

In the Matter of

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

MD Docket No. 20-270

I have held an Amateur Radio license since 1977 and have helped hundreds of people obtain their first amateur radio license and progress to higher license classes. I am currently teaching amateur radio license classes twice per year, so I have regular interaction with people studying to pass their license exam and obtaining their first and subsequent licenses.

Reasonable Cost of License Transaction

In the NPRM, the FCC wrote

To implement the RAY BAUM'S Act, we propose a new streamlined schedule of application fees that aligns with the types of applications the Commission now receives and correlates the fees charged to the costs of processing the associated applications. In making our proposals under the revised statutory framework, we propose to adopt as our overarching goals that our framework for assessing application fees are fair, administrable, and sustainable.

It seems reasonable that the FCC should charge a license fee to cover the actual cost of processing wireless licenses. The Commission proposes to assess a fee of \$50 for most license applications in the Amateur Radio Service. In the NPRM section on Personal Licenses, it says

Other applications for personal licenses are mostly automated and do not have individualized staff costs for data input or review. For these automated processes—new/major modifications, renewal, and minor modifications—we propose a nominal application fee of \$50 due to automating the processes, routine ULS maintenance, and limited instances where staff input is required.

The Commission seems to arbitrarily select a \$50 fee without much supporting analysis of the actual cost of these transactions. In the modern world of IT systems and electronic commerce, a \$50 processing fee is considered large. In many consumer markets, e-commerce has become the standard way of purchasing products with transaction costs that are small enough to support purchases of less than \$5. If the \$50 fee reflects the true cost of the license transactions, there is an opportunity to implement some re-engineering of the process and systems.

Until recently, the Commission charged a fee for Vanity amateur radio callsign applications (roughly \$16). Did this represent the cost of that transaction? It does seem more in line with modern IT costs.

It is worth noting that most of the Amateur Radio license applications are first handled by the Volunteer Examiners (VEs) and Volunteer Examiner Coordinators (VECs). As part of administering the license exam, the VEs interact with the new licensee to make sure the license forms (electronic or paper) are filled out correctly. Then this information is provided to the Commission via the VECs. The Commission is shielded from much of the application process and only handles the database transaction which is simple and highly automated.

Impact On Licensees

Amateur Radio is a non-commercial radio service so there is no revenue stream or pecuniary interest involved for the licensee. Unlike many other radio services, there is no revenue associated with this type of license. In addition, the Amateur Radio Service has a strong track record of public service, especially during local and national emergencies. The Amateur Radio Service provides demonstrated value to the public at no charge. I am not arguing for no license fee but this characteristic of the Amateur Radio Service suggests that any fee imposed should be considered carefully to maximize the public good.

At first glance, a \$50 Fee may seem reasonable enough with the normal amateur radio license term being ten years. The application fee can be considered a straight-line amortization of \$5 per year. However, the \$50 is a lump sum that must be paid at the time of licensing. For new licensees, especially students, minors, young adults, disadvantaged people, and senior citizens, this can present a significant barrier to obtaining an amateur radio license. Also, the 10-year amortization scenario often does not materialize. A common scenario is for the licensee to first obtain a Technician license, then submit a vanity callsign application, resulting in two license fees ($2 \times \$50 = \100) within a short period of time (a few months). It is also common for the Technician licensee to upgrade to a General license within the next year or so, requiring another \$50 license fee.

The NPRM refers to \$50 as a “nominal fee,” seeming to treat it as a minimal, perhaps even token, amount for the license fee. Perhaps the Commission’s assumption is that this fee is so small that no one will be adversely impacted. Based on my experience with new licensees, this fee will be viewed as substantial and will be a barrier to many people obtaining their amateur radio license. At a time when the Amateur Radio Service needs to attract new, younger and more diverse participants, a high license fee represents a serious obstacle.

If \$50 is too high, then how low does the fee need to be? This is difficult to say but we can look at the vanity license fee as one data point. The \$16 fee was generally considered by radio amateurs to be reasonable and did not represent a significant barrier to obtaining a vanity call sign.

Recommendation

The Commission should establish an application fee for amateur radio licenses that covers reasonable costs of the license application while not introducing a significant barrier to entry for new licensees. The proposed \$50 fee is too high to accomplish the second objective. I suggest that a fee in the range of \$15 to \$25 would not be a significant burden to new or existing licensees while still covering the cost of these applications.

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