Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of)	
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Assessment and Collection of Space and Earth)	MD Docket No. 24-85
Station Regulatory Fees for Fiscal Year 2024)	
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COMMENTS OF THE NATIONAL ASSOCIATION OF BROADCASTERS

The National Association of Broadcasters (NAB)¹ submits these comments regarding the Commission's further notice of proposed rulemaking seeking comment on its methodology for assessing fees on earth stations.²

I. INTRODUCTION

Last year's overhaul of the earth station regulatory fee methodology led to a dramatic increase in the percentage of regulatory fees allocated to earth station fee payors. Under the revised framework, the increased fees were apportioned among earth station payors on a per authorization basis, meaning that all earth station licensees paid the same amount, regardless of the complexity of their operations or the number of earth stations covered under their authorization. This one-size-fits-all approach has created significant inequities, compelling some licensees to shoulder regulatory costs that far exceed the oversight and benefits they actually receive.

¹ The National Association of Broadcasters (NAB) is the nonprofit trade association that advocates on behalf of free 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 Space and Earth Station Regulatory Fees for Fiscal Year 2024, Further Notice of Proposed Rulemaking, MD Docket No. 24-85 (rel. Feb. 25, 2025) (Further Notice).

Recognizing these concerns, the Further Notice seeks comment on "whether to create subcategories of earth station regulatory fee payors to better differentiate the amount of regulatory burdens associated with different types of earth station licensees." This inquiry is essential to ensuring that the FCC's regulatory fee structure aligns with its statutory duty to assess fees based on factors that are reasonably related to the benefits received by the payor. Without adjustments, the earth station fee structure will place disproportionate financial burdens on some licensees while allowing others to contribute less than their level of regulatory benefit justifies.

II. RECEIVE-ONLY EARTH STATIONS SHOULD REMAIN EXEMPT AND TRANSMIT/RECEIVE EARTH STATIONS SHOULD PAY LOWER AMOUNTS THAN MORE COMPLEX EARTH STATIONS

The Commission should tailor its approach to reflect the varying levels of oversight required for different categories of earth stations. NAB reiterates its previous comments that Receive-Only earth stations should remain exempt from paying regulatory fees due to the de minimis burden they impose on FCC resources.⁵ In addition, Transmit/Receive earth stations should be subject to significantly lower regulatory fees than more complex types of earth stations.⁶ Though the Further Notice cautions that "it is challenging to separate the time spent by FTEs on different categories of earth station licenses," the Commission recognized in prior proceedings that certain categories of earth station applications require considerably more resources than others.⁷ For instance, in 2020 the FCC adopted a higher application fee

³ *Id.* at ¶ 58.

^{4 47} U.S.C. § 159(d).

⁵ See Reply Comments of NAB, MB Docket Nos. 24-85, 24-86, at 2-3 (Apr. 29, 2024).

⁶ Id.

⁷ Further Notice at ¶ 60.

for blanket-licensed mobile earth stations, explaining that "the Commission's costs are higher to review these types of applications" because they are "generally more complex, given the mobile nature of the services to be provided, and thus require significant engineering review and legal analysis to process." The Commission concluded that mobile earth stations, due their unique operational characteristics, required heightened regulatory scrutiny and therefore justified higher fees. Such earth stations impose a greater burden on FCC resources and should pay higher regulatory fees than less complex Transmit/Receive earth stations.

III. BLANKET LICENSEES SHOULD PAY HIGHER FEES TO REFLECT THE INCREASED BENEFITS THEY RECEIVE

The Commission should assess higher regulatory fees on all blanket-licensed earth station authorizations to ensure that regulatory fees are distributed among earth station payors in a manner consistent with other regulatory fee categories. Under the current structure, earth station regulatory fees are assessed on a per-authorization basis, meaning that a licensee operating a single earth station pays the same regulatory fee as one operating thousands of earth stations under a blanket license. This methodology conflicts with the FCC's longstanding policy that entities benefiting more from its regulatory activities should contribute more in fees.

In apportioning regulatory fees among payors in each fee category, the Commission has recognized that "larger licensees receive greater benefits from the license" and should pay a larger proportion of the costs.⁹ The Commission has consistently applied this principle

⁸ Amendment of the Schedule of Application Fees Set Forth in Sections 1.1102 through 1.1109 of the Commission's Rules, Report and Order, 35 FCC Rcd 15089, 15140 (2020).

⁹ Assessment and Collection of Regulatory Fees for Fiscal Year 2019, Report and Order and Further Notice of Proposed Rulemaking, 34 FCC Rcd 8189, 8205 (2019); see also Assessment and Collection of Regulatory Fees for Fiscal Year 2023, Report and Order, 88

to other fee categories, including broadcast radio and television stations, submarine cable operators, and cable/DBS providers. For example, television and radio broadcasters pay regulatory fees based on their market size, with larger stations—benefiting from greater audience reach and revenue potential—paying more than smaller stations. Similarly, the FCC applies a tiered fee structure to submarine cable operators, where cables with greater capacity—and thus a higher level of usage and economic benefit—pay more in regulatory fees than lower-capacity cables. Likewise, cable/DBS providers pay varying regulatory fees based on their number of subscribers. In each case, the Commission has ensured that entities deriving the greatest value from the FCC's regulatory services contribute proportionally to the cost of oversight.

This same logic applies to blanket-licensed earth station authorizations compared to single earth station authorizations. A blanket license covers multiple earth stations under a single authorization, allowing operators to deploy numerous stations without seeking individual approvals for each. However, the FCC continues to provide regulatory services including oversight, interference management, and spectrum coordination services for all of the earth stations covered under the authorization. As a result, the aggregate benefit that a blanket licensee receives from the FCC's activities is significantly greater than that of a single station licensee. Yet, under the current fee structure, both pay the same amount. This inequity should be corrected by assessing higher regulatory fees on blanket-license holders to ensure that the cost burden is distributed fairly across licensees.

Fed. Reg. 63694, 63705 (2023) ("We find it reasonable to continue to assess higher regulatory fees on licensees with larger facilities that benefit more from the Commission's work and thus should pay a larger proportion of the Commission's costs.").

Importantly, imposing higher fees on blanket licensees does not require the FCC to conduct a granular analysis of staff time allocation. The Commission does not attempt to determine precisely how many FTEs work on each class of radio station license or a particular tier of submarine cables in order to divide regulatory fees among fee payors in those categories. Instead, it has consistently relied on assessments of relative regulatory benefits based on market size, capacity, or number of subscribers to determine fee amounts among payors in a particular fee category. The same approach can and should be applied here. The FCC does not need to do an FTE calculation to recognize the significantly greater benefits blanket licensees receive compared to those operating a single earth station.

IV. CONCLUSION

To create a regulatory fee structure that is fair, rational, and consistent with statutory obligations, the Commission should maintain the exemption for Receive-Only earth stations, ensure that Transmit/Receive earth stations pay substantially lower fees than more complex earth station categories, and implement a more equitable methodology for assessing fees on blanket-licensed earth station authorizations. These reforms will help ensure that the FCC's regulatory fee framework accurately reflects the regulatory burdens associated with different earth station operations while ensuring that those deriving the greatest benefit from FCC oversight contribute appropriately to its costs.

Respectfully submitted,

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