



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

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