NJPBA Applies For FCC Spectrum Auction

TRENTON – The New Jersey Public Broadcasting Authority (“NJPBA”) has filed an application to participate in the upcoming Federal Communication Commission (“FCC”) Spectrum Auction, which is expected to commence on March 29, 2016.

The FCC’s 2010 National Broadband plan calls for freeing up spectrum – or airwaves – for wireless broadband use by redirecting spectrum originally reserved for broadcast television. Later this year, the FCC will conduct an auction to repurpose TV broadcast spectrum for wireless use to facilitate delivery of more broadband options to consumers, such as streaming video, that use large amounts of bandwidth.

The NJPBA operates two channels that serve Northern and Central New Jersey – WNJB Channel 8 New Brunswick and WNJN Channel 51 Montclair, and two serving Southern New Jersey – WNJS Channel 22 Camden and WNJT Channel 43 Trenton.

Current digital broadcast technology and the widespread penetration of cable and satellite reception of television signals make it possible for the NJPBA to contemplate a possible participation in the FCC Spectrum Auction without diminishing the availability of the program service to New Jersey viewers.

The FCC has released opening bid prices for these channels as follows:

<table>
<thead>
<tr>
<th>Station</th>
<th>Relinquish Spectrum</th>
<th>Move to Low VHF</th>
<th>Move to High VHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>WNJB-TV</td>
<td>$475,608,780</td>
<td>$277,438,455</td>
<td>N/A</td>
</tr>
<tr>
<td>WNJN-TV</td>
<td>775,742,400</td>
<td>581,806,800</td>
<td>$310,296,960</td>
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<tr>
<td>WNJS-TV</td>
<td>501,644,700</td>
<td>376,233,525</td>
<td>200,657,880</td>
</tr>
<tr>
<td>WNJT-TV</td>
<td>581,433,300</td>
<td>436,074,975</td>
<td>232,573,320</td>
</tr>
</tbody>
</table>

Additional information about the FCC Incentive Auction can be found here:

Because the spectrum auction is a reverse auction, all participating broadcasters will be competing against each other, while prices descend during the auction process. The opening bid prices represent the maximum amount that may be paid to the NJPBA. Actual clearance prices depend on a number of factors beyond the NJPBA’s control. There is no guarantee that the FCC spectrum auction will succeed or that the NJPBA’s participation will result in the receipt of any auction proceeds at all.

The NJPBA remains committed to providing public television service in New Jersey. “The NJPBA has no intention of exiting public television because we provide a valuable service for New Jersey TV viewers,” said John Blair, Executive Director of the NJPBA. “We have an obligation to provide robust New Jersey-centric programming to our residents, and we will continue to do so. However, the FCC has afforded broadcasters around the nation an opportunity to repurpose television spectrum in response to consumer demand to improve the wireless broadband experience.”

On Nov. 9, 2015, the NJPBA Board authorized the Executive Director to review the upcoming FCC spectrum auction and apply to participate, if appropriate. The Executive Director and NJPBA staff completed that review and filed an application to participate today.

It is unclear when the FCC Spectrum Auction will conclude, and whether any broadcast spectrum utilized by the NJPBA will be sold in the auction. If the NJPBA were a successful auction participant, the receipt of auction proceeds would not be anticipated until after July 1, 2017.

The FCC anti-collusion rule prohibits certain communications among auction participants about bids or bidding strategies. The FCC has cautioned auction applicants that the prohibition on “communicating directly or indirectly” includes public disclosures, as well as private communications.

NJPBA will be bound by the anti-collusion rule, which takes effect for this auction at 6 pm on Jan. 12, 2016. NJPBA is required to take steps necessary to prevent third parties, including the media, from communicating bids or bidding strategies to other auction applicants. Therefore, the Authority will have no further comment on the auction from Jan. 12, 2016, at 6pm, until the FCC publicly discloses the auction results, the timing of which is unknown at the present time.

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