

C-Band Paybacks

Legal eagles **DAVID S. KEIR** and **JEFFREY J. CARLISLE** explain how the C-band auction now underway will trigger reimbursements to antenna owners.

Dear Expert,

I work for a cable company that owns three C-band antennas. We registered our antennas with the Federal Communications Commission when we heard that it was thinking about auctioning C-band spectrum for 5G transmissions back in 2018. Do we need to do anything now?

Nervous in Naperville, IL

Dear Naperville,

The short answer is, “Yes you do.” The FCC began the C-band auction last month, and companies across the country are expected to bid billions of dollars to use the spectrum for 5G wireless services. Before we get into actions you need to take, here is some background.

The FCC has determined that it’s no longer necessary for C-band satellite operators to use the entire 500 MHz spectrum allocated to them. It is repurposing 280 MHz for 5G; creating a buffer zone of 20 MHz; and restricting satellite transmissions to the remaining 200 MHz.

The deadline for making the spectrum available and shutting down current use is December 2025. However, the FCC is providing incentive payments to satellite operators to make it happen faster. It’s set up a deadline of December 2021 for the first 100 MHz in 46 of the largest U.S. markets. (It includes the top 50 markets except for Atlanta, Baltimore-Washington, Denver and Hawaii.) A second deadline takes place in December 2023 for the remaining portion of the 280 MHz in those markets and elsewhere within the continental United States.

What happens, then, to the current users like you? Earth station owners that want to continue to receive programming from C-band satellites can do so, but they will need to retune, repoint or even replace their antennas and install new hardware and

software for compression and filtering.

Winning bidders will be responsible for reimbursing earth station operators for the reasonable costs of this transition. If an earth station owner wants to explore alternatives, including shutting down some or all of its C-band sites and migrating them to another option like fiber, the FCC has

Simple single-feed antennas will average a reimbursement of around \$9,000. Large multibeam antennas will average around \$50,000.

allowed such operators to elect to receive a single lump-sum payment.

To participate in the reimbursement program, the FCC required earth station operators to register their earth stations back in 2018. The final list of earth stations eligible for the reimbursement program was released on Dec. 3, 2020 (as an erratum) and can be found at on the FCC’s website by searching for “DA 20-1448.” To receive a lump sum, an earth station operator had to submit its election to the FCC by Sept. 14, 2020.

The FCC has estimated that reimbursements for simple single-feed antennas will average around \$9,000, while large multi-beam antennas will average around \$50,000. Multichannel video programming distributors can also receive almost \$50,000 per earth station to cover the average installation cost for new compression/encoding equipment.

When and how you get paid hasn’t yet been spelled out in detail. The process will be developed by CohnReznick LLP, an

accounting firm selected as the transition’s relocation payment clearinghouse. The auction should conclude by late January or early February. After that, the clearinghouse will determine all costs to date and for the first six months after the auction, and afterwards on a six-month rolling basis. The clearinghouse will collect payments from winning bidders twice a year, and then issue payments to earth station owners.

While exact timing of when those payments might be received is not yet known, it’s reasonable to expect that lump-sum payments could be issued in summer of 2021. Earth station owners opting to receive reimbursement for their actual costs should receive payment within 30-60 days after submitting invoices, and that process would likely last into the first quarter of 2024 for many earth station operators.

If you visit the FCC’s C-band website where it publishes auction-related information, you can review the commission’s cost catalog for earth station owners and keep an eye out for new information.

Since your earth station is registered, you should also be receiving notifications about transition events from the FCC, the clearinghouse and the satellite operators. Make sure you read through any materials you receive and don’t ignore them. If you have any questions, reach out to an attorney familiar with the FCC. You’ve already completed the biggest step – getting registered – but stay informed about the ongoing process.



David S. Keir is a member and Jeffrey J. Carlisle is of counsel at Lerman Senter PLLC. They can be reached at DKeir@lermansenter.com and JCarlisle@lermansenter.com, respectively.

Do you have a professional puzzle that MFM and BCCA experts might be able to answer? We'll mine the contact base and find the right person to answer your question. Just contact TFM editor Janet Stilson at TFMeditor@mediafinance.org.