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FCC Proposes 13% Hike in 2022 Broadcast Regulatory Fees

The FCC's 2022 broadcast regulatory fee process kicked off with a Notice of Proposed Rulemaking on June 2nd, but was immediately met with a stern rebuke from NAB and others for the proposed 13% increase in fees to be paid by broadcast stations this September. Formal comments on the proposed fees are due July 18, 2022 and we expect more from NAB, who maintains that broadcasters are paying more to subsidize the FCC's broadband activities.

Typically, the final order adopting fees and setting the payment filing window is not issued until late August or early September. Fees are typically due during a 10-12-day period beginning in the middle of September. We will notify clients that owe regulatory fees when those become final.

BROADCAST CALL SIGN RESERVATIONS MIGRATE TO LMS

At long last, the FCC's archaic call sign reservation system has been decommissioned. As of June 22, stations can reserve call signs for initial permits, exchanges, changes and contingent requests in the FCC's Licensing & Management System (LMS), according to the FCC's <u>public notice</u> announcing the change. Requests submitted any other way will be ineffective and dismissed.

The new system is already being used, and for the first time, call sign reservation requests are being announced via the FCC's daily releases. The new online form automatically connects requestors to the fee payment system so that the fee can be seamlessly paid and documented.

The FCC recently migrated many of its broadcast non-form filings to LMS as well. Certain filings for AM stations remain the outlier at this point, but we understand those are being worked.



LEGACY CORES TO BE RETIRED JULY 15

The FCC has <u>announced</u> that as of July 15, 2022, it will retire the CORES legacy system that generated FRNs and passwords for new users. Once Legacy CORES is retired, users will be unable to make any changes to their FRNs in that system, including resetting their passwords, but must instead use CORES2. Users will need to register in CORES2 to gain online access and manage their FRN(s).

Using CORES2 for FRN-related transactions requires FRN registrants to set up an account with a unique username (by providing a valid e-mail address) and password to associate with their existing or new FRN(s). The FRN registrant's email address is then established in the system as their username. Users already registered in CORES2 can continue to manage their FRNs in CORES2 without change. No additional actions are required for CORES2 users.

A CORES username will eventually be required for all FCC filings, and old (non-CORES) passwords will no longer work when logging in to FCC systems. Licensees can conveniently use the username system to control access to their accounts, including disabling access for employees that change jobs or are terminated. An individual with "administrator" authority can link or de-link users to the FRN.

If you have questions about CORES2 or this transition, please let us know. We have spoken to the FCC staff numerous times about the transition. There is a tutorial available in the linked notice above.

FCC SEARCHING FOR NEW TELEVISION DMA METRIC

The FCC has circulated a draft Notice of Proposed Rulemaking and opened MB Docket 22-239 seeking comment on a new publication for determining television station designated market areas when stations elect carriage on satellite and cable companies. Nielsen has ceased publishing its Station Index Directory (Annual Station Index) and United States Television Household Estimates (Household Estimates) referred to in the FCC's

current rules, and replaced it with a Local TV Station Information Report (Local TV Report).

In the draft NPRM, the FCC tentatively concluded that the Commission should revise its rules to establish the Local TV Report as the successor to the Annual Station Index and Household Estimates, but seeks comment on whether the rule should reference the October Local TV Report published two years prior to each triennial carriage election, or a Local TV Report that is published closer in time to each triennial carriage election, to ensure that all market participants are using the same data.

The Commission is expected to approve the NPRM at its July open meeting, after which a comment period will be established.

The next three-year carriage cycle for television stations is 2024-2026, with an election deadline of October 1, 2023. Elections will be completed again by uploading a carriage election statement to the station online public file and in some cases through email notices for systems that are new to a station.

TV Auction 112 is Over; Winning Bids for 18 Construction Permits Announced

The FCC's Auction 112 for 27 full power commercial TV station construction permits ended on June 15th with winning bids on 18 of the permits. On June 23rd, the FCC issued a <u>Public Notice</u> announcing <u>winning bids</u> and important filing deadlines for payments and long-form construction permit applications (see our dates to remember at the end of this newsletter for deadlines).

FCC WANTS STATUS UPDATE ON NEXT GENERATION TV

In a <u>Third Notice of Proposed Rulemaking</u>, the FCC is seeking comment on the current state of the voluntary Next Generation Television transition, and the scheduled sunset of two related 2017 rules.

Next Gen TV uses the ATSC 3.0 transmission standard that introduces broadband-type capabilities for delivery of video and data content and a better viewing experience. In 2017 the FCC adopted rules allowing the voluntary transition to the new standard, but with some caveats such as



requiring that a simulcast ATSC 1.0 standard video signal remain simultaneously available to viewers in the market so no one lost programming if they did not have an ATSC 3.0 reception device. This rulemaking does not remove the 1.0 signal requirement, but is does ask whether the rule requiring that the 1.0 signal be substantially similar to the 3.0 programming stream.

In addition, the FCC wants input on the scheduled 2023 sunset of the requirement that a Next Gen TV station comply with a published ATSC A/322 technical standard.

The responses to this rulemaking may have a significant impact on the further deployment and viability of Next Gen TV.

STATION HISTORY CARDS BEING POPULATED TO LMS

We've noticed in recent weeks that the FCC is uploading scanned history cards for television stations that date back decades and report on station application history and filings. These can be found by selecting the facility search in LMS and inserting the station call letters. If available, the landing page will have a link to the station history cards at the bottom left. If you're wondering about the history of a station beyond its current ownership, the files are worth a look.

DATES TO REMEMBER

July 1, 2022

TV Stations with locally produced programming carried as distant signals in 2021 on a cable or satellite system: Start of one-month period ending August 1 to file copyright royalty claims with the Copyright Royalty Board through the eCRB system. Filers without an eCRB account should set one up early.

July 5, 2022

Comment Deadline: 2022 Annual Regulatory Fees NPRM

July 8, 2022

TV Auction 112 Winning Bidders: down payment deadline at 6 p.m. ET.

July 10, 2022

TV, Class A, AM & FM Stations (commercial & noncommercial): deadline to complete 2nd Quarter 2022 issues/program lists and upload to online public file.

Class A TV Stations Only: deadline to complete and post to your online public file the 2nd Quarter 2022 certification of ongoing Class A eligibility.

July 15, 2022

Legacy CORES decommissioned at 6p ET. and replaced with CORES2 for FCC FRN administration and access.

July 22, 2022

Deadline to file comments on whether the FCC should initiate a rulemaking requiring video providers to file a report on vendor viewpoint diversity; and

TV Auction 112 Winning Bidders: final payment deadline at 6 p.m. ET.

July 25, 2022

TV Auction 112 Winning Bidders: deadline to file long form construction permit application with all required exhibits.

August 1, 2022

Television Stations located in California – deadline to file license renewal application and EEO program report; on-air/online announcements and public file certifications are required under the new local public notice rule.

Radio and TV Stations located in California, Illinois, Wisconsin, North Carolina and South Carolina: if five (5) full time employee threshold is met, prepare EEO public file report covering the period from August 1, 2021 – July 31, 2022, upload it to the station online public inspection file and post it on the station website.

Mid-September

All commercial broadcast stations - the 7-10 payment window to remit annual regulatory fees typically falls in mid-September. Amounts due should become available just prior to the payment window.



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Actual resolution of legal issues depends upon many factors, including variations of facts and applicable Federal laws. This publication is not intended to provide legal advice on specific subjects, rather, it seeks to provide insight into legal developments and issues that we feel could be useful to our clients and friends.



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