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On the Auction Block: Digital TV Channels For The Little Guys

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Two years ago the FCC opened a filing window and invited LPTV and TV translator licensees to apply for digital companion channels on which they would operate in the post-transition digital world. (As we all know, despite the Commission's elaborate plans designed to insure that all full-service TV licensees will be fully digital by February, 2009, the FCC has not made such plans – or, it seems, *any* plans, elaborate or otherwise – for the transition of LPTV/Class A TV/TV translator stations . . . but that's another story.) Nearly 2,000 applications were filed in 2006 in response to the invitation.

Since then, the FCC sorted out the applications, first identifying those which caused no interference problems to other stations – those “singleton” applicants were granted permits right away. The remaining applications consisted of approximately 200 separate groups of mutually exclusive applications. The FCC then gave all groups an opportunity to work out mutually agreeable solutions among themselves; applicants in approximately 130 of the groups did just that and entered into settlements.

But 64 groups of MX applications remain unresolved. In early July, the FCC gave those applicants one more chance to settle their differences. They now have until 6:00 p.m. (eastern time) on **August 14** to submit their settlement agreements to the Commission. (Note that the August 14 reflects a two-week extension of the July 31 deadline originally announced by the Commission.) Applicants in any group that do not reach a settlement by that time will be placed into auction against one another in November. The auction is set to begin on November 5, 2008.

The only parties who will be able to participate in the auction are those who submitted applications two years ago. Those applicants will face nominal opening bids ranging from \$500 to \$1,000. The FCC has also noted that it will not be giving much leeway during the auction. The FCC has proposed requiring 100% bidding eligibility and no withdrawals for the auction. In other words, look for a reasonably fast-paced auction resolution to these long-pending MX situations.