

Comments From FCC Commissioners Positive For Intelsat

September 25, 2019 by Vivek Stalam

Yesterday, FCC Chairman Pai and Commissioner O’Rielly spoke at the Americas Spectrum Management Conference. Their comments reiterated the timing of a C-Band order that adopts the CBA proposal as coming in the “fall”. In our Intelsat initiation report from last week ([LINK](#)), we laid out a base case for Intelsat that would see the stock nearly triple, with the catalyst of an auction potentially coming as soon as 1H20. This timing and process appear to be on track at the FCC.

Pai Re-iterates Fall Timing

Chairman Pai was certainly more reticent of the two commissioners on the topic of C-Band, but he reiterated that the C-Band “is a critical band for 5G”, and he said that he was “optimistic that [the FCC] will have results to show on this front this fall”. This language was nearly identical to prior comments made by Pai, which we think is positive, as it suggests no delay in process at the FCC.

O’Rielly Vociferously Supports CBA

Commissioner O’Rielly made a strong case for the CBA proposal, and also suggested timing for FCC action would be fall. We think that these comments have strong signaling value; with an Order on the C-Band just months away, it’s unlikely that Commissioner O’Rielly would be defending a proposal that is not likely to be adopted. Perhaps most importantly, he gave a strong defense of the CBA reaping the profits associated with the re-banding process; we expect the FCC Order to allow the CBA to capture the majority of proceeds from an auction process.

“Moreover, the argument has been made that it is unfair for these private, foreign satellite companies to receive all of the proceeds from any spectrum auction, private or public. In the end, my primary concern is getting the C-band reallocation done as expeditiously and thoughtfully as possible so it can advance the U.S. 5G efforts. If someone or some entities make a profit for being in the right place at the right time, I will live with that outcome. In the grand scheme of things, if it is a contest between speed and the government trying to extract a significant piece of the transaction through a lengthy process, I’ll take the speedy resolution.”

Full 12-month historical recommendation changes are available on request

Reports produced by New Street Research LLP. 52 Cornhill, London EC3V 3PD Tel: [+44 20 7375 9111](tel:+442073759111).

New Street Research LLP is authorised and regulated in the UK by the Financial Conduct Authority and is registered in the United States with the Securities and Exchange Commission as a foreign investment adviser.

Regulatory Disclosures: This research is directed only at persons classified as Professional Clients under the rules of the Financial Conduct Authority ('FCA'), and must not be re-distributed to Retail Clients as defined in the rules of the FCA.

This research is for our clients only. It is based on current public information which we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. We seek to update our research as appropriate, but various regulations may prevent us from doing so. Most of our reports are published at irregular intervals as appropriate in the analyst's judgment. This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients.

All our research reports are disseminated and available to all clients simultaneously through electronic publication to our website.

New Street Research LLC is neither a registered investment advisor nor a broker/dealer. Subscribers and/or readers are advised that the information contained in this report is not to be construed or relied upon as investment, tax planning, accounting and/or legal advice, nor is it to be construed in any way as a recommendation to buy or sell any security or any other form of investment. All opinions, analyses and information contained herein is based upon sources believed to be reliable and is written in good faith, but no representation or warranty of any kind, express or implied, is made herein concerning any investment, tax, accounting and/or legal matter or the accuracy, completeness, correctness, timeliness and/or appropriateness of any of the information contained herein. Subscribers and/or readers are further advised that the Company does not necessarily update the information and/or opinions set forth in this and/or any subsequent version of this report. Readers are urged to consult with their own independent professional advisors with respect to any matter herein. All information contained herein and/or this website should be independently verified.

All research is issued under the regulatory oversight of New Street Research LLP.

© Copyright 2021 New Street Research LLP

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior written consent of New Street Research LLP.