

Washington, D. C. 20554

MAR 19 1999

OFFICE OF  
MANAGING DIRECTOR

86-285

Mr. Van D. Goodall, Jr.  
President  
KRZI, Inc.  
P.O. Box 8093  
Waco, Texas 76714-8093

Re: Request for Waiver of Regulatory Fee

Dear Mr. Goodall:

This is in response to your request for waiver of the Fiscal Year 1998 (FY 1998) regulatory fee for radio stations KRZI (AM), Waco, Texas and KEYR (FM), Marlin, Texas.

In establishing its regulatory fee program, the Commission recognized that in certain instances payment of a regulatory fee may impose an undue financial hardship upon a licensee. 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." Implementation of Section 9 of the Communications Act, 9 FCC Rcd 5333, 5346 (1994), reconsideration granted, 10 FCC Rcd 12759 (1995). 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 a licensee's cash flow, as opposed to the entity's profits. Thus, although deductions for amortization and depreciation, which do not affect cash flow, and payments to principals, reduce gross income for tax purposes, those deductions also represent money which is considered to be available to pay the regulatory fee.

Mr. Van D. Goodall, Jr.

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In the absence of appropriate documentation, you have not established how the regulatory fees would create a compelling financial hardship for KRZI(AM) and KEYR(FM) and your request for waiver of the regulatory fees is dismissed.

Accordingly, KRZI(AM)'s Fiscal Year 1998 regulatory fee of \$1,250 and KEYR(FM)'s regulatory fee of \$300 are now due. The aggregate fee of \$1,550 should be filed with the Form FCC 159 (copy enclosed) within 30 days of the date of this letter. However, in view of your allegations of financial difficulties, you may file a new request for waiver of the FY 1998 regulatory fee, together with appropriate supporting documentation, within thirty 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,



Mark Reger  
Chief Financial Officer

Enclosure

000000 BCB-98-100

Putman Act

News-Talk Radio

1580 KRZI AM

Jerry

KEY 92 FM

THE BEST OF YESTERDAY AND TODAY

September 17, 1998

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

Dear Sir or Madame:

This letter is being writtento request a waiver of regulary fees for the fiscal year 1998 for radio stations KRZI(AM), Waco, Texas, and KEYR(FM), Marlin, Texas.

The licensee of the stations, KRZI, Inc., is having financial difficulties, making it impossible to meet all financial obligations.

Presently the corporation owes \$10,000 in federal taxes. I am hoping to work out an installment agreement to pay them.

Financial records from several previous years have been lost and we are working to reconstruct them. When the process is complete more financial information will be available.

Thank you for your consideration.

Sincerely,

*Van D. Goodall Jr*

Van D. Goodall, Jr.  
President  
KRZI, Inc.

RECORDED

SEP 17 1998