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Entravision Holdings, LLC
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Washington, DC 20036

In re: **Prescott Valley Broadcasting Co., Inc.**
KPPV(FM), Prescott Valley, AZ
Facility ID No. 53414

Dear Counsel:

We have before us a Statement for the Record jointly filed by Entravision Holdings, LLC (Entravision), and Prescott Valley Broadcasting Co., Inc. (PVBC) about their ongoing reimbursement negotiations.¹ Also before us are (1) a Report Regarding Progress Negotiations and Preliminary Assessment of Legitimate and Prudent Expenses (Report) filed by PVBC,² (2) a Response filed by Entravision (Response),³ (3) an Update to Report Regarding Preliminary Assessment of Legitimate and Prudent Expenses (Update) filed by PVBC,⁴ (4) a Motion to Strike (Motion) filed by Entravision, which urges us to strike the Update,⁵ (5) an Opposition to Motion to Strike filed by PVBC,⁶ (6) a Reply

¹ Entravision Holdings, LLC, and Prescott Valley Broad. Co., Inc., Statement for the Record, Pleading File No. 0000185263 (filed Feb. 24, 2022) (Statement).

² Prescott Valley Broad. Co., Inc., Report Regarding Progress Negotiations and Preliminary Assessment of Legitimate and Prudent Expense (filed Feb. 24, 2022) (Report).

³ Entravision Holdings, LLC, Response (filed Mar. 4, 2022) (Response).

⁴ Prescott Valley Broad. Co., Inc., Update to Report Regarding Preliminary Assessment of Legitimate and Prudent Expenses (filed Mar. 4, 2022) (Update).

⁵ Entravision Holdings, LLC, Motion to Strike (filed Mar. 4, 2022) (Motion).

⁶ Prescott Valley Broad. Co., Inc., Opposition to Motion to Strike (filed Mar. 18, 2022) (Motion Opposition).

filed by Entravision,⁷ (7) a Reply to Response (Reply) filed by PVBC,⁸ (8) a Second Motion to Strike (Second Motion) filed by Entravision, which urges us to strike the Reply,⁹ (9) an Opposition to the Second Motion filed by PVBC,¹⁰ and (10) a Reply to the Opposition to the Second Motion filed by Entravision.¹¹

For the reasons discussed below, we deny the Motion, and accept the Update. We also grant in part and deny in part the Second Motion, and accept those portions of the Reply specified herein. Additionally, we offer general guidance regarding various categories of expenses. Where possible, we determine whether expense items identified by PVBC are reimbursable, and whether the actual or estimated costs of such items are reasonable. However, we are unable to make such determinations regarding a number of expense items either because we require additional information or because PVBC submitted new information regarding the items in the Update or the Reply. Where we require additional information, we direct PVBC to respond with the information. We permit Entravision to reply to the PVBC response we request (and the new information from the Update and the Reply that we accept herein). We also clarify that we will not accept any additional filings other than the PVBC submission we request and the reply we authorize Entravision to file.¹²

I. BACKGROUND

At Entravision's request, and in order to accommodate the upgrade of one of Entravision's stations, we modified PVBC's license for KPPV(FM), Prescott Valley, Arizona, to specify a new channel (and frequency).¹³ As is Commission practice in involuntary channel change cases, we ordered Entravision to reimburse PVBC for the legitimate and prudent costs of changing KPPV(FM)'s channel.¹⁴

Recently, the Commission charged the Bureau with monitoring the parties' reimbursement negotiations.¹⁵ To facilitate this, the Commission required "the parties to report to the Bureau in writing regarding the progress of their negotiations" by February 24, 2022.¹⁶ If a reimbursement agreement had not been reached by that date, the Commission ordered PVBC to separately submit—on that same date—"a list of all expenses that it currently claims are reimbursable along with a justification and

⁷ Entravision Holdings, LLC, Reply (filed Mar. 21, 2022) (Motion Reply).

⁸ Prescott Valley Broad. Co., Inc., Reply to Response (filed April 1, 2022) (Reply).

⁹ Entravision Holdings, LLC, Second Motion to Strike (filed April 4, 2022) (Second Motion).

¹⁰ Prescott Valley Broad. Co., Inc., Opposition to "Second Motion to Strike" (filed April 18, 2022) (Second Motion Opposition).

¹¹ Entravision Holdings, LLC, Reply to Opposition to "Second Motion to Strike" (filed April 19, 2022) (Second Motion Reply).

¹² Moreover, we caution the parties' that continued submission of unauthorized pleadings may be considered an abuse of the Commission's process.

¹³ See *Entravision Holdings, LLC, and Prescott Valley Broad. Co. Inc.*, File Nos. BPH-20190723AAN, BPH-20190723AAO, BLH-19930204KB, Letter Order (MB July 21, 2020) (*Letter Decision*).

¹⁴ *Id.* at 5.

¹⁵ *Entravision Holdings, LLC*, Memorandum Opinion and Order, FCC 22-4, at para. 29 (Jan. 25, 2022) (*Commission Order*).

¹⁶ *Id.* at paras. 29, 33.

documentation to support the estimated cost of each expense.”¹⁷ The Commission directed Entravision to respond to PVBC’s submission within 14 days of its filing with the Bureau.¹⁸

On February 24, 2022, Entravision and PVBC jointly filed the Statement, which indicates they have been “unable to reach a mutually agreeable understanding as to the legitimate and prudent expenses that Entravision must reimburse PVBC.”¹⁹ That same day, PVBC filed the Report. On March 4, 2022, Entravision filed the Response, and PVBC filed the Update, which contained a revised expense list and additional documentation. Entravision immediately filed the Motion, which urges us to strike the Update. PVBC then filed the Motion Opposition, and Entravision filed the Motion Reply. On April 1, 2022, PVBC filed the Reply, which responds to arguments Entravision made in the Response, and offers additional factual information and documentation to support PVBC’s claims that various items are reimbursable. Entravision then filed the Second Motion on April 4, 2022, which urges us to strike the Reply. PVBC filed the Second Motion Opposition, and Entravision filed the Second Motion Reply.

II. DISCUSSION

A. Procedural Issues.

New Arguments. We decline to consider any new arguments made in the Reply.²⁰ The Commission did not authorize PVBC to submit a reply to the Response. We note that normally we would dismiss the entire pleading as unauthorized. However, as we explain below, because we would have requested that PVBC provide certain factual information included in the Reply, we will accept and consider that factual information. As a result, we will grant the Second Motion in part, and strike those portions of the Reply not specifically accepted herein.

New Expense Items.²¹ We reject Entravision’s argument that PVBC was required to submit a list of all expenses that it claims are reimbursable by February 24, 2022. We acknowledge that, as Entravision notes, the text of the *Commission Order* specifies that PVBC must submit “a list of all

¹⁷ *Id.* at para. 33.

¹⁸ *Id.* at paras, 29, 33.

¹⁹ Statement at 2.

²⁰ See Reply at 2-4 (arguing that Entravision is substituting “its value judgement for that of PVBC,” in terms of how PVBC has marketed KPPV”), 5 (reiterating the argument that KPPV is “not a run-of-the-mill station”), 5-6 (arguing that “*Circleville* requires that PVBC be reimbursed to replace all marketing items that include the ‘KPPV 106.7’ or ‘Mix 106.7’ logos”), 6-7 (arguing that it should be allowed to “utilize the ‘digital environment’ to engage in a marketing campaign associated with KPPV’s proposed forced channel change”), 7-8 (arguing against comparing its claimed expenses to those claimed in another involuntary channel change case), 8 (arguing against a “per person” limit on reimbursement), 11 (arguing that certain legal fees are reimbursable), 14 (arguing that “[t]here is no requirement that PVBC ... have previously engaged in the use of advertising on billboard signs in order to obtain reimbursement for this expense”), 15-16 (arguing that “bumper stickers” are promotional tools), 16-18 (arguing that newspaper, television and direct mail advertising, and website repairs are reimbursable expenses).

²¹ PVBC has stated that “the sole purposes of the [Update] were to: (1) provide estimates and invoices that PVBC received between February 24 and March 4, 2022; and (b) update certain expected costs.” Motion Opposition at 1-2. However, PVBC actually seeks to add one expense item (“Sign for Outside of Office Building”) to the list submitted with the Report. See Update, Preliminary Assessment, at 4.

expenses that it claims are reimbursable” by February 24, 2022.²² However, Entravision ignores the fact that the *Commission Order* includes an ordering clause that requires PVBC to submit “a list of all expenses that it *currently* claims are reimbursable.”²³ Entravision also ignores the unusual procedural posture of this case.²⁴ We conclude that, the Commission used the phrase “currently claims” in recognition of the fact that the KPPV(FM) channel change had not yet been implemented, and thus PVBC might incur additional expenses it believes are reimbursable after February 24, 2022.²⁵ Accordingly, we will consider the new expense item (related to a “Sign for Outside of Office Building”) that PVBC included in the Update.²⁶

New Documents and Information. We reject Entravision’s argument that the *Commission Order* set a February 24, 2022, deadline for the submission of documentation or factual information regarding the expenses PVBC claims are reimbursable, and thus we should not accept any additional documentation or factual information submitted by PVBC.²⁷ The Commission actually anticipated that the Bureau might need additional information and materials from the parties, and specifically authorized the Bureau to request such information.²⁸ The new documentation that accompanied the Update, and the new factual information and documentation in the Reply is the type of documentation and factual information that we would have requested from PVBC. Accordingly, we will accept and consider the following:

²² Motion at 2, citing *Commission Order*, FCC 22-4, at para. 29.

²³ *Commission Order*, FCC 22-4, at para. 33 (emphasis added).

²⁴ Outside of the *Circleville* decision, *Circleville, Ohio*, Second Report and Order, 8 FCC 2d 159, 163, para. 11 (1967) (*Circleville*), the Commission or the Bureau generally has intervened in reimbursement disputes only where the involuntary channel change is complete and all expense items and amounts have been identified. See, e.g., *DHTZ(FM), Ganado, Texas*, Letter Order, DA 22-144 (MB Feb. 11, 2022); *KBEX(FM), Dalhart, Texas*, Letter Order, 28 FCC Rcd 3234 (MB 2013) (*KBEX(FM)*); *Peter Wayne Lechman*, Memorandum Opinion and Order, 8 FCC Rcd 3058 (MMB 1993) (*Lechman*); *Harold A. Jahnke*, Memorandum Opinion and Order, 74 FCC 2d 265 (1979) (*Jahnke*). Here, the Commission directed the Bureau to intervene at an earlier stage in order to provide guidance about all currently identified expense items and thereby allow the parties’ stalled reimbursement negotiations to move forward.

²⁵ Having concluded that the deadline set in the *Commission Order* does not bar PVBC from updating its list of expense items, we need not reach Entravision’s argument that the Bureau could not waive the February 24, 2022, deadline set in the *Commission Order*. Reply to Opposition at 2.

²⁶ We note that to act otherwise would be inconsistent with existing Commission precedent that an accommodating party will be reimbursed for the legitimate and prudent costs that it incurs in relation to an involuntary channel change. See, e.g., *Midway, Falmouth and Owingsville, Kentucky*, Request for Supplemental Information, 22 FCC Rcd 6331, 6332, para. 7 (MB 2007) (noting that party benefitting from involuntary channel change “will be required to pledge specifically that it will reimburse [the party implementing the involuntary channel change] for all costs associated with [that party’s] channel change”); *Hazard, Hyden, Jackson and London, Kentucky*, Report and Order, 8 FCC Rcd 845, 846, para. 6 (MMB 1993) (noting that party benefitting from involuntary channel changes had “stated that she will reimburse the licensees of [the stations making the involuntary channel changes] for all reasonable costs in changing their channels” and that such reimbursement was “required by Commission policy”).

²⁷ Second Motion at 2. Having concluded that the deadline set in the *Commission Order* does not bar PVBC from submitting additional documentation, we need not reach Entravision’s argument that the Bureau could not waive the February 24, 2022, deadline set in the *Commission Order*. *Id.*

²⁸ The *Commission Order* states: “[W]e direct the Bureau, based on the foregoing information provided by PVBC and Entravision, as well as *any other information that the Bureau may request from the parties*, to issue a decision resolving any disputes regarding whether (1) an expense item is legitimate and prudent and therefore reimbursable, and/or (2) whether the cost of that item is reasonable.). *Commission Order*, FCC 22-4, at para. 29 (emphasis added).

- Documentation regarding the costs of “Indoor Directional Signage with New Logos,” “Banners,” “Lined Windbreakers,” “Redesigning and Repairing Websites, Fixing Search Engine Issues,”²⁹
- Documentation regarding the cost of “Sign for Outside of Office Building,”³⁰
- “Photographs of representative examples of office items and marketing materials,”³¹
- An invoice for legal fees incurred by PVBC in February 2022,³²
- Information regarding certain equipment and engineering expenses listed in the Report,³³
- Information regarding PVBC’s use of certain office supplies in operating KPPV(FM),³⁴
- Information regarding PVBC’s use of certain promotional materials for KPPV(FM),³⁵
- Information regarding the current KPPV(FM) station identification,³⁶
- Information regarding the current Prescott Valley Chamber of Commerce Ad,³⁷
- Information regarding PVBC’s current use of billboard advertising for KPPV(FM),³⁸

²⁹ Update at Attachs. 32-35. PVBC did not include any documentation to support its cost estimates for these items in the Report. In order to evaluate its cost estimates, we would have requested that PVBC provide the types of materials it submitted with the Update.

³⁰ *Id.* at Attach. 36. We herein permit PVBC to update its list to include this expense item. Had PVBC not included this documentation with the Update, we would have requested it.

³¹ *Id.* at Representative Examples Attach. The photographs are the type of documentation that we would have requested because they will help us evaluate PVBC’s claims that it should be reimbursed for various items.

³² *Id.* at Attach. 3. The parties have not reached a reimbursement agreement, and the grant of a license to cover KPPV(FM)’s operation on its new channel has not occurred and is not final. Until these events occur, we recognize that PVBC may incur additional reimbursable legal fees. As a result, we would have requested updated information from PVBC regarding additional legal expenses associated with the KPPV(FM) channel change.

³³ Reply at 10.

³⁴ *Id.* at 12 (discussing business cards used by KPPV(FM) staff), 13 (discussing letterhead, cardstock, window envelopes, non-window envelopes, and PCR forms and rate cards).

³⁵ *Id.* at 13-14 (discussing box truck wrap, interior signage, t-shirts and caps, lip balm, pens, keychains, car shades, and clothing).

³⁶ *Id.* at 14.

³⁷ *Id.*

³⁸ *Id.* at 15, and Exh. 15.

- Information regarding the current KPPV(FM) bumper stickers,³⁹
- Information regarding local scoreboard signage,⁴⁰
- Information regarding the television advertising listed in the Report,⁴¹ and
- Information regarding the website repairs listed in the Report.⁴²

Although we are accepting this additional documentation and factual information because it is necessary to evaluate the reasonableness of PVBC's reimbursement claim, we do note that we find unpersuasive PVBC's argument that "circumstances beyond its control prevented it from providing copies of all estimates and invoices" in the Report.⁴³ The record in this proceeding reveals that PVBC was estimating its expenses at least as early as October 2019.⁴⁴ In addition, the requirement that PVBC change KPPV(FM)'s channel became final on August 20, 2020. Finally, PVBC has been on notice that it should "thoroughly document [its expenses] with invoices and statements from the professionals involved" since October 2020.⁴⁵ The fact that PVBC delayed obtaining documentation to support its estimates of the costs of various expense items was not a circumstance beyond its control.⁴⁶

B. Substantive Issues

When the Commission modifies an existing FM station license (or construction permit) to specify a new channel in order to accommodate a new channel allotment or an upgrade to the facilities of another FM station, it requires the party benefitting from the order (benefitting party) to reimburse the party whose license was modified (accommodating party) for the costs incurred in changing its station's

³⁹ *Id.* at 16.

⁴⁰ *Id.* at 16, Exh. 17.

⁴¹ *Id.* at 17, Exh. 19.

⁴² *Id.* at 17-18.

⁴³ Update at 1; Motion Opposition at 1, 2.

⁴⁴ At that time, PVBC sent a letter to Entravision stating that its expenses would total \$2,750,000. *See* Entravision Holdings, LLC, Opposition, at Exh. A. (filed Nov. 1, 2019).

⁴⁵ *See Prescott Valley Broad. Co. Inc.*, File No. BLH-19930204KB, Letter Order, at 6 (MB Oct. 21, 2020).

⁴⁶ The precedent cited by PVBC does not suggest otherwise. Update at n.1, *citing Incentive Auction Task Force and Media Bureau Report on Status of the Post-Incentive Auction Reimbursement Program, Announce Final Allocation and Post-Implementation Site Visit Validation Program, and Remind Stations of Invoice Filing Deadlines*, Public Notice, MB Docket No. 16-306, GN Docket No. 12-268, DA 22-191, at para. 18 (MB Feb. 24, 2022). While the Bureau did express a willingness to extend the deadline for TV stations assigned new channels as part of the Broadcast Television Incentive Auction to submit all remaining invoices for reimbursement from the TV Broadcaster Relocation Fund where a station "faces circumstances beyond its control," it explained that to obtain such an extension, a station would need "to provide evidence that circumstances requiring the extension were outside of its control, such as local zoning or a force majeure event occurring proximate to the final submission deadline." *Id.*

channel.⁴⁷ For an expense incurred by an accommodating party to be reimbursable, there must be “some clear nexus between the frequency switch and the expense” and the expense must be “reasonable.”⁴⁸ An accommodating party may demonstrate the required nexus between the expense and the involuntary channel change by showing that an expense falls into one of the categories enunciated in *Circleville* and its progeny: (1) engineering, legal and equipment charges, (2) printing (logs and stationery), (3) out of pocket nonreducible expenses while the station is off the air, (4) advertising promotion for the new frequency, or (5) promotional materials. Alternatively, the accommodating party may demonstrate that it incurred (or will incur) the expense solely because of the involuntary channel change. In terms of reimbursement amounts, we presume the cost of a particular expense item is reasonable where the amount an accommodating party requests matches up with the amount specified in the invoice or estimate associated with that item.⁴⁹ We evaluate the various expense items identified by PVBC with this general framework in mind.

1. Engineering Charges

We find that PVBC is entitled to reimbursement for the engineering fees associated with filing an FCC application for a construction permit to implement the involuntary channel change (Permit Application).⁵⁰ PVBC has documented that these fees totaled \$2,006,⁵¹ and Entravision has not disputed this amount. Accordingly, we direct Entravision to reimburse PVBC \$2,006 for this expense within twenty (20) calendar days of the date of this letter. PVBC shall report on the status of this payment within thirty (30) calendar days of the date of this letter.

We note that PVBC indicated it will seek reimbursement for a number of other engineering services. PVBC submitted additional information regarding these services in the Reply.⁵² Because we herein decide to accept the additional information, and provide Entravision the opportunity to reply to it,

⁴⁷ *Circleville, Ohio*, 8 FCC 2d. at 163, para. 11 (*Circleville*) (establishing guidelines for determining reimbursement and requiring that, whenever an existing station is ordered to change frequency to accommodate another station, the benefitting station must reimburse the affected station for its reasonable and prudent expenses).

⁴⁸ *Lechman*, 8 FCC Rcd at 3060, n.3. We reject PVBC’s claim that KPPV(FM) “deserv[es] special treatment” because “the community service provided by KPPV 106.7 far exceeds the level of community service provided by the vast majority of the stations (if not each and every one of them) that have been subject to forced channel changes since 1967.” Report at 1-2. Our inquiry is limited to whether an expense item is legitimate and prudent (*i.e.*, necessitated by the KPPV(FM) channel change). If that is the case, PVBC is entitled to reimbursement. We then examine whether the cost of that item is reasonable. We reject Entravision’s assertion that we should also consider the total cost “per person in the service area” in determining whether the total reimbursement to PVBC is reasonable. Response at 7. If we have determined that the cost of each item is reasonable, then the total reimbursement amount necessarily will be reasonable.

⁴⁹ A benefitting party may, of course, rebut this presumption with evidence that the amount requested for a particular item far exceeds the amount generally charged for it.

⁵⁰ Application File No. 0000124846. *See, e.g., Roy E. Henderson*, Letter Order, DA 22-144, at 9 (MB Feb. 11, 2022) (*Henderson*) (ordering reimbursement for engineering fees related to application for construction permit to implement involuntary channel change); *KBEX(FM)*, 28 FCC Rcd at 3235, 3238 (ordering reimbursement for all engineering fees incurred by accommodating party include those for “application preparation and technical comments”).

⁵¹ Report at Attach. 2.

⁵² Reply at 10 (further describing the expenses listed in Attachment 1 to the Report).

we do not—at this time—address whether these engineering services are reimbursable, or whether the estimated costs of those services are reasonable.

2. Legal Charges

In the Report, PVBC seeks reimbursement for legal fees totaling \$42,410.⁵³ After considering the Report and the Response, we find some of these fees are reimbursable while others are not. We also determine that further information is required regarding some of the fees.

Reimbursement Required. PVBC is entitled to reimbursement for legal work related to the filing and processing of the Permit Application,⁵⁴ and legal work related to reimbursement negotiations with Entravision.⁵⁵ PVBC is entitled to reimbursement for these expenses under our precedent.⁵⁶ We note that, while Entravision disputes whether PVBC is entitled to reimbursement for certain legal fees,⁵⁷ it does not dispute that PVBC is entitled generally to reimbursement for these types of fees. Further, Entravision does not dispute the reasonableness of the hourly rate charged by PVBC’s lawyers. Accordingly, we direct Entravision to reimburse PVBC for these legal expenses, which total \$4,130, within twenty (20) calendar days of the date of this letter. PVBC shall report on the status of this payment within thirty (30) calendar days of the date of this letter.

We also conclude that PVBC should be reimbursed for the legal expenses it incurred in responding to Entravision’s Request to Delete Special Operating Condition (Request) and related Entravision submissions.⁵⁸ We acknowledge that *Henderson* suggests these legal expenses might not be reimbursable because, strictly speaking, they relate to KPPV(FM)’s operation on its old channel pursuant to an implied STA not to the KPPV(FM) channel change.⁵⁹ However, these legal expenses arose solely due to (1) our decision to modify the KPPV(FM) license to specify a new channel, which resulted in

⁵³ Report at Attach. 3.

⁵⁴ *Id.* This legal work was performed on September 14, 2020, and October 15, 19, and 20, 2020.

⁵⁵ *Id.* This legal work was performed on October 21, 2020, November 12 and 25, 2020, December 8, 2020, and January 25, 26, 28 and 31, 2022. All of this work was performed after we issued the *Letter Decision*.

⁵⁶ *See, e.g., Henderson*, DA 22-144, at 11 (noting Commission has allowed reimbursement for legal expenses “incurred in the negotiation process”); *Jahnke*, 74 FCC 2d. at 270, para. 8, 274, paras. 16, 17 (requiring reimbursement for legal expenses “incurred in the negotiation process” and legal work related to filing of FCC application to implement channel change).

⁵⁷ Response at 9-10.

⁵⁸ *See* Entravision Holdings, LLC, Request for Removal of Special Operating Condition and Issuance of Revised Construction Permit, File No. BPH-20190723AAN (dated Jan. 6, 2021) (Request); Letter from Barry A. Friedman, Counsel, Entravision Holdings, LLC, to Marlene H. Dortch, Secretary, FCC, File No. BPH-20190723AAN, at 2-3 (dated Jan. 15, 2021); Letter from Barry A. Friedman, Counsel, Entravision Holdings, LLC, to Marlene H. Dortch, Secretary, FCC, File No. BPH-20190723AAN, at 1, n.1 (dated Jan. 25, 2021); Letter from Barry A. Friedman, Counsel, Entravision Holdings, LLC, to Marlene H. Dortch, Secretary, FCC, File No. BPH-20190723AAN, at 3 (dated Feb. 4, 2021); Letter from Barry A. Friedman, Counsel, Entravision Holdings, LLC, to Marlene H. Dortch, Secretary, FCC, File No. BPH-20190723AAN, at 2-3 (dated July 23, 2021). This legal work was performed on January 6, 7, 8, 11, 12, 13, 14, 19, 20, 21, 22, 25, 26, 28, and 29, 2021, February 1, 3, and 4, 2021, July 26, 2021, and August 2, and 3, 2021. *See* Report at Attach 3.

⁵⁹ *Henderson*, DA 22-144, at 11, and 12, n.65 (noting that legal expenses related to the involuntary channel change are reimbursable).

KPPV(FM) having only an implied STA to operate on its old channel, and (2) Entravision's decision to file the Request. As a result, we conclude PVBC is entitled to reimbursement for these legal fees.⁶⁰ As we noted in the preceding paragraph, Entravision does not dispute the reasonableness of the hourly rate charged by PVBC's lawyers. Accordingly, we direct Entravision to reimburse PVBC for these legal expenses, which total \$10,685, within twenty (20) calendar days of the date of this letter. PVBC shall report on the status of this payment within thirty (30) calendar days of the date of this letter.

Reimbursement Not Required. We agree with Entravision that PVBC is not entitled to reimbursement for any legal work performed prior to issuance of the *Letter Decision*.⁶¹ Accordingly, we deny PVBC's request for reimbursement of \$10,700 in legal fees incurred prior to July 21, 2020.⁶²

We also deny PVBC's request for reimbursement for legal fees related to the litigation it instituted after the Bureau declined to require Entravision to deposit funds in an escrow account.⁶³ Like Entravision,⁶⁴ we conclude that the legal expenses associated with the escrow account litigation were neither reasonably related to the channel change, nor connected to ongoing litigation related to the channel change.⁶⁵ While we acknowledge that the escrow account issue could be considered a collateral matter, we note that PVBC is not entitled to reimbursement for legal fees associated with collateral matters.⁶⁶

⁶⁰ As we stated in *Jahnke*, the right to receive reimbursement extends to "those expenses which [an accommodating party] unavoidably incurred because of our order to change channels". *Jahnke*, 74 FCC 2d at 273, para. 15.

⁶¹ Response at 9 (arguing that we should "remove[] from consideration ... all bills rendered prior to July 21, 2020, when the Media Bureau issue[d] its Order granting the involuntary channel change for KPPV" and citing *Henderson*). See also *Henderson*, DA 22-144, at 12, n.65 ("[A]ny legal expenses incurred prior to the release of the *Ganado Order* (i.e., the order directing the involuntary channel change) are not required to be reimbursed.").

⁶² Report at Attach. 3. PVBC submitted invoices for work performed between July 30, 2019 and January 3, 2020. All of this legal work was performed prior to release of the *Letter Decision* on July 21, 2020, and is not reimbursable.

⁶³ This legal work was performed on July 23, and 25, 2020, August 3, 5, 18, 24, and 25, 2020, September 9, 11, 21, 23, 24, 25, and 29, 2020, October 2, 8, 13, and 14, 2020, November 9, 10, 11, 16, 19, and 20, 2020, December 15, 16, 18, 21, 22, and 23, 2020. Report at Attach. 3. These fees relate to the Petition for Reconsideration (Petition) that PVBC filed on August 19, 2020, (2) the Request for Stay that PVBC filed at the same time as the Petition, and (3) the Application for Review that PVBC filed after we denied the Petition and dismissed the Request for Stay. Prescott Valley Broad. Co. Inc., Petition for Reconsideration, File No. BPH-20190723AAN (filed Aug. 19, 2020); Prescott Valley Broad. Co., Inc., Request for Stay, File No. BPH-20190723AAN (filed Aug. 19, 2020); Prescott Valley Broad. Co. Inc., Application for Review, File No. BPH-20190723AAN (dated Nov. 20, 2020).

⁶⁴ Response at 9-10.

⁶⁵ We acknowledge that *KBEX(FM)* indicates that legal fees related to questioning a benefitting party's financial qualifications could be a reimbursable expense if the benefitting party's financial qualifications were at issue. *KBEX(FM)*, 28 FCC Rcd at 3238, n.23. *KBEX(FM)* is inapposite, however, because Entravision's financial qualifications were never at issue here.

⁶⁶ *Jahnke*, 74 FCC 2d. at 273, para. 15.

Finally, we will not require Entravision to reimburse PVBC for legal work performed on August 12, 2020, and August 28, 2020. This work was entirely unrelated to the reimbursement negotiations or to implementation of the KPPV(FM) channel change.⁶⁷

Further Information Required. We need further information regarding a number of the legal fees listed in Attachment 3 to the Report. Below, we specify the information required.

- July 21, 2020. PVBC must identify the specific subject matter discussed during the conference that occurred on this date, and the specific subject matter researched on this date. PVBC also must specify how much of the \$735 charge is attributable to each subject discussed or researched.
- July 22, 2020. PVBC must identify the specific subject matter discussed at the conference that occurred on this date. PVBC must also specify how much of the \$700 charge is attributable to each subject discussed, and how much is attributable to preparation of the Petition.
- August 4, 6, and 7, 2020. PVBC must identify the FCC pleadings and proceeding referenced in the entries for these dates.
- September 22, 2020. PVBC must explain what topics related to the “Entravision proceeding” were discussed in the conference. PVBC also must specify how much of the \$840 charge is attributable to each topic discussed.
- October 22, 2020. PVBC should indicate which Entravision letter was being reviewed. PVBC also must provide a list of the subject matters discussed during the conference with FCC staff. PVBC must specify the portion of the \$490 charge attributable to each subject.
- November 5 and 6, 2020. For each date, PVBC must specify how much of the charge is attributable to work related to the reimbursement negotiations, and how much is attributable to work on the Application for Review.
- December 7, 2020. PVBC must indicate the topics discussed at the conference that occurred on this date. PVBC must also specify how much of the \$140 charge is attributable to each topic.
- December 9, 10, 11, and 14, 2020, January 8, 2021, June 24, 2021. PVBC must indicate the subject matter discussed in the conferences that occurred on these dates, and specify the subject matter of any other legal work performed on these dates. For each date, PVBC must indicate the portion of the charges for each date that are attributable to each subject.
- January 15, 2021. PVBC must explain the nexus between each task performed on this date and the KPPV(FM) channel change. PVBC must also provide a list of the subject matters discussed during the conference with FCC staff.

⁶⁷ Report at Attach. 3. The work performed on August 12, 2020, is described as a conference regarding “FCC public file requirements.” *Id.* The work performed on August 28, 2020, is described as research and a conference regarding “C-Band earth stations.” *Id.*

- July 14, and 15, 2021. PVBC must indicate whether the legal work performed on July 14, 2021, and the conference that occurred on July 15, 2021, were related to its reimbursement negotiations with Entravision. If any of the legal work was not, PVBC must identify the subject matter covered, and provide a breakdown of how much of the charge for each date is attributable to each subject.

3. Equipment

While we are unable, at this time, to determine whether PVBC is entitled to reimbursement for the equipment listed in the Report,⁶⁸ we offer some guidance regarding equipment expenses. First, we remind the parties that PVBC is “entitled to reimbursement for equipment only to the extent new equipment is actually required (*i.e.*, some antennas can be retuned [but in other cases a new antenna could be required]), and only for equipment corresponding to that previously in use.”⁶⁹ Second, on at least one occasion, we have required reimbursement for a “stand by antenna.”⁷⁰ To the extent that the KPPV(FM) channel change requires PVBC to modify or replace equipment at its back-up site, we believe it is entitled to reimbursement for those expenses. Third, we note that, where a station’s involuntary channel change results in the need to replace or modify equipment used to operate its booster station, the benefiting party should reimburse the accommodating party for the cost of such equipment.⁷¹ Booster stations must operate on the same frequency as their primary stations.⁷² Thus, when an FM station is ordered by the Commission to change its frequency, it has no choice but to change its booster station’s frequency too. We also note that, in order to ensure that a booster station impacted by an involuntary channel change at its primary station continues to receive that station’s signal, an accommodating party may need to modify or replace the equipment the booster station uses to receive the primary station’s signal. An accommodating party also would be entitled to reimbursement for the costs associated with the modification or replacement of such equipment.

⁶⁸ Report at Attach. 1. In the Reply, PVBC submitted additional information regarding this equipment. Reply at 10. Because we herein decide to accept this information, and provide Entravision the opportunity to reply to it, we do not—at this time—make specific findings regarding the equipment listed in the Report.

⁶⁹ *Circleville*, 8 FCC 2d. at 164, para. 12. Entravision is not required to pay for improving or modernizing KPPV(FM)’s facilities. *Id.*

⁷⁰ *KBEX(FM)*, 28 FCC Rcd at 3235, 3237-38.

⁷¹ We acknowledge that, as Entravision notes, the *Letter Decision* rejected the argument that Entravision’s reimbursement obligation should extend to costs incurred by an FM translator that was licensed to another entity but rebroadcasting the signal of KPPV(FM). *Letter Decision* at 6. However, we disagree with Entravision that this finding extends to FM booster stations. *See* Response at 8. We believe there is a key difference between FM booster and FM translator stations. While both types of stations are authorized on a secondary basis, only FM translators are subject to displacement by full-service FM stations. *See Amendment of Part 74 of the Commission’s Rules Concerning FM Translator Stations*, Report and Order, 5 FCC Rcd 7212, 7224, para. 86 (1990); *FCC Adopts Limit for NCE FM New Station Applications in October 12 – October 19, 2007 Window*, Public Notice, 22 FCC Rcd 18699, 18702 (2007) (*2007 Public Notice*). FM boosters are not subject to displacement because they operate on the same frequency as their primary stations and their service contours do not exceed the protected service contours of their primary stations. *See* 47 CFR §§ 74.1202(c), 74.1231(i). Thus, unlike FM translator licensees, FM booster licensees have not “recognize[d] and accept[ed] the “inherent risk” that their stations are always subject to displacement by a full service station. *2007 Public Notice*, 22 FCC Rcd at 18702.

⁷² 47 CFR § 74.1202(c) (“An FM broadcast booster station will be assigned the channel assigned to its primary station.”).

4. Application Processing Fees

We find that PVBC is entitled to reimbursement for the application fee associated with filing the Permit Application.⁷³ PVBC has documented that this fee totaled \$1,110,⁷⁴ and Entravision has not disputed this amount. Accordingly, we direct Entravision to reimburse PVBC \$1,110 for this expense within twenty (20) calendar days of the date of this letter. PVBC shall report on the status of this payment within thirty (30) calendar days of the date of this letter.

5. Printing (Logs and Stationery).

While we are unable, at this time, to determine whether PVBC is entitled to reimbursement for the printing expense items listed in the Report, or whether the costs of those expense items are reasonable,⁷⁵ we do provide some guidance regarding this category of *Circleville* expenses. First, we acknowledge that—as Entravision points out—much business is now conducted digitally.⁷⁶ However, we reject Entravision’s assertion that, because business can be conducted digitally, PVBC may not be entitled to reimbursement for certain printed items listed in the Report.⁷⁷ If PVBC still uses these items and there is a clear nexus between the need to replace these items and the KPPV(FM) channel change, that is all that matters. Second, if a stationery item is reimbursable, PVBC is entitled to reimbursement for the number of units of that item that PVBC has on hand. Finally, we note Entravision has agreed to PVBC’s estimated unit costs for the following printed items: (1) \$60 per box of business cards, (2) \$195 per box of window envelopes, and (3) \$85 per box of plain envelopes.⁷⁸

We have determined that PVBC must supplement the information it has submitted regarding the printed expense items. Specifically, to the extent that PVBC has not demonstrated that each of the printed items listed in the Report has KPPV(FM)’s old frequency on it, PVBC must submit photographs or other evidence demonstrating that this is the case.⁷⁹ PVBC also must specify how many of each printed item it

⁷³ Application File No. 0000124846. *See, e.g., Henderson*, DA 22-144, at 9 (ordering reimbursement for engineering fees related to application for construction permit to implement involuntary channel change); *KBEX(FM)*, 28 FCC Rcd at 3235, 3238 (MB 2013) (ordering reimbursement for all engineering fees incurred by accommodating party include those for “application preparation and technical comments”).

⁷⁴ Report at Attach. 4.

⁷⁵ PVBC indicated in the Report that it expects to incur costs related to the following items that fall into this category: business cards, letterhead and cardstock, envelopes (window and plain), client intake forms, and rate cards. PVBC submitted additional information regarding these items in the Update and the Reply, which we herein decide to accept. Update at Representative Examples Attach.; Reply at 12, 13. Because we are providing Entravision the opportunity to reply to this additional information, we will not make any specific findings regarding these expense items at this time.

⁷⁶ Response at 11, 12.

⁷⁷ *Id.* at 11 (questioning “how many letters go out per month in today’s environment where most communications are electronic and in digital form” and how many envelopes are required “in a digital world”), 12 (questioning whether intake forms and rate cards are necessary “in a digital world”).

⁷⁸ *Id.* at 10, 11.

⁷⁹ The photographs (and other evidence) will establish the nexus between the need to replace the item at issue and the KPPV(FM) channel change. We note that PVBC included “representative examples of existing office items.” Update at Representative Examples Attach. PVBC need not send duplicate examples of these items. However,

had in its possession as of the date of this letter. We caution PVBC that it cannot expect to be reimbursed for any of these printed items purchased after the KPPV(FM) license was modified on July 21, 2020. PVBC must state when it last placed an order for each printed item, and provide the invoice or other documentation related to that order.

5. Advertising Promotion for New Frequency

While we are unable, at this time, to rule upon whether most of the advertising expense items listed in the Report are reimbursable, and whether the costs of these items are reasonable,⁸⁰ we provide some general guidance regarding this category of *Circleville* expenses. First, any advertising undertaken must be reasonable in duration. Barring exceptional circumstances, advertising an involuntary channel change for longer than 3 months would not be reasonable.⁸¹ Second, the media outlets utilized to advertise the involuntary channel change must be reasonable in terms of number and reach.⁸² Third, for an advertising expense to be reimbursable, the advertisement must have the sole purpose of notifying the public of the involuntary channel change. If an accommodating party has historically advertised with a media outlet—or would advertise with that outlet regardless of the involuntary channel change, and the accommodating party has run advertisements with identical or similar content in the past, that suggests that there is no clear nexus between the involuntary channel change and the advertisements. Finally, we note that the Commission previously has required reimbursement for newspaper and television advertising.⁸³

Based on this general guidance, and our review of the Report and Response, we require Entravision to reimburse PVBC for the costs of three months of inserts in the Prescott Valley Chamber of Commerce newsletter. In the Report, PVBC indicated it expects to seek reimbursement for the cost of twelve months of these inserts. Entravision does not dispute that the inserts are a reimbursable

PVBC should clearly indicate the expense item (*e.g.*, client intake form, contest flyer) represented by each of the previously submitted examples.

⁸⁰ PVBC submitted additional information regarding the advertising expense items in the Reply, which we herein decide to accept. Reply at 14, 15, 17. Because we provide Entravision the opportunity to reply to this additional information, we will not make any specific rulings regarding these expense items at this time.

⁸¹ PVBC has indicated that it expects to seek reimbursement for 12 months of advertising on the following mediums: Prescott Valley Chamber of Commerce Inserts, Billboards, Television Advertising, Valpak Inserts, Zion Marketing Mailings, and Verde Valley Advertising Mailings.

⁸² In most cases, we would expect much of the “advertising” for the involuntary channel change to air on the station itself because promotion the channel change on air is one of the best ways—if not the best way—to notify listeners of the channel change.

⁸³ See *Lechman*, 8 FCC Rcd 3059, paras. 6, 10 (requiring reimbursement of \$2,197.20 in newspaper and television advertising). See also *Circleville*, 8 FCC 2d. at 164, para 12 (finding that “a certain amount of newspaper advertising should be reimbursable,” but noting that “the benefiting party should not be required to pay for improving the situation of the existing station”). Entravision appears to concede that newspaper advertising can be a legitimate and prudent advertising expense. Response at 15 (“Entravision would agree that a quarter-page advertisement in the largest circulation publication serving Prescott Valley is acceptable, provided the advertising purchased is for no more than one month.”). In addition, Entravision appears to accept that billboard advertising may be a legitimate and prudent expense. *Id.* at 7, n.5, and Exh. A (including “reasonable cost showing” provided by accommodating party in another case—which includes costs for two months of billboard advertising—and indicating that “[t]his showing can be used as the starting point for the award of reasonable cost reimbursement to PVBC”).

advertising expense.⁸⁴ However, Entravision asserts that it should be required to reimburse PVBC only for three months of the inserts.⁸⁵ We agree. PVBC has not offered any evidence of exceptional circumstances that would necessitate advertising the KPPV(FM) channel change for more than three months. Accordingly, we require Entravision to reimburse PVBC for the cost of three months of inserts in the Prescott Valley Chamber of Commerce newsletter.⁸⁶

In order to determine whether and how much PVBC should be reimbursed for the other advertising expense items listed in the Report, we request additional information. PVBC must submit a narrative statement that indicates whether it previously has advertised KPPV(FM) using any of the other media listed in the Report: (1) other Prescott Valley Chamber of Commerce publications, (2) Billboards, (3) the Prescott Courier, (4) the Chino Valley Review, (5) the Prescott Valley Tribune, (6) the Verde Independent, (7) television advertising, (8) Valpak Inserts, (9) Zion Marketing Mailings, or (10) Verde Valley Advertising Mailings. For each media outlet on which PVBC has previously run advertising, PVBC must indicate how often that advertising ran (*e.g.*, daily, weekly, monthly, bimonthly, quarterly, biannually, annually), provide copies of any invoices or other documents related to that advertising, and provide copies of—or otherwise summarize the content of—the advertisements. In addition, to the extent it has not already done so, PVBC must state how frequently (*e.g.*, daily, weekly, monthly, bimonthly, quarterly, biannually, annually), for how long it proposes to run each advertisement referenced in the Report, and the cost for each outlet. Finally, PVBC must describe the content of each advertisement it proposes to run, and attach mock ups or proofs of the advertisements.

6. Promotional Expenses.

We note that PVBC indicated in the Report that it will seek reimbursement for a number of promotional items. PVBC submitted additional information regarding these items in the Update and the Reply.⁸⁷ We herein accept the additional information, and require PVBC to submit additional information regarding these items. Because we provide Entravision the opportunity to reply to all of this additional information, we do not—at this time—address whether these promotional items are reimbursable, or whether the estimated costs of the items are reasonable. However, we do offer some general guidance below.

Items such as lip balms, pens, keychains, car shades, pint glasses, and various articles of clothing may be reimbursable. We reject Entravision’s argument that they are not because they “bear no relationship to the *Circleville* reimbursement criteria.”⁸⁸ In *Circleville*, the Commission addressed only whether the specific items identified by the accommodating party “may be the subject of reimbursement.”⁸⁹ We note that, in more recent decisions, accommodating parties have requested—and obtained—reimbursement for similar items such as “signs, bumper stickers, T-shirts, jackets, [and]

⁸⁴ Because Entravision has not disputed whether the inserts are a reimbursable advertising expense, the only issue in dispute is whether Entravision should be required to reimburse PVBC for more than three months of the inserts. That is the issue that we address herein.

⁸⁵ Response at 13 (“Entravision considers three months of inserts, amounting to \$300 to be a reasonable cost to reimburse.”).

⁸⁶ We remind both parties that Entravision’s reimbursement obligation is not triggered until this expense is incurred.

⁸⁷ Update at Attachs. 33, 35; Reply at 13-14, 15-16.

⁸⁸ See Response at 14, 15.

⁸⁹ *Circleville*, 8 FCC 2d at 163-64, para. 12.

stadium cups,”⁹⁰ and also for changing the “logo and call letters on gazebo cover.”⁹¹ As with all expense items, there must be a clear nexus between the promotional expense and the involuntary channel change. An accommodating party may establish this nexus with evidence that the promotional item at issue includes the station’s old frequency.

In terms of the quantity of a particular promotional item for which reimbursement is appropriate, a benefitting party must reimburse an accommodating party only for the cost of replacing the number of the promotional item in the accommodating party’s inventory.⁹² This ensures that the accommodating party is not disadvantaged by the involuntary channel change but also is consistent with the principle enunciated in *Circleville* that a benefitting party should not be required to pay for improving the situation of the existing station.⁹³

Having addressed promotional expenses in general, we turn to the promotional expenses listed by PVBC, and require PVBC to supplement the information it has submitted regarding these expenses.⁹⁴ Specifically, to the extent that PVBC has not demonstrated that each promotional item has KPPV(FM)’s old frequency on it,⁹⁵ PVBC must submit photographs or other evidence demonstrating that this is the case. PVBC also must specify how many of each promotional item it had in its possession as of the date of this letter. We caution PVBC that it cannot expect to be reimbursed for promotional items with KPPV(FM)’s old frequency on them that were purchased after the KPPV(FM) license was modified on July 20, 2020. PVBC must state when it last placed an order for each promotional item, and provide the invoice or other documentation related to that order.

⁹⁰ *Lechman*, 8 FCC Rcd at 3059, paras. 6, 10.

⁹¹ *KBEX(FM)*, 28 FCC Rcd at 3235, 3237-38. We note that Entravision appears to acknowledge that reimbursement is required for promotional items like magnets, logo design, table cloths, building signage, hats, A-frame signs, and banners. Response at 7, n.5, and Exh. A (including “reasonable cost showing” provided by accommodating party in another case—which included expenses for magnets, logo design, table cloth, building signage, and hats, and indicating that “[t]his showing can be used as the starting point for the award of reasonable cost reimbursement to PVBC”), 17 (“Assuming that PVBC purchased this sign and it bears KPPV’s output frequency on it, Entravision is not opposed to replacing it at reasonable cost.”), 18 (“If PVBC has any banners in stock that contain its output frequency, Entravision accepts that their replacement would be at cost.”).

⁹² Put another way, if PVBC has 100 t-shirts in its possession that must be replaced because they include KPPV(FM)’s old frequency but PVBC orders 200 t-shirts, it is entitled to reimbursement only for the cost of 100 t-shirts.

⁹³ *Circleville*, 8 FCC 2d. at 164, para. 12. Promotional items hold little or no value with respect to informing the public of the involuntary channel change. Thus, there is no clear nexus between the purchase of additional quantities of various promotional items and an involuntary channel change.

⁹⁴ We categorize the following expense items as promotional: Box Truck Wrap, Vinyl for Scoreboard at Local Stadium, Bumper Stickers, Vinyl on Office Walls, Tablecloths, T-Shirts and Caps, Banners, A-Frame Signs, Lip Balms, Pens, Keychains, Car Shades, Pint Glasses, Fleece Jackets, Satin Jackets, Polos, Lined Windbreakers. We note that one additional expense item—Note Pads—appears to be promotional, and we include it in this category for the time being. Thus, the information requests related to Promotional Items apply to the Note Pads listed in the Report too.

⁹⁵ PVBC included “representative examples” of certain promotional items. Update at Representative Examples Attach. PVBC need not provide duplicate examples of these items. However, PVBC should clearly indicate the expense item (e.g., satin jacket, windbreaker) represented by each of these examples.

7. Miscellaneous Expenses.

As noted above, where an expense item is not clearly addressed by *Circleville* or its progeny, we consider whether there is “some clear nexus between the frequency switch and the expense.”⁹⁶ If there is a clear nexus, the expense is reimbursable so long as it is “reasonable.”⁹⁷ In order to evaluate whether there is a clear nexus between the KPPV(FM) channel change and the miscellaneous expenses identified by PVBC, we direct PVBC to submit the information outlined below.

- *Indoor Directional Signage with New Logo.*⁹⁸ PVBC must indicate the number of signs it proposes to order, explain why each sign is necessary, and submit photographs to support its explanation.
- *Repaint Wall and Connected Surfaces with New Logos.*⁹⁹ PVBC must submit a narrative statement explaining why this painting work is necessitated by the KPPV(FM) channel change.¹⁰⁰ PVBC also must provide photographs of the surfaces that will be repainted.
- *Additional Signage for Remotes.*¹⁰¹ PVBC must submit a narrative statement that explains why the additional signage for remotes is needed, and describes the nexus between the need for additional remote signage and the involuntary channel change. PVBC also must provide photographs or other evidence to support its explanation.
- *Payroll and Overtime Expenses.*¹⁰² PVBC must submit a narrative statement explaining why it believes it will incur these expenses, the specific employees that will perform the work, the tasks each employee will perform, and how much time PVBC believes each task will require. PVBC also must explain the nexus between the tasks it identifies and the KPPV(FM) channel change. Finally, PVBC must provide supporting documentation.
- *Live Remote Broadcasts.*¹⁰³ PVBC must submit documents to support its cost estimate, and a narrative statement explaining the nexus between the KPPV(FM) channel change and the live remote broadcasts.

⁹⁶ *Lechman*, 8 FCC Rcd at 3060, n.3.

⁹⁷ *Id.*

⁹⁸ Report, Preliminary Assessment, at 2; Update at Attach. 32; Reply at 13-14.

⁹⁹ Report, Preliminary Assessment, at 2, and Attach. 17.

¹⁰⁰ To the extent that Entravision argues that interior painting is not a reimbursable expense because it does not fall into one of the categories of expenses set forth in *Circleville* and its progeny, we reject this argument. Response at 15. As we note above, an expense need not fall into one of the *Circleville* categories to be reimbursable. Instead, there must be a clear nexus between the expense and the involuntary channel change.

¹⁰¹ Report, Preliminary Assessment, at 2, and Attach. 18.

¹⁰² Report, Preliminary Assessment at 4.

¹⁰³ *Id.* at 3.

- *Search Engine Optimization.*¹⁰⁴ PVBC must provide a narrative statement indicating whether it has utilized search engine optimization services in the past, and explaining the nexus between this expense item and the KPPV(FM) channel change. PVBC also must explain why it believes that a year of search engine optimization is required.

We also note that, we are unable at this time, to determine whether an additional three miscellaneous expense items identified by PVBC—Production for KPPV Station ID With New Frequency, Redesigning and Repairing Websites, and Sign for Outside of Office Building—are reimbursable, and whether PVBC’s cost estimates for these items are reasonable. PVBC submitted additional information regarding these expense items in the Update and/or Reply.¹⁰⁵ Because we accept this information and offer Entravision the opportunity to reply to it, we will not make any specific findings regarding this information until the deadline for Entravision’s reply has passed. That being said, we remind both parties that, in another involuntary channel change case, we did require reimbursement for voice-over expenses, and note that such expenses could be considered akin to the expenses associated with production of a new station identification.¹⁰⁶ In addition, we note that Entravision appears to acknowledge an obligation to reimburse PVBC for at least some costs related to website changes.¹⁰⁷

C. Opportunity for Entravision to Reply

Because we are accepting the Update and certain information and documentation in the Reply, and because we are requiring PVBC to respond with additional information regarding a number of expense items, we believe it is appropriate to offer Entravision the opportunity to reply to PVBC’s response. Entravision may submit its reply within fourteen (14) days of PVBC’s submission of the response requested in this letter.

D. Future Submissions

As noted above, PVBC has had an extended amount of time in which to identify the expenses it will incur to implement the KPPV(FM) channel change, and obtain estimates and other documentation regarding those expenses. Given this, we will not accept any further submissions from PVBC unless (1) we have requested the submission, (2) PVBC previously provided a cost estimate for an expense item and the submission relates to the actual cost of that item, or (3) PVBC has incurred an expense that could not have been reasonably anticipated. Unless one of these circumstances is present, we will treat any future PVBC submissions as unauthorized and will dismiss them. Likewise, unless we accept a future PVBC submission and specifically authorize or request an Entravision reply, we will not accept any further submissions from Entravision, and will treat such submissions as unauthorized and dismiss them.

¹⁰⁴ *Id.*

¹⁰⁵ Update, Preliminary Assessment at 3, and Attachs. 35, 36; Reply at 14.

¹⁰⁶ *KBEX(FM)*, 28 FCC Rcd at 3235, 3237-38 (requiring reimbursement for expense of “voice-over”). *See also Lechman*, 8 FCC Rcd at 3060, para. 11, n.3 (declining to require reimbursement for a “jingle package” because accommodating party had not “demonstrated that re-cutting the station’s three jingle packages was a reasonable and prudent expense connected with the frequency switch: for example, we do not know the contents of the announcements or why they must now be changed, but refusing to “state here that such expenses are never reimbursable”).

¹⁰⁷ Response at 7, n.5, and Exh. A (including “reasonable cost showing” provided by accommodating party in another case, and indicating that “[t]his showing can be used as the starting point for the award of reasonable cost reimbursement to PVBC”).

III. ORDERING CLAUSES

Accordingly, **IT IS ORDERED** that the Motion to Strike filed by Entravision Holdings, LLC on March 7, 2022, **IS DENIED**.

IT IS FURTHER ORDERED that the Second Motion to Strike filed by Entravision Holdings, LLC, on April 4, 2022, **IS GRANTED IN PART AND DENIED IN PART**.

IT IS FURTHER ORDERED that, within fourteen (14) calendar days of the date of this letter, Prescott Valley Broadcasting Co., Inc., **SHALL FILE** its response to the information requests contained herein with the Office of the Secretary, Federal Communications Commission, 445 12th Street, S.W., Washington, DC 20554, and **SHALL SERVE** a copy of the response by email on Tom Hutton, tom.hutton@fcc.gov, Heather Dixon, heather.dixon@fcc.gov, and Barry A. Friedman, counsel for Entravision Holdings, LLC, Barry.Friedman@thompsonhine.com.

IT IS FURTHER ORDERED that Entravision Holdings, LLC, **MAY REPLY** to Prescott Valley Broadcasting Co., Inc.'s response no later than thirty (30) calendar days from the date it receives a copy of the response by email.

IT IS FURTHER ORDERED that, within twenty (20) calendar days from the date of this letter, Entravision Holdings, LLC, **SHALL REIMBURSE** Prescott Valley Broadcasting Co., Inc. for the amounts listed herein, which total \$17,931.

Finally, **IT IS ORDERED** that, within thirty (30) calendar days of the date of this letter, Prescott Valley Broadcasting Co, Inc., **SHALL FILE** a report regarding its receipt of the reimbursements referenced in the preceding paragraph with the Office of the Secretary, Federal Communications Commission, 445 12th Street, S.W., Washington, DC 20554, and **SHALL SERVE** a copy of the response by email on Tom Hutton, tom.hutton@fcc.gov, Heather Dixon, heather.dixon@fcc.gov, and Barry A. Friedman, counsel for Entravision Holdings, LLC, Barry.Friedman@thompsonhine.com.

Sincerely,

Albert Shuldiner
Chief, Audio Division
Media Bureau