

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Review of the Commission's Assessment)	MD Docket No. 26-94
and Collection of Regulatory Fees for Fiscal)	
Year 2026)	

To: The Commission

**JOINT REPLY COMMENTS OF THE
STATE BROADCASTERS ASSOCIATIONS**

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TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION AND SUMMARY	2
I. The State Associations Support the Commission’s Proposed Reallocation of FTEs to Make the Fee Process More Equitable and Statutorily-Compliant.....	6
II. Regulatory Fee Fairness Can Only Be Achieved When All Beneficiaries Are Identified and Contribute to the Regulatory Fee Pool.....	12
III. The Commission Should Reexamine Its De Minimis Fee Exemption	16
CONCLUSION.....	17

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The Alabama Broadcasters Association, Alaska Broadcasters Association, Arizona Media Association, Arkansas Broadcasters Association, California Broadcasters Association, Colorado Broadcasters Association, Connecticut Broadcasters Association, Florida Association of Broadcasters, Georgia Association of Broadcasters, Hawaii Association of Broadcasters, Idaho State Broadcasters Association, Illinois Broadcasters Association, Indiana Broadcasters Association, Iowa Broadcasters Association, Kansas Association of Broadcasters, Kentucky Broadcasters Association, Louisiana Association of Broadcasters, Maine Association of Broadcasters, MD/DC/DE Broadcasters Association, Massachusetts Broadcasters Association, Michigan Association of Broadcasters, Minnesota Broadcasters Association, Mississippi Association of Broadcasters, Missouri Broadcasters Association, Montana Broadcasters Association, Nebraska Broadcasters Association, Nevada Broadcasters Association, New Hampshire Association of Broadcasters, New Jersey Broadcasters Association, New Mexico Broadcasters Association, The New York State Broadcasters Association, Inc., North Carolina

Association of Broadcasters, North Dakota Broadcasters Association, Ohio Association of Broadcasters, Oklahoma Association of Broadcasters, Oregon Association of Broadcasters, Pennsylvania Association of Broadcasters, Radio Broadcasters Association of Puerto Rico, Rhode Island Broadcasters Association, South Carolina Broadcasters Association, South Dakota Broadcasters Association, Tennessee Association of Broadcasters, Texas Association of Broadcasters, Vermont Association of Broadcasters, Virginia Association of Broadcasters, Washington State Association of Broadcasters, West Virginia Broadcasters Association, Wisconsin Broadcasters Association, and Wyoming Association of Broadcasters (collectively, the “State Associations”), by their attorneys in this matter, hereby file these Joint Reply Comments in response to the Commission’s Notice of Proposed Rulemaking and comments filed in the above-captioned proceeding.¹

INTRODUCTION AND SUMMARY

The State Associations appreciate the Commission’s continued efforts to examine the work of its “indirect” Full-Time Equivalent employees (“FTEs”) and reallocate certain indirect FTEs whose work benefits specific categories of regulatory fee payors to “direct” FTE status. This effort captures work that for years was unfairly charged to broadcasters (and other “core” bureau regulatees) under the guise of treating it as general Commission “overhead” simply because it was performed by FTEs who were not assigned to one of the Commission’s “core” bureaus. The proposed reallocations help distribute the FCC’s regulatory fee burden more equitably among existing fee payor categories and to bring the regulatory fee process closer to

¹ *Review of the Commission’s Assessment and Collection of Regulatory Fees for Fiscal Year 2026*, Notice of Proposed Rulemaking, MD Docket No. 26-94, FCC 26-25 (“*FY2026 NPRM*”) (rel. April 28, 2026).

compliance with the Commission’s statutory mandate. Accordingly, the State Associations join the National Association of Broadcasters (“NAB”) in supporting the specific reallocations proposed in the *FY2026 NPRM*.²

At the same time, the State Associations note that the regulatory fee process remains opaque, and without access to more data, the State Associations and other commenters are severely restricted in their ability to identify additional specific FTE work or costs that merit reclassification from indirect to direct status. As the State Associations noted last year,³ the FTE reallocations that the Commission made in each of the past three years and again proposes for the upcoming fiscal year have largely remained unchanged from year to year. As a result, they must be seen as the very baseline correction needed annually to prevent gross unfairness, but hardly the end of a process that statutorily must aim higher.

The State Associations therefore urge the Commission to continue its efforts to examine whether additional indirect FTE work or costs can be more accurately assessed as direct. Without these efforts, broadcasters will continue to involuntarily subsidize other industries regulated by the Commission where those industries’ FTEs are hidden in non-core bureaus and offices of the agency. As the only entity possessing the data necessary to conduct a searching FTE analysis, it is incumbent upon the Commission to do that work each year in completing its fee proposal.

And of course, ensuring the correct mix of indirect-to-direct reallocations each year is merely the first step. Even with continued and, ideally, expanded FTE reallocations going

² Comments of National Association of Broadcasters, MD Docket No. 26-94 (May 28, 2026) at 2 (“NAB Comments”).

³ See, e.g., Joint Reply Comments of the State Broadcasters Associations, MD Docket No. 25-190 (July 21, 2025) at 9-10.

forward, the regulatory fee burden as a whole has remained squarely on the same regulated shoulders for the past 30 years, failing to account for the substantial work the Commission does that benefits many other industries who have never known a regulatory fee. Per the statute, the next step must be equitably allocating the Commission’s operating costs in a manner “reasonably related to the benefits provided to the payor of the fee by the Commission’s activities.”⁴

In that regard, the State Associations join NAB,⁵ SES Americom, Inc.,⁶ and others in continuing to urge the Commission to identify additional categories of payors. When the regulatory fee regime was created more than 30 years ago, the regulatees of the Commission’s “core” license-issuing bureaus represented a much greater proportion of the communications industry and the Commission’s regulatory purview. As new technologies have developed and the Commission has transformed to regulate them differently – expanding into areas such as privacy and cybersecurity and generating millions for the U.S. Treasury through spectrum auctions – the breadth of regulatory fee payor categories has stagnated, leaving the agency’s legacy regulatees subsidizing work that benefits newcomers who have seemingly been permanently excused from regulatory fee obligations.

This not only conflicts with the Commission’s statutory mandate, but puts its own funding mechanism at risk. As broadcasters and other legacy FCC fee-paying regulatees become a smaller and smaller portion of what the FCC does, and non-fee paying competitors claw at their revenue streams, the Commission will be left with fewer and fewer legacy regulatees to fund the Commission’s operating costs. Attempting to then spread those costs among a

⁴ 47 U.S.C. §159.

⁵ NAB Comments at 9-10.

⁶ Comments of SES Americom, Inc., MD Docket No. 26-94 (May 28, 2026) at 2.

shrinking number of legacy regulatees will only accelerate the demise of those businesses, their industries, and the Commission's source of funding. If the Commission fails to begin expanding its base of fee payors to other industries that benefit from the Commission's activities but are only too happy to free ride on the regulatory fees of legacy industry payors, it will be unable to fund its own operations in the not-too-distant future. It is imperative to the survival of the agency that it begin to recoup its costs of providing benefits to a generation of new entrants, as well as to those older entrants that have so far been free riding.

Here again, the Commission is the party in possession of the information needed to undertake such an effort and the entity with the statutory obligation to do so. While the Commission asks for comments on improving its regulatory fee process, commenters are limited in what they can provide in the absence of access to such information. The Commission, in concert with Congress, will need to take the laboring oar in protecting its ability to sustain its operations while adapting to an ever-expanding mission.

Finally, the State Associations agree with NAB that the Commission should revisit its de minimis fee threshold this year.⁷ To the extent the cost of regulating fee payors whose fees previously were less than \$1,000 has increased over the intervening years, it is reasonable to assume the costs to the Commission of collecting those fee payments has similarly increased and the threshold should be adjusted accordingly.

⁷ NAB Comments at 8-9.

I. The State Associations Support the Commission’s Proposed Reallocation of FTEs to Make the Fee Process More Equitable and Statutorily-Compliant

For more than 30 years, Section 9 of the Communications Act has mandated that the FCC reimburse the Treasury for the entire amount of the non-auction salary and expenses (“S&E”) appropriation granted to it by Congress each year by collecting annual regulatory fees.⁸ Pursuant to language added to Section 9 by the RAY BAUM’S Act of 2018 (“RBA”), when amending its schedule of fees, the Commission is to assure that the fees “reflect the full-time equivalent number of employees within the bureaus and offices of the Commission, adjusted to take into account factors that are reasonably related to the benefits provided to the payor of the fee by the Commission’s activities.”⁹

The Commission’s long-standing methodology for collecting the required regulatory fees was developed at a time before the clarifying language of the RAY BAUM’S Act became law. At that time, the Commission primarily regulated through the issuance of paper licenses. As a result, the Commission’s regulatory fee regime taps only the regulatees of those legacy license-issuing bureaus for the money needed to operate the Commission. These are known as the “core” bureaus and, after various Commission reorganizations, now consist of the Wireless Telecommunications and Media Bureaus, most of the Wireline Competition Bureau, most of the Space Bureau and some of the Office of International Affairs.¹⁰

The Commission’s methodology then bases the proportion of the FCC’s S&E appropriation that the regulatees of each core bureau must pay on the number of Commission

⁸ 47 U.S.C. §159.

⁹ Pub. Law No. 115-141 § 102, 132 Stat. 348, 1082-86 (2018) (codified at 47 U.S.C. §§ 159 and 159A).

¹⁰ *FY2026 NPRM* at ¶ 5.

employees assigned to that bureau and the payor category(ies) regulated by that bureau. That is, a Commission FTE whose work relates directly to the regulation or oversight of one or more of the payor categories in a core bureau is considered a “direct FTE” of that bureau and payor category.¹¹ FTEs of all other offices and non-core bureaus of the agency, which comprise the vast bulk of the agency’s workforce, are considered to be indirect FTEs¹² on the theory that indirect work benefits the agency as a whole or the public, rather than any specific payor category.¹³ The number of indirect FTEs at the FCC is nearly three times the number of direct FTEs. The salaries and expenses attributable to the indirect FTEs, along with all other agency “indirect costs”¹⁴ and “support costs” such as rent,¹⁵ are assigned to overhead. The regulatees of the five core bureaus then pay not only for the direct FTEs attributed to the fee category(ies) in their bureau, but for all of the overhead as well. Because the core bureaus employ different numbers of FTEs, the tab is not split equally, but in proportion to the number of direct FTEs assigned to each core bureau.¹⁶

Historically, the size of the overhead amount and the precise costs and salaries contained within it, or more importantly, the benefits those salaries and costs generate for regulatory fee payors, have been irrelevant to this analysis. “Instead, the proportional allocation of the whole S&E appropriation based on the number of direct FTEs effectively attributes all indirect costs among the core bureaus so that the Commission can recover its entire appropriation each year.”¹⁷

¹¹ *Id.* at ¶ 8.

¹² *Id.* at ¶ 9.

¹³ *Id.*

¹⁴ *Id.* at ¶ 4 n.5 (“Indirect costs are those such as overhead functions.”).

¹⁵ *Id.* at ¶ 4 n.6 (“Support costs include rent, utilities and equipment.”).

¹⁶ *Id.* at ¶ 10.

¹⁷ *Id.* at 11 n.33.

As a result, the regulatees of the larger core bureaus pay a much higher proportion of the agency's overhead costs than everyone else simply because their bureau employs lots of FTEs, and regardless of the fact that other payors (or as noted above, free riders) benefited from work or costs hidden in that overhead number.

For years, the State Associations and others have noted that this methodology assesses responsibility for nearly the entire budget of the agency based on the work assignments of too small a number of the agency's FTEs,¹⁸ and fails to comply with the requirement in the RBA that the fee schedule reflect the respective benefit of all of the Commission's "activities," and not just the benefits from work performed by direct FTEs.¹⁹ The Commission's response has been that its assignment of certain FTEs as "direct" to a particular bureau and payor category "reflects the time spent by FTEs on a regulatory fee category, which is in itself a reflection of 'benefit' to the fee category."²⁰ According to the Commission,

¹⁸ See, e.g., Joint Reply Comments of the State Broadcasters Associations, MD Docket No. 25-190 (July 21, 2025) at 6 ("[R]egulatory fee NPRMs in the past have indicated that the assignment of each direct FTE into a payor category effectively allocates the cost of four indirect FTEs to that category," citing *Procedures for Assessment and Collection of Regulatory Fees*, Notice of Proposed Rulemaking, 27 FCC Rcd 8458 (2012), at ¶ 24). See also Comments of National Association of Broadcasters, MD Docket No. 21-190 (October 21, 2021) at 8 ("In a fee system where benefits, not licenses, are the 'touchstone' of whether it is reasonable for the Commission to collect fees from a particular payor, the Commission cannot continue to rely solely on its accounting of 25% of Commission FTEs to determine the benefits received by payors from the activities of the Commission as a whole, and must ensure that its proportional allocations corresponds in a meaningful way to the actual work performed by indirect Commission FTEs.") (footnote omitted).

¹⁹ See, e.g., Joint Reply Comments of the State Broadcasters Associations, MD Docket No. 25-190 (July 21, 2025) at 6 ("[T]his approach disregards the RBA's directive to assess regulatory fees by the benefit provided, rather than an arbitrary formula that considers some FTEs as relevant, ignores others, and then simply defines the result as the 'benefit' received for purposes of setting regulatory fees.").

²⁰ *FY2026 NPRM* at ¶ 7 (citing *Assessment and Collection of Regulatory Fees for Fiscal Year 2007*, Report and Order and Further Notice of Proposed Rulemaking, 22 FCC Rcd 15712 (2007)),

regulatory fees cannot exactly reflect the cost of regulating a particular fee category, in part because Congress requires us to collect regulatory fees in an amount that covers the full amount of our appropriation, which includes general overhead as well as statutorily required tasks that do not directly equate with oversight and regulation of a particular fee payor. As such, our methodology generally apportions such indirect costs proportional to the direct FTE burden allocated to each fee category.²¹

Nevertheless, over the years, the State Associations and NAB have continued to identify various indirect FTEs whose work, even viewed from a distance, was not mere overhead, but benefited particular payor categories. Because those FTEs were considered indirect, however, the Commission's methodology continued to shield the beneficiaries of that work from both the FTEs' direct costs and a hefty portion of the agency's overhead.²²

Ultimately, adherence to this methodology led to the situation in 2021 in which a \$33 million earmark for broadband data mapping was mechanically lumped in with all other indirect support costs to be borne by all Commission payors in proportion to the number of direct FTEs assigned to their core bureau and fee category. As with other overhead costs, no consideration was given to the fact that some payor categories received an enormous benefit from this earmark, while one particular category, broadcasters, received none. When the regulatory fee NPRM was released that year, there was no discussion of how the \$33 million earmark had been treated for regulatory fee purposes. Broadcasters were shocked at regulatory fee increases of 5% to 15% in

at ¶ 19 (“Section 9 is clear, however, that regulatory fee assessments are based on the burden imposed on the Commission, not benefits realized by regulatees.”).

²¹ *Assessment and Collection of Regulatory Fees for Fiscal Year 2021*, Report and Order and Notice of Proposed Rulemaking, 36 FCC Rcd 12990 (2021) (“*FY2021 R&O*”), at ¶ 13.

²² *See, e.g.*, Joint Reply Comments of the State Broadcasters Associations, MD Docket Nos. 20-105, 21-190 (June 21, 2021) at 6 (“The historical result of this approach is that the licensees who are the most heavily regulated, through no fault of their own, shoulder an outsized burden for all activities and facilities of the FCC, while others who benefit handsomely from the FCC’s non-licensing activities, escape all or most of the costs associated with those activities.”).

a year when the FCC’s S&E appropriation was basically flat,²³ and were forced to ferret out the source of this increase on their own. Broadcasters argued that they were being forced to subsidize the expense of broadband data mapping when they did not benefit from the earmark in any way, while other regulatory fee payor categories who obviously did benefit from the earmark enjoyed reduced regulatory fees simply because the “formula” categorized the expense as indirect and therefore imposed it not just on payors who would not benefit, but to an even greater extent on those regulated by one of the larger core bureaus like the Media Bureau.²⁴

The Commission defended this outcome and its regulatory fee methodology on the basis that the work to be done with the earmarked funds would largely be performed by FTEs in offices and bureaus outside of the core bureaus.²⁵ Ultimately, the Commission made a special, one-time exception to shield broadcasters from the regulatory fee impact of designating the \$33 million earmark as an indirect cost. But, the Commission stated that it did so only because of the unique circumstances presented by an earmark for S&E costs, the magnitude of the earmark, and the inclusion of language by Congress indicating that the work to be done using the earmarked funds should be performed by FTEs from specific bureaus and offices that did not include the Media Bureau.²⁶

Against this backdrop, the Commission in 2023 began the type of analysis that broadcasters had long advocated for by undertaking “a high-level, yet comprehensive” analysis

²³ Comments of the National Association of Broadcasters, MD Docket 21-190 (June 3, 2021) at 1-2 (“This year, broadcasters face a 5-15% increase in regulatory fees, despite the Commission’s general salary and expenses budget increasing by only 0.5%.”) (citations omitted).

²⁴ *Id.* at 13-14 (“Indeed, there has never been a year where the destination of those increased FCC budget costs and associated benefits has been more apparent, and it is not broadcasting.”).

²⁵ *FY2021 R&O* at ¶ 15.

²⁶ *Id.* at ¶¶ 14-16.

of the work being performed by employees in its indirect offices and bureaus. As a result of that first high-level review, the Commission reallocated 63 FTEs in the Office of General Counsel, the Office of Economics and Analytics, and the Public Safety and Homeland Security Bureau whose work sufficiently related to the regulation or oversight of regulatees in one of the core bureaus as direct FTEs to the corresponding bureau and payor category for regulatory fee purposes.²⁷ For FY2024 and FY2025, the Commission again reallocated 61 and 63 indirect FTEs, respectively, from indirect to direct, and this year proposes to reallocate 59 FTEs from indirect to direct for regulatory fee purposes. The State Associations support these reallocations because they help to better right-size the regulatory fee burden among the agency’s existing payors by assuring that more of the FTE work that benefits a payor category is paid for by that category and that the corresponding responsibility for the proportional overhead costs are also reallocated.

As the State Associations have previously noted, the number of reallocations and the bureaus and offices from which they are reallocated have remained remarkably consistent year to year despite the impact of the Commission’s reorganization of the former International Bureau and staff increases in the Public Safety and Homeland Security Bureau on regulatory fees in 2024,²⁸ and workforce reductions in 2025. Given the repeated nature of these reallocations, it is clear that these reallocated FTEs provide an essential “baseline” correction to the Commission’s regulatory fee methodology. They create a more representative sample of “direct” FTE work for

²⁷ *Assessment and Collection of Regulatory Fees for Fiscal Year 2023*, Report and Order, 38 FCC Rcd 8071 (2023), at ¶ 15.

²⁸ *Review of the Commission’s Assessment and Collection of Regulatory Fees for Fiscal Year 2024*, Second Report and Order, 39 FCC Rcd 10140 (2024), at ¶ 16.

purposes of dividing the regulatory fee burden among the Commission’s existing payor categories.

The State Associations remain appreciative of the staff’s work in undertaking these “high level” reviews of the work of the Commission’s indirect FTEs. They also urge the Commission to conduct even more searching reviews of indirect FTE work going forward, particularly of indirect FTEs housed outside of the Office of General Counsel, the Office of Economics and Analytics, and the Public Safety and Homeland Security Bureau where the majority of these repeatedly reallocated FTEs have already been found, so that other indirect FTE work that benefits specific payor categories can be captured and reallocated.

II. Regulatory Fee Fairness Can Only Be Achieved When All Beneficiaries Are Identified and Contribute to the Regulatory Fee Pool

While reallocating as many indirect FTEs as possible to direct status improves fairness *among* the agency’s current regulatory fee payors, reallocation by itself cannot address the fundamental inequity of legacy fee payors continuing to subsidize those who are entirely free riding on the benefits they receive from the Commission’s activities. In addition to that fundamental inequity, and the resulting conflict with the FCC’s statutory mandate to collect regulatory fees from those who benefit from the Commission’s activities, the health of the legacy industries that the agency regulates, as well as the agency’s own financial health, depend on it expanding its payor base consistent with its changing work and the benefits that work generates.

This imperative is captured in the language of the RBA requiring that fees assessed reflect the benefits of agency activities to the payor, rather than any older standard such as whether the payor holds a paper FCC authorization. But, as NAB notes, in requesting comments on this subject, the Commission has imposed conditions on commenters that they cannot

possibly meet, ensuring that no changes will be made.²⁹ While the Commission holds the detailed data needed to make these assessments, it demands that outside commenters bring evidence to it that they simply do not possess and will not possess unless it is provided to them by the Commission.

Just like the prior FTE reallocations, it was only when the Commission itself began high-level reviews of its internal data that the need for those specific reallocations became both apparent and justified. The State Associations and NAB have repeatedly called for similar efforts to determine where those not paying regulatory fees are nonetheless free riding on the benefits they receive from the Commission’s activities. They have also noted obvious examples of parties engaged in such free riding, but obviously only the Commission has or ever will have the detailed information on which to base the size and scope of regulatory fees for such new payor categories.

In that regard, the Commission has repeatedly been urged to establish regulatory fee categories for entities like broadband service providers and manufacturers of equipment that utilizes unlicensed spectrum. Indeed, the Commission has acknowledged that “a significant amount of FTE time is devoted to equipment authorization . . . management of the equipment authorization system . . . and rulemaking activities such as updating testing and laboratory certification standards.”³⁰

Particularly given recent events, perhaps the most obvious new payor candidate today is equipment certification labs whose entire business model is based on obtaining and maintaining

²⁹ NAB Comments at 10-11.

³⁰ *Assessment and Collection of Regulatory Fees for Fiscal Year 2023*, Report and Order and Notice of Proposed Rulemaking, 38 FCC Rcd 4580 (2023), at ¶ 66.

FCC accreditation to test equipment to be imported and marketed in the United States.³¹ The benefit is direct, traceable to the efforts of the FCC in providing and policing that accreditation, as well as in accepting that lab’s test results as the basis for allowing each tested product to be imported and marketed in the U.S., and is remarkably similar to the “holds an FCC-issued authorization” criterion that has served as the basis for charging regulatory fees to broadcasters and other legacy fee payors for the past several decades.

Despite providing examples like this in the past, the Commission has rejected efforts to even consider creating new fee payor categories to capture such work (and associated overhead) because of a lack of “specificity.” As a result, in the 30 years since the Commission began collecting annual regulatory fees, it has only broadened the payor base twice, to include DBS providers³² and certain non-US licensed space stations.³³

The consequences of failing to expand the fee payor base to reflect the Commission’s evolving work and the beneficiaries of it are not merely theoretical. Under the FCC’s methodology, once the fee burden for the core bureaus is set, it is then divided among the regulatees of that bureau, in part based on the number of payors there are in each payor category. Certain payors are exempt, such as noncommercial educational broadcasters and those broadcasters who request and receive an exemption based on inability to pay. If more payors seek exemptions or, worse, go out of business as the fees climb, those who remain must pick up

³¹ See, e.g., *SGS-CSTC Standards Technical Services Co., Ltd.*, ET Docket No. 26-111, DA 26-461, Notice of Intent to Begin Proceedings to Withdraw Recognition as an Accredited Test Laboratory (OET May 11, 2026).

³² *Assessment and Collection of Regulatory Fees for Fiscal Year 2015*, Notice of Proposed Rulemaking, Report and Order, and Order, 30 FCC Rcd 5354 (2015), at ¶ 31.

³³ *Assessment and Collection of Regulatory Fees for Fiscal Year 2020*, Report and Order and Further Notice of Proposed Rulemaking, 36 FCC Rcd 1731 (2020), at ¶ 30.

the slack until they too cry “uncle.” In the face of ever-mounting and often unregulated competition and rapidly rising costs for nearly every aspect of operation, including the large quantities of electricity needed to power broadcast transmitters, broadcasters simply cannot afford to subsidize other industries, especially their fee-free competitors. The Commission as a steward of the communications sector must take steps to ensure that the regulatory fee burden it imposes on the industries it regulates is fairly distributed rather than outcome-determinative of which industries survive and which are taxed out of existence.

Moreover, the Commission must anticipate the evolution of the communications sector and assure that it has secured a sustainable payor base for its own survival. If the Commission fails to begin expanding its base of fee payors to other industries that benefit from the Commission’s activities but are only too happy to free ride on the regulatory fees of legacy industry payors, it will ultimately be unable to fund its own operations. It is imperative to the survival of the agency that it begin now to recoup its costs of providing benefits to a generation of new entrants, as well as to those older entrants that have so far been free riding. Only by starting down this path now will it be able to ensure sustainable funding for its long-term future.

For all these reasons, the State Associations urge the Commission to examine the proposals it has received to create new fee payor categories and embark on its own independent quest to pave that path towards future funding. As NAB suggests,³⁴ stakeholder roundtables or Congressional discussions may be needed to move the ball forward on specific proposals, but the first step is locating the ball. The State Associations urge the Commission to commence serious efforts to review its internal data with an eye toward identifying beneficiaries of the Commission’s activities that do not pay corresponding regulatory fees.

³⁴ NAB Comments at 11.

III. The Commission Should Reexamine Its De Minimis Fee Exemption

Finally, the State Associations agree with NAB that the FCC should examine whether the threshold for its de minimis fee exemption for those whose annual regulatory fee burden totals \$1,000 or less should be increased.³⁵ The Commission set its \$1,000 threshold for exemption from regulatory fee payments in 2017.³⁶ To the extent that the cost to regulate small fee payors has increased since then such that their proposed regulatory fees now exceed the \$1,000 de minimis threshold, it makes sense that the cost to collect small regulatory fee amounts from such payors would have similarly climbed, warranting an increase in the de minimis threshold. In the meantime, the State Associations agree with NAB that, at a minimum, an increase to \$1200 for FY2026 is appropriate to prevent those regulatees who were exempt in FY2025 from losing that exemption for FY2026.

³⁵ NAB Comments at 8-9.

³⁶ *Assessment and Collection of Regulatory Fees for Fiscal Year 2017*, Report and Order and Further Notice of Proposed Rulemaking, 32 FCC Rcd 7057 (2017), at ¶ 42.

CONCLUSION

For the reasons stated above, the State Associations respectfully request that the Commission implement its proposed FTE reallocations, continue its efforts to more fairly allocate its FTEs in the future, take immediate and substantive action to expand its base of regulatory fee payors, and revise upward the threshold for payors to qualify for the de minimis fee exemption.

Respectfully submitted,

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