

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)
)
Assessment and Collection of Regulatory) MD Docket No. 17-134
Fees for Fiscal Year 2017)

**COMMENTS OF
THE NATIONAL ASSOCIATION OF BROADCASTERS**

The National Association of Broadcasters (NAB)¹ submits these brief comments on the above-captioned Notice concerning the Commission's proposed regulatory fees for fiscal year 2017.² Among other proposals, the Commission seeks comment on increasing the threshold for exemption from payment of certain *de minimis* regulatory fees.³

Under the current system, a licensee is exempt from paying regulatory fees if the total of its annual regulatory fee liability is \$500 or less.⁴ The Commission proposes to increase this threshold to \$1,000 to improve the efficiency of the fee process and to provide relief to smaller entities.⁵ NAB supports this approach and agrees with the Commission's reasoning. The Commission explains that the operational costs of collecting fees, including researching and sending an invoice, and handling follow-up correspondence, costs upwards of \$350. Plus, there is the general overhead of the fee collection system. Given that the

¹ NAB is a nonprofit trade association that advocates on behalf of local radio and television stations and broadcast networks before Congress, the Federal Communications Commission and other federal agencies, and the courts.

² *Assessment and Collection of Regulatory Fees for Fiscal Year 2017*, MD Docket No. 17-134 (rel. May 23, 2017) (Notice).

³ *Id.* at ¶¶ 29-31.

⁴ *Id.* at ¶ 29.

⁵ *Id.* at ¶ 31.

Commission's costs of collecting small payments "likely outweigh the benefits of such payments,"⁶ NAB endorses the reasonableness of saving these expenses.

More importantly, the financial impact of regulatory fees on broadcasters can be substantial, particularly radio and television stations in small and rural markets. Broadcasters in such markets face unique challenges in generating advertising dollars, given their smaller economic bases, while at the same time they must still compete against online services, satellite radio and other alternatives on the same basis as stations in large markets.⁷ We also note that, unlike other cable and telephone providers, broadcasters cannot simply pass through regulatory fees as a line item on consumer bills. Instead, broadcasters must incorporate the fee payment into operating costs to be paid with general operating revenue, directly impacting their bottom line. In some cases, the Commission's regulatory fees may equal the cost of one or more employees that the company could not afford to keep because of the fees.⁸ A higher fee exemption threshold would relieve additional stations in small markets of this burdensome obligation, freeing up precious resources to be redirected toward improved programming and community service.

⁶ *Id.*

⁷ The Commission has recognized the economic challenges faced by entities seeking to provide radio service in unserved, underserved and rural areas. *Policies to Promote Rural Radio Service and to Streamline Allotment and Assignment Procedures*, Notice of Proposed Rulemaking, MB Docket No. 09-52, 24 FCC Rcd 5239, 5271 (2009).

⁸ *Federal Communications Commission Regulatory Fee Process Needs to be Updated*, GAO-12-686 (Aug. 2012), at 21.

NAB thus supports the Commission's proposal to raise the *de minimis* threshold for exemption from regulatory fees because doing so would serve the public interest in free, over-the-air broadcast service.

Respectfully submitted,

A handwritten signature consisting of two parts: "Rick Kaplan" and "Larry Walke" stacked vertically.

Rick Kaplan
Larry Walke
NATIONAL ASSOCIATION OF BROADCASTERS
1771 N Street N.W.
Washington, D.C. 20036
(202) 429-5430

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