Broadcast LAW BLOG



Auction for New FM Stations Scheduled for March - Look for Filing Deadline Late This Year - FCC Also Proposes Deletion of Channels for Which No Bids Were Received

By David Oxenford

September 13, 2011

Looking for opportunities for a new FM station? The FCC has just released <u>a list of new FM channels to be auctioned in the next FM auction</u>, scheduled to begin on March 27, 2012, along with the <u>proposed rules for that auction</u>. On the <u>list of channels</u>, the proposed minimum bid for each channel is also set out. If the Commission follows the schedule used in prior auctions, we should expect that the deadline for the "short-form" application to participate in the auction (which basically contains information about the ownership of the applicant and a list of the channels in which they are interested) will be due in early 2012, likely sometime between January 1 and January 15, 2012. The upfront payment of the necessary minimum bids would then likely be due around February 20, 2012 or so. In another <u>Notice of Proposed Rulemaking</u> released late last week, the FCC also proposed to delete a number of FM channels that have gone unsold in previous auctions.

The construction permits for the new stations that will be available in the auction are spread all across the country. Many are located in large western states including multiple channels in California, Colorado, Oklahoma and Texas, among other states. But there are even opportunities in eastern states like Florida, Vermont and Virginia. So, if you are interested in starting a station from scratch, look through this list of channels to see if there are opportunities for a construction permit for a new station in which you might be interested. If you find something that might be interesting, you need to start your due diligence on each channel now, as the bidder is responsible for insuring that the channel for which they are bidding can be built and will serve the audience that the applicant expects. If you win the auction and decide that you can't really find a transmitter site, then you may well be on the hook for the full amount of the bid even if you don't build the station. And, if you are successful in the auction, you will have to have an available transmitter site to specify in your "long-form" application about a month after the end of the auction - an application which will specify all of the technical details of the new station. So look at zoning issues, FAA considerations, coverage questions, and even whether technical details like the rural radio order limiting move-ins of FM stations from rural to more urban areas, may limit the potential economic value of the channel in which you are interested.

Broadcast LAW BLOG



While there may be opportunities in the list of available channels, in recent auctions there have been a number of channels for which no one has submitted bids, even after the channels were available in several auctions. Rather than trying to provide yet another opportunity for people to bid on these channels, and continuing to protect these vacant channels from interference from allocations for new stations or improvements in existing stations, the FCC is proposing to delete these channels. If you are interested in new FM opportunities, look over the-list of channels proposed for deletion to make sure that there is nothing in which you would be interested, and object to the proposed deletion if you find a hidden gem. If no one objects by the October 31st comment deadline, the channels will be deleted.

Opportunities for new FM stations are coming your way. Take a look for ones that might be of interest to you.

This advisory is a publication of Davis Wright Tremaine LLP. Our purpose in publishing this advisory is to inform our clients and friends of recent legal developments. It is not intended, nor should it be used, as a substitute for specific legal advice as legal counsel may only be given in response to inquiries regarding particular situations.