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For Immediate Release

FCC ANNOUNCES RESULTS OF WORLD'S FIRST BROADCAST INCENTIVE AUCTION 175 TV stations, 50 wireless bidders free up 70MHz for mobile broadband

WASHINGTON, April 13, 2017 – Today, the Federal Communications Commission announced the closing of the broadcast incentive auction, which created a first-of-its kind market for repurposing valuable broadcast airwaves for nationwide wireless mobile use. At \$19.8 billion in gross revenue for 70MHz of spectrum, the incentive auction is among the highest grossing auctions ever conducted by the FCC. The Commission now commences a 39-month transition period to move broadcast stations to new channel assignments.

FCC Chairman Ajit Pai said, "The conclusion of the world's first incentive auction is a major milestone in the FCC's long history as steward of the nation's airwaves. Consumers are the real beneficiaries, as broadcasters invest new resources in programming and service, and additional wireless spectrum opens the way to greater competition and innovation in the mobile broadband marketplace."

Why an Incentive Auction?

Today, there are more connected mobile devices than there are people living in the U.S., and about 70 percent of Americans use data-hungry smartphones. This increasing demand for wireless airwaves poses a major challenge to ensuring that America's networks have the capacity to support the critical economic, public safety, health care and other activities that rely on them. In order to meet this challenge, the FCC designed the broadcast incentive auction through close bipartisan collaboration with Congress as well as the broadcast and wireless industries.

Authorized by Congress in 2012, the auction used market forces to align the use of broadcast spectrum with 21st century consumer demands for mobile video and broadband services. It preserves a robust broadcast TV industry while providing stations with revenues that they can invest into programming and services for their communities. And by making valuable "low-band" airwaves available for wireless mobile use, the incentive auction benefits consumers by easing congestion on wireless networks, laying the groundwork for "fifth generation" (5G) wireless services and applications, and spurring economic growth. The auction began on March 29, 2016.

Broadcasters: More than \$10 Billion in winning bids, minimal impact on viewers

More than \$10 billion will go to 175 winning broadcasters that elected to participate in the incentive auction and repurpose their airwaves for mobile use. Of the winners, 30 stations will receive money for agreeing to move to a lower channel and 133 others will relinquish their licenses and indicated their intent to remain on air through channel-sharing agreements with non-winning stations.

The FCC also announced the new channel assignments, and effective dates of those assignments, for 957 non-winning stations that must change channels to clear the new wireless airwaves for use. The first group of stations to move channels is scheduled for November 30, 2018. Stations are required to provide 30 days' notice, and the FCC provides information for over-the-air viewers on how to "rescan" their receivers to find new channels at www.fcc.gov/incentiveauctions/consumers.

To view the entire list of broadcasters who won at auction nationwide, read the Public Notice here: <u>https://www.fcc.gov/document/incentive-auction-closing-and-channel-reassignment-public-notice</u> (Appendix A).

Wireless Carriers: Bid \$19.8 billion for 70 MHz of spectrum for mobile use

In the forward auction, wireless carriers bid \$19.8 billion on mobile broadband spectrum. A total of 50 winning bidders won 70 MHz of licensed spectrum nationwide. A total of 14 MHz of spectrum is available for unlicensed use and wireless microphones. On a nationwide basis, 70 MHz is the most mobile broadband ever auctioned below 1GHz by the FCC. Among the largest winners are T-Mobile, Dish, Comcast, and US Cellular. A full list of winners can be found in Appendix B of the Public Notice: https://www.fcc.gov/document/incentive-auction-closing-and-channel-reassignment-public-notice.

How the Incentive Auction Worked: First of its kind worldwide

The auction created a first-of-its-kind market for repurposing commercially-held spectrum licenses for new uses. The model is part of the foundation of the future of U.S. spectrum allocation and use policy designed for 21st century realities. The broadcast incentive auction itself was comprised of two separate but interdependent auctions -- a reverse auction, which determined the price at which broadcasters voluntarily relinquish their spectrum usage rights; and a forward auction, which determined the price wireless carriers were willing to pay for flexible use wireless licenses.

The lynchpin joining the reverse and the forward auctions is the "repacking" process. Repacking involves reorganizing and assigning channels to the remaining broadcast television stations in order to create contiguous blocks of cleared spectrum suitable for flexible use.

For more information about the history and results of the incentive auction and how to prepare for the post-auction transition, please visit <u>www.fcc.gov/incentiveauctions</u>.

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