

**STATEMENT OF
CHAIRMAN AJIT PAI**

Re: *Amendment of the Schedule of Application Fees Set Forth in Sections 1.1102 through 1.1109 of the Commission's Rules.*

For the first time in more than 30 years, the Commission is proposing to update its framework for assessing and collecting application fees. Congress recently granted us that authority in the RAY BAUM'S Act, but it limited our discretion in setting such fees—we must impose fees on all “applications,” and we must set those fees at a level which allows us to “recover the costs of the Commission to process applications.” The Commission proposes to interpret those provisions in a manner as friendly to consumers and applicants as permissible under the law.

One might think that a pro-consumer approach consistent with the law would garner unanimous support. Sigh.

One of my colleagues dissents because of a purported concern that the Notice is “proposing to more than double the cost of a filing” a formal complaint, claiming that such a proposal would impact “consumers.” This is absurd.

First, the argument that this proposal would harm consumers is factually wrong. That's because the formal complaint process (which imposes a trial-like process to adjudicate a dispute) isn't designed for or used by consumers. The number of formal complaints filed by consumers in 2019? Zero. And so far in 2020? Zero. In contrast, consumers rely on our informal complaint process—300,000 in 2019 and 174,000 so far in 2020—which successfully resolves many problems without hassle. And what's the fee we propose for such *actual* consumer complaints? Zero (specifically, we propose to find that “informal consumer complaints are not applications”). In other words, in the real world, there is literally no impact of this formal complaint fee on consumers.

Second, the argument that we should not adjust this application fee demonstrates contempt for the law. After all, “this undertaking is compelled by statute.” And it was Congress that mandated how we calculate those fees. Indeed, we propose to exercise the little discretion we have to limit the “costs” we consider to only “direct costs,” resulting in a lower fee to applicants than the alternatives. So how, then, does the dissent suggest that we calculate a new application fee for formal complaints? Here's my colleague's solution: _____.

Third and finally, a few words on process. The Commission has a long tradition of bipartisan collaboration, and so my office has repeatedly agreed to amend items (especially Notices of Proposed Rulemaking) at the request of other offices. But there's a catch. To accommodate a Commissioner's concerns, our staff must know about those concerns *before the item is voted*. And yet, on July 2, when the Office of the Managing Director circulated this item, my colleague did not say a thing, much less request any edits. Nor on July 3. Nor on July 4 (with a pass for fireworks, of course). Nor on July 5. Nor on July 6. Nor on July 7. Nor on July 8. Nor on July 9. Nor on July 10. Nor on July 11. Nor on July 12. Nor on July 13. Nor on July 14. Nor on July 15. Nor on July 16. Nor on July 17. Nor on July 18. Nor on July 19. Nor on July 20. Nor on July 21. Nor on July 22. Nor on July 23. Nor on July 24. Nor on July 25. Nor on July 26. Nor on July 27. Nor on July 28. Nor on July 29. Nor on July 30. Nor on July 31, when staff briefed her office. Nor on August 1. Nor on August 2. Nor on August 3. Nor on August 4. Nor on August 5, when her office requested additional time to vote. Nor on August 6. Nor on August 7. Nor on August 8. Nor on August 9. Nor on August 10. Nor on August 11. Nor even on August 12, when her office indicated in our voting system that she would be dissenting in part. Nor on August 13. Nor on August 14. Nor on August 15. Nor on August 16. Nor on August 17. Nor on August 18. Nor on August 19. Nor on August 20. No, despite repeated requests from my office and FCC staff for feedback throughout the seven-plus weeks of this process, the first we learned about the purported concern was on August 21—through the dissenting statement and well after the votes were cast.

If my colleague actually believed the hyperbolic claims set forth in her statement yet made no effort to change the Notice for the better, there's a word that comes to mind: shameful. But of course that's not what's going on here. This is just another attempt to make "blatantly false" claims for political purposes.

In any case, going forward, my staff and I will continue to search for ways to address issues that are never raised with us and that we're thus unaware of, given this recurring issue.