

September 6, 2017

U.S. House of Representatives
Committee on Energy and Commerce
Subcommittee on Communications and Technology
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Blackburn, Ranking Member Doyle, and members of the Subcommittee:

Electronics Research, Inc. (ERI) thanks you for this opportunity to provide its perspective regarding "The Broadcast Incentive Auction: Update on Repacking Opportunities and Challenges."

ERI is a broadcast equipment manufacturing and services company in Chandler, Indiana, that has served the broadcast industry for more than 75 years. As one of only a handful of high-power television antenna manufacturers in the country, ERI has dedicated tremendous resources over the past eighteen months to expand its manufacturing and test facilities as well as to hire and train manufacturing, test, and installation personnel in anticipation of the increased demand for television antennas, transmission line, and RF components driven by the post-Incentive Auction repacking process.

ERI has ramped up its supply chain, purchasing thousands of feet of copper tube for the production of transmission line, signed purchase agreements with steel tube suppliers to have ample inventory on hand to meet the immediate demand for top-mount TV antennas, invested in additional silver-plating equipment with a local vendor and purchased additional molds to accelerate radome production for high power TV antennas.

As demonstrated in the attached aerial view, ERI has also added four additional buildings to its campus totaling over 53,000 square feet and added state-of-the-art equipment to aid in the increased production of high power TV, including custom pipe production equipment, cranes and fork lifts, state-of-the-art network analyzers for antenna measurements, welders, and a multitude of small equipment and tools. Additionally, ERI invested in additional installation equipment, including gin poles and triple drum hoists, not only to outfit ERI crews but to make available for lease to third-party crews as well.

ERI has hired and trained an additional 100+ employees to work in the production of its TV product line at its factory and ERI has expanded the number of installation crews from a single crew to now four (4) fully capable broadcast tower climbing crews to add to the roughly 50 crews in the US. ERI ensured, at great cost, that all of its new employees satisfied all requisite job qualification and safety training.



We are pleased to report that these efforts and the expenditure of millions of dollars of investment have increased our antenna production capacity by 800% and our installation capabilities by 400%. ERI is ready to meet the expected demand; unfortunately, definite orders are still illusory.

Currently, ERI has no firmed orders from repacked broadcasters. It is our understanding from speaking with the dozens of broadcasters who have sought quotes for equipment and services that they are nervous about availability of reimbursement funds. We are hopeful that this delay will not continue much longer, as each month that goes by is a missed opportunity to deliver as many as 16 new television antennas and complete 10 or more installations.

In light of the under-utilized capacity and the expense of continued delay, ERI respectfully urges Congress not to extend, or permit the FCC to liberally waive, the overall 39-month repacking timeline, the group phase deadlines within that timeline, or any station's individual deadline. Any waiver of the current time constraints will most certainly do irreparable economic harm to ERI and other firms whose resources lay idle and investment unrecovered. The repack is a complex plan that necessitates regional and local cooperation among broadcasters to transition in concert. Extensions, or even the threat of potential extensions and timeline changes, will only inject further uncertainty and may create additional complication and delay as stations find themselves with differing schedules. Disruption of the finely-tuned timelines will create dysfunction and inefficient use of resources, exacerbating delay and creating confusion for viewers.

ERI is committed to providing the equipment and services necessary for an efficient TV broadcast transition and we support the FCC's 39-month repacking transition plan.

Sincerely,



Kenny Brown
COO/VP





Aerial view of newly expanded ERI campus.

