expenses and Estimated Costs. This second iteration of the Catalog includes, for the first time, Widality’s suggested prices, or range of suggested prices, for many of the Catalog items. Widality developed the suggested prices by conducting confidential interviews directly with industry participants, including both sellers and purchasers of equipment and services with direct knowledge of pricing. The Commission had no role in the development of the suggested prices. Accordingly, these suggested prices are estimates only and are not meant to indicate that reimbursement will reflect the suggested prices. In addition, we note that several additional categories have been added to the Catalog as a result of the comments received last fall.⁸ As we have stated previously, this Catalog is not exhaustive, and inclusion or exclusion of a particular category of expenses should not be read to state or imply that the expense will or will not be eligible for reimbursement.

We now seek additional comment from industry participants on these suggested prices, as well as any comments on the report and any further comments on the categories of costs included. A final Catalog of Eligible Expenses and Estimated Costs will be released prior to the auction, and we believe the Catalog will provide useful guidance to broadcasters and MVPDs as they navigate the post-auction transition.

Interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. When filing comments, please reference **GN Docket No. 12-268**.⁹

Comments may be filed using the Commission’s Electronic Comment Filing System (ECFS) or by filing paper copies.¹⁰ Comments filed through the ECFS can be sent as an electronic file via the Internet to <http://www.fcc.gov/cgb/ecfs/>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of the proceeding, commenters

⁶ Widality Report, at 7.

⁷ *Id.*

⁸ *See, e.g.*, Comments of Nat’l Ass’n of Broadcasters, Nov. 4, 2013, at 7 (indicating that the Catalog should include RF exposure studies where the RF environment at a tower site changes); Comments of LARCAN Inc., Oct.30, 2013, at 1; Comments of Ass’n of Public Television Stations, Corp. for Public Broadcasting, and Public Broadcasting Service, Nov. 4, 2013, at 7 (noting that the Catalog should include liquid-cooled solid state VHF transmitters) (“PTV Comments”); Comments of American Tower Corp., Nov. 4, 2013, at 4 (noting that the Catalog should include tower sites requiring a helicopter lift); PTV Comments at 7 (noting that the Catalog was unclear regarding the installation of elevators in new towers).

⁹ The *NPRM* in this proceeding included an Initial Regulatory Flexibility Analysis (“IRFA”) pursuant to 5 U.S.C. § 603, exploring the potential impact of the Commission’s proposal on small entities. *NPRM*, 27 FCC Rcd at 12523-44. The matters discussed in this Public Notice do not modify in any way the IRFA we previously issued.

¹⁰ *See* Electronic Filing of Documents in Rulemaking Proceedings, GC Docket No. 97-113, *Report and Order*, 13 FCC Rcd 11322 (1998).

must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking numbers. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, "get form." A sample form and directions will be sent in reply. Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). Parties are strongly encouraged to file comments electronically using the Commission's ECFS. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554.

- Effective December 28, 2009, all hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC 20554. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. The filing hours at this location are 8:00 a.m. to 7:00 p.m.
- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.
- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington DC 20554.

Parties shall also serve one copy with the Commission's copy contractor, Best Copy and Printing, Inc. (BCPI), Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, (202) 488-5300, or via e-mail to fcc@bcpiweb.com.

Documents in GN Docket No. 12-268 will be available for public inspection and copying during business hours at the FCC Reference Information Center, Portals II, 445 12th St. S.W., Room CY-A257, Washington, DC 20554. The documents may also be purchased from BCPI, telephone (202) 488-5300, facsimile (202) 488-5563, TTY (202) 488-5562, e-mail fcc@bcpiweb.com.

To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

This matter shall be treated as a "permit-but-disclose" proceeding in accordance with the *ex parte* rules.¹¹ Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentations must contain summaries of the substance of the presentations and not merely a listing of the subjects discussed. More than a one- or two-sentence description of the views and arguments presented generally is required.¹² Other requirements pertaining to oral and written presentations are set forth in section 1.1206(b) of the rules.¹³

¹¹ *NPRM*, 27 FCC Rcd at 12494-95, ¶¶ 416-417; *see also*, 47 C.F.R. § 1.1200 *et seq.*

¹² *See* 47 C.F.R. § 1.1206(b)(2).

¹³ 47 C.F.R. § 1.1206(b).

For additional information on this proceeding, contact Kim Matthews, Kim.Matthews@fcc.gov, (202-418-2154), Pamela Gallant, Pamela.Gallant@fcc.gov, (202- 418-0614), or Mary Margaret Jackson, MaryMargaret.Jackson@fcc.gov, (202-418-3641) of the Media Bureau, Policy Division. Press contact: Janice Wise, Janice.Wise@fcc.gov (202- 418-8165).

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