

Marc S. Martin
MMartin@perkinscoie.com
D. +1.202.654.6351
F. +1.202.654.9113

May 31, 2019

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, D.C. 20554

Re: Notice of Ex Parte Meeting, *Expanding Flexible Use of the 3.7 GHz to 4.2 GHz Band*,
GN Docket No. 18-122

Dear Ms. Dortch:

Over the course of May 29 and May 30, 2019, the undersigned, together with Colby May, Communications Counsel of Trinity Broadcasting Network (“TBN”) and Ravi Potharlanka, CEO and Co-Founder of LPN Spectrum LLC (“LocusPoint”) (collectively, the “TBN and LocusPoint Representatives”), met with the Commission staff discussed below to discuss the ex parte letter filed jointly by TBN and LocusPoint in the above-captioned proceeding on May 16, 2019.¹ Specifically, on May 29, 2019, the TBN and LocusPoint Representatives met with the following: Aaron Goldberger, Acting Wireless & International Advisor, Office of Chairman Pai; Will Adams, Legal Advisor, Office of Commissioner Carr; and William Davenport, Chief of Staff & Senior Legal Advisor for Wireless and International, Office of Commissioner Starks. Further, on May 30, 2019, the TBN and LocusPoint Representatives met with the following: Erin McGrath, Legal Advisor, Wireless, Public Safety and International, Office of Commissioner O’Rielly; and Umair Javed, Legal Advisor, Wireless and International, Office of Commissioner Rosenworcel. On the same day, the TBN and LocusPoint Representatives, along with Nelson Chan, CFO and Co-Founder of LocusPoint (via teleconference), met with the following representatives from the Commission’s International Bureau (“IB”), Wireless Telecommunications Bureau (“WTB”), Office of Economics and Analytics (“OEA”), and Office of Engineering and Technology (“OET”) in a consolidated, single meeting: Tom Sullivan, Bureau Chief, IB; Jim Schlichting,

¹ Letter from Trinity Broadcasting Network and LPN Spectrum LLC to Marlene H. Dortch, Secretary, FCC, GN Docket No. 18-122 (filed May 16, 2019). Excerpted copies of the Addendum that was attached to the as-filed ex parte letter were also provided to Commission staff during the meetings that took place on May 30, 2019. This submission is made on behalf of both TBN and LocusPoint.

Ms. Marlene Dortch
May 31, 2019

Senior Deputy Chief, IB; Jennifer Gilson, Assistant Bureau Chief, IB; Kerry Murray, Deputy Chief, Satellite Division, IB; Donald Stockdale, Bureau Chief, WTB; Blaise Scinto, Chief, Broadband Division, WTB; Peter Daronco, Deputy Chief, Broadband Division, WTB (via teleconference); Jeffrey Tignor, Special Counsel, Broadband Division, WTB; Brian Wondrack, Broadband Division, WTB (via teleconference); Thomas Derenge, Deputy Chief (Engineering), Mobility Division, WTB; Joyce Jones, Attorney Advisor, Mobility Division, WTB (via teleconference); Martha Stancill, Assistant Chief, Economics, OEA; Evan Kwerel, Senior Economic Advisor, OEA; and Michael Ha, Deputy Chief, Policy and Rules Division, OET.

In each of the above meetings, the TBN and LocusPoint Representatives summarized TBN's and LocusPoint's jointly filed ex parte submission of May 16, 2019 and offered clarifications. In particular, the TBN and LocusPoint Representatives reiterated their concerns about the effectively stalled status of this proceeding due to disagreements among C-band stakeholders and relayed their interest in serving as problem solvers and coalition builders to ensure that the C-band reallocation advances in a productive and timely manner. To this end, the TBN and LocusPoint Representatives reaffirmed that any plan for the reallocation of C-band spectrum must embrace the following five core principles:

1. Reflect the Significant Value Gap Between Current and Future Use of C-Band Spectrum: The utilization rate of spectrum allocated (from a satellite-MHz perspective) for C-band authorizations in the United States is quite low (21%), which means that there is more than enough space to repack C-band users in the band and clear 200 MHz. There is a significant value gap for satellite vs. 5G use of the C-band. Assuming a 71% EBITDA margin and an 8.25x EBITDA multiple, the current enterprise value for 500 MHz of C-band spectrum for satellite use equals around \$1.99 billion. Even if only 200 MHz of this spectrum is repurposed for 5G use, at \$0.40/MHz pop — which is a conservative estimate based on the value yielded for mid-band spectrum in recent spectrum auctions around the world — the reallocation would generate revenues of approximately \$26 billion.
2. Offer Substantial Incentives to Compensate Earth Station Operators and C-Band Users: The plan recommended by the C-Band Alliance (“CBA”)² proposes to cover only relocation costs of earth station operators and C-band users (totaling a maximum of about \$94.8 million), which fails to capture the full value that will be generated by the reallocation. Earth station operators and C-band users must be adequately incentivized to overcome the structural, commercial, and technical issues inherent in repurposing C-band spectrum for 5G.
3. Create a Voluntary Structure to Clear At Least 300 MHz: In order to achieve a clearing target of 300 MHz or greater, C-band users must be incented to voluntarily give up their transponders. Clearing the first 200 MHz is relatively easy, but the clearing of an

² See Comments of the C-Band Alliance, GN Docket No. 18-122 (filed Oct. 29, 2018).

Ms. Marlene Dortch
May 31, 2019

additional 100 MHz to obtain a total of 300 MHz will be very difficult, expensive and require significant support from C-band users. With this in mind, the Commission should not follow the CBA plan to simply clear the easy first 200 MHz because that would trigger a substantial economic windfall to the few, and leave no incentive for C-band stakeholders to clear the much more difficult additional 100 MHz. The clearance of 300 MHz should be tackled at once to not only align all stakeholders' incentives to get the difficult clearance done, but also clear the 300 MHz much more rapidly due to the efficiencies of a having a single regrooming and reallocation process. Anything that speeds the clearance process serves America's goal of winning the race to 5G.

4. Ensure Inclusive Treatment of All C-Band Stakeholders: The distribution and scoring model proposed by the small satellite operators³ provides a workable foundation for a market-based approach that includes all C-band stakeholders (i.e., satellite operators, earth station operators, and C-band users). American taxpayers should also benefit from the C-band reallocation, as they did in connection with the broadcast incentive auction.
5. Appoint an Independent and Effective Transition Facilitator: The Commission should draw from the lessons of its past precedent involving entities serving in a transition capacity. Based on such experience, the Commission should select a Transition Facilitator that is not under the exclusive control of the CBA, but rather is independent and accountable, in order to ensure a timely, cost-effective, and productive transition.

Pursuant to Section 1.1206(b) of the Commission's rules, a copy of this notice is being filed in the above-referenced docket. Any questions concerning this notice may be directed to the undersigned.

Respectfully submitted,



Marc S. Martin
Brandon H. Johnson

Counsel for LPN Spectrum LLC

³ See Reply Comments of ABS, Hispasat, and Embratel Star One, GN Docket No. 18-122 (filed Dec. 11, 2018).

Ms. Marlene Dortch
May 31, 2019

cc: Aaron Goldberger, Acting Wireless & International Advisor, Office of Chairman Pai
Erin McGrath, Legal Advisor, Wireless, Public Safety and International, Office of
Commissioner O’Rielly
Will Adams, Legal Advisor, Office of Commissioner Carr
Umair Javed, Legal Advisor, Wireless and International, Office of Commissioner
Rosenworcel
William Davenport, Chief of Staff & Senior Legal Advisor for Wireless and
International, Office of Commissioner Starks
Tom Sullivan, Bureau Chief, International Bureau
Jim Schlichting, Senior Deputy Chief, International Bureau
Jennifer Gilsenan, Assistant Bureau Chief, International Bureau
Kerry Murray, Deputy Chief, Satellite Division, International Bureau
Donald Stockdale, Bureau Chief, Wireless Telecommunications Bureau
Blaise Scinto, Chief, Broadband Division, Wireless Telecommunications Bureau
Peter Daronco, Deputy Chief, Broadband Division, Wireless Telecommunications
Bureau
Jeffrey Tignor, Special Counsel, Broadband Division, Wireless Telecommunications
Bureau
Brian Wondrack, Broadband Division, Wireless Telecommunications Bureau
Thomas Derenge, Deputy Chief (Engineering), Mobility Division, Wireless
Telecommunications Bureau
Joyce Jones, Attorney Advisor, Mobility Division, Wireless Telecommunications Bureau
Martha Stancill, Assistant Chief, Economics, Office of Economics and Analytics
Evan Kwerel, Senior Economic Advisor, Office of Economics and Analytics
Michael Ha, Deputy Chief, Policy and Rules Division, Office of Engineering and
Technology