



Virginia Association of Broadcasters Legal Review



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IMPORTANT

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FCC ANNOUNCES NEW ALLOCATIONS FOR REGULATORY FEES, AMOUNTS DUE FOR FY 2013 – DUE DATE IS SEPTEMBER 20, 2013

The FCC has released its regulatory fees for fiscal year (“FY”) 2013. This year, the Commission has proposed to collect \$339,844,000 in regulatory fees, an amount equivalent to last year’s assessment. In the *Report and Order* (the “*Order*”), the Commission has also adopted a new allocation methodology for the calculation of regulatory fees, and some broadcasters may see an increase in their fees as a result of the reallocation. Regulatory fees will be due by September 20, 2013.

The amounts owed in FY 2013 reflect the first wave of reallocation by the Commission that will apply going forward. For FY 2013, the FCC will cap rate increases at 7.5 percent to prevent “unexpected, substantial increases” that could severely impact the economic wellbeing of licensees in this fiscal year. Even with the cap, many broadcasters may see noticeable increases in their regulatory fees for FY 2013. The regulatory fees for FY 2013 are listed in Attachment A to this Legal Memorandum.

According to the *Order*, the FCC concluded that it will adjust the allocation of regulatory fees among the Commission’s bureaus. The reallocation shifts more responsibility for fees to entities regulated by the Wireless Telecommunications Bureau and the Media Bureau and away from the Wireline Competition Bureau and International Bureau. With the reallocation underway, the rates for broadcasters will likely continue to increase in the coming years.

The Commission will also eliminate the fee distinction between VHF and UHF television stations in future years. Beginning next year (but not for FY 2013), VHF and UHF stations will be treated as one category subject to the same regulatory fee according to market size. Currently, the regulatory fees for UHF television stations are less than the regulatory fees for VHF television stations.

Again this year, the FCC requires broadcasters to *begin* the filing process using the FCC's online filing system known as Fee Filer (<http://www.fcc.gov/fees/feefiler.html>), even if they do not use Fee Filer to *pay* their regulatory fees for FY 2013. In order to use the system, licensees must have a current and valid FCC Registration Number (FRN) and password on file with the Commission's registration system (CORES). It is very important that licensees *initiate* their FY 2013 regulatory fees payment process using Fee Filer, even if they choose to send payment by mail.

Importantly, the FCC also announced that it will take further steps to go "paperless." As of October 1, 2013, the Commission will no longer accept paper and check transactions. All payments on or after October 1, 2013, must be made by credit card, wire transfer, or ACH payment. As of October 1, 2013, checks for regulatory fees will be rejected. This change will affect all payments for regulatory fees made on or after October 1, 2013. Because regulatory fees are due September 20, 2013, this new requirement should not impact FY 2013 fees if timely paid, but stations would be well-advised to begin the filing process online and pay online using Fee Filer.

As a reminder, the FCC will not mail hard copy fee-assessment notifications to broadcasters. The Commission instead relies on electronic outlets to provide information on regulatory fees, through the Commission's website and the Commission-authorized website at www.fccfees.com. *Broadcasters who received fee-assessment notifications by mail in years past should not expect to receive these reminders for any stations for FY 2013*, so broadcasters should be diligent this year in planning payments for both their main and any auxiliary stations.

Please contact your communications counsel if you have questions regarding paying your station's regulatory fees by the deadline of September 20, 2013.

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If you should have any questions concerning the information discussed in this memorandum, please contact your communications counsel or any of the undersigned.

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This Legal Review should in no way be construed as legal advice or a legal opinion on any specific set of facts or circumstances. Therefore, you should consult with legal counsel concerning any specific set of facts or circumstances.

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**REGULATORY FEES
FOR FISCAL YEAR 2013**

Fee Category	Annual Regulatory Fee FY 2012	Annual Regulatory Fee FY 2013 -- With Reallocation
Microwave (per license) (47 CFR part 101)	20	20
AM Construction Permits	550	590
FM Construction Permits	700	750
TV (47 CFR part 73) VHF Commercial		
Markets 1-10	80,075	86,075
Markets 11-25	73,475	78,975
Markets 26-50	39,800	42,775
Markets 51-100	20,925	22,475
Remaining Markets	5,825	6,250
Construction Permits	5,825	6,250
TV (47 CFR part 73) UHF Commercial		
Markets 1-10	35,350	38,000
Markets 11-25	32,625	35,050
Markets 26-50	21,925	23,550
Markets 51-100	12,750	13,700
Remaining Markets	3,425	3,675
Construction Permits	3,425	3,675
Satellite Television Stations (All Markets)	1,425	1,525
Construction Permits – Satellite Television Stations	890	960
Low Power TV, TV/FM Translators & Boosters (47 CFR part 74)	385	410
Broadcast Auxiliary (47 CFR part 74)	10	10
Earth Stations (47 CFR part 25)	275	275

FY 2013 RADIO STATION REGULATORY FEES (WITH REALLOCATION)						
Population Served	AM Class A	AM Class B	AM Class C	AM Class D	FM Classes A, B1 & C3	FM Classes B, C, C0, C1 & C2
<=25,000	775	645	600	670	750	925
25,001 – 75,000	1,550	1,300	925	1,000	1,500	1,625
75,001 – 150,000	2,325	1,625	1,200	1,675	2,050	3,000
150,001 – 500,000	3,475	2,750	1,800	2,025	3,175	3,925
500,001 – 1,200,000	5,025	4,225	3,000	3,375	5,050	5,775
1,200,001 – 3,000,00	7,750	6,550	4,525	5,400	8,250	9,250
>3,000,000	9,300	7,800	5,725	6,750	10,500	12,025

FY 2012 RADIO STATION REGULATORY FEES						
Population Served	AM Class A	AM Class B	AM Class C	AM Class D	FM Classes A, B1 & C3	FM Classes B, C, C0, C1 & C2
<=25,000	725	600	550	625	700	875
25,001 – 75,000	1,475	1,225	850	950	1,425	1,550
75,001 – 150,000	2,200	1,525	1,125	1,600	1,950	2,875
150,001 – 500,000	3,300	2,600	1,675	1,900	3,025	3,750
500,001 – 1,200,000	4,775	3,975	2,800	3,175	4,800	5,525
1,200,001 – 3,000,00	7,350	6,100	4,200	5,075	7,800	8,850
>3,000,000	8,825	7,325	5,325	6,350	9,950	11,500