



# PUBLIC NOTICE

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**DA 16-453**  
**April 29, 2016**

**INITIAL CLEARING TARGET OF 126 MEGAHERTZ SET FOR THE BROADCAST TELEVISION SPECTRUM INCENTIVE AUCTION; BIDDING IN THE CLOCK PHASE OF THE REVERSE AUCTION (AUCTION 1001) WILL START ON MAY 31, 2016**

**The Incentive Auction Task Force and Wireless Telecommunications Bureau also Announce Number of Forward Auction Blocks, Mailing of Final Confidential Status Letters, and Important Upcoming Events and Dates for Auction 1001**

**GN Docket No. 12-268**  
**AU Docket No. 14-252**  
**WT Docket No. 12-269**

1. By this Public Notice, the Incentive Auction Task Force (Task Force) and the Wireless Telecommunications Bureau (Bureau) announce the 126 megahertz initial spectrum clearing target that has been set by the Auction System's initial clearing target determination procedure and the associated band plan for the initial stage of the incentive auction, as well as the number of Category 1 and Category 2 generic license blocks in each Partial Economic Area (PEA) that will be offered in the initial stage during the forward auction (Auction 1002).

2. We also announce that we will be sending today a confidential letter (the Final Confidential Status Letter) to inform each applicant that was permitted to make an initial commitment in the reverse auction (Auction 1001) of its status with respect to the clock phase of the reverse auction.<sup>1</sup> Finally, we provide details and specific dates regarding the availability of educational materials and the bidding in the clock phase of the reverse auction.

## **I. INITIAL CLEARING TARGET AND BAND PLAN**

3. The Auction System's initial clearing target determination procedure has set an initial spectrum clearing target of 126 megahertz. Under the band plan associated with this spectrum clearing target, 100 megahertz, or 10 paired blocks, of licensed spectrum will be offered in the forward auction on a near-nationwide basis. The following chart shows the band plan.

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<sup>1</sup> The confidential letter will be sent to the contact person for each such applicant and will require a signature for delivery. The signature is required in order to confirm receipt. The person signing need not be the contact person, but applicants should make arrangements to ensure that the materials are distributed to the appropriate people.

Initial Clearing Target Band Plan<sup>2</sup>

21	22	23	24	25	26	27	28	29	9	A	B	C	D	E	F	3	37	3	G	H	I	J	11	A	B	C	D	E	F	G	H	I	J	700 MHz UL
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Number of Paired Blocks: 10

Total Megahertz: 126

4. The generic license blocks<sup>3</sup> offered in the initial stage during the forward auction under this band plan will consist of a total of 4030 “Category 1” blocks (zero to 15 percent impairment) and a total of 18 “Category 2” blocks (greater than 15 percent and up to 50 percent impairment).<sup>4</sup> Approximately 97 percent of the blocks offered for the forward auction will be “Category 1” blocks,<sup>5</sup> and 99 percent of the “Category 1” blocks will be zero percent impaired. Attached to this Public Notice as Appendix A is a list indicating the number of “Category 1” and “Category 2” blocks available in each PEA.<sup>6</sup>

5. The initial clearing target was determined by the procedure the Commission adopted in the *Auction 1000 Bidding Procedures Public Notice*. Based on the initial commitments made by broadcast applicants seeking to bid in the clock phase of Auction 1001, the procedure identified a provisional assignment of eligible television stations to channels for each possible clearing target with the primary objective of minimizing impairments to forward auction licenses,<sup>7</sup> consistent with the Commission’s statutory obligation to make all reasonable efforts to preserve stations’ populations served and coverage areas and its international arrangements with Canada and Mexico.<sup>8</sup> The initial clearing target announced is the highest possible clearing target and associated band plan for which the provisional assignment satisfies the optimization objectives and the near-nationwide standard for impairments. If a

<sup>2</sup> The lettered squares in the chart represent the paired wireless blocks to be offered, while the sequentially numbered squares (and 37) represent TV channels. The rectangles labeled 3, 9, and 11 are the guard bands and duplex gap, with the numbers representing their respective sizes in megahertz. See *Broadcast Auction Scheduled to Begin March 29, 2016; Procedures for Competitive Bidding in Auction 1000, Including Initial Clearing Target Determination, Qualifying to Bid, and Bidding in Auctions 1001 (Reverse) and 1002 (Forward)*, Public Notice, 30 FCC Rcd 8975, 8980-81, para. 5 (2015) (*Auction 1000 Bidding Procedures Public Notice*) (showing the band plan scenario associated with each possible clearing target).

<sup>3</sup> “Blocks” refers to a set of paired spectrum blocks offered during the clock phase, which will result in frequency-specific licenses in the assignment phase.

<sup>4</sup> See *Auction 1000 Bidding Procedures Public Notice* at 9047-48, para. 144. “Impairments” are areas within the license area that are subject to inter-service interference. See *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, Report and Order, 29 FCC Rcd 6567, 6884, para. 781 (2014) (*Incentive Auction Report and Order*) (modified by Erratum (rel. June 3, 2014)).

<sup>5</sup> Only a total of 112 blocks will not be offered because the percentage of the population subject to inter-service interference exceeds 50 percent.

<sup>6</sup> For details regarding PEAs, see *Wireless Telecommunications Bureau Provides Details About Partial Economic Areas*, Public Notice, 29 FCC Rcd 6491 (WTB 2014); see also 47 CFR § 27.6(l).

<sup>7</sup> See *Auction 1000 Bidding Procedures Public Notice*, 30 FCC Rcd at 8986-9000, paras. 17-38; see also *Application Procedures for Broadcast Incentive Auction Scheduled to Begin on March 29, 2016; Updates and Other Supplemental Information*, Public Notice, 30 FCC Rcd 14182, Appendix C (WTB 2015) (*Auction 1000 Application Procedures Public Notice*).

<sup>8</sup> See *Statement of Intent Between the Federal Communications Commission of the United States of America and the Department of Industry Canada Related to the Reconfiguration of Spectrum Use in the UHF Band for Over-the-Air Television Broadcasting and Mobile Broadband Services*, U.S.–Can., Aug. 11, 2015, available at [transition.fcc.gov/ib/sand/agree/files/PASIIC.pdf](http://transition.fcc.gov/ib/sand/agree/files/PASIIC.pdf); *Exchange of Coordination Letters with IFT Regarding DTV Transition and Reconfiguration of 600 MHz Band Spectrum*, U.S.–Mex., July 15, 2015, available at [www.fcc.gov/about-fcc/fcc-initiatives/incentive-auctions/resources](http://www.fcc.gov/about-fcc/fcc-initiatives/incentive-auctions/resources).

subsequent stage is necessary, the clearing target determination procedure will be applied to select a new clearing target and corresponding band plan.<sup>9</sup>

## II. FINAL CONFIDENTIAL STATUS LETTERS FOR REVERSE AUCTION APPLICANTS

6. We are sending today to the contact person for each applicant that was permitted to make an initial commitment in Auction 1001 a Final Confidential Status Letter to inform the applicant of its status. The letter will notify the applicant, for each station included in the application, either that (1) the station is qualified to participate in the clock phase of the reverse auction;<sup>10</sup> (2) the station is not qualified because no initial commitment was made for that station; (3) the station is not qualified because the commitment(s) made by the applicant for that station could not be accommodated;<sup>11</sup> or (4) the station is not qualified because the Auction System determined that the station is not needed to meet the initial or any subsequent clearing target.

7. Applicants with one or more qualified stations will be deemed qualified bidders for the clock phase of Auction 1001 and will be automatically registered for the auction. The initial commitment is the station's unconditional, irrevocable offer to fulfill the terms of the commitment, which if accepted by the Commission, becomes a binding obligation on the applicant.<sup>12</sup> In determining the initial clearing target, the Auction System assigned each qualified station to an initial relinquishment option corresponding to an initial commitment made for the station.<sup>13</sup> Qualified bidders will need to log in to the bidding system when it becomes available during the preview period, as described below, to see the initial relinquishment option each qualified station is assigned to at the start of the clock phase of the reverse auction. They will also receive instructions with the Final Confidential Status Letter for participating in the mock auction and for placing bids in the clock phase of the reverse auction, using their previously received RSA SecurID<sup>®</sup> tokens.

8. Receipt of the registration mailing is critical to participating in both the mock auction and the clock phase of the reverse auction. **Therefore, any applicant that has not received the Final Confidential Status Letter package by 12:00 noon Eastern Time (ET) on Wednesday, May 4, 2016, should contact the Auctions Hotline at (717) 338-2868.** The contact person for each applicant is responsible for ensuring that each authorized bidder receives all of the information and materials.

9. If the Final Confidential Status Letter indicates that the Auction System has determined that a station is not qualified, the applicant will not be permitted to make any bids for that station in the reverse auction clock phase. Applicants without any qualified stations will not be deemed qualified bidders and will receive along with the Final Confidential Status Letter instructions for returning their RSA SecurID<sup>®</sup> tokens. We remind all full power and Class A broadcast television licensees, including applicants that are not deemed qualified bidders, that they remain subject to the Commission's rules prohibiting certain communications in connection with Commission auctions until the completion of the

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<sup>9</sup> See *Auction 1000 Bidding Procedures Public Notice*, 30 FCC Rcd at 9096, para. 260.

<sup>10</sup> Deeming a station qualified to participate in the clock phase means that the applicant has made an initial commitment that can be accommodated and the Auction System may need the station's offered spectrum to meet the initial or a subsequent clearing target.

<sup>11</sup> This result is possible for stations that committed to move to the Low- or High-VHF Band, but did not commit to a fallback relinquishment option to go off-air, due to the limited availability of VHF channels and the technical constraints on repacking. See *Auction 1000 Bidding Procedures Public Notice*, 30 FCC Rcd at 9020-22, paras. 71-72.

<sup>12</sup> 47 CFR § 1.2203(b).

<sup>13</sup> A qualified station's initial relinquishment option is the preferred option the applicant submitted as its initial commitment, unless the Auction System could not accommodate that option, in which case it assigned a fallback option submitted by the applicant.

forward auction as announced by the Commission by public notice.<sup>14</sup> A party that is subject to the prohibition remains subject to the prohibition regardless of developments during the auction process.<sup>15</sup> In addition, though communicating whether or not a party filed an application does not violate the rules, communicating that a party “is not bidding” in the auction could constitute an apparent violation that needs to be reported.<sup>16</sup> In other words, an applicant that is not qualified to bid may nevertheless violate the prohibition by communicating its status to another covered party, regardless of the reason that it is not qualified.

### III. IMPORTANT UPCOMING EVENTS AND DATES FOR AUCTION 1001

10. Below we provide information regarding the availability of educational and informational materials for reverse auction applicants that are qualified to bid in the reverse auction clock phase. Further information is available on the Commission’s Auction 1001 web page at [www.fcc.gov/auctions/1001](http://www.fcc.gov/auctions/1001).

11. **FCC Incentive Auction Reverse Auction Bidding System User Guide.** We will make available an “FCC Incentive Auction Reverse Auction Bidding System User Guide,” which will describe the features of the Auction System that will be used to bid in the clock phase of the reverse auction. This user guide will be emailed to each authorized bidder on May 5, 2016. It will also be made available on the Commission’s Auction 1001 web page through a link in the “Education” section on May 5, 2016. Once posted, the user guide will remain available and accessible on the Auction 1001 web page for reference.

12. **Online Bidding Tutorial.** An online tutorial regarding bidding in the clock phase of the reverse auction will be available on May 18, 2016. The online tutorial will be accessible from the Auction 1001 web page through a link in the “Education” section. Once posted, the tutorial will remain available and accessible on the Auction 1001 web page for reference.

13. **Bidding Preview Period.** The Auction System will be available during a preview period that will open at 10:00 a.m. ET on May 23, 2016, and close at 6:00 p.m. ET on May 24, 2016. During this preview period, authorized bidders can log in and view the list of stations for which they may make bids in the clock phase, each station’s bidding status, the initial relinquishment option assigned to the station, and, where applicable, available bid options with associated vacancy ranges and next round clock price offers.

14. **Clock Phase Workshop.** On May 24, 2016, from 10:00 a.m. ET to 1:00 p.m. ET, the Task Force, in conjunction with the Media and Wireless Telecommunications Bureaus (the Bureaus), will host a public workshop on the bidding system that will be used for bidding in the clock phase of Auction 1001. Details about the workshop and remote viewing will be released at a later date. After the event, a recording of the clock phase workshop will be accessible from the Auction 1001 web page through a link in the “Education” section. Once posted, the clock phase workshop will remain available and accessible on the Auction 1001 web page for reference.

15. **Mock Auction and Mock Auction Preview Period.** The Task Force and Bureaus will conduct one mock auction for all bidders qualified to bid in the clock phase of Auction 1001 beginning on May 25, 2016, and ending on May 26, 2016. The schedule of rounds for the mock auction is as follows:

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<sup>14</sup> 47 CFR § 1.2205; *see also Guidance Regarding the Prohibition of Certain Communications During the Incentive Auction, Auction 1000*, Public Notice, 30 FCC Rcd 10794 (WTB 2015) (*Prohibited Communications Public Notice*); 47 CFR § 1.65.

<sup>15</sup> *Prohibited Communications Public Notice*, 30 FCC Rcd at 10795, para. 2.

<sup>16</sup> *Id.* at 10797, para. 9.

May 25, 2016:	Mock Bidding Round 1	10:00 a.m. – 12:00 p.m. ET
	Mock Bidding Round 2	3:00 p.m. – 5:00 p.m. ET
May 26, 2016:	Mock Bidding Round 3	10:00 a.m. – 11:00 a.m. ET
	Mock Bidding Round 4	1:00 p.m. – 2:00 p.m. ET
	Mock Bidding Round 5	4:00 p.m. – 5:00 p.m. ET

16. The mock auction will allow qualified bidders to become familiar with the clock phase bidding system and to ask Commission auction and technical support staff questions about the system and auction conduct. The Auction System will provide each bidder with a number and variety of stations for the mock auction similar to what the bidder will have during the actual clock phase of the reverse auction. The station(s) assigned to a bidder in the mock auction will be hypothetical, rather than the bidder's actual station(s) that it is qualified to bid for in the clock phase of the reverse auction, and the price offers that bidders see in the mock auction will not be the same as the actual price offers they see in the reverse auction itself. The mock auction will simulate the start of the auction, and each bidder will be allowed to submit bids for the stations shown. If a bidder does not make bids for a station, the station will be eliminated from further bidding in the mock auction. A bidder should take advantage of the mock auction to practice taking actions it may wish to take during actual bidding in the clock phase of Auction 1001 and to further familiarize itself with the bidding software.

17. The Task Force and Bureaus will conduct the mock auction over the Internet and provide the option of bidding by telephone. During a preview period that will open on the first day of the mock auction, May 25, 2016, at 9:00 a.m. ET and remain open until 10:00 a.m. ET, authorized bidders will be able to log in and view the list of stations for which they may make bids during the mock auction. A qualified bidder will be able to access the mock auction during the preview period at the link provided in the materials that accompany the Final Confidential Status Letter. That link will also be used to bid in the mock auction. The Task Force and Bureaus strongly recommend that all qualified bidders participate in the mock auction.

18. **Clocks Rounds Start Date and Round Schedule.** Bidding in the clock phase of Auction 1001 will begin on May 31, 2016, on the following schedule:

May 31, 2016:	Bidding Round	10:00 a.m. – 4:00 p.m. ET
June 1, 2016:	Bidding Round	10:00 a.m. – 2:00 p.m. ET

19. Starting on June 2, 2016, and continuing until further notice, the schedule will be:

Bidding Round	10:00 a.m. – 12:00 p.m. ET
Bidding Round	3:00 p.m. – 5:00 p.m. ET

20. The Wireless Telecommunications Bureau may adjust the number and length of bidding rounds based upon its monitoring of the bidding and assessment of the reverse auction's progress. We will provide notice of any adjustments by announcement in the Auction System during the course of the auction.

**IV. ADDITIONAL INFORMATION**

21. For general auction questions, contact Linda Sanderson, [Linda.Sanderson@fcc.gov](mailto:Linda.Sanderson@fcc.gov), (717) 338-2868. For reverse auction legal questions, contact Erin Griffith, [Erin.Griffith@fcc.gov](mailto:Erin.Griffith@fcc.gov), (202) 418-0660, or Kathryn Hinton, [Kathryn.Hinton@fcc.gov](mailto:Kathryn.Hinton@fcc.gov), (202) 418-0660. Press contact: Charles Meisch, [Charles.Meisch@fcc.gov](mailto:Charles.Meisch@fcc.gov), (202) 418-2943. Additional information for applicants is available at the Auction 1001 web page ([www.fcc.gov/auctions/1001](http://www.fcc.gov/auctions/1001)).

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