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

| | | |
|---|---|---|
| In the Matter of: | ) | |
| | ) | |
| Assessment and Collection of Regulatory Fees | ) | MD Docket No. 20-105 |
| For Fiscal Year 2020 | ) | |
| | ) | |

# COMMENTS OF THE NATIONAL ASSOCIATION OF BROADCASTERS

June 11, 2020

## TABLE OF CONTENTS

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

| | | |
|---|---|---|
| In the Matter of: | ) | |
| | ) | |
| Assessment and Collection of Regulatory Fees | ) | MD Docket No. 20-105 |
| For Fiscal Year 2020 | ) | |
| | ) | |

# COMMENTS OF THE NATIONAL ASSOCIATION OF BROADCASTERS

## I. INTRODUCTION AND SUMMARY

The National Association of Broadcasters (NAB)[1] hereby submits comments in response to the Commission's Notice of Proposed Rulemaking concerning regulatory fees for Fiscal Year 2020.[2]

There should be little doubt that the Commission's approach to apportioning its FY 2020 regulatory fees is patently unfair and likely unlawful. The question is whether the Commission will continue to bury its head in the sand and fail to recognize the considerable inequities in its approach, which puts a stranglehold on the broadcasting industry. Most notably, the FCC: (a) fails to address the impact of the COVID-19 pandemic on broadcasters' ability to sustain yet another increase in fees; (b) continues to offer opaque explanations for how it arrives at its conclusions; and (c) and ignores the considerable Commission resources that industries such as the tech industry use to the detriment of broadcasters and other

[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 Regulatory Fees for Fiscal Year 2020; Assessment and Collection of Regulatory of Regulatory Fees for Fiscal Year 2019*, Report and Order and Notice of Proposed Rulemaking, MD Docket No. 20-105, FCC 20-64 (May 12, 2020) (R&O and NPRM).

licensees. Given that the FCC is requiring broadcasters (and other licensees) to pay for the privilege of being regulated, it must do far more to ensure these payments are reasonable, equitable and, at the very least, adequately explained.

The Commission has an obligation to collect $339 million in regulatory fees this year, precisely the same amount it was required to collect last year.[3] However, despite the total amount of fees remaining the same, under the Commission's proposal, many broadcasters will see their regulatory fees increase for the second consecutive year. As in previous years, the FCC fails to adequately explain the basis for the regulatory fee increases, hindering the ability of stakeholders, including companies responsible for paying the fees, to provide meaningful feedback on the Commission's proposals. [4]

Moreover, as the NPRM acknowledges, the proposed fee increases come at a time when broadcasters are providing critical emergency news and information to the public in the face of severe physical constraints on their operations and unprecedented economic losses because of the COVID-19 pandemic and ensuing shutdowns.[5] Given the uncertainty on the duration of the pandemic, there is no telling when broadcast operating revenues will return to previous levels. President Trump has acknowledged challenges such as these, issuing an executive order to regulatory agencies to address the economic effects of the pandemic, directing agencies to examine ways they can waive, modify, and/or extend regulatory

---

[3] *Id*. at ¶ 53.

[4] Government Accountability Office, *Federal Communications Commission: Regulatory Fee Process Needs to be Updated*, GAO 12-686 at 24 (August 2012) available at: https://www.gao.gov/assets/600/593506.pdf. (concluding that the FCC's regulatory fee process lacked transparency and reported that the lack of information in Commission regulatory fee notices and orders limited the ability of industry stakeholders to provide input into the regulatory fee process) (GAO Report).

[5] *See* R&O and NPRM at ¶ 73.

requirements that may impede the economic recovery.[6] We urge the Commission to use its authority to help alleviate broadcasters' financial burdens by -- at the very least – suspending regulatory fee increases or allowing broadcasters to pay their regulatory fees in installments over a period of six to nine months.

The economic upheaval associated with the pandemic also makes even more urgent our previous request that the Commission consider broadening the base of entities that are subject to regulatory fees.[7] The Commission continues to require broadcasters and other licensees to unfairly subsidize well-funded, less regulated companies who leverage Commission proceedings to develop profitable business models without contributing in any way to the Commission's budget. Expanding the base of contributors to include these companies not only would lower the regulatory fees paid by licensees, but also make the Commission's collection as a whole more accurately reflect the work of the Commission and those who benefit from that work.

## II. THE COMMISSION SHOULD ACT TO PROVIDE BROADCASTERS WITH RELIEF FOR REGULATORY FEES

Section 9 of the Communications Act provides the FCC with authority to establish, update and impose regulatory fees, provided "such fees reflect the full-time equivalent number of employees within the bureaus and offices of the Commission, adjusted to take into account factors that are reasonably related to the benefits provided to the payor of the fee by the Commission's activities."[8] However, radio broadcasters, who have already seen their

---

[6] *See* Executive Order 13924 of May 19, 2020, Regulatory Relief to Support Economic Recovery, 85 FR 31353 (May 22, 2020) (Executive Order).

[7] *See* Comments of NAB, MD Docket No. 19-105, at 2, 8-11 (June 7, 2019) (FY2019 NAB Comments).

[8] 47 U.S.C. § 159(d).

revenues decimated as a result of the COVID-19 pandemic will see their fees *increase* this year without any explanation for how such increases relate to the benefits they receive from the Commission's activities. Notwithstanding, to help ensure that broadcasters can recover successfully from the current economic crisis, the FCC must take action to minimize the burden regulatory fees impose on broadcasters' operations.

### A. The Commission Does Not Sufficiently Explain or Justify Regulatory Fee Increases for Broadcasters

NAB understands the Commission's obligation to establish regulatory fees that recover amounts approximately equal to the Commission's appropriation each year.[9] For the 2020 fiscal year, the total amount appropriated has remained static, and the total number of direct FTEs employed by the Commission has shrunk.[10] Yet, the Commission still proposes to increase radio broadcasters' regulatory fees for the second consecutive year, this time by an average of 4 percent. For example, under the Commission's proposal, AM Class A stations with the smallest reach face an inexplicable 5.3 percent increase in their fees,[11] while some FM stations in the largest markets face an unduly burdensome 4.3 percent increase.[12]

Given the scant supporting data in the NPRM, parties are left to speculate on the justification for such increases. For example, there appear to be some unexplained reductions in the number of direct FTEs in the Wireline Telecommunications and Wireline Competition

---

[9] Consolidated Appropriations Act, 2018, Pub. L. No. 115-141, Div. P—RAY BAUM'S Act of 2018, §§ 401-404, 132 Stat. 348, 1087-90 (2018) (RAY BAUM'S Act).

[10] R&O and NPRM at ¶ 58 (decreased from 320.4 in 2019 to 311 in 2020).

[11] *Id*. at Appendix C at 41 (increases from $950 in 2019 to $1,000 in 2020).

[12] *Id*. (Fees for FM Classes B, C, C0, C1 & C2 in the largest markets increase from $20,500 in 2019 to $21,375 in 2020).

Bureaus.[13] While the Media Bureau's allocation of FTEs has remained steady, the unrelated decreases in these other Bureaus may have caused the overall percentage of direct Commission FTEs attributed to the Media Bureau to increase.[14] Again, however, it is virtually impossible for interested parties to discern the Commission's process. NAB is at a loss as to understand how the Commission can repeatedly fail to explain how it arrives at its numbers.

Because the Commission continues to adhere to its approach of allocating indirect FTEs – FTEs working in offices or Bureaus that are not directly attributable to a particular set of licensees – on a proportional basis with the allocation of direct FTEs,[15] broadcasters must also bear a higher portion of those indirect costs. This makes little sense, especially when, as discussed in greater detail below, entities that do not have to pay regulatory fees bear substantial responsibility for a meaningful share of the efforts of many of these direct and indirect FTEs. In effect, the apportionment of regulatory fees under the Commission's current methodology is a "zero sum game"[16] where regulatory fee increases are untethered to whether or how the Commission's work on issues relevant to broadcasters, or the benefits received by broadcasters may have increased.

Without more information, the Commission cannot support how its budget has not changed at all, yet it is increasing radio broadcaster fees by an average of 4-5 percent. At a

---

[13] *Id*. at ¶ 58 (Direct FTEs allocated to the Wireline Telecommunications Bureau decreased from 80.5 in 2019 to 73 in 2020. Direct FTEs allocated to the Wireline Competition Bureau decreased from 100.8 in 2019 to 94 in 2020).

[14] *Id.* (Direct FTEs for the Media Bureau slightly increased from 115.1 in 2019 to 116 in 2020. The percentage of FTEs allocated to the Media Bureau increased from 35.93% in 2019 to 37.30% in 2020).

[15] *Id*. at ¶ 56.

[16] *Assessment and Collection of Regulatory Fees for Fiscal Year 2020; Assessment and Collection of Regulatory Fees for Fiscal Year 2019*, Statement of Commissioner O'Rielly, FCC 20-64 (May 12, 2020) (noting that fee setting is "largely a zero-sum game").

minimum, the FCC must confirm that its allocation of both direct and indirect FTEs to the Media Bureau is accurate and fact-based, and not just a convenient by-product of staff reductions in other bureaus. In addition, the FCC must verify that the 4-5 percent fee increase for radio broadcasters is “reasonably related” to some increase in the “benefits” provided to radio broadcasters. The FCC makes no attempt to describe or justify any kind of link between the radio fees and supposed benefits in the NPRM. The FCC’s description of its activities has remained unchanged for years, and the NPRM fails to identify any changes in its costs or the benefits it provides. It is an annual rite of passage for the Commission to simply hand down the fees without adequate explanation, and expect licensees to wordlessly pay up, perhaps because the amount of fees assessed to many broadcasters do not justify the time and expense of engaging an attorney to object, or because licensees have come to understand that objecting is likely to be fruitless. This practice must end.

Indeed, last year was the only time in recent memory when the FCC actually made substantial changes to the fees initially proposed for radio broadcasters, and that only came about because the FCC made such an egregious error in counting the number of radio licensees it was impossible to ignore.[17] NAB respectfully requests that the FCC take similar steps this year, and going forward, to authenticate, explain and justify all of the factors in the proposed regulatory fees for radio broadcasters, including the numbers of licensees, direct and indirect FTEs for the Media Bureau including those who that work on radio issues, and any changes in the “benefits” provided by FCC staff to licensed radio broadcasters.

---

[17] FY2019 NAB Comments at 4-6 (speculating on reason for substantial decrease in number of radio station fee payors); Assessment and Collection of Regulatory Fees for Fiscal Year 2019, Report and Order and Further Notice of Proposed Rulemaking, MD Docket No. 19-105, 34 FCC Rcd 8189, 8201-02 (2019) (noting comments that it had underestimated the number of feeable radio licensees and updating its data).

### B. The Commission Should Provide Significant Regulatory Fee Relief to Broadcasters Adversely Affected by the Covid-19 Pandemic

The proposed regulatory fee increases faced by broadcasters are especially concerning in light of the devastating economic effects of the COVID-19 pandemic. NAB agrees with other broadcasters who have urged the Commission to suspend regulatory fee increases for FY2020.[18] While broadcasters are undertaking herculean efforts to educate and inform and otherwise support their local communities during the pandemic,[19] the cratering of the advertising market has resulted in unprecedented drops in the revenue local stations have received.[20]

Radio broadcasters have been particularly hard hit because they are highly dependent on local businesses for their advertising revenues, businesses that are now shuttered or restricted and cannot afford to advertise.[21] Several radio companies have been forced to lay off or furlough employees and/or reduce salaries,[22] and some stations have gone silent due

---

[18] *See* Letter from Paul S. Rotella, President and CEO, New Jersey Broadcasters Association, to Hon. Ajit Pai, Chairman, FCC, MD Docket No. 19-105 (Apr. 27, 2020).

[19] NAB has gathered a few of the countless examples of broadcasters' extensive coverage of the pandemic and direct service to their communities on its website. *See* NAB, *Coronavirus: Broadcasters' Response*, available at: https://www.nab.org/coronavirus/stories.asp

[20] See, e.g., Inside Radio, *Local Media Companies Prepare for Coronavirus Impact on Ad Revenues* (Mar. 24, 2020) (quoting Corey Elliott, VP of Research at Borrell Associates estimate that the local advertising market in 2020 "could end up 20-25% down."); Interactive Advertising Bureau (IAB), *Coronavirus Ad Spend Impact*: *Buy-side* (Mar. 27, 2020) (Survey of media planners, buyers and brands found that the coronavirus would have a greater impact on U.S. ad spending than did the 2008-2009 financial crisis and 24 percent reported pausing all advertising spend for the rest of Q1 and Q2) (IAB Ad Survey).

[21] *See* BIA Advisory Services, *Market Assessment and Opportunities for Local Radio: 2018-2022*, at 18 (Apr. 2018) (estimating that about 75-80 percent of total OTA radio ad revenue is attributable to local businesses); *see also* Inside Radio, *Reader Survey: Work From Home, Ad Cancellations The New Normal – For Now* (Mar. 25, 2020) (poll of readers surveyed found that 69 percent were reporting numerous ad cancellations).

[22] *See, e.g.*, Inside Radio, *Coronavirus-related Cuts at Saga, Alpha Media, Forever Media* (Mar. 30, 2020); Radio and Music Pros, *iHeart Cuts Exec Salaries, Furloughs Employees* (Mar. 30,

to losses in revenue.[23] As the NPRM acknowledges,[24] there is no certainty about the future once the pandemic is under control, with some foreseeing a downturn in the advertising market more severe than during the Great Recession.[25] Moreover, even once the pandemic hopefully dissipates, the impact on radio broadcasters' bottom lines could be long-lasting. Unlike many other regulatees, broadcasters cannot pass on increased fees to consumers and instead must absorb these additional costs.[26] At a time when broadcasters are making difficult cuts, laying off employees, or going silent to ensure their long-term survival, the Commission should do everything in its power to minimize this burden.

Even though likely not binding on independent agencies such as the FCC, federal agencies have been directed by Executive Order to "address [the COVID-19] economic emergency by rescinding, modifying, waiving, or providing exemptions from regulations and other requirements that may inhibit economic recovery consistent with applicable law . . . and with budgetary priorities and operational feasibility."[27] They are also directed to "consider exercising appropriate temporary extensions of time as provided in enforceable agreements

---

2020); Lanc Venta, *Beasley Media Cuts 67 Staffers, Furloughs Others*, radio INSIGHT (Mar. 31, 2020); Radio Ink, *Entercom Announces Layoffs, Furloughs, Pay Cuts* (Apr. 2, 2020); Radio Ink, *Cumulous Furloughs, Pay Cuts Begin* (Apr. 8, 2020); Inside Radio, *Urban One Forced to Make 'Very Difficult Cuts and Furloughs"* (Apr. 8, 2020); Inside Radio, *Alpha Media Enacts Furloughs, Layoffs And Reduced Hours* (Apr. 15 2020); Inside Radio, *Salaries Slashed By 15% To 22% For Entravisions's Executive Officers* (Apr. 20, 2020): Inside Radio, *Univision Begins Layoffs, Furloughs and Pay Cuts* (Apr. 22, 2020).

[23] *See, e.g.*, Kathryn Skelton, *WOXO says farewell to listeners; Gleason Radio Group to go silent after 45 years*, Sun Journal (Mar. 25, 2020) (reporting that five stations in small towns in Maine are going off the air); Inside Radio, *Coronavirus Poses New Risk to AM Radio* (Apr. 14, 2020)(reporting AM and FM stations going off the air in North Carolina, Oregon, Hawaii and Idaho).

[24] R&O and NPRM at ¶ 73.

[25] *See* IAB Ad Survey.

[26] *See* GAO Report at 21.

[27] Executive Order, Sec. 1.

with respect to those requirements."[28] Though the NPRM suggests that it is unable to reapportion fees – at least amongst the payors from which it currently proposes to collect fees[29] -- at a minimum, the Commission should liberally exercise its authority to provide broadcasters extended payment terms to meet regulatory fees obligations.[30] Given that the pandemic's effects likely will not dissipate by end of September when regulatory fees are typically due, these payment terms should be permitted to extend for a period of at least six to nine months beyond the end of September for all radio licensees, and additional time should be afforded to stations demonstrating more severe hardship. Providing such a reasonable, justified and brief delay would allow radio broadcasters more time to adjust their recently devastated budgets to absorb the fees, and allow commercial advertisers to pivot onto more stable financial footing and resume their radio advertising commitments to normal levels as the pandemic hopefully subsides during the latter half of 2020 and first couple of quarters of 2021.

## III. THE COMMISSION CAN AND SHOULD EXPAND THE BASE OF REGULATORY FEE CONTRIBUTORS

The Commission can also address the COVID-19 emergency and provide relief for broadcasters and other licensees by acting on NAB's prior request that the Commission take steps to ensure that broadcasters and other licensees are not continuously subsidizing other parties in the telecommunications ecosystem that profitably derive direct benefits from Commission proceedings in which they actively participate – including proceedings which they sometimes initiate or represent the driving force that consume much of the Commission's

---

[28] *Id.*, Sec. 4.

[29] R&O and NPRM at ¶ 74.

[30] R&O and NPRM at ¶ 75; 47 CFR § 1.1914.

resources.[31] The Commission's stated goal in assessing regulatory fees is to ensure that its actions are "fair, administrable and sustainable."[32] But, the Commission continues to allow significant companies who sit out spectrum auctions but heavily lobby the Commission for free access to spectrum – unlicensed spectrum – to pay exactly $0.00 towards the Commission's annual budget. This is neither fair nor sustainable. The Commission recently expanded its base of payors to include foreign satellite operators, [33] and the same statutory and policy rationale the Commission used to justify its decision should be applied here. It is past time for the Commission to revisit its regulatory fee structure by expanding the base of contributors for regulatory fees to more accurately reflect the Commission's activities and create a fairer, more predictable basis for regulatory fees going forward.

As a threshold matter, expanding the base of payors would not require further Congressional action. As the Commission recognized in its decision to expand the base of regulatory fee payors to include foreign satellite operators, the RAY BAUM's Act updated the Commission's statutory responsibility to collect regulatory fees in two ways. The Act

---

[31] *See, e.g.*, *In the Matter of Unlicensed Use of the 6 GHz Band; Expanding Flexible Use in Mid-Band Spectrum Between 3.7 and 24 GHz,* Report and Order and Notice of Proposed Rulemaking ET Docket No. 18-295, GN Docket No. 17-183, FCC-20-51 (Apr. 20, 2020) (6 GHz Order); *Unlicensed White Space Device Operations in the Television Bands*, Notice of Proposed Rulemaking, ET Docket No. 20-36, FCC 20-17 (March 2, 2020); *Amendment of Part 15 of the Commission's Rules for Unlicensed White Space Devices*, Report and Order and Order on Reconsideration, ET Docket Nos. 16-56, 14-165, GN Docket No. 12-268, FCC 19-24 (March 20, 2019); *Amendment of Parts 15, 73 and 74 of the Commission's Rules to Provide for the Preservation of One Vacant Channel in the UHF Television Band For Use By White Space Devices and Wireless Microphones*, Notice of Proposed Rulemaking, 30 FCC Rcd 6711 (2015); *Unlicensed Operation in the TV Broadcast Bands*, Second Memorandum Opinion and Order, 25 FCC Rcd 18661 (2010); *Revision of Part 15 of the Commission's Rules to Permit Unlicensed National Information Infrastructure (U-NII) Devices in the 5 GHz Band*, First Report and Order, 29 FCC Rcd 4127 (2014); *Spectrum Horizons*, First Report and Order, ET Docket No. 18-21, FCC 19-19 (March 21, 2019).

[32] R&O and NPRM at ¶ 8.

[33] *See id.* at ¶¶ 10-21.

eliminated the outdated schedule of regulatory fees, leaving only the direction that regulatory fees should reflect the benefits the Commission's activities provide to the payor.[34] It also specifically removed the reference to "licensees" as the entities from which the Commission should collect fees "which was the only textual hook (under prior law) . . . for arguing that the Commission's authority was limited to assessing fees on licensees."[35] The statute therefore no longer limits the categories of payors from which the Commission may collect regulatory fees, and the Commission should no longer ignore the large group of often well-funded unlicensed spectrum users that consume and benefit from Commission resources particularly through their participation rulemaking proceedings – many of which are opened at these companies' behest and in furtherance of their profit models.

Not only is there no statutory language limiting the Commission's authority to assess regulatory fees on these entities, but also sound policy supports expanding the base of payors to include these entities. As NAB has previously pointed out, in furtherance of its performance goals,[36] the Commission has dedicated a significant and increasing level of attention to providing new opportunities for unlicensed spectrum,[37] most recently by opening up the entire 6 GHz band to uncoordinated unlicensed use, despite significant risk of interference to incumbent operations.[38] Unlicensed spectrum users and their advocates, representing some

---

[34] 47 U.S.C. § 159(d).

[35] R&O and NPRM at ¶ 12.

[36] *See* Federal Communications Commission, Fiscal Year 2020 Budget Estimates to Congress, 69 (March 2019) (Performance Goal 2.1.2 "Foster innovation and promote the efficient use of spectrum by ensuring a competitive and vibrant unlicensed ecosystem.").

[37] *See* FY2019 NAB Comments at 8-11.

[38] *In the Matter of Unlicensed Use of the 6 GHz Band; Expanding Flexible Use in Mid-Band Spectrum Between 3.7 and 24 GHz,* Report and Order and Notice of Proposed Rulemaking ET Docket No. 18-295, GN Docket No. 17-183, FCC-20-51 (Apr. 20, 2020) (6 GHz Order).

of the largest, wealthiest, and pandemic-proof[39] companies in the world, made numerous filings in these proceedings, generating significant Commission activity. The resulting burden placed on limited Commission resources by these entities cannot be described as *de minimis.* For instance, according to Chairman Pai, the 6 GHz proceeding was "one of the most complicated proceedings from an engineering perspective that the Commission has encountered in many years."[40] Over 100 filings including ex parte letters, notices and comments were filed by technology companies (either individually or in groups). The Commission obviously spent a significant amount of time and resources evaluating that material as evidenced by the fact that comments filed by Apple (sometimes joined by other technology companies) are mentioned in the 6 GHz Order 191 times, over three times the number of references to comments submitted by NAB.[41]

It is also abundantly clear that these companies have immensely benefited from the Commission's work. According to the Commission, the active participation of companies in its rulemaking proceedings are a clear indicator that such companies recognize benefits from Commission action to their operations "since they would not participate in such proceedings if they held no possibility of benefit to them."[42] Moreover, several of these companies have

[39] *See* Christopher Mims, *Not Even a Pandemic Can Slow Down the Biggest Tech Giants*, Wall Street Journal (May 23, 2020) (discussing how even during the pandemic, the market share of Big Tech companies, including Google, Amazon, Apple, Facebook, and Microsoft, is increasing).

[40] *In the Matter of Unlicensed Use of the 6 GHz Band; Expanding Flexible Use in Mid-Band Spectrum Between 3.7 and 24 GHz,* Statement of Chairman Pai, FCC 20-51 (Apr. 20, 2020).

[41] *See* 6 GHz Order.

[42] R&O and NPRM at ¶ 21.

publicly acknowledged the massive benefits of the Commission's recent rulemaking proceedings to their business.[43]

As a result of the benefits conferred by the Commission's activities, these entities will be allowed to introduce new technologies, many of which will ultimately compete with services provided by broadcasters and in some cases cause interference to broadcaster operations. Companies such as Apple, Microsoft and Google, all of whom have surpassed market caps of $1 trillion, participate heavily in these proceedings.[44] And yet, under the current system, broadcasters are being required to pay for 37.3 percent of the work done by the Office of Engineering and Technology (OET) and others that work on unlicensed spectrum items while unlicensed spectrum users pay nothing. OET is at least as much dedicated to working on issues for tech companies as the Media Bureau is for broadcasters. It is fundamentally unfair and unsustainable for the Commission to require broadcasters and other licensees to subsidize the costs of their competition. As discussed above, Congress has removed any statutory impediments to the Commission's ability to reexamine which entities should contribute regulatory fees as technology and the nature of the Commission's activity evolve. The Commission has a responsibility to do the work necessary to broaden the base of

---

[43] *See* Ry Crist, *FCC unlocks a massive amount of bandwidth for next-gen Wi-Fi devices*, cnet (Apr. 29, 2020) (Broadcom's VP of marketing stated that the 6 GHz decision was "the most substantive decision any Commission has made on unlicensed spectrum in almost 25 years, and one that will empower our wireless experiences for the next 20 years" while Apple applauded the FCC's decision and stated that "[i]t sets the course for the next generation of Wi-Fi networks and will help us to create innovative, new product experiences for our customers."); Conor Reynolds, *US Proposing Making "Entire 6 GHz Band Available for Unlicensed Use,"* CBR (Apr. 2, 2020) (Qualcomm Technologies' general manager of connectivity and networking commented that "we are ready to go with a full suite of Wi-Fi 6E products spanning mobile, personal computing, automotive and networking using this new spectrum, as we demonstrated in February.").

[44] *See* Michael Sheetz, *Apple, Amazon, Microsoft and Alphabet have traveled similar paths on the road to $1 trillion,* CNBC (Jan. 31, 2020).

contributors to better reflect the distribution of Commission activities and the benefits received therefrom, rather than rely on an outdated and likely unlawful focus on licensees as the only entities that generate Commission work. Doing so will greatly increase the fairness and sustainability of regulatory fees going forward.

## IV. CONCLUSION

The economic havoc wrought by the COVID-19 pandemic has forced broadcasters to adapt their operations and do more with substantially less. Yet, even as the Commission's budget remains the same as the previous year, the NPRM proposes that broadcasters continue to pay more in regulatory fees, without explaining the increased benefits received or additional work for the Commission that broadcasters have generated. The Commission should support struggling broadcasters' efforts to continue to operate and provide critical and often life-saving information to the public, by suspending increases in regulatory fees and providing substantially extended payment terms at nominal interest rates for broadcasters who need it.

More fundamentally, the Commission should no longer ignore the opportunity it has to modernize its fee schedule to more accurately reflect the work the Commission performs. We urge the Commission to rationalize its regulatory fee schedule by broadening the base of contributors to include regulatory free riders that benefit from work the Commission performs but contribute nothing to support those efforts.

Respectfully submitted,

NATIONAL ASSOCIATION OF BROADCASTERS
1 M Street, SE
Washington, DC 20003
(202) 429-5430

____________________________
Rick Kaplan
Larry Walke
Emily Gomes

June 11, 2020