

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Review of the Commission’s Assessment and)	MD Docket No. 24-86
Collection of Regulatory Fees for Fiscal Year)	
2024)	
)	

REPLY COMMENTS OF CTIA

CTIA¹ submits these reply comments in the above-captioned proceeding seeking input on the Federal Communications Commission’s (“Commission”) collection of regulatory fees for Fiscal Year 2024 (“FY2024”).²

I. INTRODUCTION.

CTIA has long supported Commission actions to ensure that regulatory fees appropriately reflect work conducted by agency staff and to maintain a regulatory fee framework that is fair, administrable, and sustainable, consistent with Section 9 of the Communications Act of 1934, as amended (the “Act”). CTIA continues to do so here in support of the proposals in the *Second Notice*.

¹ CTIA – The Wireless Association® (“CTIA”) (www.ctia.org) represents the U.S. wireless communications industry and the companies throughout the mobile ecosystem that enable Americans to lead a 21st century connected life. The association’s members include wireless providers, device manufacturers, suppliers as well as apps and content companies. CTIA vigorously advocates at all levels of government for policies that foster continued wireless innovation and investment. The association also coordinates the industry’s voluntary best practices, hosts educational events that promote the wireless industry and co-produces the industry’s leading wireless tradeshow. CTIA was founded in 1984 and is based in Washington, D.C.

² *Review of the Commission’s Assessment and Collection of Regulatory Fees for Fiscal Year 2024, Second Notice of Proposed Rulemaking, FCC 24-68, MD Docket No. 24-86 (rel. June 13, 2024) (“Second Notice”).*

The Commission should continue to evaluate its regulatory fees considering well-established core principles, namely: (1) Section 9 of the Act requires the Commission to adopt regulatory fees that are based on the work conducted by Commission staff; (2) the regulatory fee methodology must be fair, administrable, and sustainable; and (3) the Commission will change full-time equivalent (“FTE”) classifications only after performing considerable analysis and finding the clearest case for reassignment. Consistent with these principles, the Commission should in this proceeding:

- continue to apply its general methodology for establishing regulatory fees and reject calls for unwarranted shifting of indirect FTEs;
- reject, again, calls to analyze the work conducted by FTEs in all non-core bureaus and offices on an annual basis and instead continue to exercise its discretion in focusing analytical efforts to best respond to major changes in the Commission’s substantive work and organization, and in the communications industry;
- decline, again, to assess new fees on equipment authorizations; and
- ensure that any transitional caps placed on regulatory fee increases for payors abide by the Commission’s core principles and avoid improperly shifting a disproportionate share of such regulatory fees to other regulatees.

Taking such actions will support the Commission’s goal to promote fair, sustainable, and administrable regulatory fees.

II. THE COMMISSION SHOULD CONTINUE APPLYING ITS EXISTING REGULATORY FEE METHODOLOGY AND REJECT PROPOSALS THAT DO NOT ALIGN WITH ITS CORE PRINCIPLES.

A. The Commission Should Adopt its Proposal to Use the Same Regulatory Fee Methodology Employed in FY2023 and Earlier Years.

The Commission’s regulatory fee proposals in the *Second NPRM* are made “consistent with [its] long standing regulatory fee methodology” and are intended to “avoid any unplanned shifts in regulatory fees on an annual basis that would undermine the goals of having a fair,

administrable, and sustainable program.”³ Indeed, the Commission reaffirmed in 2023 that its “general methodology for establishing regulatory fees has been, and continues to be, appropriate and consistent with section 9 of the Act.”⁴ No changes have occurred in the past year that warrant a deviation from this well-established methodology. Accordingly, the Commission should adopt its proposal to employ its existing regulatory fee methodology in FY2024.⁵

B. The Commission’s Current Regulatory Fee Framework is Fair, Administrable, and Sustainable, Consistent with Section 9 of the Act.

Section 9 of the Act requires that regulatory fees be based on the work conducted by Commission staff. According to Section 9, such fees must “reflect the full-time equivalent number of employees within the bureaus and offices of the Commission,” and be “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.”⁶

Consistent with this statutory obligation, the Commission’s regulatory fee methodology is grounded in the level of work conducted by Commission staff, appropriately apportioning regulatory fees based on the number of non-auction direct FTEs in each core bureau and then allocating indirect FTEs on a proportionate basis among the core bureaus.⁷ The Commission has also properly limited its review to a high-level analysis of the work of the agency’s indirect FTEs in non-core bureaus and offices and has only considered reallocation of indirect FTEs where it could determine with reasonable accuracy that such work was spent on the regulation and

³ *Id.* ¶ 32.

⁴ *Assessment and Collection of Regulatory Fees for Fiscal Year 2023*, Report and Order, FCC 23-66, MD Docket Nos. 22-301, 23-159, ¶ 14 (rel. Aug. 10, 2023) (“*FY2023 Fee Order*”).

⁵ *Second Notice* ¶ 14.

⁶ 47 U.S.C. § 159(d).

⁷ *Second Notice* ¶ 5, n.20; *see also FY2023 Fee Order* ¶ 7.

oversight of a regulatory fee payor.⁸ This approach allows the Commission to make changes to its FTE allocations based on a targeted review and analysis of changes in FTE work, consistent with its obligations under Section 9 of the Act.

C. The Commission Should Once Again Reject the Broadcaster Associations’ Proposals to Conduct Broad Annual Reviews of all Indirect FTEs and Revise its Allocation of Indirect FTEs.

The broadcaster associations’ comments restate the arguments they made last year seeking broad annual review of all indirect FTE work⁹ that the Commission fully considered and rejected.¹⁰ The broadcasters fail to provide any new information or explain why the Commission should now change course, and their arguments should again be rejected.

As CTIA explained last year, the Commission’s current approach appropriately reflects the practical limits of what the Commission can accomplish using existing systems and limited staff time, and any added in-depth review of non-core bureaus and offices would simply consume more resources and unnecessarily increase the FTE time devoted to regulatory fee administration that will likely not result in material changes to regulatory fees.¹¹ Agreeing with CTIA, the Commission rejected the broadcaster associations’ proposals to undertake a broad review of all FTEs. It concluded, “we do not wish to inadvertently expand our indirect FTE levels by engaging in an endless review of all FTE allocations. As such, we will exercise our discretion to ensure that we conduct our annual review in a manner that is fair, manageable, and

⁸ *Second Notice* ¶ 14.

⁹ See Comments of the National Association of Broadcasters, MD Docket No. 24-86, at 4-5 (filed July 15, 2024) (“NAB Comments”); Comments of the State Broadcasters Associations, MD Docket No. 24-86, at 2-3, 6-7 (filed July 15, 2024) (“SBA Comments”).

¹⁰ *FY2023 Fee Order* ¶ 19.

¹¹ Reply Comments of CTIA, MD Docket Nos. 22-301, 23-159, at 9 (filed June 29, 2023) (“CTIA FY2023 Reply Comments”).

sustainable.”¹² The broadcasters do not – and indeed cannot – point to anything that has changed in the intervening year. Accordingly, the Commission should not make any changes to its existing methodology with respect to reviewing and allocating indirect FTEs.

Further, broadcasters again suggest that the Commission should reclassify indirect FTEs in the Wireline Competition Bureau (“WCB”) that work on non-high cost universal service as direct FTEs.¹³ But the Commission has repeatedly concluded that these FTEs are properly classified as indirect because they work on issues that may include more than one regulated service, work on matters that are not related to services regulated by the Commission, and relate to benefits that are derived by the general public.¹⁴ The broadcaster associations provide no new information or rationale to support reclassifying these indirect FTEs as direct, and fail to explain why the same proposals they made in prior years now no longer violate the Act as the Commission found in FY2023.¹⁵

D. The Commission Should Continue to Reject Proposals That Would in Effect Create New Fee Categories for Equipment Authorizations.

As in prior years, broadcasters fail to demonstrate that the Commission should reverse course on its longstanding policy of excluding equipment authorizations from regulatory fees.¹⁶ The Commission has previously explained that the work of FTEs in the Office of Engineering and Technology on equipment authorizations “involves not only radio frequency (“RF”) testing of various equipment that operates on a licensed or unlicensed basis, or both but also such functions as management of the equipment authorization system, coordination with

¹² *FY2023 Fee Order* ¶ 19.

¹³ NAB Comments at 2; SBA Comments at 6.

¹⁴ *FY2023 Fee Order* ¶¶ 54-55.

¹⁵ *See id.* ¶ 55.

¹⁶ SBA Comments at 12-13.

Telecommunications Certification Bodies, and rulemaking activities such as updating testing and laboratory certification standards” and that such work “benefits the work of the Commission as a whole and is not specific to any particular regulatory fee category.”¹⁷ The costs associated with these FTEs are therefore already appropriately classified as indirect and recovered under the Commission’s regulatory fee framework. The broadcasters’ proposal to unfairly shift a disproportionate share of regulatory fees among regulatees continues to be inconsistent with Section 9 and public policy and should again be rejected.

E. Any Transitional Caps Placed on Increases in Regulatory Fees Should be Consistent with the Commission’s Core Principles of Fairness, Sustainability, and Administrability.

Some commenters express concern that the creation of the Space Bureau would result in a substantial increase in the regulatory fees paid by Space Bureau regulatees and suggest that the increase in fees assessed on Space Bureau regulatees be capped and phased in over a period of years.¹⁸ At the same time, other Space Bureau regulatees recognize that the increase in Space Bureau fees reflects the fact that the Commission is devoting greater FTE resources to the Space Bureau, which benefits the entire satellite industry generally.¹⁹

The Commission’s regulatory fee collection represents a zero-sum game for payors. As the Commission has long recognized, “limiting fee increases for licensees in some fee categories will necessarily limit fee decreases that licensees in other fee categories would otherwise

¹⁷ *FY2023 Fee Order* ¶ 60.

¹⁸ *See, e.g.*, Comments of Intelsat License LLC, MD Docket No. 24-86, at 7-8 (filed July 15, 2024); Comments of Kepler Communications, Inc., MD Docket No. 24-86 at 1, 3-4 (filed July 15, 2024).

¹⁹ Comments of Iridium Communications, Inc., MD Docket No. 24-86 at 3-4 (filed July 15, 2024) (supporting the proposed fees for FY2024).

receive.”²⁰ Accordingly, any caps introduced on fee increases result in “a certain amount of subsidization between fee payer classes.”²¹ Considering this effect, the Commission should be especially careful that if any transitional limits to its fee increases are considered, they should align with its core principles to ensure that the fees paid by all regulatees are fair, administrable, and sustainable.

III. CONCLUSION.

The Commission should adopt final regulatory fees for FY2024 consistent with the *Second Notice*, its longstanding regulatory fee framework, and the suggestions herein. Doing so will further the Commission’s goal to maintain a fair, sustainable, and administrable regulatory fee framework and will reflect sound public policy.

Respectfully submitted,

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²⁰ *Assessment and Collection of Regulatory Fees for Fiscal Year 2013*, Report and Order, 28 FCC Rcd 12351, ¶ 21 (2013).

²¹ *Assessment and Collection of Regulatory Fees for Fiscal Year 1997*, Report and Order, 12 FCC Rcd 17161, ¶ 37 (1997) (adopting a ceiling of 25% on the increase in the fee amount for any service).