

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Assessment and Collection of)
Regulatory Fees for Fiscal Year)
1998)

MD Docket No. 98-36

) DOCKET FILE COPY ORIGINAL

To: The Commission

COMMENTS OF THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

The American Radio Relay League, Incorporated, the national association of Amateur Radio operators in the United States, by counsel and pursuant to Section 1.415 of the Commission's Rules (47 C.F.R. §1.415) hereby respectfully submits its comments in response to the *Notice of Proposed Rulemaking*, FCC 98-40, 63 Fed. Reg. 16188, released March 25, 1998. The Notice proposes to establish annual regulatory fees for all services administered by the Commission, in compliance with the requirements of Section 9(a) of the Communications Act of 1934, as amended. For its comments, the League states as follows:

1. The League's interest in the instant proceeding is limited to the determination of the proper regulatory fee for Vanity Call Signs for those in the Amateur Service who choose to avail themselves of the opportunity to obtain specific call signs of choice. The calculation of the proper regulatory fee for Amateur Vanity Call Signs has changed significantly over the past few years, as determined by the FY 1996 and FY 1997 *Fee Reports and Orders*¹. This is not unexpected, given the annual cost determination methods specified in Section 9 of the Communications Act, and the variable annual Congressional determination of the Commission's costs necessary of recoupment. Indeed, it is acknowledged by the League that the costs to be recouped by the Commission by regulatory fees for FY 1998 exceeds the amount specified for FY 1997 by \$10,000,000, a 7 percent increase.

2. For FY 1998, the Commission has specified an annual regulatory fee for those radio amateurs choosing to obtain Vanity Call Signs of \$1.29 per year, to be paid in advance for the ten-year term of the license, or \$12.90. This is based on an assumption in the Notice that the number of applicants for Vanity Call Signs in the Amateur Service will number 10,000, the same estimate as for FY 1997. However, as the Notice specifies at paragraph 13 of Attachment H:

¹ See, 61 Fed. Reg. 36629 (July 12, 1996) and 62 Fed. Reg. 37408 (July 11, 1997).

Applicants for Amateur Vanity Call-Signs will continue to pay a \$5 annual regulatory fee per call sign, as prescribed in the FY 1997 fee schedule, payable for an entire ten-year license term at the time of application for a vanity call sign until the FY 1998 fee schedule becomes effective. The total regulatory fee due would be \$50 per license for the ten-year license term (footnote omitted). For FY 1998, Amateur Vanity Call Sign applicants will pay a \$1.29 annual regulatory fee per call sign, payable for a ten-year term at the time of application for a new, renewal or reinstatement license. The total regulatory fee due is \$12.90 per call sign for the ten-year license term. We propose that there will be no refunds to applicants who submit applications before implementation of the FY 1998 fee.

3. The League supports the proposed reduction in the FY 1998 regulatory fee over the FY 1997 fee, and urges its adoption. Because the fee is calculated *de novo* each year based on the cost of administration of the service provided, and the amount of such costs to be recouped varies, it is understood that the fee determination is independent of, and unrelated to, that which was established for the previous fiscal year.

4. It must be noted, however, that the wide relative variation in fees, as annualized over a ten-year license term, appears to create some inequities: the ten-year fee in FY 1996 was \$30 for Vanity Call Signs, and for FY 1997, it was \$50. Radio amateurs who chose to obtain Vanity Call Signs after implementation of the FY 1997 fee schedule were asked to pay significantly more for the same service than were their predecessors. Since at the time, there was a series of "gates" established by the Wireless Telecommunications Bureau during which various classes of eligibles could apply for Vanity Call Signs, the timing of the opening of those "gates" determined which class of applicant had to pay the higher fee, and who would be able to pay the lower amount. This was clearly inequitable, and the Commission should have handled the matter differently, as the League noted in comments filed prior to the adoption of the FY 1997 Report and Order. However, since all "gates" are now open, and any licensed amateur may obtain a Vanity Call Sign, there is now no class of licensee in the Amateur Service who will have been prejudiced by the forward-looking reduction of the fee. As the Notice specifies, those who now choose to apply for Vanity Call Signs can do so, but will until a Report and Order is issued in this proceeding, be required to pay the currently applicable regulatory fee of \$50. Those who choose to await the implementation of the FY 1998 fee may do so, though their preferred call sign may no longer be available at that time.

In summary, the League, though noting the past inequities in the application of the annual regulatory fee to the Amateur Vanity Call Sign program, nonetheless believes the proposed fee to be reasonable and urges its adoption as soon as possible.

Respectfully submitted,

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