



Federal Communications Commission
Washington, D.C. 20554

November 25, 2013

DA 13-2255

Small Entity Compliance Guide

Assessment and Collection of Regulatory Fees for Fiscal Year 2013

Report and Order in MD Docket No. 13-140

This Guide is prepared in accordance with the requirements of Section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996. It is intended to help small entities—small businesses, small organizations (non-profits), and small governmental jurisdictions—comply with the new rules adopted in the above-referenced FCC rulemaking docket(s). This Guide is not intended to replace the rules and, therefore, final authority rests solely with the rules. Although we have attempted to cover all parts of the rules that might be especially important to small entities, the coverage may not be exhaustive. This Guide may, perhaps, not apply in a particular situation based upon the circumstances, and the FCC retains the discretion to adopt approaches on a case-by-case basis that may differ from this Guide, where appropriate. Any decisions regarding a particular small entity will be based on the statute and regulations.

In any civil or administrative action against a small entity for a violation of rules, the content of the Small Entity Compliance Guide may be considered as evidence of the reasonableness or appropriateness of proposed fines, penalties or damages. Interested parties are free to file comments regarding this Guide and the appropriateness of its application to a particular situation; the FCC will consider whether the recommendations or interpretations in the Guide are appropriate in that situation. The FCC may decide to revise this Guide without public notice to reflect changes in the FCC's approach to implementing a rule, or to clarify or update the text of the Guide. Direct your comments and recommendations, or calls for further assistance, to the FCC's Consumer Center:

1-888-CALL-FCC (1-888-225-5322)
TTY: 1-888-TELL-FCC (1-888-835-5322)
Fax: 1-866-418-0232
fccinfo@fcc.gov

Assessment and Collection of FY 2013 Regulatory Fees

Section 9 of the Communications Act, 47 U.S.C. § 159, requires the Commission to assess and collect regulatory fees to recover the costs associated with the Commission's enforcement, policy and rulemaking, user information, and international activities. Most regulatory fees are assessed and paid annually.

FY 2013, regulatory fees are due no later than September 20, 2013. There is an exception to this due date for regulatory fees paid by small wireless service licensees. These licensees are required to pay all regulatory fees up front for the entire term of their licenses, as described below. For these small wireless service licensees, regulatory fees are due when a new license is granted or an existing license is renewed.

Full information about FY 2013 regulatory fees is contained in the Commission's Report and Order on Regulatory Fees for FY 2013, *Assessment and Collection of Regulatory Fees for Fiscal Year 2013*, Report and Order, 78 FR 52433 (August 23, 2013).

Additional information on the Commission's regulatory fee program, including Public Notices and Fact Sheets that contain information pertinent to each class of fee payor, is available on the FCC's website at: <http://transition.fcc.gov/fees/regfees.html>. Because the rules and requirements contained in the Report and Order are binding on all regulatory fee payors, we strongly encourage all small entities to familiarize themselves with the contents of the Report and Order and with the related documents listed on the FCC's website. Licensees with individual questions about paying their regulatory fees can also contact the Commission's Financial Operations Help Desk regarding regulatory fees at (877) 480-3201, Option 4, or E-Mail inquiries to ARINQUIRIES@FCC.GOV.

Below is a summary of who should pay regulatory fees by service category:

Payment of Regulatory Fees

- **Media Services:** Regulatory fees must be paid for initial construction permits that were granted on or before October 1, 2012 for AM/FM radio stations, VHF/UHF television stations, and satellite television stations. Regulatory fees must be paid for all broadcast facility licenses granted on or before October 1, 2012. In instances where a permit or license is transferred or assigned after October 1, 2012, responsibility for payment rests with the holder of the permit or license as of the fee due date.
- **Wireline (Common Carrier) Services:** Regulatory fees must be paid for authorizations that were granted on or before October 1, 2012. In instances where a permit or license is transferred or assigned after October 1, 2012, responsibility for payment rests with the holder of the permit or license as of the fee due date.
- **Wireless Services:** For Commercial Mobile Radio Service (CMRS) cellular, mobile, and messaging services, fees are based upon either the number of subscribers (customers) or telephone numbers (active and assigned numbers). Regulatory fees must be paid for authorizations that were granted on or before October 1, 2012. When calculating regulatory fees, the fees should be based on subscribers or telephone numbers as of December 31, 2012.

- Small Wireless Services: The first eleven regulatory fee categories in our Schedule of Regulatory Fees pay what we refer to as “small multi-year wireless regulatory fees.” Entities pay these regulatory fees up front for the entire five-year or 10-year term of the initial license, and only pay regulatory fees again when the license is renewed. We include these eleven categories in our Schedule of Regulatory Fees to give interested parties notice of the fee amounts for each year even though these fees are only collected when a license is issued or renewed.
- Multichannel Video Programming Distributor Services (cable television operators and CARS licensees): Regulatory fees are calculated based on the number of basic cable television subscribers as of December 31, 2012. Regulatory fees must also be paid for CARS licenses that were granted on or before October 1, 2012. In instances where a CARS license is transferred or assigned after October 1, 2012, responsibility for payment rests with the holder of the license as of the fee due date.
- International Services: Regulatory fees must be paid for earth stations, geostationary orbit space stations and non-geostationary orbit satellite systems that were licensed and operational on or before October 1, 2012. In instances where a permit or license is transferred or assigned after October 1, 2012, responsibility for payment rests with the holder of the permit or license as of the fee due date.
- International Services: Submarine Cable Systems: Regulatory fees for submarine cable systems are to be paid on a per cable landing license basis based on circuit capacity as of December 31, 2012. In instances where a license is transferred or assigned after October 1, 2012, responsibility for payment rests with the holder of the license as of the fee due date. For regulatory fee purposes, the allocation in FY 2013 will remain at 87.6 percent for submarine cable and 12.4 percent for satellite/terrestrial facilities.
- International Services: Terrestrial and Satellite Services: Regulatory fees for International Bearer Circuits are to be paid for each 64 kbps circuit or equivalent by facilities-based common carriers that have active (used or leased) international bearer circuits as of December 31, 2012 in any terrestrial or satellite transmission facility for the provision of service to an end user or resale carrier, including active circuits used or leased by themselves or their affiliates. In addition, non-common carrier satellite operators must pay a fee for each 64 kbps circuit or equivalent sold or leased to any customer, including themselves or their affiliates, other than an international common carrier authorized by the Commission to provide U.S. international common carrier services. “Active circuits” for these purposes include backup and redundant circuits as of December 31, 2012. Whether circuits are used specifically for voice or data is not relevant for purposes of determining that they are active circuits. In instances where a permit or license is transferred or assigned after October 1, 2012, responsibility for payment rests with the holder of the permit or license as of the fee due date. For regulatory fee purposes, the allocation for the calculation of fees in FY 2013 will remain at 87.6 percent for submarine cable and 12.4 percent for satellite/terrestrial facilities.

FY 2013 Schedule of Regulatory Fees

The first eleven regulatory fee categories in the table below are collected by the Commission in advance to cover the term of the license and are submitted at the time the application is filed.

Fee Category	Annual Regulatory Fee (U.S. \$'s)
PLMRS (per license) (Exclusive Use) (47 CFR part 90)	40
Microwave (per license) (47 CFR part 101)	20
218-219 MHz (Formerly Interactive Video Data Service) (per license) (47 CFR part 95)	75
Marine (Ship) (per station) (47 CFR part 80)	10
Marine (Coast) (per license) (47 CFR part 80)	55
General Mobile Radio Service (per license) (47 CFR part 95)	5
Rural Radio (47 CFR part 22) (previously listed under the Land Mobile category)	15
PLMRS (Shared Use) (per license) (47 CFR part 90)	15
Aviation (Aircraft) (per station) (47 CFR part 87)	10
Aviation (Ground) (per license) (47 CFR part 87)	15
Amateur Vanity Call Signs (per call sign) (47 CFR part 97)	1.61
CMRS Mobile/Cellular Services (per unit) (47 CFR parts 20, 22, 24, 27, 80 and 90)	.18
CMRS Messaging Services (per unit) (47 CFR parts 20, 22, 24 and 90)	.08
Broadband Radio Service (formerly MMDS/ MDS) (per license) (47 CFR part 27)	510
Local Multipoint Distribution Service (per call sign) (47 CFR, part 101)	510
AM Radio Construction Permits	590
FM Radio Construction Permits	750
TV (47 CFR part 73) VHF Commercial	
Markets 1-10	86,075
Markets 11-25	78,975

Fee Category	Annual Regulatory Fee (U.S. \$'s)
Markets 26-50	42,775
Markets 51-100	22,475
Remaining Markets	6,250
Construction Permits	6,250
TV (47 CFR part 73) UHF Commercial	
Markets 1-10	38,000
Markets 11-25	35,050
Markets 26-50	23,550
Markets 51-100	13,700
Remaining Markets	3,675
Construction Permits	3,675
Satellite Television Stations (All Markets)	1,525
Construction Permits – Satellite Television Stations	960
Low Power TV, Class A TV, TV/FM Translators & Boosters (47 CFR part 74)	410
Broadcast Auxiliaries (47 CFR part 74)	10
CARS (47 CFR part 78)	510
Cable Television Systems (per subscriber) (47 CFR part 76)	1.02
Interstate Telecommunication Service Providers (per revenue dollar)	.00347
Earth Stations (47 CFR part 25)	275
Space Stations (per operational station in geostationary orbit) (47 CFR part 25) also includes DBS Service (per operational station) (47 CFR part 100)	139,100
Space Stations (per operational system in non-geostationary orbit) (47 CFR part 25)	149,875
International Bearer Circuits - Terrestrial/Satellites (per 64KB circuit)	.27
International Bearer Circuits - Submarine Cable	See Table Below

FY 2013 SCHEDULE OF REGULATORY FEES:

FY 2013 RADIO STATION REGULATORY FEES						
Population Served	AM Class A	AM Class B	AM Class C	AM Class D	FM Classes A, B1 & C3	FM Classes B, C, C0, C1 & C2
<=25,000	\$775	\$645	\$590	\$670	\$750	\$925
25,001 – 75,000	\$1,550	\$1,300	\$900	\$1,000	\$1,500	\$1,625
75,001 – 150,000	\$2,325	\$1,625	\$1,200	\$1,675	\$2,050	\$3,000
150,001 – 500,000	\$3,475	\$2,750	\$1,800	\$2,025	\$3,175	\$3,925
500,001 – 1,200,000	\$5,025	\$4,225	\$3,000	\$3,375	\$5,050	\$5,775
1,200,001 – 3,000,00	\$7,750	\$6,500	\$4,500	\$5,400	\$8,250	\$9,250
>3,000,000	\$9,300	\$7,800	\$5,700	\$6,750	\$10,500	\$12,025

**FY 2013 SCHEDULE OF REGULATORY FEES
International Bearer Circuits - Submarine Cable**

Submarine Cable Systems (capacity as of December 31, 2012)	Fee amount	Address
< 2.5 Gbps	\$13,600	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000
2.5 Gbps or greater, but less than 5 Gbps	\$27,200	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000
5 Gbps or greater, but less than 10 Gbps	\$54,425	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000
10 Gbps or greater, but less than 20 Gbps	\$108,850	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000
20 Gbps or greater	\$217,675	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000

Administrative and Operational Issues

Fee payors should also be aware of several new administrative and operational initiatives:

- In FY 2012, in accordance with U.S. Treasury Financial Manual Announcement No. A-2012-02, the U.S. Treasury limited credit card transactions to \$49,999.99 from a single credit card in a single day. The U.S. Treasury will reject transactions charged to a credit card on one day that exceed the total daily dollar limit of \$49,999.00. FCC policy will conform to the U.S. Treasury policy. Fee payors needing to remit amounts of \$50,000.00 or greater must use alternative methods of payment: check, debit card, ACH or FedWire. Beginning on October 1, 2013, the alternative methods of payment for amounts \$50,000 or greater will be limited to debit cards, ACH, or FedWire payments. The FCC will post notices on FCC websites to remind licensees of the U.S. Treasury policy. Additional information on these changes can be found at <http://transition.fcc.gov/fees/regfees.html>.
- Regulatory fee payments that exceed the U.S. Treasury limit will be rejected. This may cause the licensee to miss paying the fees by the due date. Licensees failing to pay regulatory fees by the date they are due will incur a 25% late payment penalty, interest, and other fees. This includes online transactions conducted via Pay.gov, transactions on Form 159-E sent directly to U.S. Bank for the payment of regulatory fees, and direct-over-the-counter transactions made at a U.S. Government facility. The maximum dollar-value limit for debit card transactions has been eliminated, but it should be noted that only Visa and MasterCard branded debit cards are accepted by Pay.gov.
- **As of October 1, 2013**, the Commission will no longer accept checks (including money orders and cashier's checks) and the accompanying hardcopy forms (e.g., Form 159's, Form 159-B's, Form 159-E's, Form 159-W's) for the payment of regulatory fees. All payments made on or after that date must be made by online ACH payment, online credit card, or wire transfer. Any other form of payment (e.g., checks) will be rejected and sent back to the payor. For wire transfers, a Form 159-E should be transmitted via FAX ((314) 418-4232) to U.S. Bank so that the Commission can associate the wire payment with the corresponding regulatory fee payment. Because regulatory fees payments by paper check will no longer be accepted, entities will no longer be able to pay both regulatory fees and application fees at the same time by paper check.
- In FY 2013, two additional fee categories will be established and billed: BRS/LMDS licensees and UHF/VHF Television Stations. There will not be any changes in how BRS/LMDS and television station licensees view and pay their regulatory fees. The only noticeable difference will be that a bill number will be associated with each record for the BRS/LMDS and television station fee categories. This bill number will enable the Commission to determine more quickly those entities that have not paid their FY 2013 regulatory fees.
- With respect to the collection of delinquent regulatory fees, the Commission is working with the U.S. Treasury to facilitate the collection of payments from regulatees that did not pay regulatory fees by the due date. Under revised procedures, the Commission will begin transferring these receivables (unpaid regulatory fees) to the U.S. Treasury at the end of the

payment period instead of waiting for a period of 180 days from the date of delinquency.¹ Accordingly, we anticipate that the transfer of FY 2013 debts to Treasury will occur much sooner than it does under our current process. Regulatees, however, will not likely see any substantial change in the actual process of collecting unpaid regulatory fees as set forth in section 1.1910 *et seq.* of the rules.

Recordkeeping Requirements

- Licensees are responsible for submitting all payments and payment documents accurately and on a timely basis, including Remittance Form 159-E where applicable, to avoid processing delays.
- Licensees who claim an exemption from regulatory fees are required to have a current IRS Determination letter or certification from a governmental authority attesting to its exempt status on file with the Commission.
- In instances where a payment has not been accurately posted, the licensee is responsible for providing proof that the fee has been paid, including but not limited to, copies of cancelled checks, a copy of Remittance Form 159-E, or other documentation showing that the fees have been paid.

Enforcement

- To be considered timely, regulatory fee payments must be received and stamped at the lockbox bank by 11:59 PM, Eastern Daylight Time, on September 20, 2013. Section 9(c) of the Act requires us to impose a late payment penalty of 25 percent of the unpaid amount, to be assessed on the first day following the filing deadline. Failure to pay regulatory fees and/or any late penalty will subject regulatees to sanctions, including those set forth in section 1.1910 of the Commission's Rules and in the Debt Collection Improvement Act of 1996, Pub. L. 104-134, 110 Stat. 1321, Apr. 26, 1996 ("DCIA"). In addition to the 25 percent penalty, we also assess administrative processing charges on delinquent debts to recover additional costs incurred in processing and handling the related debt pursuant to the DCIA and section 1.1940(d) of the Commission's Rules. When a fee payor makes an underpayment of regulatory fees, the payor will be given credit for the amount paid, but if it is later determined that the fee paid is incorrect or not timely paid, the 25 percent late charge penalty (and other charges and/or sanctions, as appropriate) will be assessed on the portion that is not paid in a timely manner.
- We will withhold action on any applications or other requests for benefits filed by anyone who is delinquent in any non-tax debts owed to the Commission (including regulatory fees) and will ultimately dismiss those applications or other requests if payment of the delinquent debt or other satisfactory arrangement for payment is not made. *See* 47 C.F.R. §§ 1.1161(c), 1.1164(f)(5), and 1.1910. Failure to pay regulatory fees can also result in the initiation of a proceeding to revoke any and all authorizations held by the entity responsible for paying the delinquent fee(s).

¹ *See* 31 U.S.C. § 3711(g); 31 C.F.R. § 285.12; 47 C.F.R. § 1.1917.