

The Debate Continues Over Using TV Spectrum for Wireless Broadband - Incentive Auctions, International Considerations, Deficit Reduction, and Public Safety All Play a Role

By [David Oxenford](#)

August 18, 2011

The debate over **repurposing some of the television spectrum for wireless broadband** have been raging over the normally quiet Washington summer, as issues as diverse as the budget negotiations, the tenth anniversary of 9-11 and international treaties all play their part in the discussions. Whatever changes are made could have a profound impact on TV broadcasters nationwide, not just those in the congested metropolitan markets where everyone acknowledges that any spectrum crunch that may exist would be most acute. This week, **Congressman John Dingell**, long one of the most influential Congressmen on telecommunications issues, complained that the FCC was deliberately withholding details of its plans for spectrum allocation - plans that the National Association of Broadcasters have challenged as unworkable as they would doom over-the-air television in many markets, especially those near the Canadian border. With all the issues swirling around the spectrum reallocation debate, the realistic timing of any reallocation of the spectrum and the real impact on the free over-the-air television broadcast industry are becoming major issues being considered in Washington.

The FCC has been pursuing the idea of repurposing some of the television spectrum for wireless broadband use since well before the Broadband Report was issued last year. As we summarized in [our review of the Broadband Report](#), the FCC suggested that as much as **120 MHz of television spectrum could be reallocated from TV to wireless broadband uses**. The FCC and the consumer electronics and wireless industries have contended that there is a looming spectrum crunch, particularly in major markets, as smart phones, tablets and other connected devices become a bigger part of the lives of many consumers in serving not only their entertainment needs, but also providing information and business services. The FCC's Broadband Report thought that as much as 500 MHz of spectrum would eventually be needed, and that 120 MHz could come from the television spectrum, which proponents feel has been underutilized by broadcasters since the **digital television transition in 2009**. Proponents of the reallocation contend most consumers get their TV service not over the air, but from cable or satellite providers, so the need for spectrum dedicated to broadcast television is far less than it was 70 years ago when the television service was first popularized. Broadcasters, of course disagree with that assessment, contending that the digital transition is still very new, and that uses of the digital spectrum - including a mobile DTV service and multicast channels - are just developing. Moreover, TV broadcasters have argued that their digital offerings, when combined with Internet service, are providing an option to many to "cut the cord" from pay TV options, leading to more over-the-air viewing. In recent weeks, as detailed below, **the National Association of Broadcasters** has also been contending that the proposed reallocation would **irreparably damage the over-the-air television industry, especially in markets in the Northeast and near the Canadian border where, in some markets, the reallocation would be impossible without ending most or all over-the-air television service**. The radically different pictures painted by the participants in this debate have led to some of the recent charges that the FCC is being less than forthcoming about the manner in which this transition would occur and the impact that it would have on broadcast TV.

120 MHz is 20 television channels, and they are proposed to come from the UHF band, where most digital television stations now operate. As part of the digital transition, the television band shrank from Channel 2 through 69, to today's band which ends at Channel 51. Most of the band formerly used for Channels 51 to 69 has already been auctioned off to wireless users - including a large swath that had been purchased by Qualcomm for its MediaFlo service that never took off and has already been abandoned, with the channels used by that service having been sold to AT&T, subject to FCC approval. The FCC's current proposal, which was outlined in a Notice of Proposed Rulemaking (see our summary [here](#)) is to have "incentive auctions" to convince some television broadcasters to sell their channels to the FCC and cease broadcast operations, at which point the FCC would re-pack the television band into a much smaller part of the spectrum - theoretically reclaiming TV channels 32-51 for broadband use. These auctions cannot be held until the FCC is granted authority by Congress. While several bills dealing with such authority have been introduced, none has yet made its way through either House of Congress.

The NAB has recently been reporting on a study it completed questioning whether a re-packing to Channels 2-31 is even possible. The NAB study is said to demonstrate that, in many markets in the Northeast, and in markets near the Canadian border, sufficient channels in this range do not exist because of the protection needed to other broadcast and wireless users, and due to international treaty obligations (especially to Canada). According to the [NAB study](#), **in Detroit, there would be no room on the spectrum for any of the existing television stations to continue their operations**, and in markets like Seattle, Buffalo and Philadelphia, more than half the stations would have no place to go if this reclamation took place. While the FCC and other repacking proponents have accused the NAB of engaging in scare tactics, they have not thus far specifically refuted the NAB's findings. The failure to provide specific information about the mechanics of the repacking, after a request to do so, prompted Michigan Congressman John Dingell to write a stern letter to the FCC about their failure to respond to his requests for information (see [this article in TV NewsCheck](#) with links to the correspondence between Dingell and the FCC).

Beyond the possible impact in these specific markets identified by the NAB, why are broadcasters concerned? There are a number of issues that they simply don't feel comfortable with under the various FCC proposals. These include issues such as following:

- How would incentive auctions work? The auctions that are supposed to incentivize television stations to go out of business or to share frequencies with other broadcasters have not been detailed. As the US treasury is looking to make money from the auctions to help reduce the Federal deficit, how much money will be left over to pay TV stations to give up their channels?
- How will the repacking work? **Will stations be able to keep their current coverage area and interference protections?** Will they be forced to move to **VHF channels**, which so far have not been successfully used for digital operations (see our [summary of the issues with DTV on VHF channels](#) and [a request](#) in this week's FCC Public Notices of a station proposing to move from VHF to a UHF channel because of the difficulties of VHF reception, even after two power increases unsuccessfully attempted to improve that VHF signal).
- If there is repacking into channels 2-31, **who will pay the costs for TV stations that currently operate on channels 32-51 to move?** To make spectrum available nationwide to wireless carriers, the repacking will take place across the country, not just in the major metropolitan areas where the spectrum crunch is most acute. Many stations, especially those in small markets, are still trying to recoup the substantial sums spent just two years ago to convert to digital, and needing to spend more to change channels could be a burden on many stations. Will there be money to accommodate these costs from the proceeds of the incentive auctions?

Beyond the technical issues that are involved, other matters are driving the push for spectrum auctions. In the recent debt ceiling talks on Capitol Hill, one potential source of revenue to help reduce the budget deficit was spectrum auctions - presumably talking about the proceeds from the reclamation of parts of the television spectrum. With the new Super Committee in Congress looking for all sorts of ways to reduce the deficit, one can expect that these auctions will be back on the table in the coming months. The need for money for deficit reduction and the needs to reimburse broadcasters for their channels and for any government-mandated channel changes may clash in these upcoming talks.

With the impending 10th anniversary of the 9-11 attacks, there is also a press for better utilization of spectrum by first responders. Some of the television spectrum that has already been reclaimed was to be used by public safety entities but, even though the spectrum has been available for years, it has not yet been deployed - at least partially because of funding issues. Given the perceived value of the spectrum, and the lack of Federal money to pay for a spectrum buildout, auctions are also seen as a potential funding mechanism for public safety if these reserved channels are retained. If so, that will put more pressure on the auction proceeds available to fund the buy-out of broadcasters.

Given all of these competing pressures, and broadcasters' practical concerns about their future, there is no telling when and if the repurposing of TV spectrum for broadband will take place. The digital television transition itself took over 10 years, and in many ways, the issues here are more complex - fitting more stations into smaller spectrum, and figuring out how to compensate them for moving. Watch for these issues to continue to be debated in the coming months, as the FCC continues its proceedings to design the incentive auctions and TV transition, and as Congress struggles with implementing legislation at the same time that it tries to reduce the Federal debt. Look for a major struggle ahead.

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