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FEDERAL COMMUNICATIONS COMMISSION

[GN Docket No. 18-122, IB Docket No. 20-205; DA 20-802; FRS 16974]

Wireless Telecommunications Bureau Releases Final Cost Category Schedule for 3.7-4.2 GHz Band Relocation Expenses and Announces Process and Deadline for Lump Sum Elections

AGENCY: Federal Communications Commission.

ACTION: Notice.

SUMMARY: In this document, the Wireless Telecommunications Bureau (Bureau) releases the 3.7 GHz Transition Final Cost Category Schedule of Potential Expenses and Estimated Costs, announces the optional lump sum payment amounts for which incumbent Fixed Satellite Service earth station operators are eligible, and details the process and deadline for electing to receive lump sum payments.

DATES: Optional Lump Sum Elections are due August 31, 2020.

ADDRESSES: You may submit elections, identified by IB Docket No. 20-205, by any of the following methods:

- **Electronic Filers:** Elections may be filed electronically using the Internet by accessing the ECFS: <http://apps.fcc.gov/ecfs/> in docket number IB 20-205.
- **Paper Filers:** Parties who choose to file by paper must file an original and one copy of each filing.

Filings can be sent by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.U.S.
- Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington DC 20554.
- Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19. *See FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy*, Public Notice, DA 20-304 (March 19, 2020).
<https://www.fcc.gov/document/fcc-closes-headquarters-open-window-and-changes-hand-delivery-policy>
- During the time the Commission's building is closed to the general public and until further notice, if more than one docket or rulemaking number appears in the caption of a proceeding, paper filers need not submit two additional copies for each additional docket or rulemaking number; an original and one copy are sufficient.

FOR FURTHER INFORMATION CONTACT: Susan Mort, Wireless

Telecommunications Bureau, at Susan.Mort@fcc.gov or 202-418-2429.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission’s document (*Public Notice*), GN Docket No. 18-122, IB Docket No. 20-205; DA 20-802, released on July 30, 2020. The complete text of this document and the attached Cost Catalog is available on the Commission’s website at <https://www.fcc.gov/document/wtb-releases-final-c-band-cost-category-and-lump-sum-public-notice> or by using the search function for GN Docket No. 18-122 or IB Docket No. 20-205 on the Commission’s ECFS web page at www.fcc.gov/ecfs.

Pursuant to §§ 1.415 and 1.419 of the Commission’s rules, 47 CFR 1.415, 1.419, interested parties may file elections on or before the date indicated on the first page of this document.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

SYNOPSIS

With the *Public Notice*, the Wireless Telecommunications Bureau (the Bureau) releases the 3.7 GHz Transition Final Cost Category Schedule of Potential Expenses and Estimated Costs (Cost Catalog), announces the optional lump sum payment amounts for which incumbent Fixed Satellite Service (FSS) earth station operators are eligible, and provides the process and deadline for electing to receive lump sum payments.

In the *3.7 GHz Band Report and Order*, the Commission adopted rules to make 280 megahertz of mid-band spectrum available for flexible use, plus a 20 megahertz guard band, throughout the contiguous United States by transitioning existing services

out of the lower portion and into the upper 200 megahertz of the C-band. The *3.7 GHz Report and Order* established that new 3.7 GHz Service licensees will reimburse the reasonable relocation costs of eligible incumbents, including incumbent FSS earth station operators, to transition to the upper 200 megahertz of the band. The *3.7 GHz Report and Order* established that incumbent FSS earth station operators may either accept: (1) reimbursement for their actual reasonable relocation costs by maintaining satellite reception; or (2) a lump sum reimbursement “based on the average, estimated costs of relocating all of their incumbent earth stations” to the upper 200 megahertz of the C-band. The *3.7 GHz Report and Order* directed the Bureau to establish a cost category schedule of the types of expenses that incumbents may incur.

The Commission engaged a third-party contractor, RKF Engineering Solutions, LLC (RKF), to assist in identifying costs that incumbents might incur and to assist with the development of a cost category schedule. With assistance from RKF, the Bureau developed the 3.7 GHz Transition Preliminary Cost Category Schedule of Potential Expenses and Estimated Costs (Preliminary Cost Catalog), which proposed classes of earth stations eligible for lump sum payments but did not specify the amounts. The Bureau sought comment on the earth station classes and specific costs and prices that should ultimately be included in the lump sums in the *Cost Catalog Public Notice*. In response, commenters proposed additional classes of earth stations, including a separate category for multichannel video programming distributor (MVPD) earth stations. Some commenters offered methodologies for calculating the lump sum amounts and proposed lump sum amounts. Commenters also identified additional transition costs to be included in the calculation, such as modulation and encoding technology.

After considering the comments received in response to the *Cost Catalog Public Notice*, the Bureau, with assistance from RKF, has updated the classes of earth stations and developed proposed lump sum amounts for each class of earth station. After review of the record, the Bureau issued the *Lump Sum Comment Public Notice* seeking further comment on a revised list of earth station classes, preliminary lump sum payment amounts, and the methodology for calculating those amounts. After considering the comments in response to the *Cost Catalog Comment Public Notice* and the *Lump Sum Comment Public Notice*, the Bureau now releases the final Cost Catalog and lump sum payment amounts.

Final Cost Catalog. The *Public Notice* provides clarification and additional information on how reimbursement payments and lump sum amounts should be counted and on how to use the Cost Catalog. The *Public Notice* also describes several updates to the cost items and tables contained in the Cost Catalog that the Bureau, with assistance from RKF, determines to be expenses that incumbents are likely to incur in a typical transition. For example, in response to information from commenters, the Bureau clarifies or adds daily or monthly rental expenses for various items that we expect would be incurred in a typical transition. The final Cost Catalog also includes additional technical equipment components that were not originally included in the tables, but that parties persuasively argue are likely to be necessary to complete the transition. The final Cost Catalog also updates the cost estimates previously included in the preliminary cost catalog to account for reasonable changes proposed by commenters.

Lump Sum Payments. The Cost Catalog sets forth the amounts that will be available to incumbent earth station operators electing to receive a lump sum payment in

place of their actual reasonable relocation costs. Consistent with the *3.7 GHz Report and Order*, the lump sum payment amounts are based on the average, estimated costs of transitioning incumbent earth stations to the upper 200 megahertz of the C-band.

Consistent with the Bureau's proposed approach in the *Lump Sum Comment Public Notice*, the *Public Notice* and final Cost Catalog continue to use a variation of an expected value approach to calculate both the base lump sum payments as well as the technology upgrade installation costs for MVPD incumbent earth stations. Specifically, for both the base lump sum payments (for all antenna types) and for the per-site MVPD technology upgrade installation payment, where we determine that a cost would be part of a typical transition for a particular antenna type or class of earth station and not an outlier (in other words, where it meets a minimum threshold of likelihood that it would be incurred in a typical transition), we multiply the average estimated cost (calculated as the average of the range of costs included in the Cost Catalog) for that particular cost item by the probability that the particular antenna type or class of earth station is likely to incur it. While the methodology for calculating lump sums generally remains the same as described in the *Lump Sum Comment Public Notice*, such methodology accounts for the updates to the lump sum categories and amounts made in response to comments on the *Lump Sum Comment Public Notice*.

The lump sum amounts for all MVPD incumbent earth stations include the average, estimated costs associated with installing any necessary compression-related technology upgrades at an MVPD earth station site, but they do not include the cost to purchase the integrated receivers/decoders or transcoders for those technology upgrades. After review of the record, the Bureau finds that the selection and purchase of

compression equipment for these technology upgrades—such as integrated receivers/decoders and transcoders—are an integral part of the satellite operators’ nationwide transition process and, as such, they should be considered as part of the cost associated with the transition of satellite transponders. Thus, satellite operators, in cooperation with programmers, will be responsible for selecting, purchasing, and delivering the necessary compression equipment to respective earth stations. In contrast, the costs associated with physically installing the compression equipment at the earth station site are more appropriately assigned to the earth station operator (and are thus included in the MVPD lump sum amount), given that a satellite operator will not usually have direct access to an earth station site, and the earth station owner will be the one exercising direct control over that process. Accordingly, all MVPD earth station operators that elect the lump sum will receive the relevant lump sum base amounts, including the estimated costs to install integrated receivers/decoders and transcoders (including labor, cabling, and any necessary equipment for such installation, as described in more detail below). The installation costs for technology upgrades will be available to all MVPD earth station operators that elect the lump sum.

The *Public Notice* makes further updates to the lump sum categories, which are included in the Lump Sum Table of the Cost Catalog, to address additional information and arguments that commenters raise regarding the expected transition process. The Bureau clarifies that the lump sum base payments in the Lump Sum Table refer to each operational and registered antenna or dish at an incumbent earth station site (i.e., each operational and registered antenna or dish included in an earth station IBFS registration, consistent with the requirements in the *3.7 GHz Report and Order*), with the above-

described exception for MVPD technology upgrade installation lump sum claims (which are available on a per-site basis). Accordingly, an incumbent earth station operator's lump sum payments for each incumbent earth station site will be calculated by the amount listed in the Lump Sum Table for the relevant antenna multiplied by the number and type of antennas or dishes properly included in that incumbent earth station site's registration (and for MVPDs, will include the per-site technology upgrade installation amount). For example, if an incumbent earth station registration has two registered antennas that are "receive only ES single-feed," an incumbent earth station operator would be eligible to receive the lump sum listed in the Lump Sum Table for both registered antennas associated with that particular earth station site (or registration), although only one technology upgrade installation payment (if the earth station operator is an MVPD).

The final Cost Catalog includes additional cost items in the lump sum amounts where the Bureau determined that those cost items are part of a typical transition for the relevant earth station class. For example, in response to information from commenters, the Bureau updates the lump sum base amounts to include application modification fees, the cost to purchase and install new feed horns on some dishes, as well as costs associated with system integration of modified earth stations. The Bureau also updates the base lump sum amounts for single-feed, multi-feed, and multi-beam antennas based on additional information in the record that demonstrates the likelihood that those antennas may require repointing to a different satellite and dual illumination during the transition. First, the Bureau increases the base lump amount for single-feed antennas to account for the costs of repointing to a different satellite (including dual illumination

costs), which were not previously included in the proposed lump sum amount for that class of antennas. Second, based on information in the record, the Bureau adjusts the lump sum amounts for multi-feed and multi-beam antennas to account for a lower percentage of those antennas needing dual illumination than previously estimated.

Finally, the *Public Notice* establishes the process for electing lump sum payments. Consistent with the *3.7 GHz Report and Order*, incumbent earth station owners must make their lump sum payment election no later than August 31, 2020. Because IBFS registrations do not contain sufficient information to determine the classes of earth stations/antennas that are registered at each earth station site or to determine whether an earth station site is an MVPD earth station, the Bureau requires earth station owners to certify that the information they provide in their lump sum election—including the antenna type and class of earth station—is accurate to the best of their knowledge.

Incumbent earth station owners choosing the lump sum election must file in IB Docket No. 20-205, with the following information for each of that operator's incumbent earth station sites:

1. Licensee/Registrant/Applicant Name,
2. Earth Station Callsign,
3. Site ID,
4. Antenna ID,
5. Number of antennas associated with that Antenna ID,
6. Site address,
7. GPS coordinates of the earth station,
8. File Number(s) of current authorization and/or pending application,

9. Confirmation that the earth station meets the definition of incumbent earth station under 47 CFR §§ 27.1411(b)(3) and 25.138(c), including indication of whether earth station appears on the International Bureau's final list of eligible earth stations,¹
10. Category of lump sum election for each registered antenna at that registered earth station site (e.g. Receive Only ES Single-feed; Receive Only ES Multi-feed; Small Multi-beam (2-4 beams) ES, etc.),
11. Whether earth station site is an MVPD earth station site (to claim the per-site technology upgrade installation amount),
12. Total lump sum amount claimed for that earth station (calculated by the number of registered antennas at that incumbent earth station multiplied by the relevant lump sum base amount, plus technology upgrade installation amount if MVPD), and
13. Whether the incumbent earth station will be transitioned to the upper 200 megahertz in order to maintain C-band services or will discontinue C-band services.

The lump sum election must include a certification from the incumbent earth station owner (if an individual) or a duly authorized representative with authority to bind the station, which certifies to the following:

1. That the information contained in the lump sum election is true and accurate to the best of the incumbent earth station owner (if an individual)

¹ See *International Bureau Releases Preliminary List of Incumbent Earth Stations in the 3.7-4.2 GHz Band in the Contiguous United States*, Public Notice, DA 20-703, at 1-2 (IB July 6, 2020). We note that the International Bureau will have released the final list of incumbent earth stations prior to the election deadline.

- or duly authorized representative knowledge;
2. That all earth stations for which the lump sum is being elected will not have ceased operation more than 90 days before the deadline for the lump sum election;
 3. That, if the incumbent earth station owner intends to continue to receive content from a satellite operator after the transition at any of its earth station antennas, it accepts responsibility for undertaking the necessary transition actions in accordance with the timelines set forth in the satellite operators' Transition Plans;
 4. That the incumbent earth station owner agrees to coordinate with the relevant space station operator as necessary to complete the transition;
 5. An irrevocable release of claims for reimbursement for actual reasonable relocation costs from the Relocation Payment Clearinghouse, eligible satellite operators, or video programmers; and
 6. An irrevocable release of claims against the payor and/or Commission with respect to any dispute about the amount received.

Federal Communications Commission.

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