



PUBLIC NOTICE

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DA 18-662
Released: June 26, 2018

INCENTIVE AUCTION TASK FORCE AND MEDIA BUREAU UPDATE PRICE RANGES IN CATALOG OF REIMBURSEMENT EXPENSES

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

In this public notice, the Incentive Auction Task Force and the Media Bureau (Bureau) announce that we have updated the price ranges listed in the catalog of eligible reimbursement expenses (Catalog) utilized to reimburse eligible broadcasters and Multichannel Video Programming Distributors (MVPDs) from the \$1.75 billion TV Broadcaster Relocation Fund (Fund).¹ The changes are made in accordance with the economic methodology previously adopted to annually adjust the Catalog's price ranges throughout the reimbursement period.²

The Catalog is a non-exhaustive list, or reference guide, organized by category, of the equipment and service costs broadcasters and MVPDs are most likely to incur as a result of post-incentive auction broadcast transition.³ The Catalog is embedded within the Form 2100, Schedule 399 (Form 399), and provides a predetermined dollar amount for expenses identified in the Catalog that entities may use when submitting their estimates in the absence of a quote.⁴ The Bureau previously sought and received comment on the Catalog.⁵ In February 2017, we adopted the economic methodology for annually

¹ *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, GN Docket No. 12-268, Report and Order, 29 FCC Rcd 6567, 6820 para. 619 (2014) (delegating authority to the Bureau "to ... develop a final Catalog of Eligible Expenses, and make other determinations regarding eligible costs and the reimbursement process."), *aff'*, *Nat'l Ass. of Broadcasters, et al. v. FCC*, 789 F.3d 165 (D.C. Cir. 2015) (*Incentive Auction R&O*). See also *Middle Class Tax Relief and Job Creation Act of 2012*, Pub. L. No. 112-96, §§ 6402, 6403, 125 Stat. 156 (2012) (Spectrum Act) at § 6403(d)(1); and see 47 U.S.C. §§ 309(j)(8)(G)(iii)(I), 1452(b)(4)(A)(i)-(ii).

² See *Incentive Auction Task Force and Media Bureau Finalize Catalog of Reimbursement Expenses*, MB Docket No. 16-306, GN Docket No. 12-268, Public Notice, 32 FCC Rcd 1199 (IATF/MB 2017) (*Catalog Finalization PN*) (adopting proposal to annually update the Catalog's costs using the Bureau of Labor Statistics' (BLS) Producer Price Index (PPI) annual average for the WPUFD4 series).

³ *Id.* 32 FCC Rcd at 1201, para. 3 (internal citations omitted).

⁴ See *Incentive Auction R&O*, 29 FCC Rcd at 6817-18, para. 611 (Commission explaining that the Catalog would include a "predetermined estimate of the cost, or range of costs, for equipment and other expenses," and that eligible entities would be able to select either the predetermined cost from the Catalog or provide their own estimate).

⁵ *Media Bureau Seeks Comment on Catalog of Eligible Expenses and Other Issues Related to the Reimbursement of Broadcaster Channel Reassignment Costs*, GN Docket No. 12-268, Public Notice, 28 FCC Rcd 13787 (MB 2013); *Media Bureau Seeks Comment on Widelity Report and Catalog of Potential Expenses and Estimated Costs*, GN Docket No. 12-268, Public Notice, 29 FCC Rcd 2989 (MB 2014). See also *Media Bureau Finalizes Reimbursement Form for Submission to OMB and Adopts Catalog of Expenses*, GN Docket No. 12-268, Public Notice, 30 FCC Rcd 11701 (MB 2015); *Media Bureau Seeks Comment on Updates to Catalog of Reimbursement Expenses*, MB Docket No. 16-306, GN Docket No. 12-268, Public Notice, 31 FCC Rcd 11467 (MB 2016) (proposing to annually update the Catalog's costs using the BLS' PPI annual average for the WPUFD4 series.).

adjusting its prices in accordance with the BLS' PPI annual average for the WPUFD4 series.⁶

On May 9, 2018, the 2017 PPI annual average for the WPUFD4 series became final.⁷ Accordingly, the Catalog's prices are updated using the 2017 PPI annual average for the WPUFD4 series, to reflect the 2.4 percent increase from the 2016 PPI average value previously included in the Catalog.⁸ The updated price ranges for the equipment and services listed in the Catalog are set forth in the updated version of the Catalog appended to this public notice,⁹ and are integrated into the Bureau's Licensing and Management System in Form 399.¹⁰

This update does not require any action on the part of reimbursement-eligible broadcasters and MVPDs. The updated prices for the equipment and services identified in the Catalog will be reflected in the "Costs" section of the Form 399 as the "predetermined cost estimate." The adjusted values may be entered into the "estimated cost" field of the Form 399 for newly-created cost estimates that are not accompanied by a vendor quote.¹¹

For questions about the reimbursement process, please call the Reimbursement Help Line at (202) 418-2009, or e-mail Reimburse@fcc.gov. Questions about this Public Notice may be directed to Pamela Gallant at (202) 418-0614 or Pamela.Gallant@fcc.gov, or Jeffrey Neumann at (202) 418-2046 or Jeffrey.Neumann@fcc.gov, of the Media Bureau. Press contact: Neil Grace, (202) 418-0506 or Neil.Grace@fcc.gov.

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⁶ *Catalog Finalization PN*, 32 FCC Rcd 1199.

⁷ The 2017 PPI annual average for the WPUFD4 series was subject to revision until publication of the December 2017 revised data for the WPUFD4 series, on May 9, 2018. See *BLS Handbook of Methods*, Chapter 14: Producer Prices, p. 13 (providing, "All PPIs are routinely subject to revision 4 months after their original publication, to reflect late reports and corrections reported by company respondents. Once revised, unadjusted indexes are considered final.") (available at: <https://stats.bls.gov/opub/hom/pdf/homch14.pdf>).

⁸ See Bureau of Labor Statistics, U.S. Department of Labor, *Data Tools: Price Index Commodity Data: Final demand - WPUFD4*, <http://data.bls.gov/cgi-bin/surveymost?wp> (last visited May 21, 2018).

⁹ See Appx., Catalog (2018 Update).

¹⁰ The updated Catalog will also be made available for reference on the Commission's reimbursement-specific webpage, which is: <https://www.fcc.gov/incentiveauctions/reimbursement>.

¹¹ If the cost estimate entered has an associated vendor quote, entities would enter the amount identified in the quote in the "estimated cost" field of the Form 399 rather than using the Catalog cost. We note, however, that all entities will ultimately have to submit a vendor quote when seeking reimbursement for equipment costs actually incurred.