

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

In the Matter of)	
)	
Assessment and Collection of)	MD Docket No. 17-134
Regulatory Fees for)	
Fiscal Year 2017)	

REPLY COMMENT OF ROMAR COMMUNICATIONS INC.

To: The Commission:

Romar Communications Inc. (Romar) of 175 Gray Road, Ithaca, NY 14850,¹ hereby submits its REPLY COMMENT in the above-referenced Commission proceeding, replying to comments submitted to the Commission by the National Association of Broadcasters (“NAB”) on June 22, 2017. In said comments, the NAB supported the Commission’s proposal to increase the threshold exemption for payment of regulatory fees viewed as *de minimis* from the current \$500 to \$1,000.² Romar hereby gives its wholehearted endorsement to the NAB’s position.

Romar Communications Inc. is an AM broadcast permittee which would be eligible for this exemption were it raised from \$500 to \$1,000 as proposed by the Commission in the Notice of Proposed Rulemaking in MD Docket No. 17-134 (the “NPRM”).³ The Commission’s tentative recommendation is now supported by the NAB. Romar believes that the increased exemption threshold would be beneficial not only to itself, but also to similarly situated broadcasters and broadcast permittees.

¹ Romar Communications Inc. takes note that another party, “Ramar Communications, Inc.” is a commenter in this proceeding. Aside from a striking similarity in name, there is no relationship between these parties.

² Notice of Proposed Rulemaking, *Assessment and Collection of Regulatory Fees for Fiscal Year 2017*, MD Docket No. 17-134 (hereinafter *NPRM, 2017 Regulatory Fees*), ¶¶ 29-34.

³ Romar Communications Inc. is the permittee for a New AM broadcast station, WTRS, Lansing, NY under FCC construction permit File No. BNP-20020522AAM, Facility ID No. 136961, permit granted April 29, 2016.

Discussion: The Commission last increased its *de minimis* threshold exemption in 2014 when it raised the minimum regulatory fee payment from \$10 to \$500.⁴ At the time, some commenters, including the NAB, proposed a higher threshold.⁵ Now, three years later, Romar welcomes the fact that the Commission has revisited the issue.

In the NPRM (for FY 2017), the Commission stated that its rationale for increasing the *de minimis* fee threshold is:

“to improve the cost effectiveness of the Commission’s collection of regulatory fees and to provide regulatory fee relief to smaller entities, particularly those that have little Commission regulation or oversight.”⁶

The Commission stated that it currently costs the agency at least \$350 to collect a delinquent fee and reasoned that smaller, more financially strapped broadcasters are those most prone to delinquency.⁷ Thus, imposition of regulatory fees on smaller entities could prove to be a net cash drain on Commission resources. Moreover, the Commission stated: “[P]ayers between \$500 and \$1,000 account for *less than one percent* of all regulatory fee payments.”⁸ Romar thus concludes that the absence of such minimal payments would not result in any significant loss of revenue for the agency or the federal treasury.

NAB has rightly stated that:

“[T]he financial impact of regulatory fees on broadcasters can be substantial, particularly radio and television stations in small and rural markets. Broadcasters in such markets face unique challenges in generating advertising dollars, given their smaller economic bases, while at the same time they must still compete against online services, satellite radio and other alternatives on the same basis as stations in large markets.”⁹

⁴ See NPRM, 2017 Regulatory Fees, *supra*, ¶ 29.

⁵ *Id.*, ¶ 30.

⁶ *Id.*, ¶ 31.

⁷ *Id.*

⁸ *Id.*

⁹ See Comments of the National Association of Broadcasters in MD Docket No. 17-134, June 22, 2017, para. 3.

NAB continued that unlike cable and telephone companies, broadcasters cannot simply pass along regulatory fees to their customers in the form of higher bills. Quite likely, reasoned the NAB, a regulatory fee payment to the FCC could mean for the smaller broadcaster a cut in payroll.¹⁰ Romar agrees.

To reflect on this commenter's own situation, Romar Communications Inc. as yet has no AM license; no operating station; no incoming cash flow; only, for now, a piece of paper from the FCC authorizing its station's construction. Romar earlier paid the necessary application fees for the processing of its proposal. Those application fees were calculated so as to cover the cost of the filing's review. When Romar's station is built, additional fees will be assessed for processing of the license application. For Fiscal Year 2017, the Romar CP will be nothing more than a figurative piece of paper resting in a Commission file—or more accurately put, an electronic entry on a computer database.

Nevertheless, the Commission's list of proposed Regulatory Fees for 2017 would assess Romar \$650 for that lone, unbuilt AM Construction Permit.¹¹ Unlike regulatory fees for licensed stations, the fee for an AM construction permit is not adjusted to reflect market size. Small market permittees are currently assessed the same regulatory fee as those in big cities. In future years, Romar would encourage the Commission to consider establishment of a market-based sliding scale for construction permit regulatory fees. But for the current year, for reasons of equity that reflect the smaller size of its prospective licensed community as well as its situation overall, Romar senses strong justification for the NAB's position.

Conclusion: As proposed by the Commission in its NPRM in MD Docket No. 17-134, and subsequently endorsed by the National Association of Broadcasters in its comments of June 22,

¹⁰ *Id.*

¹¹ See NPRM, 2017 Regulatory Fees, *supra*, APPENDIX A.

2017, the exemption for payment of *de minimis* 2017 Regulatory Fees should be raised from \$500 to \$1,000.

Respectfully submitted,

July 5, 2017

Robert A. Lynch
President
Romar Communications Inc.

175 Gray Road
Ithaca, NY 14850
(607) 272-8433
romar1@localnet.com