

FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON, D.C. 20554

OFFICE OF COMMISSIONER  
JAMES H. QUELLO

October 12, 1978

Honorable Lionel Van Deerlin  
Chairman of the Subcommittee on  
Communications  
Interstate and Foreign Commerce Committee  
House of Representatives  
Washington, D. C. 20515

Dear Congressman Van Deerlin:

My testimony on Title IV of H.R. 13015 September 13, 1978 included an initial proposed spectrum use or license fee for TV that I wish to revise for the record.

My testimony was in a general context and I quote:

"I believe a reasonable spectrum usage fee or resource allocation charge is appropriate. I suggest for openers, and subject to study and refinement, a 5% fee on gross revenues for television and 2% for radio."

After further study, I believe a 3% fee on TV gross revenues would be more equitable. A 3% fee on all TV station gross revenues would result in total fee revenues of \$117,921,000 according to the 1977 TV figures which indicated a gross revenue figure of approximately \$3,462,300,000 for VHF and \$468,400,000 for UHF.

In addition, my proposal of a 2% spectrum usage or license fee for AM and FM radio would result in fee revenues of \$43,338,000 from a gross revenue of \$2,166,900,000.

Thus, the total revenues from commercial broadcasting alone would be approximately \$161,250,000. I assume fees are being further considered for other services such as CB, Land Mobile, Amateur, Maritime, etc.

As you know, the fees for commercial TV and radio were proposed in context with complete de-regulation of radio and TV, "the same as newspapers," ---a move which I sincerely believe would best serve overall long-term public interest.

bcc: NAB-Wasilewski, Summers,  
Krasnow, Zeifang  
Tom Cleary, MAB  
Sol Taishoff

Sincerely,

*James H. Quello*  
James H. Quello

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