



LEGAL REVIEW

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Legal Memorandum

In this issue, please find information about

Deadlines: **September 28, 2022:** [FY 2022 Regulatory Fees Due; Payments Now Must Be Made via CORES](#)

FCC Regulatory Fee Payments Due by [September 28, 2022](#); Payments Now Must Be Made Via CORES

As we reported last week, the FCC has finalized the regulatory fee amounts broadcasters will be required to pay for Fiscal Year 2022, according to a recently released [Report and Order and Notice of Inquiry](#) (the “Order”). The FCC has now also released a [Public Notice](#) (the “Notice”) announcing both that CORES is now open for payment of FY 2022 regulatory fees and that **regulatory fee payments must be made by 11:59 PM, EDT, on September 28, 2022.** (The Notice also reminds regulatory fee payors that the prior payment platform, Fee Filer, has now been decommissioned.)

Although the finalized fee amounts reflect an approximately 7% to 8% increase for television and radio stations as compared to last year’s fees, those increases are reasonably less than the FCC’s initial proposal, which would have amounted to an approximately 13% year-over-year increase for radio and television stations. NAB, State Broadcaster Associations, other broadcasters, and even Members of Congress engaged in sustained advocacy against the initial fee proposal, ultimately resulting in the lower finalized fee amounts.

In all, the FCC will collect \$381,950,000 from all regulatees in FY 2022 fees—approximately \$7.95 million more than were assessed in fiscal year 2021. The Commission’s



allocation to the Media Bureau (which includes fees collected from radio, television, cable, and DBS operators) increased from 35.29% in FY 2021 to 36.1% in FY 2022.

Regulatory Fee Amounts for Broadcasters. As noted above, the Commission had proposed broadcast regulatory fees approximately 13% higher than the corresponding FY 2021 fees. Although the Order rejects many arguments advanced by NAB, State Broadcaster Associations, and others against those proposed increases, the Order does ultimately agree with one specific point sufficient to warrant a decrease from the FCC’s proposed fee amounts. Specifically, the FCC agreed to remove broadcasters from the group of regulatees whose regulatory fee amounts include those necessary to support the costs of Commission staff activities related to “non-high cost programs of the Universal Service Fund.” As stated in the Order: “The Commission has previously acknowledged . . . that broadcasters receive no oversight, regulation, or other benefits of the nature we typically consider relevant for our regulatory fee analysis when looking at . . . indirect Universal Service Fund” FCC activities. As a result, the Order removes broadcasters from the group of those responsible for paying regulatory fees necessary to support those activities.

As in past years, the final regulatory fee amounts for FY 2022 are broken up across multiple different categories. Attached to this memorandum please find a series of “schedules” that set forth the FY 2022 regulatory fees of greatest interest to broadcasters:

- [Schedule A](#) contains a table of the FY 2022 regulatory fees for radio stations (and, for the sake of comparison, it also includes a table of the final FY 2021 fees that radio stations paid last year).
- [Schedule B](#) contains a 58-page document detailing the TV regulatory fees organized by station call sign.
- [Schedule C](#) contains a table of other FY 2022 regulatory fees that affect broadcasters; it too includes a table of such fees assessed in FY 2021.

Fee Payments Must Now Be Paid in CORES; Fee Filer No Longer Available. This year marks the first in which regulatory fee payments must be made through the FCC’s CORES platform, rather than its historical “Fee Filer” payment platform. (In December 2021, the Commission discontinued use of the Fee Filer system and incorporated its functionality into CORES.)

To use CORES, broadcasters must first register at <https://apps2.fcc.gov/fccUserReg/pages/login.htm>. If they have not already done so, broadcasters must also take steps to associate their existing FCC Registration Number (FRN) to their FCC user name. More information regarding the registration process is available in the Notice and via the FCC’s online tutorials, such as those available here: <https://www.fcc.gov/licensing-databases/fcc-registration-system-cores/commission-registration-system-video-tutorials>.

Payment Flexibility in Light of the COVID-19 Pandemic. As in 2020 and 2021, the Order continues to make available various forms of “flexibility” for regulatory payors who are experiencing financial hardship caused or exacerbated by the COVID-19 pandemic. Specifically, the Order continues to provide the following forms of relief to FY 2022 regulatory fee payors:



- The FCC will not require separate filings of requests for fee waivers, reductions, deferrals, or extended payment terms (i.e., installment payment requests) for financial hardship, and instead will accept single submissions requesting any combination (or all) of the foregoing forms of relief. Such requests may be submitted electronically to regfeerelief@fcc.gov.
- The Commission will continue to both reduce the interest rate charged on installment payments to a “nominal rate” and waive the typical requirement to provide a down payment in order to be eligible for installment payments.
- The Order continues to partially waive the requirement that fee payors submit all documentation supporting a request for waiver, deferral, or reduction of regulatory fees at the same time the underlying request is submitted. As a result, payors may provide supplemental documentation in support of relief if requested by the FCC.
- The Order partially waives the FCC’s “red light” rule by permitting regulatees with outstanding debts owed to the Commission to nonetheless request waivers, reductions, deferrals, and installment payment terms for FY 2022 fees. (Please note, however, that regulatees for whom the red light rule is waived will be required to resolve all currently owed delinquent debt before the Commission issues a decision on their relief request.)

The Order indicates that further information regarding how to apply for the forms of relief set forth above will be issued in “one or more public notices” over the coming days.

Payments By Check Will Not Be Accepted. The Commission will not accept regulatory fee payment by check (including cashier’s checks and money orders). Instead, all payments must be made by electronic means, either via credit card, wire transfer, or ACH (Automated Clearing House) payment. Other forms of payment will be rejected. We will provide further payment procedure details as we get closer to the **September 28, 2022**, payment deadline.

Late Payment Penalty. Per statutory command, on the first day following the deadline for paying the FY 2022 fees, regulatees will be assessed a late payment penalty of 25% of any unpaid amount of regulatory fees owed, and will begin accumulating interest on both the 25% penalty amount and the unpaid amount of regulatory fees owed.

Maximum Credit Card Transaction Level. As has been the case for several years now, 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 must 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*.” Despite advocacy from NAB and others requesting that the FCC increase the *de minimis* threshold, the Order retains the current threshold of \$1,000. This means that broadcasters (and other regulated entities) whose total FY 2022 annual regulatory fee liability is \$1,000 or less are exempt from payment of FY 2022 regulatory fees. The *de minimis* threshold applies only to filers of annual regulatory fees. Each licensee must reevaluate its total fee liability each fiscal year to determine whether its meets the *de minimis* exemption in any particular year.

Additional Information. Over the coming days the FCC will be providing additional information and updating the regulatory fee documentation currently available at <https://www.fcc.gov/licensing-databases/fees/regulatory-fees>. We will continue to monitor the FCC’s releases and will let you know of any important further developments.

Tim Nelson, Editor



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Schedule A

 FY 2022 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	\$1,050	\$755	\$655	\$720	\$1,145	\$1,310
25,001 – 75,000	\$1,575	\$1,135	\$985	\$1,080	\$1,720	\$1,965
75,001 – 150,000	\$2,365	\$1,700	\$1,475	\$1,620	\$2,575	\$2,950
150,001 – 500,000	\$3,550	\$2,550	\$2,215	\$2,435	\$3,870	\$4,430
500,001 – 1,200,000	\$5,315	\$3,820	\$3,315	\$3,645	\$5,795	\$6,630
1,200,001 – 3,000,000	\$7,980	\$5,740	\$4,980	\$5,470	\$8,700	\$9,955
3,000,001 – 6,000,000	\$11,960	\$8,600	\$7,460	\$8,200	\$13,040	\$14,920
>6,000,000	\$17,945	\$12,905	\$11,195	\$12,305	\$19,570	\$22,390

FY 2021 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	\$975	\$700	\$610	\$670	\$1,070	\$1,220
25,001 – 75,000	\$1,465	\$1,050	\$915	\$1,000	\$1,605	\$1,830
75,001 – 150,000	\$2,195	\$1,575	\$1,375	\$1,510	\$2,410	\$2,745
150,001 – 500,000	\$3,295	\$2,365	\$2,060	\$2,265	\$3,615	\$4,125
500,001 – 1,200,000	\$4,935	\$3,540	\$3,085	\$3,390	\$5,415	\$6,175
1,200,001 – 3,000,000	\$7,410	\$5,320	\$4,635	\$5,090	\$8,130	\$9,270
3,000,001 – 6,000,000	\$11,105	\$7,975	\$6,950	\$7,630	\$12,185	\$13,895
>6,000,000	\$16,665	\$11,965	\$10,425	\$11,450	\$18,285	\$20,850

[Schedule B](#)

(Attached as Separate PDF)

Schedule C

OTHER REGULATORY FEES OF INTEREST TO BROADCASTERS		
<u>Fee Category</u>	<u>FY 2022</u>	<u>FY 2021</u>
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 & FM Boosters (47 CFR part 74)	\$330	\$320
Earth Stations (47 CFR part 25)	\$620	\$595
Cable Television Systems (per subscriber) (47 CFR part 76), Including IPTV and Direct Broadcast Satellite (DBS)	\$1.16	\$0.98