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.

Filing can be sent by commercial overnight courier, or by first-class or Priority mail (do not use Priority Mail Express Mail) to the Wireless Telecommunications Bureau, at Susan.Mort@fcc.gov or 202–418–2429.


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 email 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 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 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 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.

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 lump sum amounts for 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 sum amount 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 sum amount 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 sum amount 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.
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), indicating whether earth station is on the International Bureau’s final list of eligible earth stations,
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) 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.

Amy Brett,
Chief of Staff, Competition and Infrastructure Policy Division, Wireless Telecommunications Bureau.

[FR Doc. 2020–17058 Filed 8–3–20; 8:45 am]

BILLING CODE 6712–01–P

FEDERAL COMMUNICATIONS COMMISSION

[WC Docket No. 18–89; FCC 20–99; FRS 16963]

National Security Threats to the Communications Supply Chain Through FCC Programs

AGENCY: Federal Communications Commission.

ACTION: Notice.

SUMMARY: In this document, the Federal Communications Commission (Commission) finds it has already substantially complied with the Secure and Trusted Communications Networks Act of 2019 (Secure Networks Act) with the prohibition adopted in the 2019 Supply Chain Order.

DATES: This Declaratory Ruling is applicable July 17, 2020.

FOR FURTHER INFORMATION CONTACT: For further information, please contact Brian Cruikshank, Wireline Competition Bureau, Brian.Cruikshank@fcc.gov, 202–418–7400 or TTY: 202–418–0484.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission’s Declaratory Ruling in WC Docket No. 18–89, FCC 20–99, adopted on July 16, 2020 and released July 17, 2020. Due to the COVID–19 pandemic, the Commission’s headquarters will be closed to the general public until further notice. The full text of this document is available at the following internet address: https://www.fcc.gov/document/ implementing-secure-networks-act-0. The Second Further Notice of Proposed Rulemaking that was adopted concurrently with this Declaratory Ruling will be published elsewhere in the Federal Register.

I. Introduction

1. America’s communications networks have become the indispensable infrastructure of our economy and our everyday lives. The COVID–19 pandemic has demonstrated as never before the importance of these networks for employment and economic opportunity, education, health care, social and civic engagement, and staying connected with family and friends. It is therefore imperative that the Commission safeguards this critical infrastructure from potential security threats.

2. The Commission has taken a number of targeted steps in this regard. For example, in November 2019, the Commission prohibited the use of public funds from the Commission’s Universal Service Fund (USF) to purchase or obtain any equipment or services produced or provided by companies posing a national security threat to the integrity of communications networks or the communications supply chain. The Commission also initially designated Huawei Technologies Company (Huawei) and ZTE Corporation (ZTE) as covered companies for purposes of this rule, and the Commission established a process for designating additional covered companies in the future. Additionally, last month, the Commission’s Public Safety and Homeland Security Bureau (PSHSB) issued final designations of Huawei and

---

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.