



# Virginia Association of Broadcasters Legal Review



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## Legal Memorandum

### FCC Sets Fiscal Year 2018 Regulatory Fees and Filing Deadline; Regulatory Fees Due By **September 25, 2018**

Before you hit the road or even just the backyard barbecue this Labor Day Weekend, you may wish to take a minute and determine how much your station(s) will owe in regulatory fees for fiscal year (“FY”) 2018. In its recently released FY 2018 regulatory fees [Report and Order](#) (“Order”), the FCC determines how it will collect \$322,035,000 from all regulatees, which represents a 9 percent **decrease** in regulatory fees from fiscal year 2017. The allocation to the Media Bureau (including radio, television, cable, and DBS) is about \$113 million, which is a little more than 35% of the total amount.

*Regulatory Fee Payment Window, Payment Deadline, 25% Late Penalty.* The FCC has also released a [Public Notice](#) announcing that the window during which to pay FY 2018 fees has opened and that payments may be made at any time before the payment deadline of **11:59 p.m. ET on September 25, 2018**. Timeliness is critical; late filing of regulatory fees—even by one minute—automatically results in a 25% late payment penalty (on top of the regulatory fees owed).

*Regulatory Fee Amounts for Broadcasters.* The FCC has released a [Regulatory Fees Fact Sheet](#) that contains some fee and payment information. For convenience, attached to this memorandum is a series of “schedules” setting forth the FY 2018 regulatory fees of greatest interest to broadcasters:

- [Schedule A](#) contains a table of the FY 2018 regulatory fees for radio stations (and, for the sake of comparison, also includes a table of the final FY 2017 fees that radio stations paid last year);
- [Schedule B](#) contains table of the FY 2018 regulatory fees for television stations (and, for the sake of comparison, also includes a table of the final FY 2017 fees that television stations paid last year); and

- [Schedule C](#) contains a table of other FY 2018 regulatory fees that affect broadcasters.

*Payments By Check Will Not Be Accepted.* Consistent with the last several years, the Commission will not accept checks (including cashier’s checks and money orders) for the payment of regulatory fees. Instead, all payments must be made by wire transfer or online via ACH (Automated Clearing House) payment, or credit card. Other forms of payment will be rejected.

Note that for payments by wire, the Order instructs filers to fax to the Commission their fee filer generated Form 159-e at least one hour before initiating the wire transfer (but on the same business day) so that the Commission can associate the payment with the correct regulatory fee information.

*Maximum Credit Card Transaction Level.* The maximum amount that can be charged on a credit card for transactions with federal agencies—including the FCC—is \$24,999.99. Attempted transactions for amounts greater than \$24,999.99 will be rejected. This limit applies to single payments, divided payments, and to combined payments of more than one bill. In other words, the FCC will aggregate multiple transactions attempted on one credit card on one day and treat them as a single transaction subject to the \$24,999.99 limit, and the FCC will not permit a broadcast licensee to divide a transaction over multiple days in order to create smaller payments that would fall below the \$24,999.99 limit each day. Thus, broadcasters who need to pay an amount greater than \$24,999.99 will need to use debit cards (Visa or MasterCard) or make payment by ACH or wire transfer.

*Limited Exemption for De Minimis Regulatory Fees.* The FCC exempts regulated entities from paying regulatory fees when their total fee obligation is considered “*de minimis*.” The *de minimis* threshold is currently \$1,000. This means that broadcasters (and other regulated entities) whose total FY 2018 annual regulatory fee liability is \$1,000 or less are exempt from payment of FY 2018 regulatory fees. The *de minimis* threshold applies only to filers of annual regulatory fees, and it is not a permanent exemption. So, each licensee must reevaluate their total fee liability each fiscal year to determine whether they meet the *de minimis* exemption in any particular year.

*Post-Incentive Auction Reminder.* Licensees who held a broadcast television station license on October 1, 2017, are still responsible for regulatory fees for that license for FY 2018. Licensees who relinquished their licenses by September 30, 2017, are not responsible for regulatory fees for the cancelled license.

*Change in Fee Calculation Methodology for Television Broadcast Stations—But Not This Year.* Currently, television broadcast stations pay regulatory fees based on the market they serve, as defined by Nielsen Designated Market Areas (DMAs) (see [Schedule B](#)). The FCC sought comment on whether it should change the methodology for the assessment of regulatory fees for full power television stations, so that fees are based on the population covered by the station’s contour, instead of DMAs. In the Order, the FCC explains that it will indeed change the methodology, beginning with FY 2019, and that it will implement the change over a two-year period. In order to facilitate the transition to this new fee structure, for FY 2019, the FCC plans to adopt a fee based on an average of the current DMA methodology and the population covered by a full-power broadcast station’s contour. Thereafter, in 2020, the FCC plans to assess regulatory fees for full-power broadcast stations based on the population covered by the station’s contour.

We'll provide more information on that change in the future. For now, the regulatory fees for FY 2018 for all television broadcast stations will still be assessed using the same DMA-based methodology.

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

*Tim Nelson, Editor*

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## Schedule A

<b>FY 2018 RADIO STATION REGULATORY FEES</b>						
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	\$880	\$635	\$550	\$605	\$965	\$1,100
25,001 – 75,000	\$1,325	\$950	\$825	\$910	\$1,450	\$1,650
75,001 – 150,000	\$1,975	\$1,425	\$1,250	\$1,350	\$2,175	\$2,475
150,001 – 500,000	\$2,975	\$2,150	\$1,850	\$2,050	\$3,250	\$3,725
500,001 – 1,200,000	\$4,450	\$3,225	\$2,775	\$3,050	\$4,875	\$5,575
1,200,001 – 3,000,000	\$6,700	\$4,825	\$4,175	\$4,600	\$7,325	\$8,350
3,000,001 – 6,000,000	\$10,025	\$7,225	\$6,275	\$6,900	\$11,000	\$12,525
> 6,000,000	\$15,050	\$10,850	\$9,400	\$10,325	\$16,500	\$18,800

<b>FY 2017 RADIO STATION REGULATORY FEES</b>						
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	\$895	\$640	\$555	\$610	\$980	\$1,100
25,001 – 75,000	\$1,350	\$955	\$830	\$915	\$1,475	\$1,650
75,001 – 150,000	\$2,375	\$1,700	\$1,475	\$1,600	\$2,600	\$2,925
150,001 – 500,000	\$3,550	\$2,525	\$2,200	\$2,425	\$3,875	\$4,400
500,001 – 1,200,000	\$5,325	\$3,800	\$3,300	\$3,625	\$5,825	\$6,575
1,200,001 – 3,000,000	\$7,975	\$5,700	\$4,950	\$5,425	\$8,750	\$9,875
3,000,001 – 6,000,000	\$11,950	\$8,550	\$7,400	\$8,150	\$13,100	\$14,800
> 6,000,000	\$17,950	\$12,825	\$11,100	\$12,225	\$19,650	\$22,225

## Schedule B

<b>FULL POWER TELEVISION STATION REGULATORY FEES</b>		
Commercial Digital TV (47 CFR part 73) VHF and UHF	FY 2017 Fees	FY 2018 Fees
Markets 1-10	\$59,750	\$49,750
Markets 11-25	\$45,025	\$37,450
Markets 26-50	\$30,050	\$25,025
Markets 51-100	\$14,975	\$12,475
Remaining Markets	\$4,925	\$4,100
Construction Permits	\$4,925	\$4,100
Satellite Television Stations (All Markets)	\$1,725	\$1,500

## Schedule C

<b>OTHER REGULATORY FEES OF INTEREST TO BROADCASTERS</b>		
Fee Category	FY 2017	FY 2018
PLMRS (47 CFR part 90) (per license) (exclusive use)	\$25	\$25
Microwave (47 CFR part 101) (per license)	\$25	\$25
Low Power TV, Class A TV, TV/FM Translators & Boosters	\$430	\$380
Earth Stations	\$360	\$325
Cable Television Systems (per subscriber)	\$0.95	\$0.77
Direct Broadcast Service (DBS) (per subscriber)	\$0.38	\$0.48