



PUBLIC NOTICE

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**INCENTIVE AUCTION TASK FORCE AND MEDIA BUREAU SEEK COMMENT ON
CATALOG OF POTENTIALLY REIMBURSABLE COSTS INCURRED BY LOW POWER
TELEVISION, TELEVISION TRANSLATOR AND FM BROADCAST STATIONS**

MB Docket No. 18-214
MB Docket 16-306
GN Docket No. 12-268

Comments Due: November 21, 2018

Reply Comments Due: December 6, 2018

The Incentive Auction Task Force and the Media Bureau (Bureau) herein seek comment on a proposed catalog of potentially reimbursable costs that may be incurred by Low Power Television (LPTV), television translator, and FM broadcast stations as a result of the Federal Communications Commission's (Commission's) broadcast television spectrum incentive auction.

In the 2018 Reimbursement Expansion Act (REA), Congress provided funding for and expanded the list of entities eligible to receive reimbursement for costs reasonably incurred resulting from the incentive auction to include LPTV, television translator and FM stations.¹ To implement the REA, the Commission released a *Notice of Proposed Rulemaking and Order*² that, among other things, seeks comment on the types of costs these entities are likely to incur and instructs the Media Bureau to develop

¹ See *Consolidated Appropriations Act, 2018*, Pub. L. 115-141, at Division E, Title V, § 511, 132 Stat. 348 (2018) (codified at 47 U.S.C. § 1452(j)-(n)). The REA provides that “the Commission shall reimburse costs reasonably incurred by a television translator station or low power television station on or after January 1, 2017, in order for such station to relocate its television service from one channel to another channel or otherwise modify its facility as a result of the reorganization of broadcast television spectrum” under the Spectrum Act. 47 U.S.C. § 1452(k)(1). The REA also provides that “the Commission shall reimburse costs reasonably incurred by an FM broadcast station for facilities necessary for such station to reasonably minimize disruption of service as a result of the reorganization of broadcast television spectrum.” 47 U.S.C. § 1452(l)(1)(A). The REA provides an additional \$1 billion in funding, \$600 million in fiscal year 2018 and \$400 million in fiscal year 2019. Of the \$600 million available in fiscal year 2018, the REA provides that “not more than” \$150 million be used to reimburse LPTV and TV translator stations, and “not more than” \$50 million be used to reimburse FM radio stations. 47 U.S.C. § 1452(j)(2)(A)(i).

² *LPTV, TV Translator, and FM Broadcast Station Reimbursement; Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, MB Docket No. 18-214, GN Docket No. 12-268, Notice of Proposed Rulemaking and Order, FCC 18-113 (Aug. 3, 2018) (*Reimbursement Expansion NPRM and Order*).

a revised Catalog of Eligible Expenses.³ In this Public Notice, the Media Bureau invites comment on a Catalog of Eligible Expenses (LPTV/Translator/FM Cost Catalog or Cost Catalog) (attached as Appendix A), which contains categories and descriptions of expenses that we believe LPTV, translator, and FM stations are most likely to incur as a result of full-power and Class A broadcaster channel reassignments.⁴

Currently, full-power and Class A stations required to change channels as a result of the post-incentive auction repack and multichannel video programming distributors (MVPDs) that incur costs in continuing to carry the signals of these stations are eligible for reimbursement for reasonably incurred expenses from the TV Broadcaster Relocation Fund.⁵ A catalog of eligible reimbursement expenses facilitates the process of reimbursing those entities. In the *Reimbursement Expansion NPRM and Order*, the Commission proposed a mechanism for reimbursing the newly eligible entities that is substantially similar to the process currently used to reimburse full power and Class A licensees and MVPDs, including allocating dollars based on each entity's estimated costs.⁶

The *Reimbursement Expansion NPRM and Order* proposes to reimburse LPTV and translator stations for both "hard" expenses, such as new equipment and tower rigging, and "soft" expenses, such as legal and engineering services.⁷ The *Reimbursement Expansion NPRM and Order* also proposes to reimburse such costs for FM stations that must replace or modify equipment and stations that must construct or upgrade auxiliary facilities.⁸

The LPTV/Translator/FM Cost Catalog will facilitate the reimbursement process for these categories of eligible entities in the same manner that the existing Catalog for full-power and Class A stations and MVPDs has facilitated the existing reimbursement process. The LPTV/Translator/FM Cost Catalog provides predetermined costs or cost ranges for use as estimates when stations do not have vendor quotes, and establishes acceptable price ranges, thereby necessitating additional cost justification documentation only for expenses that are higher than the range in the Catalog or that are for equipment or services not covered by the LPTV/Translator/FM Cost Catalog. The LPTV/Translator/FM Cost Catalog was developed by a third-party contractor engaged by the Media Bureau to identify price ranges for potential services and equipment based on a market survey of industry vendors. This Cost Catalog largely mirrors the same general categories as the existing catalog for Class A and full-power stations and MVPDs but is tailored to the specific equipment and services likely to be purchased by LPTV, translator, and FM stations. For example, the category of television transmitters includes lower power ranges for UHF and High-VHF and Low-VHF transmitters and the LPTV/Translator/FM Cost Catalog includes multiple elbow complex sizes, all of which we believe to be commonly used by LPTV and translator

³ *Reimbursement Expansion NPRM and Order* at paras. 40-49, 56-74 and para. 91. We note that we are making no changes to the existing Cost Catalog in use for full-power and Class A stations and MVPDs currently eligible for reimbursement.

⁴ While the LPTV/Translator/FM Cost Catalog contains an extensive list of the likely costs, it is not exhaustive; stations that incur costs for unlisted equipment or services that are eligible for reimbursement under the standards adopted by the Commission or that exceeds the range set forth in the Cost Catalog will be able to submit estimates and invoices for such costs, together with cost justification documentation.

⁵ See Middle Class Tax Relief and Job Creation Act of 2012, Pub. L. No. 112-96, §§ 6402 (codified at 47 U.S.C. § 309(j)(8)(G)), 6403 (codified at 47 U.S.C. § 1452), 126 Stat. 156 (2012) (Spectrum Act). 47 U.S.C. § 1452(b)(4)(A). The Spectrum Act directed the Commission to make reimbursements from the TV Broadcaster Relocation Fund (Reimbursement Fund) established by Congress for that purpose. *Id.* at § 1452(d).

⁶ *Reimbursement Expansion NPRM and Order* at para. 76, 78 and 81.

⁷ *Id.* at para. 41.

⁸ *Id.* at para. 53.

stations. Similarly, the FM section includes antennas priced per bay and otherwise reflects antenna costs FM stations could incur, as well as including smaller transmission line diameters than are commonly deployed by television stations. This LPTV/Translator/FM Cost Catalog also includes a category for “Other Expenses” including FCC filing fees and point-to-point microwave systems, with corresponding cost ranges.

The LPTV/Translator/FM Cost Catalog does not include interim facilities for LPTV and translator stations, consistent with the Commission’s tentative conclusion that these expenses should not be reimbursable.⁹ Additionally, we believe the following items that are in the existing catalog for full power and Class A stations and MVPDs are not frequently required for LPTV and translator facilities and, thus are not included: filters above 5kW, dual exciters, HVAC equipment, top-mounted antennas, and helicopter lift expenses. As with the existing catalog for full power and Class A stations, the LPTV/Translator/FM Cost Catalog lists estimated costs as “variable” when the potential price varies so widely that a range is too broad to be meaningful.¹⁰

We seek comment on whether the Catalog is missing any types of expenses LPTV, translator and FM stations are likely to incur. We also seek comment on the price ranges in the Catalog.

Pursuant to sections 1.415 and 1.419 of the Commission’s rules, 47 CFR §§ 1.415, 1.419, interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments may be filed using the Commission’s Electronic Comment Filing System (ECFS). *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <http://apps.fcc.gov/ecfs/>.
- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, 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.

- All hand-delivered or messenger-delivered paper filings for the Commission’s Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.
- 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.

⁹ *Reimbursement Expansion NPRM* at para. 44.

¹⁰ For items with costs listed as “variable” entities will be required to provide vendor quotes showing the proposed cost.

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This matter shall be treated as a “permit-but-disclose” proceeding in accordance with the *ex parte* rules.¹¹ Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentations must contain summaries of the substance of the presentations and not merely a listing of the subjects discussed. More than a one- or two-sentence description of the views and arguments presented generally is required.¹² Other requirements pertaining to oral and written presentations are set forth in section 1.1206(b) of the rules.¹³

For additional information on this proceeding, contact Pamela Gallant, Pamela.Gallant@fcc.gov, (202-418-0614), or Jeffrey Neumann, Jeffrey.Neumann@fcc.gov (202-418-2046) of the Media Bureau. Press contact: Neil Grace, Neil.Grace@fcc.gov, (202-418-0586).

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¹¹ *NPRM*, 27 FCC Rcd at 12494-95, ¶¶ 416-417; *see also*, 47 C.F.R. § 1.1200 *et seq.*

¹² *See* 47 C.F.R. § 1.1206(b)(2).

¹³ 47 C.F.R. § 1.1206(b).