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October 18, 2019

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: Eutelsat S.A., Notice of *Ex Parte* Communication, GN Docket No. 18-122;
RM-11791; RM-11778**

Dear Ms. Dortch:

On October 16, 2019, Julie Burguburu, Group General Counsel, and Wladimir Bocquet, Director of Regulatory Affairs, Spectrum Management & Policy, both of Eutelsat S.A. (“Eutelsat”), together with Richard R. Cameron and the undersigned, both of LMI Advisors, met with the Commission representatives listed in Exhibit A to this letter to discuss Eutelsat’s positions in the above-referenced proceedings.

Eutelsat expressed continued support for a market-based approach to reallocate of any portion of 3.7-4.2 GHz spectrum for terrestrial mobile “5G” use, limited to areas within the 48 contiguous United States (“CONUS”).¹ Such an approach, properly structured, is likely to offer the most rapid and efficient means of completing the reallocation of up to 300 MHz of this spectrum for alternative uses. Eutelsat also noted the C-Band Alliance (“CBA”) remains in the best position to facilitate a transition, subject to appropriate Commission guidance to ensure that any transition process is fair, transparent, and equitable.

Broad participation of satellite operators in this transition will benefit the process by ensuring that the interests of participating satellite operators and their customers are considered. Eutelsat emphasized that reallocation of any portion of the 3.7-4.2 GHz band would constitute a fundamental change to satellite operator authorizations because it would render useless satellite transponders using reallocated frequencies to provide service and would result in a deprivation of substantial investment in satellites and transponders. Eutelsat also noted that its revenues from operations and numerous satellites providing service to CONUS customers in the 3.7-4.2 GHz band would make it eligible to participate in any transition process.

¹ Outside the CONUS, Eutelsat highlighted the particular importance of C-band spectrum in meeting the needs of its customers in Alaska and urged the Commission to preserve the entire 3.7-4.2 GHz band for satellite downlink use in non-CONUS areas of the nation.

Eutelsat highlighted that any approach adopted by the Commission, including any potential alternative to the market-based approach, should provide all satellite industry stakeholders with appropriate compensation and sufficient incentives to facilitate a rapid, consensus-driven transition of this spectrum and minimize the risk of litigation and delay. Eutelsat recommended that the Commission direct the proceeds of an auction first to compensate affected C-band customers (*i.e.*, C-band earth station operators) for the costs of equipment modification or replacement, and to provide sufficient additional compensation to incentivize completing the transition quickly and cooperatively.

If the Commission deems it necessary to require a contribution of any portion of the proceeds of an auction to the U.S. Treasury, it should impose that requirement only after the customer transition costs discussed above are addressed. Given the substantial impact on eligible satellite operators and the fundamental change to their authorizations, Eutelsat does not support a contribution mandate greater than 50 percent of the remaining proceeds.

Eutelsat also noted various considerations that may be taken into account to allocate the remaining proceeds among eligible satellite operators, including their share of C-band satellite capacity with full or partial CONUS coverage, their share of revenues from CONUS C-band services, and the average remaining useful life of their C-band satellites with any CONUS coverage. Such an approach would reflect not just the impact of the spectrum reallocation on the satellite operator's business today, but also on its remaining satellite depreciation costs, capital return, and reasonable expectations of future earnings. Such an approach would also obviate any need for the Commission to define or limit eligible satellite operator transition costs because satellite operators would be free to use their allocated share of the remaining proceeds to meet transition and future business needs as they best see fit.

Please do not hesitate to contact me with any questions regarding this matter.

Respectfully submitted,



Carlos M. Nalda
for Eutelsat S.A.

cc: FCC representatives listed in Exhibit A

Exhibit A
FCC Meeting Participants

Wireless Telecommunications Bureau

Don Stockdale
Matthew Pearl
Becky Schwartz
Paul Powell
Brian Wondrack
Anna Gentry

International Bureau

Tom Sullivan
Jim Schlichting
Kerry Murray

Office of Economics and Analytics

Pat DeGraba
Evan Kwerel
Paul LaFontaine

Office of General Counsel

Tom Johnson