

ALERT

Procedures for Winning Bidders in Incentive Auction to Receive Payment

April 6, 2017

The Federal Communications Commission (FCC or Commission) released a public notice on March 29, 2017 providing detailed instructions for stations that expect to receive incentive auction and/or repack reimbursement payments. This client alert details the steps required for those stations who were winning bidders in the incentive auction to receive their payments. Instructions for stations eligible to receive reimbursement payments from the TV Broadcaster Relocation Fund are contained in a separate client alert found [here](#).

In brief, to receive its auction payment, a winning bidder must (i) create a FCC Username Account, (ii) submit a hard-copy signed and notarized FCC Form 1875 for each winning station, and (iii) enter all required information electronically into the CORES Incentive Auction Financial Module. Detailed instructions for each step are below.

I. Create a FCC Username Account

A representative of the winning bidder must create a FCC Username Account and associate it with the winning bidder's FRN. The Commission's updated CORES system allows multiple FCC Username Accounts to be associated with the same FRN. Accordingly, the CORES system requires each FRN to have at least one FRN Administrator who has the ability to manage which Username Accounts have access to the FRN (i.e., grant or deny FRN association requests for an FCC Username Account). Detailed instructions for how to create this an FCC Username Account are found [here](https://apps.fcc.gov/cores/html/Register_New_Account.htm): https://apps.fcc.gov/cores/html/Register_New_Account.htm.

II. Prepare and Submit a FCC Form 1875

Authors

John M. Burgett
Partner
202.719.4239
jburgett@wiley.law
Joan Stewart
Of Counsel
202.719.7438
jstewart@wiley.law
Ari Meltzer
Partner
202.719.7467
ameltzer@wiley.law

Practice Areas

Telecom, Media & Technology

The winning bidder must submit a separate hard-copy signed and notarized FCC Form 1875 (Form 1875) for each station for which it had a winning bid. The Commission will send one blank FCC Form 1875 for each winning station via overnight delivery to the contact person listed on the station's FCC Form 177. If you make a mistake or need an additional form, contact FO-REPinvoices@fcc.gov.

Winning bidders must complete, notarize and submit the FCC Form 1875 to the FCC within 20 business days after the release of the *Closing and Reassignment Public Notice*. The form must be filed with the FCC at this address:

Federal Communications Commission
Travel & Operations Group, Attn: Chief of TOG
9300 East Hampton Drive
Capitol Heights, MD 20743

Although it is not required, the Commission strongly recommends that winning bidders send in the Form 1875 using a trackable overnight delivery service.

The Form 1875 will require the following information for each station with a winning bid:

1) Reverse Auction Winning Bidder Information:

- a. Provide winning bidder's name, FRN, Tax ID and contact information, and Facility ID for station.
- b. List the person authorized (Authorized Agent) to enter bank account information into the electronic form in the CORES Incentive Auction Financial Module. NOTE: Only one person (per station) will be authorized to enter/modify bank account information for the station in CORES. This person must have a FCC Username Account that is associated with the winning bidder's FRN.

2) Recipient of the Reverse Auction Payment:

- a. Identify who will receive the auction payment. It must be a single payee.
- b. If a third party will receive the auction payment, the winning bidder must provide the information for the third party payee as noted below.

3) Third Party Payee Information (if applicable):

- a. ONLY complete this section if payment will be made to a third party.
- b. Must provide name and Tax ID for the payee.
- c. Third party payee must make certain certifications detailed on the form.
- d. An authorized person must sign for the third party and the form must be notarized.
- e. The winning bidder is responsible for securing the required information and signatures from the third party.

4) Financial Institution Information for ACH Payment:

- a. Provide name, address and telephone number of institution.
- b. Provide routing transit number, depositor account title, account number and type of account.
- c. MUST attach either: (1) a letter from the bank confirming that the account belongs to the incentive payment recipient or (2) a redacted bank statement that confirms ownership of the account.

5) Certifications by Reverse Auction Winning Bidder: Form must be signed by a person with authority to bind the winning bidder (corporate officer or owner) and the form must be notarized.

III. Electronically Submit Banking Information to the CORES Incentive Auction Financial Module (CORES Module)

Once the Form 1875 is reviewed by the FCC, the Commission will notify the Authorized Agent (designated in the Form 1875 for that station) via email that they have been granted access to the CORES Module. The Authorized Agent will have 10 business days from the date of that notification to add the required information to the Auction Bank Account Component of the CORES Module. Once the Authorized Agent has entered and submitted the bank information into the Auction Bank Account Component, this page will be locked and may not be further modified. If the winning bidder needs to change its payment instructions that were submitted through the CORES Module, the winning bidder must contact the FCC at FO-REPinvoices@fcc.gov and start the payment process over (i.e., obtain and submit a paper Form 1875—then once authorized by the FCC—submit the updated bank information through the CORES Module).

1) Auction Bank Account Component

The Authorized Agent must add the following information to the Auction Bank Account Component page for each Facility ID for which it expects payment:

- Account holder name (same as the Depositor Account title on the Form 1875);
- Bank name;
- Account type;
- Routing number; and
- Account number.

This information must match exactly the information listed on the Form 1875 for that station. The Authorized Agent may enter the payment information for multiple stations (by Facility ID) at the same time if the payments for those stations will be made to the same bank account.

2) Viewing Bank Account Information in the CORES Module

While only the Authorized Agent will be granted authority to enter bank account information into the CORES Module, the FRN Administrator may give other FCC Username Accounts associated with the winning bidder's FRN the right to view certain payment information for a particular station (Facility ID).

If given permission, authorized FCC Username Account holders will be able to see: winning bid amount, the amount withheld or offset, payment request released to the U.S. Treasury, any remaining balance owed to the winning bidder, and the scheduled disbursement date (once the FCC requests that the U.S. Treasury disburse the funds).

IV. Processing Payments

Because the timing of incentive auction payments is tied to the grant of forward auction license applications, the FCC cannot commit to a timeline for payment. Auction payments for a particular station will be made in one lump sum. If the U.S. Treasury is unable to remit all payments for all stations at the same time, the Commission will direct that payments be prioritized in accordance with the post-auction transition schedule. Stations in markets that are transitioning early will receive payments before stations in later-transitioning markets.

When the Commission is ready to direct the U.S. Treasury to make payments, it will issue a public notice listing which stations it has directed the U.S. Treasury to pay. Depending on the timing of payments, there may be one or many such public notices. For purposes of determining the FCC deadlines that are based on the receipt of auction proceeds, auction proceeds will be deemed received by a station 5 business days after the date of the payment public notice listing that station. Neither the scheduled disbursement date listed in the Auction Payments component of the CORES Module nor the actual disbursement date will be considered the date of receipt for purposes of implementing the FCC's deadlines that are based on receipt of auction funds.