

**STATEMENT OF
COMMISSIONER MICHAEL O'RIELLY**

Re: *Assessment and Collection of Regulatory Fees for Fiscal Year 2020, MD Docket No. 20-105; Assessment and Collection of Regulatory Fees for Fiscal Year 2019, MD Docket No. 19-105.*

Determining regulatory fees is a somewhat delicate matter, with the need to balance statutory requirements and constraints with the realities of the marketplace, where increasingly higher fees continue to squeeze licensees. At the same time, we need to do our part to meet the requirements set in place by Congress, while being mindful of how federal spending affects our licensees and seeking ways to keep costs down within our own operations.¹ This year in particular we are facing truly unprecedented times, and I thank the Chairman for including questions in the FY2020 fee proposal to allow commenters to offer suggestions for mitigating the burden of regulatory fees during the pandemic, as many industries grapple with how to continue providing services while facing dramatically decreased revenue.

To those who have filed comments opposing increased fees, I remain sympathetic. The fee setting exercise is largely a zero-sum game, and absent congressional action, it is difficult to imagine broadening the base of payors. Nonetheless, I am pleased that we were able to include a very small modification sought by certain VHF broadcasters, a welcome adjustment during the pandemic, even if it is not a wholesale reconfiguration.

While I support the overall item, there are two areas related to the satellite industry that give me pause. First, I continue to view our increases for DBS providers to be symptomatic of a broken approach, which is well-documented elsewhere. Further, I have some concerns regarding the effects of shifting the balance of fees within the satellite industry to pull in foreign operators. We note in this item the potential policy implications of other countries feeling compelled to follow our example and raise fees on American operators. This is a real concern for those of us who have worked on satellite policy for many years and have seen firsthand, over and over, the proverbial arms race as countries compete for licensees through regulatory arbitrage. While we do include a slight reform to the draft to avoid capturing within our fee structure certain foreign satellites communicating with U.S. aircrafts only outside the United States and also those that communicate with U.S.-licensed earth stations solely for tracking, telemetry and command (TT&C) purposes, we will need to closely monitor the ultimate effects of today's action on the broader satellite market.

I approve.

¹ See Michael O'Rielly, *Further Improving the FCC's Procedures*, FCC.GOV, December 20, 2018, <https://www.fcc.gov/news-events/blog/2018/12/20/further-improving-fccs-procedures>.