



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

March 15, 2011

The Honorable John D. Dingell
U.S. House of Representatives
2328 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Dingell:

As a follow up to our exchange at the Subcommittee's hearing on February 16, 2011, I'd like to take the opportunity to provide you with additional information regarding the Commission's proposed approach to incentive auctions.

First, an incentive auction is a market-based mechanism that enables participants to determine the amount of spectrum that can be cleared. In the case of television spectrum, our proposed plan is that broadcasters could voluntarily decide to contribute some – or all – of their spectrum and could set a minimum price for the sale of such contributions. The market will determine – through offers of willing broadcasters to sell and offers of commercial wireless providers to buy – the amount of spectrum that can be cleared. Our plan does not propose that the FCC will forcibly reclaim broadcasters' spectrum to meet an artificial target. Our proposal for voluntary broadcaster participation would also allow a broadcaster to choose to stay on the air and share a channel with one or more other broadcasters in its market, so that all stations can keep their entire programming lineups and enjoy strengthened financial positions from the infusion of auction proceeds.

For a voluntary incentive auction to free up spectrum for mobile broadband, we will need to offer for bid contiguous blocks of spectrum that are available across all regions of the Nation. Allowing television stations to remain on frequencies interspersed throughout the auctioned spectrum would not only cause interference to both television viewers and mobile broadband consumers, but also make the resulting non-contiguous spectrum less suitable for wireless services, thereby greatly reducing the value of the recovered spectrum. Therefore, to ensure the spectrum broadcasters voluntarily contribute to an incentive auction can meet the needs of mobile broadband consumers, we will need to assign new frequencies to some broadcast stations through a realignment process sometimes called repacking.

We fully intend to develop a realignment plan that entails the minimum number of frequency changes possible. Our proposal includes reimbursing broadcasters for any costs incurred in relocating and minimizing any loss of over-the-air TV viewers. We want to limit any inconvenience to broadcasters and maintain a strong over-the-air television broadcast service.

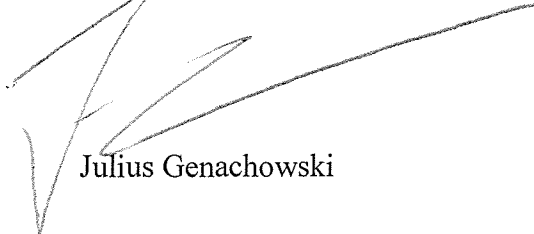
It is also important to keep in mind that the realignment that will occur after an incentive auction will be different from and less complicated than the one that happened during the DTV

transition. The majority of stations would not experience any changes at all, and stations that do need to change to a different channel could do so within their same VHF or UHF band and maintain their existing service area unless they voluntarily choose to modify it. Consumers would not need to obtain converter boxes; they would simply need to rescan their TV receivers or converter boxes for the new channels. In addition, digital technology allows stations to use virtual channel numbers, so even if a station's actual channel number changes through realignment, it can continue to have its former channel number display on television screens and set-top boxes.

Demand for wireless broadband is growing rapidly, and I believe incentive auctions are one of the most effective means to meet growing consumer demand and spur U.S. global competitiveness. I look forward to working with you on this proposal to ensure that it is a win for broadcasters, a win for consumers, and a win for the innovation, job creation and economic growth that will result from additional mobile broadband services.

Please let me know if I can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'Julius Genachowski', written over a light blue horizontal line. The signature is stylized and extends across the width of the line.

Julius Genachowski