



## Broadcast Television Incentive Auction

# Meeting the “Spectrum Crunch”

- Consumer demand for wireless communications has exploded, data usage has grown exponentially
- The U.S. faces a major challenge to ensure that the speed, capacity, and accessibility of our wireless networks keeps pace with these demands in the years ahead
- Meeting this challenge is essential to continuing U.S. leadership in technological innovation, growing our economy, and maintaining our global competitiveness

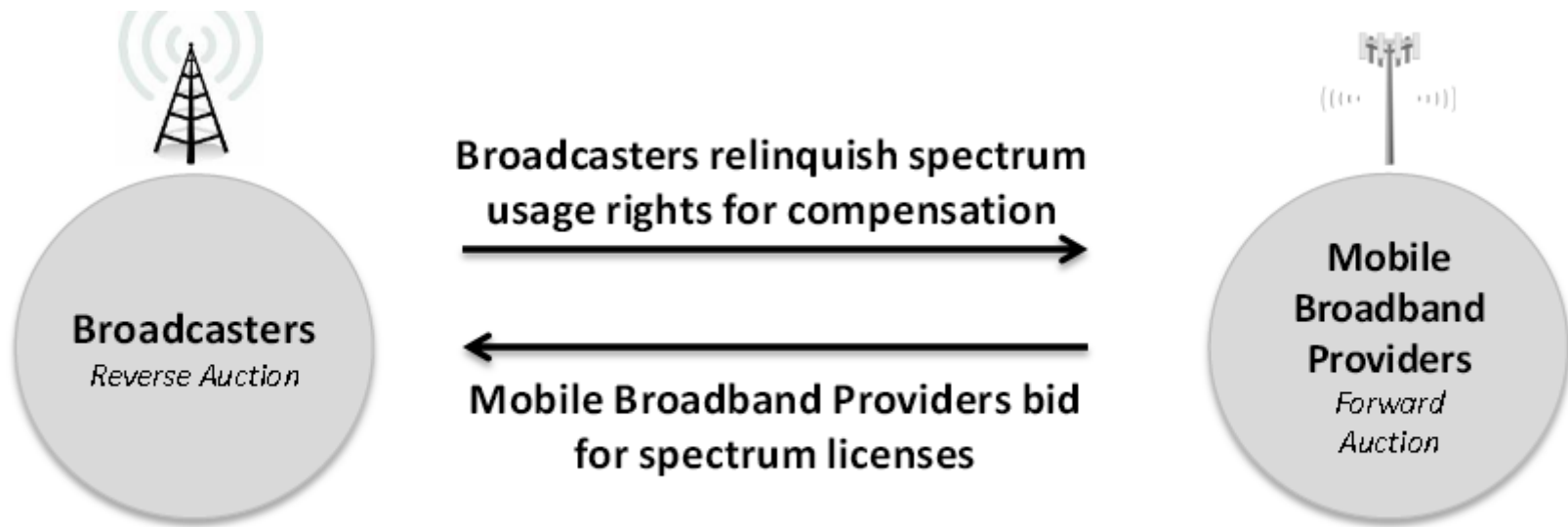
# Value of 600 MHz Spectrum

- Low-band spectrum such as the 600MHz band has key physical properties that enhance the reach of wireless networks
- Low-band spectrum can travel longer distances and better penetrate buildings and structures
- 600 MHz is last remaining low-band spectrum to be auctioned in the U.S.

# Incentive Auctions

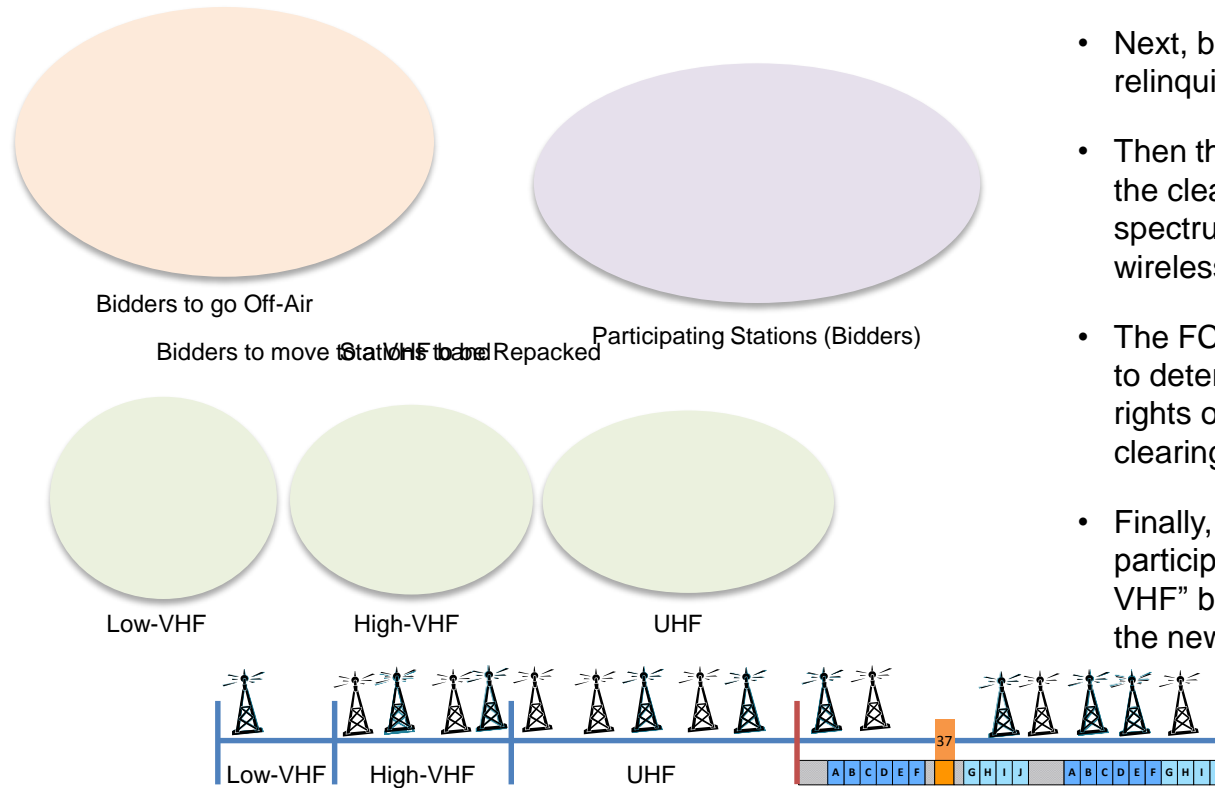
What are incentive auctions?

- Market-based means of repurposing spectrum
- 2012: U.S. Congress authorizes Broadcast Incentive Auction



Source: FCC

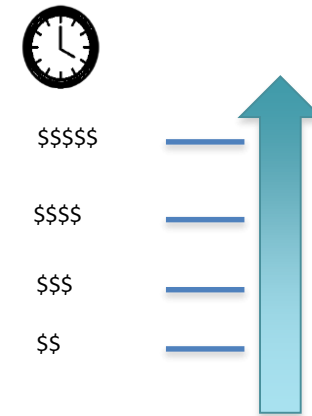
# How the Incentive Auction Works



- First, stations apply to participate.
- Next, bidders commit to an initial relinquishment option.
- Then the auction system determines the clearing target – how much spectrum will be repurposed for wireless use.
- The FCC conducts a reverse auction to determine the price for the spectrum rights of stations it needs to meet the clearing target.
- Finally, unsuccessful bidders, non-participants, and successful “move to VHF” bidders are assigned channels in the new TV band.

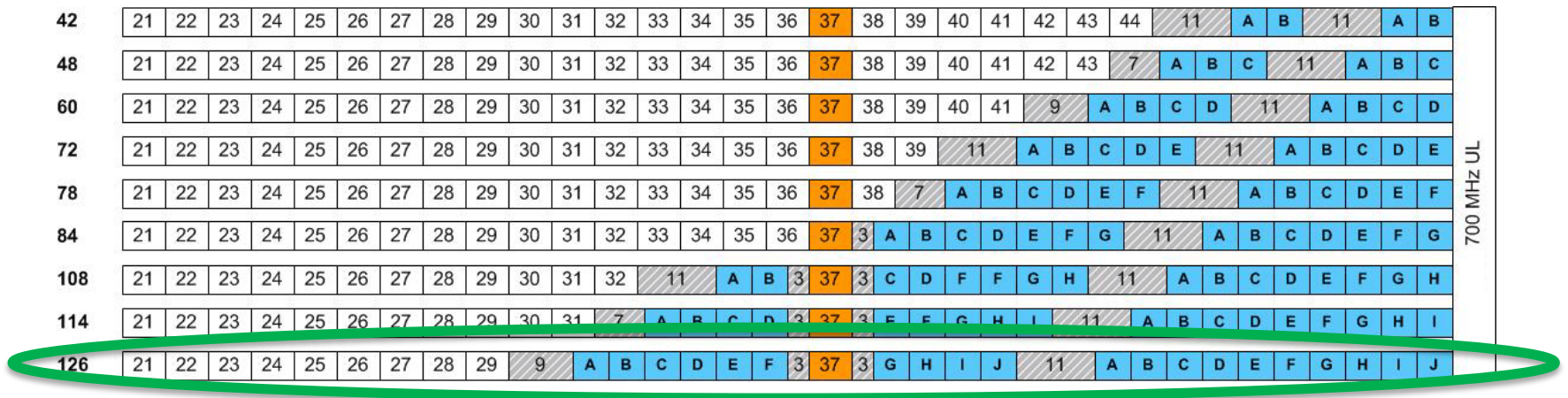
# How the Incentive Auction Works

- FCC then conducts a forward auction of repurposed spectrum blocks for wireless services
- The auction proceeds in discrete bidding rounds
- At the end of each round prices are raised where there is competition among bidders in a market
- New prices are announced and the next round opens
- Bidders may elect to stop bidding as prices increase



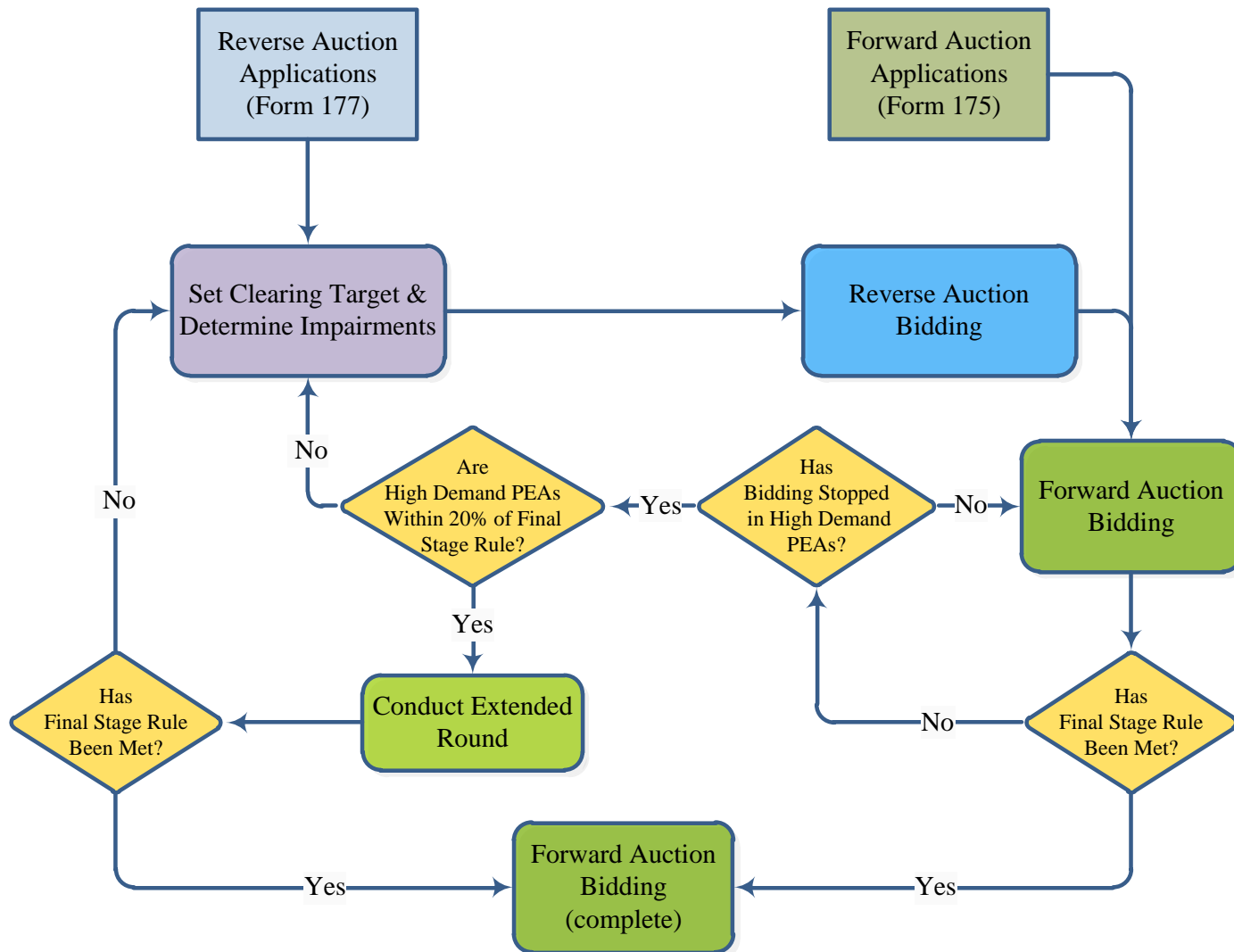
The auction ends when bidding stops in all markets

# Initial Clearing Target - 126 MHz



- Highest possible starting point as adopted by Commission
- 126 MHz = 100 MHz of licensed spectrum
- Up to 10 paired blocks in each market
- Virtually unimpaired – 99% of blocks have zero impairment

# Basic Incentive Auctions Flow





# Milestones

- Auction rules and structure
- Related policies for non-TV users
- “Road Show”
- International coordination
- Opening prices for broadcasters and wireless licenses
- Accepted applications
- Bidder education (reverse) – online tutorial, workshop, mock auction
- 29 March: Initial bid commitments in the reverse auction
- Clearing target determination – 126 MHz
- 31 May: Commenced clock bidding in the reverse auction

# What Comes Next?

- Reverse auction bidding – 4 weeks
- Qualify forward auction bidders
  - Upfront payments
- Forward auction bidder education
- Forward auction clock bidding – 3Q-4Q
- Subsequent stages?
- ***Post-auction transition***

# FCC Resources

Visit

<https://www.fcc.gov/incentiveauctions>

“Resources” tab to view:

- Foundational FCC policy decisions
- Auction rules
- Public Notices
- Software systems
- Other guidance to prospective bidders