

**STATEMENT OF
COMMISSIONER MICHAEL O'RIELLY**

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

Practically all the items we consider at the Commission affect the financial bottom line of regulated entities in some form or another. Apart from forfeitures, however, none have such a *direct* effect on a company's balance sheet than our annual regulatory fees order. But, unlike forfeitures, which penalize individual companies based on specific conduct, any adjustments to the fee structure create a zero-sum gain or loss for an affected entity irrespective of its actions. Since one industry segment's relief is another's burden, it takes a delicate balance to create a fair and viable fee structure and requires careful consideration.

Therefore, I am sympathetic to concerns raised by our nation's broadcasters, satellite providers, and others over the fee increases included in this year's item. While some aspects of the fees admittedly may be outside the Commission's control, we have the option to keep fees down at least in part by controlling overall costs and spending less. And, since the burden of paying our regulatory fees is ultimately borne by consumers, tightening our metaphorical belt would certainly be prudent at this time. In my view, all possible internal restraints on spending should be considered and every idea for improving operations must on the table and aggressively pursued.

For those interested in how we might address some of the rising Commission costs, I have laid out a series of ideas in my blog post on agency reform.¹ I would encourage everyone to read them and perhaps offer further suggestions on this issue. Left to its own devices, federal agency spending will continue to creep like an intrusive backyard vine, slowly overtaking more and more industry resources each passing year.

¹ <https://www.fcc.gov/news-events/blog/2018/12/20/further-improving-fccs-procedures>.