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Via ECFS

August 23, 2018

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th St. SW
Washington, D.C. 20554

**RE: Assessment and Collection of Regulatory Fees for Fiscal Year 2018, MD
Docket No. 18-175**

Dear Ms. Dortch:

On August 21 and 23, Vonda Long-Dillard, and Cathy Carpino, and the undersigned of AT&T Services, Inc., and Hadass Kogan of DISH Network L.L.C. met with Kate Black of Commissioner Rosenworcel's office, Brooke Ericson of Commissioner O'Rielly's office, and Michael Carowitz of Chairman Pai's office to discuss the Commission's proposed rate hike to direct broadcast satellite ("DBS") providers' per subscriber regulatory fees for Fiscal Year 2018.

In these meetings, we explained that there is no record basis for the Commission's proposal to increase the DBS per subscriber rate by 25 percent (to 48 cents) while simultaneously slashing the per subscriber rate paid by cable operators by almost 20 percent. The proceedings the Commission cites in its Notice of Proposed Rulemaking ("NPRM")¹ simply do not support the proposed fee increase. For example, the Commission cites the set-top box proceeding, which has been dormant since 2016, the independent programming proceeding, which has been dormant for over a year, and the online public file proceeding, the final rules from which became effective in 2016. None of these proceedings – which the Commission has cited in prior Orders as the reason for fee increases imposed in past years – justify the proposed rate increase for FY 2018. We also noted that the Commission has made no effort to explain how these proceedings have increased the workload of Media Bureau FTEs to justify a sharp per-subscriber rate increase for DBS providers and, at the same time have decreased the Media Bureau's workload as it relates to cable operators to justify a proposed decrease of 18 cents per cable subscriber.

We reiterated that the non-record-based drive to parity between the per subscriber rate for cable and DBS providers also ignores Congress's statutory command that regulatory fees bear some reasonable relation to the costs of regulating payors and account for benefits provided to

¹ *Assessment and Collection of Regulatory Fees for Fiscal Year 2018*, MD Docket No. 18-175, Report and Order and Notice of Proposed Rulemaking, FCC 18-65, ¶ 19, n.68 (rel. May 22, 2018).

the payor by the Commission's activities.² In the past year, the Media Bureau has undertaken media modernization initiatives but, as we explained in our comments, by and large, those proceedings have had no effect on DBS providers even though they have provided (or will provide if adopted) significant benefits to cable operators.³ In response to the NPRM's question of whether the Commission's regulations imposed on cable and DBS are similar, the answer is a resounding, no. As we explained in our comments, the statutory bases for DBS and cable regulation are quite different.⁴ As a consequence, the Commission has promulgated dozens of cable rules that have never had any applicability to DBS providers. The cable trade associations that argue for regulatory fee parity ignore this important distinction between these different classes of multichannel video programming distributors ("MVPDs").⁵ They also ignore the fact that among MVPDs, DBS providers alone pay other regulatory fees. Consequently, any march toward parity, which we strongly oppose, must factor in DBS providers' other regulatory fee payments.

Sincerely,

/s/ Frank S. Simone

cc: K. Black
B. Ericson
M. Carowitz

² See 47 U.S.C. § 159(a), (b).

³ See Joint Comments of DISH Network L.L.C. and AT&T Services, Inc., MD Docket No. 18-175, at 5-9 (filed June 21, 2018).

⁴ *Id.* at 7-8.

⁵ AT&T Reply Comments, MD Docket No. 18-175, at 4-5 (filed July 6, 2018).