

FEDERAL COMMUNICATIONS COMMISSION

Washington, D. C. 20554

JAN 20 1999

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*86-285*

OFFICE OF  
MANAGING DIRECTOR

Mr. Maurice Cohen  
President  
Northeast Radio, Inc.  
243 Central Street  
Lowell, MA 01852

Re: Request for Refund of Regulatory Fee  
Northeast Radio, Inc.  
Fee Control # 9809218835873018  
Fee Paid: \$1,294

Dear Mr. Cohen:

This is in response to your request for a waiver of the Fiscal Year (FY) 1998 regulatory fees for Northeast Radio, Inc. (Northeast), as licensee of AM Radio Station WCAP, Lowell, Massachusetts, and two Auxiliary Radio Stations. You assert that Northeast has been operating with monetary losses and that you have not received any salary or any expense money from the licensee. The Commission waived the FY 1997 regulatory fees for Northeast.

In establishing the regulatory fee program, the Commission recognized that in certain instances licensees would be unable to pay their regulatory fees without impairing the quality of their service to the public. Thus, the Commission decided to grant waivers or reductions of its regulatory fees in those instances where a "petitioner presents a compelling case of financial hardship." See Implementation of Section 9 of the Communications Act, 9 FCC Rcd 5333, 5346 (1994). The Commission further held that regulatees can establish financial need by submitting:

[I]nformation such as a balance sheet and profit and loss statement (audited, if available), a cash flow projection . . . (with an explanation of how calculated), a list of their 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.

10 FCC Rcd at 12761-2762.

In determining whether a licensee has sufficient revenues to pay its regulatory fees, the Commission relies upon an applicant's cash flow, as opposed to the entity's profits. Thus, although deductions for amortization and depreciation, which do not affect

Mr. Maurice Cohen

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cash flow, and payments to principals, reduce gross income for tax purposes, those deductions also represent money which is available to pay the regulatory fee.

The waiver of Northeast's FY 1997 regulatory fees was based on documentation establishing that Northeast lost money in both 1995 and 1996, and that it had an accumulated deficit in excess of \$1,000,000. You were specifically advised that the waiver was limited to the FY 1997 regulatory fees and that if Northeast continued to experience financial hardship, it could request waivers of its regulatory fee in FY 1998 and in succeeding years, supported by appropriate documentation of its financial hardship. In the absence of supporting documentation you have not established a basis for a waiver of the regulatory fee, and your waiver request is dismissed. However, in view of your showing of financial hardship in FY 1997 and your allegations of continuing financial hardship, you may refile the waiver request with appropriate supporting documentation within 30 days from the date of this letter.

If you have any questions concerning the regulatory fees, please call the Chief, Fee Section, at (202) 418-1995.

Sincerely,

**/s/ Thomas M. Holleran**

for Mark Reger  
Chief Financial Officer

9809218835873018

~~TALKRADIO~~  
**980 WCAP<sub>AM</sub>**

5000 WATTS  
DAY AND NIGHT

September 12, 1998

Office Of The Managing Director  
Federal Communications Commission  
1919 M. Street, N.W., Room 450  
Washington, D.C. 20554

Attn.: Regulatory Fee Waiver/Reduction Request

Dear Sir or Madam:

On my "Remittance Advice" form I have authorized a credit card payment of \$1294.00 for WCAP's 1998 regulatory fee.

I respectfully request a refund of the above fee as WCAP has an accumulated deficit, at the end of 1997, in the amount of \$1,166,293.00.

WCAP has continued to serve in the public interest such as:  
Employ a local news staff to gather local and regional news in addition to our UPI Newswire and Network News.  
Employ the services of an nearby meteorological firm.  
Run free weather related cancellations for factories, colleges, schools and other organizations that employ a number of people.  
Schedule free interviews/debates for practically all candidates for public office.  
Conduct frequent interviews with city, state and federal government elected officials.  
Run free announcements for non-profit organizations.  
Conduct charity drives.

I personally do not draw a salary or expense money and put in at least 10 to 12 hours work each day and do not take any vacation time.

Thanks in advance for your consideration.

Sincerely,



Maurice Cohen  
President

RECEIVED  
SEP 10 8 35 AM '98  
FEEES



# Payment Transactions Detail Report

Date: 10/26/98

BY: FEE CONTROL NUMBER

<b>Fee Control Number</b>	<b>Payor Name</b>	<b>Account Number</b>	<b>Received Date</b>
9809218835873018	COHEN, MAURICE 243 CENTRAL ST	042106021	09/16/98

LOWELL MA 01852

Payment Amount	Current Balance	Seq Num	Payment Type Code	Quantity	Callsign Other Id	Applicant Name	Applicant Zip	Bad Check	Detail Amount	Trans Code	Payment Type
\$1,294.00	\$1,294.00	4	MUB8	1	KCG492	NORTHEAST RADIO INC WCAP	01852		\$11.00	2	PMT
\$1,294.00	\$1,294.00	5	MUB8	1	KE6074	COHEN, MAURICE	01852		\$11.00	2	PMT
\$1,294.00	\$1,294.00	2	MUB8	1	KG9741	NORTHEAST RADIO INC WCAP	01852		\$11.00	2	PMT
\$1,294.00	\$1,294.00	1	MBD8	1	WCAP	NORTHEAST RADIO INC WCAP	01852		\$1,250.00	2	PMT
\$1,294.00	\$1,294.00	3	MUB8	1	WGR846	NORTHEAST RADIO INC WCAP	01852		\$11.00	2	PMT
<b>Total</b>									<u>\$1,294.00</u>		