

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)	
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)	
Assessment and Collection of Regulatory)	MD Docket No. 19-105
Fees for Fiscal Year 2019)	

REPLY COMMENTS OF THE SATELLITE INDUSTRY ASSOCIATION

The Satellite Industry Association (“SIA”)¹ respectfully submits these reply comments in response to the Federal Communications Commission’s (“Commission”) Notice of Proposed Rulemaking (“NPRM”) on proposed regulatory fees for fiscal year (“FY”) 2019.² SIA supports the comments filed by EchoStar Satellite Operating Corporation, Hughes Network Systems, LLC, Intelsat License LLC, Inmarsat Inc., SES Americom, Inc., Space Exploration Technologies Corp., and WorldVu Satellites Ltd. (collectively, the “Satellite Operators”) in response to the NPRM,³

¹ SIA Executive Members include: AT&T Services, Inc.; The Boeing Company; EchoStar Corporation; Intelsat S.A.; Iridium Communications Inc.; Kratos Defense & Security Solutions; Ligado Networks; Lockheed Martin Corporation; OneWeb; SES Americom, Inc.; Space Exploration Technologies Corp.; Spire Global Inc.; and Viasat, Inc. SIA Associate Members include: ABS US Corp.; Airbus Defense and Space, Inc.; Analytical Graphics, Inc.; Artel, LLC; Blue Origin; Eutelsat America Corp.; ExoAnalytic Solutions; Globalstar, Inc.; Glowlink Communications Technology, Inc.; HawkEye 360; Hughes; Inmarsat, Inc.; Kymeta Corporation; Leonardo DRS; Omnispace, LLC; Panasonic Avionics Corporation; Peraton; Planet; SSL; Telesat Canada; Ultisat, Inc.; and XTAR, LLC. For more information on SIA, see www.sia.org.

² Assessment and Collection of Regulatory Fees for Fiscal Year 2019, Notice of Proposed Rulemaking, MD Dkt No. 19-105, FCC 19-37 (rel. May 8, 2019) (“NPRM”).

³ Comments of EchoStar Satellite Operating Corporation, Hughes Network Systems, LLC, Intelsat License LLC, Inmarsat Inc., SES Americom, Inc., Space Exploration Technologies Corp., and WorldVu Satellites Ltd., MD Dkt No. 19-105, filed June 7, 2019 (the “Satellite Operator Comments”).

and reiterates the concerns raised therein that the Commission has not provided “sufficient” notice of the facts resulting in substantial FY2019 regulatory fee increases for International Bureau licensees.⁴

SIA agrees with its member companies, the Satellite Operators, that the NPRM, in its current form, does not provide companies subject to regulatory fees a meaningful basis on which to comment in this proceeding.⁵ Although the increase in the Commission’s budget to be collected by regulatory fees is only 5.3%, the FY2019 fee schedule proposed in the NPRM would increase GSO space station fees by 25% from \$127,850 to \$159,625; NGSO space station fees by 26% from \$122,775 to \$154,875; and earth station fees by 31% from \$325 to \$425.⁶ The factor driving these changes is a staggering 19.84% increase in the percentage of total full-time equivalents (“FTEs”) assigned to the International Bureau.⁷ However, that is the extent of the explanation the NPRM provides.

The Commission states that fee calculations generally are reflective of changes in FTE allocations among the four core bureaus prior to and following significant organizational restructuring.⁸ The Commission does not, however, explain why the International Bureau ended

⁴ *Action for Children's Television v. FCC*, 183 U.S. App. D.C. 437, 564 F.2d 458, 470 (D.C. Cir. 1977).

⁵ See Satellite Operator Comments at 2 & n.3, *citing* 5 U.S.C. § 553(b)(3).

⁶ The number of payment units in each of these categories for FY 2019 remains relatively unchanged from FY 2018. *Compare* NPRM at Appendix A, *and* 2018 Fee Order at Appendix B.

⁷ See NPRM at ¶ 13.

⁸ *Id.* at n.45.

up with such a dramatic increase in FTE allocations compared to the other core bureaus.⁹ As a result, satellite service licensees are completely unable to assess whether the Commission has a reasonable basis for adopting these substantial fee increases, nor can they provide meaningful comment in this proceeding pursuant to the Administrative Procedures Act.¹⁰

Further, the Commission should reject the suggestions by some commenters seeking to shift a still greater proportion of the regulatory fee burden to satellite services.¹¹ SIA previously advocated for a more rigorous, cost-based assignment of regulatory fee burdens among the various fee categories, including reducing the number of indirect FTEs whose costs are spread across all fee payers.¹² SIA would support such a holistic reassessment of fee liability, but any piecemeal shifting of costs that would result in satellite service providers paying an even greater share of the overall regulatory fee total clearly is unwarranted.

⁹ The proposed changes to the other three core bureaus' FTE allocations are: Media Bureau + 2.19%; Wireless Telecommunications Bureau – 4.49%; and Wireline Competition Bureau – 2.57%. *See* NPRM at ¶ 13.

¹⁰ 5 U.S.C. § 553(b)(3).

¹¹ *See, e.g.*, Comments of INCOMPAS, MD Dkt No. 19-105, filed June 7, 2019, at 2 (suggesting that costs should be shifted from undersea cable licensees to other International Bureau categories); Comments of North American Submarine Cable Association and the SEA-US Licensees, MD Dkt No. 19-105, filed June 7, 2019, at 10-11 (same); Comments of CenturyLink, MD Dkt No. 19-105, filed June 7, 2019, at 7-8 (asserting without any evidentiary support that satellite operators “impose relatively greater burdens on, and receive relatively greater benefits from” the Commission’s regulatory activities relating to international bearer circuits than do terrestrial providers).

¹² *See, e.g.*, *Ex Parte* Filing of the Satellite Industry Association, MD Dkt Nos. 12-201 & 08-65, filed Feb. 15, 2013, at 2-3 (discussing the fair allocation of FTEs outside the core licensing bureaus); Comments of the Satellite Industry Association, MD Dkt Nos. 14-92, 13-140, & 12-201, filed July 7, 2014, at 2-5 (same); *Ex Parte* Filing of the Satellite Industry Association and the National Association of Broadcasters, MD Dkt Nos. 15-121 & 14-92, filed Aug. 10, 2015 (seeking a more equitable assignment of indirect FTE costs).

SIA concurs with the Satellite Operator Comments that “[w]ithout any factual basis in the record supporting the Commission’s proposed large increases in the space station and earth station fees, the proposed increases, if adopted, would be arbitrary, capricious, and unduly burdensome on licensees.”¹³ SIA encourages the Commission to revise the NPRM to provide “sufficient” explanation for increasing the proposed fees by this magnitude to facilitate informed comment in this rulemaking proceeding. Until such time, the Commission should not adopt the proposed fee increases on space and earth station licensees.

Respectfully submitted,

THE SATELLITE INDUSTRY ASSOCIATION

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¹³ Satellite Operator Comments at 4.