



Virginia Association of Broadcasters Legal Review



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Legal Memorandum

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Deadlines and Developments:

2015 Regulatory Fees Established, Expect Future Changes

- [Regulatory Fees Due September 24](#)
- [A Little “Inside Baseball” Behind Adoption of Regulatory Fees](#)
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FCC Hammers Out FY 2015 Regulatory Fee Schedules, Sets Filing Deadline, Seeks Comment on Open Issues

The FCC has issued its annual regulatory fee order for the fiscal year (“FY”) 2015. It has added new rate categories, accelerated the effective date (with the fee due date just a couple of weeks away), and adopted a Further Notice of Proposed Rulemaking seeking additional comment on the apportionment of fees among broadcasters.

A. 2015 Regulatory Fees Due September 24, 2015

Due Date: All regulatory fees must be paid by 11:59 pm, Eastern Time, on September 24, 2015. **Failure to submit timely payment will result in the immediate imposition of a late payment penalty of 25 percent of the unpaid amount.**

Method of Payment: Regulatory Fees **must be paid electronically** using the Commission’s online filing and payment system (“Fee Filer”). Stations may look up their FY 2015 regulatory fee amounts by logging onto <http://fccfees.com/> and clicking on the “View Fee Information and Exempt Status for any Broadcast Property” link. The Fee Filer portal will be available through September 30, 2015, but the deadline for submitting fees without a penalty is—as stated above—September 24. To submit payment, stations must visit another FCC webpage (available at the following URL address: <https://apps.fcc.gov/FeeFiler/login.cfm>) and enter their FRN (FCC Registration Number) and password and follow the instructions to confirm the fees and submit payment.

Late Payment Penalty: Any late payment penalty (which is 25% of the remaining balance due) will be assessed on the first day following the deadline for filing the fees. Failure to pay the fees will also subject the broadcaster to the “Red Light Rule,” which means that the Commission will withhold action on any applications filed by the late-paying licensee until the debt is paid. In addition, the Commission may assess administrative processing charges on delinquent regulatory fees (i.e., in addition to the 25% late payment fee).

B. A Little More Insight About the Adoption of FY 2015 Regulatory Fees

As noted above, the FCC has released its regulatory fees schedule for fiscal year (“FY”) 2015. The total amount the Commission seeks to collect remains the same as in recent years (\$339,844,000), and the Commission projects that approximately \$120 million (more than one-third of the total allocation) will be collected from Media Bureau regulatees, including broadcasters and MVPDs. However, the amounts owed by individual licensees may vary dramatically compared to years past. The regulatory fees for FY 2015 (taken from the Commission’s Order) which are of the greatest interest to broadcasters are reflected in Attachment A to this memorandum.

Of interest to broadcasters, in particular, the Commission did the following:

- eliminated regulatory fees for broadcast auxiliary service licenses (including STLs, intercity relays, remote pickups, etc.);
- added a fee rate for Direct Broadcast Satellite as a subcategory of the cable television and Internet Protocol Television regulatory fee category (the rate adopted for this category is 12 cents per subscriber per year); and
- eliminated the regulatory fee component of amateur radio Vanity Call Signs and General Mobile Radio Service.

Regulatory fees are calculated by the Commission by classifying Full Time Employees (“FTEs”) either as “direct” or “indirect.” Those classified as “direct” are further associated with one of the core bureaus (e.g., Media Bureau, Wireless Telecommunications Bureau, International Bureau, etc.). Those classified as “indirect” work on a variety of issues that cannot be attributed to one particular type of industry. It may be worth noting that FTE time which is devoted to implementing the spectrum Incentive Auction is not included in the calculation of regulatory fees.

Instead, that FTE time is tracked separately and will be offset by the auction proceeds that the Commission is permitted to retain for that purpose.

C. Comment Sought on Proposed Broadcast Station Regulatory Fees

The Commission is seeking further comment relating to the apportionment of regulatory fees among broadcasters. The Further Notice of Proposed Rulemaking (“Further Notice”) related to this issue was adopted the same day as the regulatory fees Order.

Radio Stations: Regulatory fees for radio broadcasters are assessed based on the type and class of service and on the population they serve. The Further Notice seeks comment on three assessment options for future years:

1. Including a higher population row in the radio regulatory fee table (see below);
2. Standardizing the incremental increase in fees as radio broadcasters increase the population they serve (such as by requiring the fee adjustments between tiers to increase by some percentage as the population served increases); and
3. Consistently assessing fees based on the relative type and class of service (for example, by assessing FM class B, C, C0, C1, and C2 stations at twice the rate of AM class C stations).

The Commission also seeks comment on the potential table of regulatory fees for radio broadcasters which reflects all the options, discussed above, being considered by the Commission.

| 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 | \$910 | \$655 | \$570 | \$625 | \$1,000 | \$1,140 |
| 25,001 – 75,000 | \$1,370 | \$985 | \$855 | \$940 | \$1,495 | \$1,710 |
| 75,001 – 150,000 | \$1,825 | \$1,310 | \$1,140 | \$1,255 | \$1,995 | \$2,280 |
| 150,001 – 500,000 | \$2,735 | \$1,965 | \$1,710 | \$1,880 | \$2,995 | \$3,420 |
| 500,001 – 1,200,000 | \$4,560 | \$3,280 | \$2,850 | \$3,135 | \$4,990 | \$5,700 |
| 1,200,001 – 3,000,000 | \$6,840 | \$4,915 | \$4,275 | \$4,705 | \$7,480 | \$8,550 |
| 3,000,001 – 6,000,000 | \$9,120 | \$6,555 | \$5,700 | \$6,270 | \$9,975 | \$11,400 |
| >6,000,000 | \$11,400 | \$8,195 | \$7,125 | \$7,840 | \$12,470 | \$14,250 |

Television Stations: The FCC assesses regulatory fees for television broadcasters based on the markets they serve. Comment is sought on readjusting the table so that stations in the Top 10 markets would pay about twice what stations in markets 26-50 pay. More specifically, the Further Notice seeks comment on the following potential table of regulatory fees for television broadcasters:

| Digital TV VHF and UHF Commercial | Before Proposed Adjustment | After Proposed Adjustment |
|--------------------------------------|-------------------------------|------------------------------|
| Markets 1-10 | \$46,825 | \$55,025 |
| Markets 11-25 | \$43,200 | \$41,270 |
| Markets 26-50 | \$27,625 | \$27,515 |
| Markets 51-100 | \$16,275 | \$13,755 |
| Remaining Markets | \$4,850 | \$4,585 |
| Construction Permits | \$4,850 | \$4,585 |

Finally, in response to NAB’s observation that there will almost certainly be fewer television stations after the Incentive Auction, the Further Notice seeks comment on whether, when, and how it should adjust its methodology for assessing regulatory fees on television stations if such a change does occur.

Comments are due 30 days after the Further Notice is published in the Federal Register and reply comments are due 60 days after such publication. As of the date of this memorandum, the Further Notice has not yet been published.



If you have any questions concerning the information discussed in this memorandum, please let us know.

Stephen Hartzell, Editor

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Attachment A
FY 2015 Schedule of Regulatory Fees

Regulatory fees for the categories shaded in gray are collected by the Commission in advance to cover the term of the license and are submitted at the time the application is filed.

| Fee Category | Annual Regulatory Fee |
|---|-----------------------|
| PLMRS (per license) (Exclusive Use) (47 CFR part 90) | \$30 |
| Microwave (per license) (47 CFR part 101) | \$20 |
| PLMRS (Shared Use) (per license) (47 CFR part 90) | \$10 |
| Local Multipoint Distribution Service (per call sign) (47 CFR part 101) | \$635 |
| AM Radio Construction Permits | \$590 |
| FM Radio Construction Permits | \$750 |
| Digital TV (47 CFR part 73) VHF and UHF Commercial | |
| Markets 1-10 | \$46,825 |
| Markets 11-25 | \$43,200 |
| Markets 26-50 | \$27,625 |
| Markets 51-100 | \$16,275 |
| Remaining Markets | \$4,850 |
| Construction Permits | \$4,850 |
| Satellite Television Stations (All Markets) | \$1,575 |
| Low Power TV, Class A TV, TV/FM Translators & Boosters (47 CFR part 74) | \$440 |
| Direct Broadcast Service (DBS) (per subscriber) | \$0.12 |
| Earth Stations (47 CFR part 25) | \$310 |

| FY 2015 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 | \$775 | \$645 | \$590 | \$670 | \$750 | \$925 |
| 25,001 – 75,000 | \$1,550 | \$1,300 | \$900 | \$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 – 3,000,000 | \$7,750 | \$6,500 | \$4,500 | \$5,400 | \$8,250 | \$9,250 |
| >3,000,000 | \$9,300 | \$7,800 | \$5,700 | \$6,750 | \$10,500 | \$12,025 |