



1776 K STREET NW
WASHINGTON, DC 20006
PHONE 202.719.7000
FAX 202.719.7049

7925 JONES BRANCH DRIVE
MCLEAN, VA 22102
PHONE 703.905.2800
FAX 703.905.2820

www.wileyrein.com

January 24, 2013

Ari Meltzer
202.719.7467
ameltzer@wileyrein.com

BY ECFS

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

Re: In the Matter of Expanding the Economic and Innovation Opportunities of
Spectrum Through Incentive Auctions, GN Docket No. 12-268
NOTICE OF ORAL EX PARTE PRESENTATIONS

Dear Ms. Dortch:

On Tuesday, January 22, 2013, Preston Padden, Executive Director of the Expanding Opportunities for Broadcasters Coalition (the "Coalition") and Jeffery A. Eisenach, Managing Director and Principal at Navigant Economics, LLC met with: Gary Epstein of the FCC Incentive Auction Task Force, Ruth Milkman, Kathryn Hinton, Sasha Javid, John Leibovitz, Paul Malmud, Brett Tarnutzer, and Margaret Wiener of the Wireless Telecommunications Bureau, William Lake and Barbara Kreisman of the Media Bureau, Edward Smith of the Enforcement Bureau and the Incentive Auction Task Force, William Scher of the Office of General Counsel, Alan Stilwell and Robert Weller of the Office of Engineering and Technology, and Evan Kwerel of the Office of Strategic Planning and Policy Analysis. On Wednesday, January 23, 2013, Mr. Padden met with Alex Hoehn-Saric and Allen Goldberg in the Office of Commissioner Jessica Rosenworcel.

During the meetings, Mr. Padden described how the Coalition, which represents 39 television stations concentrated in the country's largest markets, believes the FCC can structure the proposed television spectrum incentive auction to ensure that the agency fulfills its goal of transferring at least 120 MHz of broadcast spectrum for mobile broadband use while also generating billions of dollars to fund a national broadband public safety network. The Coalition representatives emphasized that the incentive auction cannot succeed without the participation of willing sellers and explained that the Commission should therefore adopt rules and procedures designed to maximize broadcaster turnout while allowing market forces to identify auction pricing.



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The Coalition representatives urged the Commission to adopt the descending clock auction, as described in the *Notice of Proposed Rulemaking* and the accompanying proposal by Paul Milgrom, Lawrence Ausubel, Jon Levin, and Ilya Segal. Msrs. Padden and Eisenach explained that a descending clock auction with intra-round bidding will maximize broadcaster turnout by allowing the agency to offer initial bids sufficient to accomplish widespread broadcaster participation while permitting the FCC to identify the optimal price and quantity of spectrum to be auctioned.

The Coalition representatives stressed that reverse auction payments must properly account for the value that spectrum in the very largest markets will contribute to the FCC's ability to meet its spectrum reallocation and revenue goals. Accordingly, the Coalition encouraged the Commission not to erect unnecessary barriers to the payments that broadcasters in those markets can receive as long as such payments are consistent with the statutory conditions. In particular, the Coalition representatives emphasized that to ensure that the closing conditions can be met and the expectations of willing sellers can be fulfilled, Verizon and AT&T should not be restricted or otherwise impeded from participating in the auction. Additionally, the Coalition representatives explained that payments to broadcasters should not be "scored" based on a station's enterprise value, signal strength, or other factors not relevant to 6 MHz of spectrum they are offering to surrender.

The participants also discussed how restrictions on broadcaster eligibility to participate in the auction or to channel share can hinder the ability of the FCC to reclaim enough spectrum for the auction to succeed.

Pursuant to Section 1.1206 of the Commission's rules, attached hereto is a summary of the Coalition's comments that was provided to the FCC representatives during each meeting.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Ari Meltzer".

Ari Meltzer
Counsel to the Expanding Opportunities for Broadcasters Coalition



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Enclosure

cc (via e-mail):

Gary Epstein
Allen Goldberg
Alex Hoehn-Saric
Kathryn Hinton
Barbara Kreisman
Evan Kwerel
Sasha Javid
William Lake
John Leibovitz
Paul Malmud
Ruth Milkman
Brett Tarnutzer
William Scher
Edward Smith
Alan Stillwell
Robert Weller
Margaret Wiener

Summary Of Incentive Auction Initial Comments Of The “Expanding Opportunities For Broadcasters Coalition” – January 24, 2013

1. The Coalition continues to grow, now representing 39 Stations in the very largest markets.
2. Willing sellers are indispensable to the success of the auction, the reallocation of spectrum for wireless and the funding of a new public safety network.
3. The Commission’s goal should be to reallocate at least 120 MHz and to raise \$7 Billion for public safety. **These goals are achievable.**
4. The “descending clock” Auction should begin with very high initial prices to attract the broadest possible broadcaster participation.
5. The Commission should provide for intra-round bidding and broadcasters should have the option of rejecting the FCC’s initial price while specifying a price that they would accept.
6. The closing conditions should be calculated on a national basis. Payments to broadcasters in the very largest markets may exceed wireless auction revenues in those markets. But in most markets, the FCC will be able to clear 120 MHz for wireless without buying out any broadcasters. The payments to Stations in the very largest markets add value to the spectrum in all the other markets and are the key to generating wireless auction revenue nationwide.
7. If Verizon and AT&T are restricted or impeded from participating, the revenue expectations of willing sellers will not be met, the auction will fail, no spectrum will be reallocated and there will be no money for a new public safety network.
8. Stations should not be “scored” based on enterprise value, signal strength or other factors not relevant to the 6 MHz of spectrum they are offering to surrender. The only relevant metric for scoring is how removing a Station impacts the Commission’s ability to clear spectrum for wireless.
9. Consistent with the Statute, Station eligibility should be based on the date an application for a construction permit was filed, not the date it was granted or covered with a license.
10. The Commission should relax the proposed city of license coverage requirement for sharing Stations to encourage more Stations to participate in the sharing option.