

FEDERAL COMMUNICATIONS COMMISSION

Washington, D. C. 20554

AUG 5 2015

OFFICE OF
MANAGING DIRECTOR

David G. O'Neil, Esq.
Rini Coran, PC
1200 New Hampshire Ave., N.W.
Suite 600
Washington, DC 20036

Licensees/Applicants: Black Crow Radio,
LLC, Debtor-in-Possession, *et al.*

Waiver and Deferral of Regulatory Fees:
Financial Hardship

Disposition: **Dismissed and Denied** (47
U.S.C. §159(c)(2); 47 C.F.R. §§ 1.1164,
1.1166)

Stations: Multiple

Fee: Fiscal Year (FY) 2012 Regulatory Fee

Date Request Filed: Sep. 11, 2012

Fee Control No.: RROG-12-00014697

Amount Due: See Fee Filer

Dear Counsel:

This responds to Licensees' *Request*¹ for waiver of the required Fiscal Year (FY) 2012 regulatory fees due for their 24 stations. Our records reflect that Licensees did not pay the FY 2012 fees,² rather they ask, to the extent necessary, that we defer payment of the fees. As we discuss below, we dismiss and deny the *Request* because Licensees fail to include a proper separate petition to defer payment and to show both extraordinary and compelling circumstances and that a waiver will promote the public interest. We demand immediate payment of the fees, penalties, and accrued charges.

Background

On September 11, 2012, Licensees submitted the *Request* with five exhibits. Licensees acknowledge that under 47 C.F.R. § 1.1166, a request for waiver requires a showing of both good cause and that the public interest is served by the waiver or the

¹ Submission from David G. O'Neil, Esq., Rini Coran, PC, 1140 19th St., NW, Suite 600, Washington, DC 20036, Black Crow Radio, LLC, Debtor-in-Possession (FRN 0005816590), *et al.*, *Request for Waiver of Payment of Fiscal Year 2012 Regulatory Fees* to Office of the Secretary, Attention Managing Director (Sep. 11, 2012) (*Request*) with Exhibit 1, List of Radio Stations and Fiscal Year 2012 Annual Regulatory Fees, Exhibit 2, FCC Approvals, Exhibit 3, Voluntary Petitions for Bankruptcy Court Order Approving Bankruptcy (*Order & Voluntary Petition*), Exhibit 4, FCC Letters dated Mar. 18, 2011 & Dec. 14, 2011, approving Request to Waive FY 2010 & FY 2011 regulatory fees (*FY 2010 & FY 2011 Fee Waivers*), and Exhibit 5, Declaration of James L. Devis (*Declaration*).

² See FY 2012 Regulatory Fees Due No Later Than September 13, 2012, Eastern Time (ET), *Public Notice*, DA 12-1295 (Aug. 13, 2012).

deferral.³ In part, section 1.1166(c) provides, “[w]aiver requests that do not include the required fees or forms will be dismissed unless accompanied by a petition to defer payment due to financial hardship, supported by documentation of the financial hardship.”⁴ Even so, Licensees do not include a separate complete petition to defer payment, rather they add in their “request, to the extent necessary, deferral of payment ... because of financial hardship.”⁵ Licensees assert their various “[c]ompanies have been in Chapter 11 bankruptcy since January 2010,”⁶ however, Licensees fail to include any financial documentation concerning the Debtor-in-Possession business operations, any bankruptcy court motions, orders, or other filings concerning Debtor-in-Possession business operations, any proposed plan for exiting bankruptcy protection, or any discussion addressing either good cause or how the public interest is served. Instead, Licensees state they are “requesting deferral ... to avoid the imposition of any payment penalties for failure to timely pay the regulatory fees.” Additionally, Licensees opine “[g]iven the likelihood of success of this petition, combined with the financial hardship that imposition of the regulatory fees would impose upon the Black Crow Companies, the public interest would be served by granting the deferral request at this time.”⁷ Licensees do not provide any evidence to support the assertion that paying the fees will impose financial hardship.

Standards

The Commission’s rules at 47 C.F.R. §§ 0.401, 1.7, and 1.1166 establish both the proper location and procedures for filing waiver requests and petitioning for deferral and the consequence of dismissal for failing to comply with those rules. The Commission has designated specific offices to receive and process certain matters, thus a request for relief is *filed* only upon receipt at the location designated by the Commission.⁸ For example, under section 1.1166 of the Commission’s rules, a petition to waive a regulatory fee “must be accompanied by the required fee and FCC Form.”⁹ If the applicant includes the fee, the request must be submitted to the Commission’s lockbox bank.¹⁰ Waiver requests that do not include the required fees or form will be dismissed unless accompanied by a separate petition to defer payment due to financial hardship, supported by documentation of the financial hardship.¹¹ “If no fee payment is submitted, the request should be filed

³ Request at 1.

⁴ 47 C.F.R. § 1.1166(c).

⁵ Request at 2 and 3.

⁶ *Id.* at 3.

⁷ *Id.*

⁸ 47 C.F.R. §§ 0.401 (“The Commission maintains several offices and receipt locations. Applications and other filings not submitted in accordance with the addresses or locations ... will be returned to the applicant without processing.”); 1.7 (“pleadings and other documents are considered to be filed with the Commission upon their receipt at the location designated by the Commission.”); *Champion Communication Services, Inc., Order on Reconsideration*, 15 FCC Rcd 23782, 23783-84 (WTB 2000).

⁹ 47 C.F.R. § 1.1166(c).

¹⁰ 47 C.F.R. § 1.1166(a)(1).

¹¹ 47 C.F.R. § 1.1166(b); *Assessment and Collection of Regulatory Fees For Fiscal Year 2011, Report and Order*, 26 FCC Rcd 10812, 10819, ¶ 17 (2011) (“A regulatee’s mere allegation of financial hardship thus does not automatically entitle it to a deferral of its obligation to pay regulatory fees; only a properly supported claim of financial hardship will entitle the regulatee to a deferral. Accordingly, if a request for

with the Commission's Secretary."¹² Filing is accomplished by mailing or otherwise delivering a hard copy of the documents to Office of the Secretary, Federal Communications Commission, Attention: Managing Director, Washington, D.C. 20554.

Furthermore, under 47 U.S.C. § 159 and 47 C.F.R. §§ 1.1166, the Commission imposes the statutory penalty¹³ on any licensee that submits a request for a waiver based on financial hardship that does not include either the full fee or a timely separate petition to defer payment supported by documentation of the financial hardship.

The Commission recognizes that in certain instances, payment of a regulatory fee may impose an undue financial hardship upon a licensee, and it may be waived, reduced, or deferred upon a showing of *good cause*¹⁴ and a finding that the *public interest will be served thereby*.¹⁵ The applicant has the burden of demonstrating relief is warranted,¹⁶ *i.e.*, that special circumstances warrant a deviation from the general rule to collect the regulatory fee, and that the deviation will serve the public interest.¹⁷ The Commission's rule at 47 C.F.R. § 1.1166 provides,

The fees ... may be waived, reduced or deferred in specific instances, on a case-by-case basis, where good cause is shown and where waiver, reduction or deferral of the fee would promote the public interest. ... (a) ... All such filings within the scope of the fee rules shall be filed as a separate pleading and clearly marked to the attention of the Managing Director. Any such request that is not filed as a separate pleading will not be considered by the Commission.

deferral is not supported by documentation of financial hardship, it will be denied, and an associated petition for waiver or reduction will be dismissed. A regulatee cannot delay payment on the theory that its deferral request triggered an automatic six-month extension of its obligation to pay.").

¹² 47 C.F.R. § 1.1166(a)(2).

¹³ 47 U.S.C. § 159; 47 C.F.R. § 1.1166; Waivers, Reductions and Deferments of Regulatory Fees, *Regulatory Fees Fact Sheet* (Aug. 2012) ("A petition for waiver of a regulatory fee either must be a petition for waiver that does not include a payment or the required petition for deferral and supporting documentation will be dismissed, and a penalty may be imposed.").

¹⁴ 47 C.F.R. § 1.3.

¹⁵ 47 U.S.C. § 159(d); 47 C.F.R. § 1.1166. *See also* Implementation of Section 9 of the Communications Act, Assessment and Collection of Regulatory Fees for the 1994 Fiscal Year, *Report and Order*, 9 FCC Rcd 5333, 5344 (1994), *recon. denied*, 10 FCC Rcd 12759 (1995) (1994 *Report and Order*); *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969); *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (*Northeast Cellular*).

¹⁶ *Tucson Radio, Inc. v. FCC*, 452 F.2d 1380, 1382 (D.C. Cir. 1971).

¹⁷ *Northeast Cellular*, 897 F.2d at 1166.

Hence, an applicant must show extraordinary and compelling circumstances that outweigh the public interest in recouping the Commission's regulatory costs.¹⁸ The required "sufficient showing of financial hardship"¹⁹ is more than "[m]ere allegations or documentation of financial loss, standing alone." Rather, "it [is] incumbent upon each regulatee to fully document its financial position and show that it lacks sufficient funds to pay the regulatory fee and to maintain its service to the public."²⁰ The relevant financial documents include the licensee's balance sheet and profit and loss statement (audited, if available), a cash flow projection for the next twelve months (with an explanation of how calculated), a list of the licensee's officers and their individual compensation, together with a list of their highest paid employees, other than officers, and the amount of their compensation, or similar information. On this information, the Commission considers on a case-by-case basis whether the licensee met the standard to show the station lacks sufficient funds to pay the regulatory fee and maintain service to the public.²¹

As is appropriate to an applicant's assertion of bankruptcy, a bankruptcy proceeding is established with verified court records, such as, in a reorganization under Chapter 11 of the Bankruptcy Code, copies of the relevant filings, forms, and evidence the trustee or debtor-in-possession has complied with its required duties²² by including court filed financial reports.²³

An applicant's verified evidence of bankruptcy is relevant,²⁴ however, "in some circumstances a significant question may exist as to whether bankruptcy represents extraordinary and compelling circumstances justifying a waiver when balanced against the public interest in reimbursing the Commission for its costs as reflected in the statutory fee provisions."²⁵ Thus, an applicant must present "extraordinary and compelling circumstances showing that a waiver ... would override the public interest" in collecting

¹⁸ 1994 Report and Order, 9 FCC Rcd at 5344 ¶ 29; Phoenix Broadcasting, Inc. Stations KSWD and KPFN Seward, Alaska, Memorandum Opinion and Order, 18 FCC Rcd. 26464, 26466, ¶¶ 5-6 (2003) ("Fee relief may be granted based on asserted financial hardship, but only upon a documented showing that payment of the fee will adversely impact the licensee's ability to serve the public. ... [I]n the absence of a documented showing of insufficient funds to pay the regulatory fees, [applicant] has not made a compelling showing that overrides the public interest in the Commission's recouping the costs of its regulatory activities.").

¹⁹ FY 1994 MO&O, 10 FCC Rcd at 12761-62, ¶ 13.

²⁰ *Id.*

²¹ *Id.*

²² See 11 U.S.C. § 521.

²³ 11 U.S.C. §§ 1106, 1107, 1166; Fed. R. Bnkr. P., Rule 1007.

²⁴ See *id.* at 12762, ¶ 14 ("[W]here a bankruptcy trustee, receiver, or debtor in possession is negotiating a possible transfer of a license, the regulatory fee could act as an impediment to the negotiations and the transfer of the station to a new licensee.").

²⁵ Assessment and Collection of Regulatory Fees for Fiscal Year 2003, Notice of Proposed Rulemaking, 18 FCC Rcd 6085, 6090, ¶ 11 (2003) ("Although fee waivers will generally be given in cases of financial hardship, we nevertheless note that even under our current policies, in some circumstances a significant question may exist as to whether bankruptcy represents extraordinary and compelling circumstances justifying a waiver when balanced against the public interest in reimbursing the Commission for its costs as reflected in the statutory fee provisions. ... We therefore emphasize that under the statutory waiver provisions, case-by-case review of fee waiver requests is necessary to determine the public interest, even in bankruptcy cases.").

the fee,²⁶ and we analyze the facts of each case to determine whether the applicant has satisfied both prongs of the Commission's standard, financial hardship and extraordinary²⁷ and compelling circumstances²⁸ showing waiver is justified.²⁹

Discussion

First, Licensees fail to file both a separate request for waiver and a separate petition for deferral on or before the due date. Instead, Licensees file³⁰ only the *Request*. In that document, Licensees seek, "to the extent necessary, deferral of payment of the regulatory fee."³¹ This is not a separate petition to defer payment properly supported with documentation.³² Hence, Licensees fail to comply with our rule at 47 C.F.R. § 1.1166(a) and (c) that provides, "[a]ll such filings within the scope of the fee rules shall be filed as a separate pleading ... [w]aiver requests that do not include the required fees or forms will be dismissed unless accompanied by a petition to defer payment due to financial hardship, supported by documentation of the financial hardship."³³ In addition to this fatal procedural error of failing to file the separate pleadings, Licensees' request for deferral from payment "to the extent necessary" is inconsistent with the elements of the rule³⁴ requiring that Licensees establish in each pleading "good cause" and that the result "would promote the public interest."³⁵ Specifically, a "mere allegation of financial hardship ... does not automatically entitle it to a deferral of its obligation to pay regulatory fees; only a properly supported claim of financial hardship will entitle the regulatee to a deferral. Indeed, Licensees fail to include financial documentation or support for the assertion that payment of the regulatory fees by the debtor-in-possession will cause financial hardship."³⁶ Licensees' request "in the alternative" and without any financial documentation fails to comply with the standard, thus we dismiss. Dismissal

²⁶ 47 U.S.C. § 159(d) ("The Commission may waive, reduce, or defer payment of a fee in any specific instance for good cause shown, where such action would promote the public interest."); 47 C.F.R. § 1.1166 ("fee ... may be waived, reduced or deferred in specific instances, on a case-by-case basis, where good cause is shown and where waiver, reduction or deferral of the fee would promote the public interest."). *FY 1994 MO&O*, 10 FCC Rcd at 12761, ¶ 12.

²⁷ Black's Law Dictionary (9th ed. 2009)(extraordinary-"a highly unusual set of facts that are not commonly associated with a particular thing or event").

²⁸ *Id.* (compelling-"something so great that irreparable harm or injustice would result if not met").

²⁹ Assessment and Collection of Regulatory Fees for Fiscal Year 2003, *Report and Order*, 18 FCC Rcd 15985, 15989-90, ¶¶ 11, 13, 14 (2003).

³⁰ 47 C.F.R. § 1.7 ("pleadings and other documents are considered to be filed with the Commission upon their receipt at the location designated by the Commission.")

³¹ *Waiver Request* at 1 and 4.

³² *Procedures for Filing Waiver Reductions and Deferments* ("The Commission will dismiss any request to waive or reduce a regulatory fee that does not include full payment or the required separate petition for deferral with supporting documentation.")

³³ 47 C.F.R. § 1.1166; Assessment and Collection of Regulatory Fees for Fiscal Year 2001, *Report and Order*, 16 FCC Rcd 13525, 13570, ¶ 58 ("In exceptional and compelling instances (where payment of the regulatory fee along with the waiver or reduction request could result in reduction of service to a community or other financial hardship to the licensee), the Commission will accept a petition to defer payment along with a waiver or reduction request."); Assessment and Collection of Regulatory Fees for Fiscal Year 1997, *Notice of Proposed Rulemaking*, 8 Comm. Reg. (P&F) 2037, ¶ 62 (1997).

³⁴ *2011 Regulatory Fee Order*, 26 FCC Rcd at 10819, ¶ 17.

³⁵ 47 C.F.R. § 1.1166.

³⁶ *See Request* at 3.

triggers the statutory penalty under 47 U.S.C. § 159 and 47 C.F.R. § 1.1164 from the due date of the FY 2012 regulatory fees.

Looking past Licensees' failure to include a separate petition to defer, the content of the *Request* is fatally deficient. Licensees fail to establish both prongs of the standard, *i.e.*, *good cause* and that each action will *promote the public interest*.³⁷ Indeed, Licensees fail to present and establish the essential public interest element, relying instead on a brief conclusion related only to the alternate request for deferral, *i.e.*, "[g]iven the likelihood of success of this petition, combined with the financial hardship that imposition of the regulatory fees would impose ... the public interest would be served by granting the deferral request at this time."³⁸ Licensees' prediction of the possibility the Commission will grant the waiver is not a compelling showing³⁹ that the public interest is served by deferring payment. On the whole, Licensees' alternative request fails to establish the necessary exceptional and compelling circumstances to show payment of the fee along with the petition for waiver could result in reduction of service to a community or other financial hardship.⁴⁰ "Each regulatee [must] fully document its financial position and show that it lacks sufficient funds to pay the regulatory fee and to maintain its service to the public."⁴¹ This standard applies to both a petition to defer and to a waiver request. Licensees failed in their duty. This is an additional ground to dismiss. As noted, the consequences for failing to meet our standard for a deferral of payment is dismissal and the penalty and sanctions, including those set forth at 47 U.S.C. §159(c)(2), 47 C.F.R. §§ 1.1164, 1.1166, and 1.1910 (the Commission's red light rule), and the Debt Collection Improvement Act of 1996 (DCIA).

Turning to Licensees' assertions of financial hardship, Licensees refers to their 2010 bankruptcy filing for reorganization under Chapter 11 of the Bankruptcy Code;⁴² however, Licensees fail to include supporting evidence.

As explained, above, Licenses fail to establish both prongs of the Commission's standard, extraordinary⁴³ and compelling circumstances⁴⁴ showing that a deferral and a waiver each would override the public interest in collecting the fee.⁴⁵ It is not enough to assert an earlier bankruptcy as support for the claim. The bankruptcy proceeding and the applicant's place therein is established with verified court records, such as, in a

³⁷ 47 U.S.C. §159(d); 47 C.F.R. § 1.1166. *See also* 1994 Report and Order, 9 FCC Rcd 5344.

³⁸ *Request* at 3.

³⁹ Phoenix Broadcasting, Inc., *supra*, 18 FCC Rcd at 26466.

⁴⁰ 1994 Report and Order, 9 FCC Rcd at 5344 ¶ 29.

⁴¹ 10 FCC Rcd at 12761-62 ¶ 13.

⁴² *Request* at 1, Exhibit 3.

⁴³ Black's Law Dictionary (9th ed. 2009)(extraordinary-"a highly unusual set of facts that are not commonly associated with a particular thing or event").

⁴⁴ *Id.* (compelling-"something so great that irreparable harm or injustice would result if not met").

⁴⁵ 47 U.S.C. § 159(d) ("The Commission may waive, reduce, or defer payment of a fee in any specific instance for good cause shown, where such action would promote the public interest."); 47 C.F.R. § 1.1166 ("fee ... may be waived, reduced or deferred in specific instances, on a case-by-case basis, where good cause is shown and where waiver, reduction or deferral of the fee would promote the public interest."). *FY 1994 MO&O*, 10 FCC Rcd at 12761, ¶ 12; Assessment and Collection of Regulatory Fees for Fiscal Year 2003, *Report and Order*, 18 FCC Rcd 15985, 15989-90, ¶¶ 11, 13, 14 (2003)..

reorganization under Chapter 11 of the Bankruptcy Code, copies of the relevant filings, forms, and evidence the trustee or debtor-in-possession has complied with its required duties⁴⁶ by including court-filed financial reports.⁴⁷ Relevant to this request is the purpose of a Chapter 11 proceeding, which is to restructure the debtor's obligations and allow its business to continue successfully after confirmation.⁴⁸ The bankruptcy process that begins with filing a petition and continues until confirmation of the plan provides breathing room for a business to recoup, evaluate, and deal with creditors. During the process, the debtor operates the business as a debtor-in-possession or under the direction of a trustee, and pays current obligations. The debtor also develops a plan dealing with creditors, and it projects post-confirmation operations. Relevant to post-petition and post-confirmation operations are court-filed financial documents, including, e.g., a statement of financial affairs, monthly operating reports, the plan,⁴⁹ and a disclosure statement with debtor's plan for the business going forward that has timely and accurate financial information with projections.⁵⁰ Consistent with our standards, an applicant seeking a waiver of fees post-petition must include relevant financial documentation, such as the plan reflecting debtor-applicant's reasonable financial projections, including the annual regulatory fees.⁵¹

We presume Licensees complied with court rules and procedures, including submission of court-required financial records. For example, we presume the records of Licensees' Chapter 11 bankruptcy proceedings, which it initiated in 2010, include a preliminary and final plan dealing with creditors that includes financial documentation projecting expenses while operating as a Debtor-in-Possession and for post-confirmation operations with annual regulatory fees.⁵² Licensees fail to include the routine expected motions and orders pertaining to the Debtor-in-Possession's authority to pay operational expenses. Finally, from the existence of a December 27, 2011-Plan Confirmation Order, we presume Licensees anticipated post-bankruptcy business. Nonetheless, Licensees fail to include any of this relevant material information. Licensees fail to include relevant material financial documentation. Thus, Licensees do not present a persuasive argument supported by evidence that financial hardship exists. If Licensees have evidence showing financial hardship sufficient to support both the unfiled petition to defer and the requested

⁴⁶ See 11 U.S.C. § 521.

⁴⁷ 11 U.S.C. §§ 1106, 1107, 1166; Fed. R. Bnkr. P., Rule 1007.

⁴⁸ *United States v. Whiting Pools, Inc.*, 462 U.S. 198, 203 (1983); *In re Lee Min Ho Chen*, 482 B.R. 473, 478 (D. Puerto Rico, Bkrtcy, 2012), *In re Gyro-Trac (USA), Inc.*, 441 B.R. 470, 479 (D.S.C. Bkrtcy, 2010).

⁴⁹ 11 U.S.C. § 1129.

⁵⁰ See e.g., 11 U.S.C. §§ 1125, 1129; see also *In re Ferguson*, 474 B.R. 466, 476 (D. S.C. Bkrtcy, 2012) ("to satisfy the requirements of adequate information under [11 U.S.C.] § 1125, a disclosure statement must contain the necessary financial information, data, and projections").

⁵¹ See *In re Idearc, Inc.*, 423 B.R. 138, 167 (N.D. Tx. Bkrtcy, 2009) ("To establish the feasibility of a plan, the debtor must present proof through reasonable projections that there will be sufficient cash flow to fund the plan. Such projections cannot be speculative, conjectural or unrealistic.").

⁵² See e.g., 11 U.S.C. §§ 1125, 1129; see *In re Ferguson*, 474 B.R. 466, 476 (D. S.C. Bkrtcy, 2012) ("to satisfy the requirements of adequate information under [11 U.S.C.] § 1125, a disclosure statement must contain the necessary financial information, data, and projections"); see *In re Idearc, Inc.*, 423 B.R. 138, 167 (N.D. Tx. Bkrtcy, 2009) ("To establish the feasibility of a plan, the debtor must present proof through reasonable projections that there will be sufficient cash flow to fund the plan. Such projections cannot be speculative, conjectural or unrealistic.").

waiver while operating as the Debtor-in-Possession, Licensees should have made it part of the filing. We will not fill in Licensees' gaps that result in incomplete financial documentation to support the petition to defer payment and the request for waiver. Hence, for this reason, we deny the *Request*.

Moreover, Licensees fail to sustain their burden of showing how the public interest is served by deferring payment and by waiving the fee. Although Licensees acknowledge both prongs of our standard at 47 C.F.R. § 1.1166, "good cause shown and the public interest will be served,"⁵³ Licensees fail to establish how the public is served by either deferral of payment of the fee or the waiver of the fee. Licensees' only *mention* of the requirement is to state its assumption, "the likelihood of success of this petition, combined with the financial hardship that imposition of the regulatory fees would impose ... the public interest would be served by granting the deferral" This summary misses the mark by failing to show how the public interest is served by deferring payment, and it is devoid of establishing how the public interest is served in granting a waiver. With no showing on this prong, we deny the *Request* to waive the fee.

Payment of Licensees' FY 2012 regulatory fees, the 25% penalties, and the accrued charges is now due. The Commission will continue collection procedures until it receives full payment. Charges required by 31 U.S.C. § 3717(e) accrue from the date the fee was due.⁵⁴

Until Licensees make full payment of the fees, late payment penalties,⁵⁵ and charges of collection under 31 U.S.C. § 3717 and 47 C.F.R. § 1.1940,⁵⁶ we continue to assess those charges, and we will withhold action on and thereafter dismiss any pending application.⁵⁷ Additional charges accrue on debts referred to the Secretary of Treasury.⁵⁸ Furthermore, this notifies Licensees that under 31 U.S.C. § 3711(g), without further notice, and usually within 180 days or less of delinquency, we transfer delinquent debts to Treasury, which initiates collection action and assesses additional charges. In addition, we may refer debts to the Department of Justice, which may result in litigation and additional costs.

⁵³ *Request* at 1.

⁵⁴ See 47 C.F.R. § 1.1901, *et seq.*

⁵⁵ 47 U.S.C. § 159(c).

⁵⁶ 31 U.S.C. § 3717; 47 C.F.R. § 1.1940 ("the Commission shall charge interest, penalties, and administrative costs on debts owed to the United States pursuant to 31 U.S.C. 3717 ... These charges shall continue to accrue until the debt is paid in full or otherwise resolved through compromise, termination, or waiver of the charges.").

⁵⁷ 47 C.F.R. § 1.1910(a)(2) & (3) ("Action will be withheld on applications, including on a petition for reconsideration or any application for review of a fee determination, or requests for authorization by any entity found to be delinquent in its debt to the Commission ... If a delinquency has not been paid or the debtor has not made other satisfactory arrangements within 30 days of the date of the notice provided pursuant to paragraph (b)(2) of this section, the application or request for authorization will be dismissed.").

⁵⁸ Under 31 U.S.C. § 3711(g) and 31 C.F.R. § 285.12, debts delinquent 180 days are transferred to the Secretary of Treasury for collection, and Treasury "may charge fees sufficient to cover the full cost of providing debt collection services ... Fees ... may be added to the debt"

Moreover, under 31 U.S.C. § 3716, 31 C.F.R. § 285.5, and 47 C.F.R. § 1.1912, some or all of the debt may be collected by non-centralized or centralized administrative offset, and under 31 U.S.C. § 3711(e), these debts and Licensee's payment history will be reported to credit reporting information bureaus. Because we furnish notice here, Licensees may not receive another notification of this process. Finally, Licensees are red lighted⁵⁹ until they pay the debts or make other satisfactory arrangements.⁶⁰

If you have any questions concerning this letter, please contact the Revenue and Receivables Operations Group at (202) 418-1995.

Sincerely,



FOR: Mark Stephens
Chief Financial Officer

⁵⁹ 47 C.F.R. 1.1910(a).

⁶⁰ See 47 C.F.R. § 1.1914 ("If a debtor is financially unable to pay a debt in one lump sum, the Commission, in its sole discretion, may accept payment in regular installments.").