



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

August 23, 2016

The Honorable Maria Cantwell  
United States Senate  
511 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Cantwell:

Thank you for your letter regarding the post-Incentive Auction transition. I appreciate your interest and support in ensuring a successful outcome of the auction and transition for broadcasters.

I share your goal of ensuring a successful repack of broadcasters following the Incentive Auction. As you note, a number of factors will impact the post-auction transition. For this reason, planning for the transition has been underway for over a year. Our planning is focused on finalizing the relocation reimbursement process and systems and developing a schedule for relocating stations that will remain on the air to assure that the transition can be completed in a timely manner.

Commission staff is developing a transition schedule that will maximize the efficiency of this transition and minimize service disruptions. The Commission recognizes that many different variables will impact when an individual station can successfully transition, including weather and seasonal issues, daisy chains and interference issues, and the availability of equipment and crews. We will take into account how many stations actually need to be repacked, and the specific characteristics of each, in determining the repacking schedule. Additionally, the Commission is working closely with broadcasters and the wireless industry to get important input from stakeholders on planning a successful transition that takes into account all of those different variables.

We also are taking measures to disburse funds as fairly and efficiently as possible to ensure the sufficiency of the Reimbursement Fund. In 2012, we commissioned a report by Widelity Inc. to examine the types of costs that would be required, and the magnitude of those costs, to help make efficient use of the Fund. The Media Bureau (Bureau) has since adopted a catalog of expenses, which will serve as guidance and a means of facilitating the reimbursement process by setting forth categories of expenses. The Bureau also has engaged Widelity to update the estimated costs of equipment and services needed to complete a channel change. The catalog includes equipment such as antennas, transmitters, and other equipment necessary for relocation. Because of these steps, at this time we have no reason to believe the \$1.75 billion in the Broadcaster Relocation Fund will be insufficient to cover broadcasters' relocation costs. However, if future developments suggest that the \$1.75 billion Reimbursement Fund will be insufficient to cover all eligible costs, the Commission has delegated authority to the Bureau to develop a prioritization scheme for reimbursement claims. I can also assure you that I will alert Congress if and when it appears that additional funds will be needed.

Your letter also asks about coordination with our cross-border neighbors. Under the arrangements the Commission completed with Canada and Mexico in 2015, both countries are taking action in accordance with the 600 MHz band plan that we have adopted. Canada has agreed to repack its TV stations jointly with the U.S. after the auction, and we are working closely with Canadian regulators to develop a transition schedule. Mexico has agreed to move all of its television stations below Channel 37—the final step in its DTV transition—and we are in close communication with Mexican regulators regarding the completion of this transition.

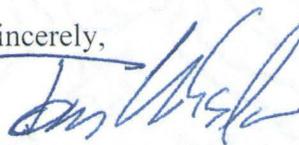
Once the reverse and forward auction are complete and the repacking process is finalized, the Commission will issue the Closing Public Notice (Closing PN), which officially closes the auction. In conjunction with the Closing PN, or shortly thereafter, the Commission will release a public notice that will mark the effective date of channel reassignments based on the repacking process and specify any specific channel assignments for television stations that will continue to broadcast. After the release of this public notice, reassigned stations will have 90 days to file construction permits for their new channel assignments and submit their relocation reimbursement forms. Upon receipt of these construction permit applications and relocation cost estimates, the Commission will conduct its review and communicate iteratively with broadcasters about their requests before approving the submissions and determining the total demand for reimbursement. Furthermore, broadcasters will be able to seek waivers of the Commission's deadlines for filing a construction permit if additional time is needed.

You have requested that we provide your office and the Senate Commerce Committee with the Commission's analysis as to the sufficiency of both the Broadcaster Relocation Fund and the 39-month transition within 105 days of the forward auction's completion. This request effectively provides the Commission with only 15 days to review broadcaster submissions, engage in post-filing discourse with broadcasters, conduct the requested analysis and prepare the report. Nonetheless, the Commission will do its best to meet your request.

Finally, I would be remiss if I failed to note the nexus between the Commission's funding levels and a smooth post-auction transition. The transition is subject to a number of variables, and any challenges we face will be exacerbated if the proposed cuts to the Commission's funding levels are realized. Simply put, every dollar cut from the Commission's appropriations means fewer resources we can dedicate to the post-auction transition.

I appreciate your interest in ensuring a successful outcome of the post-auction transition for television viewers and broadcasters. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", is written over a faint, circular official seal of the Federal Communications Commission.

Tom Wheeler



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WASHINGTON

OFFICE OF  
THE CHAIRMAN

August 23, 2016

The Honorable Jeanne Shaheen  
United States Senate  
506 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Shaheen:

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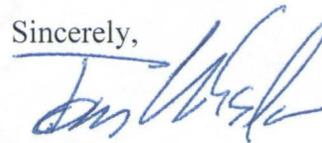
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Tom Wheeler