



Federal Communications Commission
INCENTIVE AUCTION IMPLEMENTATION

Repacking Cost Reimbursement Workshop

Introduction

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TV Broadcaster Relocation Fund

Created by Congress as part of the Spectrum Act

\$1.75 billion available over three years following completion of the auction

Covers costs incurred by a broadcaster

- (1) That is reassigned new frequencies as part of the repacking, *and*
- (2) That incurs costs to relocate its television service to the new channel, *but*
- (3) Does not cover lost revenues

Also covers certain costs of :

- MVPDs
- Channel 37 licensees
- Not our subject today

Why Have a TV Broadcaster Relocation Fund?

Incentive auction will necessitate repacking

- Essential to achieve policy goal of spectrum efficiency**

Broadcasters bore their own costs in the DTV repacking

Congress created the Fund to cover the cost of this repacking

The Fund also keeps the repacking on a three-year timeline

Kicking off the Planning Process

Principles for Operating the Fund

Simplicity

- Keep cost of administering low for FCC and broadcasters

Promptness

- Time value of money

Fairness

- Cover reasonable costs of broadcasters
- Avoid waste, fraud, and abuse
- Touchstone is reimbursement of cost

Issues to Address

Drawing the lines on hard and soft costs

Exact amounts vs. predetermined bands

Pay in arrears or in advance

“Comparable facilities”; risks of “goldplating”

Please help us to identify others