



Virginia Association of Broadcasters Legal Review



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COMMISSION TO HOST ONLINE WORKSHOP ON SPECTRUM “REPACKING” SEPTEMBER 30, 2013; COMMENT SOUGHT ON ELIGIBLE REPACKING EXPENSES AND RELATED ISSUES

The FCC will host an online workshop for broadcasters aimed at discussing the reassignment of television stations in connection with the proposed spectrum incentive auctions on Monday, September 30, 2013, from 10 a.m. until 12:30 p.m. ET. The workshop will be available at the following URL: <http://www.fcc.gov/live>.

According to the Commission, the workshop will address: 1) the categories of reimbursable costs broadcasters might incur as a result of the repacking; and 2) how broadcasters might coordinate among themselves to mitigate costs and ensure the most efficient transition to new frequencies (for example, by channel sharing).

On September 23, 2013, the FCC released a Public Notice seeking comments on a number of issues relating to reimbursement of broadcasters for eligible expenses incurred in connection with the repacking. The FCC seeks to “further develop the record” on cost issues and solicit comments on “cost, mitigation strategies.” To that end, the FCC has now asked, among other things, the following questions:

- * Do broadcasters typically pay list price for equipment or are discounts common, particularly for bulk orders or for station group owners? If so, what kinds of discounts generally apply?

- * Are the services and equipment necessary for broadcasters to accomplish a channel reassignment too customized to be eligible for discounts or bulk purchasing? The FCC invites commenters to address these and additional ways that could reduce the costs associated with channel reassignment. For example, are there ways to encourage manufacturers and service providers to establish prices with built-in discounts that reflect the volume of business that channel reassignments will generate?
- * Should the Commission require entities seeking reimbursement to obtain competitive bids for equipment and services that exceed a certain dollar threshold? If so, what is the appropriate dollar threshold above which competitive bids should be required? Should the Commission require competitive bids any time a broadcaster requests reimbursement for a particular type of equipment or service (such as for the construction of a new tower)? Is such a requirement feasible for all stations, including non-commercial stations that may be owned by entities such as state governments, which are already subject to certain purchasing rules?
- * Should the Commission encourage broadcasters seeking reimbursement to pursue tower and antenna sharing arrangements and, if so, how?

The FCC also seeks comment on preliminary “catalogs” of eligible expenses compiled by a third-party consultant hired by the FCC. The “catalog” is attached to the Public Notice and available at the following URL: <http://www.fcc.gov/document/media-bureau-seeks-comment-costs-re-tv-broadcaster-relocation>. This is an important opportunity for broadcasters to weigh in on the potential expenses that will likely be associated with the repacking.

Comments in this proceeding are due October 31, 2013, and reply comments are due November 14.

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If you should have any questions concerning the information discussed in this memorandum, please contact your communications counsel or any of the undersigned.

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