



July 30, 2019

Marlene H. Dortch, Esq.
Secretary
Federal Communications Commission
445 12th Street SW
Washington DC 20554

Re: Notice of *Ex Parte* Communication, MD Docket No. 19-105

Dear Ms. Dortch:

On July 29, 2019, Rick Kaplan and the undersigned of the National Association of Broadcasters (NAB) met with Nirali Patel of Chairman Pai's office to discuss the above-captioned Notice of Proposed Rulemaking setting forth proposed regulatory fees for Fiscal Year 2019.¹

We discussed the Commission's proposed fees for radio stations, which are set to increase by an astonishing 20% compared to 2018.² NAB again noted the utter lack of explanation for this increase in the Notice, which is particularly disturbing in light of the hardship it will impose on many broadcasters. We recognized that the scheduled 5.2% increase in the FCC's overall budget for 2019 will cause fee increases for many industries; however, this adjustment fails to explain on its own the exponential increases for radio stations. The Commission has an obligation to explain exactly why it is proposing this large assessment, at the very least to allow parties to meaningfully comment on the rationale behind the dramatic change.

We also discussed two issues concerning regulatory fees for television broadcasters. First, NAB described the devastating impact that the FCC's move to population-based fees will have on some satellite television stations, including some that will see increases of 1300% or more.³ Such stations are used to retransmit programming of a parent station into remote areas that otherwise would not receive any broadcast service. NAB explained that the proposed fees bear no relation to the resources the FCC devotes to the activities of satellite stations, and like the radio fee increases, the FCC offered no rationale for this change. NAB requested that the FCC consider ways to minimize the impact of changing to population-

¹ *Assessment and Collection of Regulatory Fees for Fiscal Year 2019*, Notice of Proposed Rulemaking, MD Docket No. 19-105 (rel. May 8, 2019) (Notice).

² Notice at Appendix B.

³ Joint Comments of Nexstar Broadcasting, Inc. and Gray Television Inc., MD Docket No. 19-105, at 4 n.11 (June 7, 2019) (discussing KBTX-TV in Bryan, Texas, which will be subject to a 1300% higher fee, and WJLP-TV in Middletown Township, New Jersey, whose fee will increase from the previous flat fee of \$1,500 to over \$104,000).

based regulatory fees on satellite stations. A phase-in of these fees, while better than no phase-in at all, does not by itself address the problem of these massive increases in regulatory fees.

Finally, NAB described the substantial fee increases that certain VHF stations will receive under the new population-based method. Some VHF stations operate at power levels above their normal maximum to overcome the limits of VHF signals in a digital system, such as ambient noise that can degrade signal quality within a station's core area. However, increasing power also extends a station's contour to additional viewers, causing higher fees under the new method, even though such distant viewers do not actually watch such stations due to their inability to receive a signal. NAB reiterated its proposal that fees for VHF stations instead should be based on their contour pursuant to their original technical parameters following the DTV transition, which were designed to replicate the station's pre-transition analog coverage contour.⁴ This would produce a much more accurate measure of a VHF station's actual coverage.

NAB appreciates the opportunity to provide our views on this matter.

Respectfully submitted,



Larry Walke
Associate General Counsel
Legal and Regulatory Affairs
National Association of Broadcasters

cc: Nirali Patel

⁴ Reply Comments of the National Association of Broadcasters, MD Docket No. 19-105 (June 24, 2019), at 8-9.