



# NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.  
See MCI v. FCC, 515 F.2d 385 (D.C. Circ 1974).

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## **FCC INCENTIVE AUCTION TASK FORCE RELEASES UPDATED INFORMATION PACKAGE FOR BROADCASTERS, INCLUDING PROPOSED OPENING BID PRICE FORMULA**

Washington, D.C. – Today, the FCC’s Incentive Auction Task Force announced the updated release of the information package designed to assist broadcasters in their analysis of the opportunities afforded by the incentive auction. The updated information package comes as the FCC begins its nationwide information sessions for broadcasters and is available at [www.fcc.gov/learn](http://www.fcc.gov/learn).

For the first time, the information package will include the high and median opening bid prices in each television market for full power and Class A stations eligible to participate in the incentive auction, calculated using the proposed formula adopted by the Commission in December. For almost every station, those prices are higher than the estimated high end compensation values in the original information package. The updated package also includes additional detail on channel sharing and the UHF-to-VHF bidding options, a description of the bidding hierarchy and the bid selection process proposed by the Commission in the Incentive Auction Comment Public Notice, and an overview of how the repacking process will work for stations that do not participate or whose bids are not selected.

Due to the voluntary nature of the incentive auction, each broadcaster will make the decision about whether to participate based on its own assessment of its financial and business interests. Given the complexity and financial scope of the auction, the decision whether to participate is analogous to the decision faced by potential investors in large, complex transactions. The Commission therefore contracted with Greenhill and Co., an investment firm with longstanding expertise in transactions of this sort, to prepare an information package to assist broadcasters in their analysis of the auction and the options it presents.

In addition to the updated information described above, the information package highlights a number of key points about the opportunities presented by the incentive auction, including the following:

- The FCC has the sole ability to unlock spectrum value through the reorganization of the UHF band that cannot be matched by individual private sales or leases.
- Multiple bidding options offer significant flexibility to broadcasters including the option to relinquish their spectrum and remain on the air through channel sharing. Initial participation in the auction only commits broadcasters to accept the opening bid price.
- Robust participation from all sized markets is key to the incentive auction’s success. Due to the “daisy chain” nature of interference, mid- and smaller size markets will be able to derive substantial value for their spectrum usage rights.
- The value of spectrum has been consistently demonstrated in auctions and transactions over the past several years, including the recently-concluded AWS-3 auction, which raised more than \$40 billion.

- The proposed opening bid price for an individual station ranges from several million dollars to hundreds of millions of dollars, with some of the highest proposed opening prices being in mid-size and smaller markets. Of course, the winning bidders and the actual prices they receive will only be determined in the auction itself.

The FCC's LEARN webpage includes a wide array of information for broadcasters potentially interested in participating in the incentive auction, and broadcasters are urged to visit the webpage for further information on the incentive auction. A PDF version of the updated broadcaster information package is available here:

[http://wireless.fcc.gov/incentiveauctions/learn-program/Incentive\\_Auction\\_Opportunities\\_Book\\_Information\\_Sessions\\_2\\_5\\_15.pdf](http://wireless.fcc.gov/incentiveauctions/learn-program/Incentive_Auction_Opportunities_Book_Information_Sessions_2_5_15.pdf).

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