



Federal Communications Commission
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Small Entity Compliance Guide

Assessment and Collection of Regulatory Fees for Fiscal Year 2016

FY 2016 Regulatory Fees Report and Order MD Docket No. 16-166

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: 202-418-0232
Fax: 1-866-418-0232**

Assessment and Collection of FY 2016 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.

For annual payers of FY 2016 regulatory fees, the due date is on September 27, 2016. As described below, there is an exception to this due date for certain small wireless service licensees that are required to pay all regulatory fees up front for the entire term of their initial license or term of renewal at the time of a new license or renewal.

Full information about FY 2016 regulatory fees is contained in the Commission's *Assessment and Collection of Regulatory Fees for Fiscal Year 2016*, Report and Order, adopted on September 1, 2016 and released on September 2, 2016, 81 FR 65926 (September 26, 2016).

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: <https://www.fcc.gov/regfees>. Because the rules and requirements contained in the Report and Order are binding on all regulatory fee payers, 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 may 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.

The Schedule of Regulatory Fees is included at the end of this document. Below are categories of who should pay regulatory fees:

Summary of Changes in FY 2016 Regulatory Fees

This Report and Order adopts a schedule of regulatory fees to assess and collect \$384,012,497 in regulatory fees for Fiscal Year (FY) 2016, pursuant to Section 9 of the Communications Act of 1934, as amended (Communications Act or Act) and the Commission's FY 2016 Appropriation.¹ The FY 2016 regulatory fee schedule includes the following changes from last year: (1) an increase in regulatory fees across all fee categories to offset the Commission's facilities reduction costs;² (2) an updated regulatory fee for Direct Broadcast Satellite (DBS) providers, a subcategory in the cable television and Internet Protocol Television (IPTV) category; and (3) adjustments to the regulatory fees on radio and television broadcasters, based on type and class of service and on the population served.

Payment of Regulatory Fees

The responsibility for payment of fees by service category is as follows:

- *Media Services*: Regulatory fees must be paid for initial construction permits that were granted on or before October 1, 2015 for AM/FM radio stations, VHF/UHF full service television stations, and satellite television stations. Regulatory fees must be paid for all broadcast facility licenses granted on or before October 1, 2015. For providers of DBS service, regulatory fees should be paid based on a subscriber count on or about December 31, 2015. In instances where

¹ 47 U.S.C. § 159; Consolidated Appropriations Act, 2016, Pub. L. No. 114-113, Dec. 18, 2015.

² The proposed regulatory fee rates for FY 2016 includes a one-time amount of \$44,168,497 to offset facilities reduction costs, i.e., to reduce the office space footprint and/or move the FCC office location if necessary. Consolidated Appropriations Act, 2016, Pub. L. No. 114-113, Dec. 18, 2015. See FCC's Lease Prospectus, available at <http://www.gsa.gov/portal/category/100435>.

a permit or license is transferred or assigned after October 1, 2015, 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, 2015. In instances where a permit or license is transferred or assigned after October 1, 2015, responsibility for payment rests with the holder of the permit or license as of the fee due date. Audio bridging service providers are included in this category.³ For RespOrgs that manage Toll Free Numbers (TFN), regulatory fees should be paid on all working, assigned, and reserved toll free numbers, including those toll free numbers that are in transit status, or any other status as defined in section 52.103 of the Commission's rules. The unit count should be based on toll free numbers managed by RespOrgs on or about December 31, 2015.
- *Wireless Services:* CMRS cellular, mobile, and messaging services (fees based on number of subscribers or telephone number count): Regulatory fees must be paid for authorizations that were granted on or before October 1, 2015. The number of subscribers, units, or telephone numbers on December 31, 2015 will be used as the basis from which to calculate the fee payment. In instances where a permit or license is transferred or assigned after October 1, 2015, responsibility for payment rests with the holder of the permit or license as of the fee due date.
- *Wireless Services, Multi-year fees:* The first eight regulatory fee categories in our Schedule of Regulatory Fees pay "small multi-year wireless regulatory fees." Entities pay these regulatory fees in advance for the entire period covered by the five-year or ten-year terms of their initial licenses, and pay regulatory fees again only when the license is renewed or a new license is obtained. We include these fee categories in our rulemaking (*see* Appendix C) to publicize our estimates of the number of "small multi-year wireless" licenses that will be renewed or newly obtained in FY 2016.
- *Multichannel Video Programming Distributor Services (cable television operators and CARS licensees):* Regulatory fees must be paid for the number of basic cable television subscribers as of December 31, 2015.⁴ Regulatory fees also must be paid for CARS licenses that were granted on or before October 1, 2015. In instances where a permit or license is transferred or assigned after October 1, 2015, responsibility for payment rests with the holder of the permit or license as of the fee due date.
- *International Services:* Regulatory fees must be paid for (1) earth stations, and (2) geostationary orbit space stations and non-geostationary orbit satellite systems that were licensed and operational on or before October 1, 2015. In instances where a permit or license is transferred or assigned after October 1, 2015, 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, 2015. In instances where a license is transferred or assigned after October 1, 2015, responsibility for payment rests with the holder of the license as of the fee due date. For regulatory fee purposes, the allocation in FY 2016 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 Terrestrial and Satellite International Bearer Circuits are to be paid by facilities-based common carriers that

³ Audio bridging services are toll teleconferencing services.

⁴ Cable television system operators should compute their number of basic subscribers as follows: Number of single family dwellings + number of individual households in multiple dwelling unit (apartments, condominiums, mobile home parks, etc.) paying at the basic subscriber rate + bulk rate customers + courtesy and free service. Note: Bulk-Rate Customers = Total annual bulk-rate charge divided by basic annual subscription rate for individual households. Operators may base their count on "a typical day in the last full week" of December 2015, rather than on a count as of December 31, 2015.

have active (used or leased) international bearer circuits as of December 31, 2015 in any terrestrial or satellite transmission facility for the provision of service to an end user or resale carrier. When calculating the number of such active circuits, the facilities-based common carriers must include circuits used by themselves or their affiliates. In addition, non-common carrier satellite operators must pay a fee for each circuit they and their affiliates hold and each circuit sold or leased to any customer, other than an international common carrier authorized by the Commission to provide U.S. international common carrier services. For these purposes, “active circuits” include backup and redundant circuits as of December 31, 2015. Whether circuits are used specifically for voice or data is not relevant for purposes of determining that they are active circuits.⁵ In instances where a permit or license is transferred or assigned after October 1, 2015, responsibility for payment rests with the holder of the permit or license as of the fee due date. For regulatory fee purposes, the allocation in FY 2016 will remain at 87.6 percent for submarine cable and 12.4 percent for satellite/terrestrial facilities.⁶

FY 2016 Schedule of Regulatory Fees

Regulatory fees for the categories shaded in gray 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) | 25 |
| Microwave (per license) (47 CFR part 101) | 25 |
| Marine (Ship) (per station) (47 CFR part 80) | 15 |
| Marine (Coast) (per license) (47 CFR part 80) | 40 |
| Rural Radio (47 CFR part 22) (previously listed under the Land Mobile category) | 10 |
| PLMRS (Shared Use) (per license) (47 CFR part 90) | 10 |
| Aviation (Aircraft) (per station) (47 CFR part 87) | 10 |
| Aviation (Ground) (per license) (47 CFR part 87) | 20 |
| CMRS Mobile/Cellular Services (per unit) (47 CFR parts 20, 22, 24, 27, 80 and 90) | .20 |
| 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) | 725 |
| Local Multipoint Distribution Service (per call sign) (47 CFR, part 101) | 725 |
| AM Radio Construction Permits | 620 |

⁵ We encourage terrestrial and satellite service providers to seek guidance from the International Bureau’s Policy Division to verify their IBC reporting processes to ensure that their calculation methods comply with our rules.

⁶ We remind facilities-based common carriers to review their reporting processes to ensure that they accurately calculate and report IBCs.

| Fee Category | Annual Regulatory Fee (U.S. \$s) |
|--|----------------------------------|
| | |
| FM Radio Construction Permits | 1,075 |
| Digital TV (47 CFR part 73) VHF and UHF Commercial | |
| Markets 1-10 | 60,675 |
| Markets 11-25 | 45,675 |
| Markets 26-50 | 30,525 |
| Markets 51-100 | 15,200 |
| Remaining Markets | 5,000 |
| Construction Permits | 5,000 |
| Satellite Television Stations (All Markets) | 1,750 |
| Low Power TV, Class A TV, TV/FM Translators & Boosters (47 CFR part 74) | 455 |
| CARS (47 CFR part 78) | 775 |
| Cable Television Systems (per subscriber) (47 CFR part 76), Including IPTV | 1.00 |
| Direct Broadcast Service (DBS) (per subscriber) (as defined by section 602(13) of the Act) | .27 |
| Interstate Telecommunication Service Providers (per revenue dollar) | .00371 |
| Toll Free (per toll free subscriber) (47 CFR section 52.101 (f) of the rules) | .13 |
| Earth Stations (47 CFR part 25) | 345 |
| Space Stations (per operational station in geostationary orbit) (47 CFR part 25) also includes DBS Service (per operational station) (47 CFR part 100) | 138,475 |
| Space Stations (per operational system in non-geostationary orbit) (47 CFR part 25) | 151,950 |
| International Bearer Circuits -- Terrestrial/Satellites (per 64KB circuit) | .02 |
| Submarine Cable Landing Licenses Fee (per cable system) | See Table Below |
| | |

FY 2016 SCHEDULE OF REGULATORY FEES: (continued)

| FY 2016 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 | \$990 | \$715 | \$620 | \$685 | \$1,075 | \$1,250 |
| 25,001 – 75,000 | \$1,475 | \$1,075 | \$925 | \$1,025 | \$1,625 | \$1,850 |
| 75,001 – 150,000 | \$2,200 | \$1,600 | \$1,375 | \$1,525 | \$2,400 | \$2,750 |
| 150,001 – 500,000 | \$3,300 | \$2,375 | \$2,075 | \$2,275 | \$3,600 | \$4,125 |
| 500,001 – 1,200,000 | \$5,500 | \$3,975 | \$3,450 | \$3,800 | \$6,000 | \$6,875 |
| 1,200,001 – 3,000,00 | \$8,250 | \$5,950 | \$5,175 | \$5,700 | \$9,000 | \$10,300 |
| 3,000,001 – 6,000,00 | \$11,000 | \$7,950 | \$6,900 | \$7,600 | \$12,000 | \$13,750 |
| >6,000,000 | \$13,750 | \$9,950 | \$8,625 | \$9,500 | \$15,000 | \$17,175 |

**FY 2016 SCHEDULE OF REGULATORY FEES
International Bearer Circuits - Submarine Cable**

| Submarine Cable Systems (capacity as of December 31, 2015) | Fee amount |
|---|-------------------|
| < 2.5 Gbps | \$8,325 |
| 2.5 Gbps or greater, but less than 5 Gbps | \$16,650 |
| 5 Gbps or greater, but less than 10 Gbps | \$33,300 |
| 10 Gbps or greater, but less than 20 Gbps | \$66,600 |
| 20 Gbps or greater | \$133,200 |

Administrative and Operational Issues

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

- In accordance with U.S. Treasury Announcement No. A-2014-04 (July 2014), the amount that can be charged on a credit card for transactions with federal agencies has been reduced to \$24,999.99.⁷ Previously, the credit card limit was \$49,999.99. This lower transaction amount is effective June 1, 2015. Transactions greater than \$24,999.99 will be rejected. This limit applies to single payments or bundled payments of more than one bill. Multiple transactions to a single agency in one day may be aggregated and treated as a single transaction subject to the \$24,999.99 limit. Customers who wish to pay an amount greater than \$24,999.99 should consider such available electronic alternatives such as Visa or MasterCard debit cards, ACH debits from a bank account, and wire transfers, which do not have limits. Each of these payment options is available after filing regulatory fee information in Fee Filer. Further details will be provided regarding payment methods and procedures at the time of FY 2015 regulatory fee collection in Fact Sheets, available at <https://www.fcc.gov/regfees>.
- Regulatory fee payments made by credit card 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 due date will incur a 25% late payment penalty, interest, and other fees.
- The Commission no longer accepts 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, or Form 159-W's) for the payment of regulatory fees. All payments must be made by online debit card, ACH payment, credit card, or wire transfer. Any other form of payment (*e.g.*, checks) will be rejected.
- The use of the online Fee Filer system for filing regulatory fees has not changed since the process was first initiated in FY 2009: licensees and regulatees must first enter the Commission's Fee Filer system with a valid FRN and password, and follow the online prompts to review their data and submit an electronic fee payment. Use of the online Fee Filer system is mandatory, and **payments in the form of checks, money orders, and cashier's checks are no longer accepted.**⁸ In making a wire transfer, please fax the "Wire Transfer Instructions" from Fee Filer to the Federal Communications Commission at (202) 418-2843 at least one hour before initiating the wire transfer (**but on the same business day**) so as not to delay crediting their account. **These Wire Transfer Instructions contain valuable information (e.g. FRN, Voucher Number, Payer Name, and the Amount of the Wire) that will help to post the payment more quickly, and avoid costly delays that could result in penalties and interest for missing the payment due date.** Please note that most wire transfers initiated after 6:00 p.m. (EDT) will be credited the next business day.
- When making a payment using the Commission's filing and payment system (Fee Filer), the licensee will be directed to Pay.Gov to complete the transaction. Although Pay.Gov does not have a limit on debit card transactions, it should be noted that Pay.Gov only accepts Visa and MasterCard branded debit cards.

⁷ Customers who owe an amount on a bill, debt, or other obligation due to the federal government are prohibited from splitting the total amount due into multiple payments. Splitting an amount owed into several payment transactions violates the credit card network and Fiscal Service rules. An amount owed that exceeds the Fiscal Service maximum dollar amount, \$24,999.99, may not be split into two or more payment transactions in the same day by using one or multiple cards. Also, an amount owed that exceeds the Fiscal Service maximum dollar amount may not be split into two or more transactions over multiple days by using one or more cards.

⁸ Payors should note that this change will mean that entities that have previously paid both regulatory fees and application fees at the same time by paper check will no longer be able to do so because regulatory fees payments by paper check will no longer be accepted.

- **New De Minimis Threshold:** Regulatees whose total FY 2016 annual regulatory fee liability, including all categories of fees for which payment is due, is \$500 or less are exempt from payment of FY 2016 regulatory fees. The *de minimis* threshold applies only to filers of annual regulatory fees (not regulatory fees paid through multi-year filings), and it is not a permanent exemption. Rather, each regulatee will need to reevaluate their total fee liability each fiscal year to determine whether they meet the *de minimis* exemption. Regulatees are responsible for calculating their own total fee obligation to determine whether they qualify for this *de minimis* exemption. The Commission reserves the right to request documentation that supports a *de minimis* exemption claim.

Recordkeeping Requirements

- Licensees are responsible for submitting all payments and payment documents accurately and on a timely basis, including the faxing of “Wire Transfer Instructions” from Fee Filer for wire transfer payments.
- 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 the documentation showing that the fee has been paid.

Enforcement

- To be considered timely, regulatory fee payments must be received by 11:59 PM, Eastern Daylight Time, on September 27, 2016. 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 payer makes an underpayment of regulatory fees, the payer 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 (although certain provisions of 1.1910 will not apply where more restrictive rules govern delinquent debts, such as 47 C.F.R. § 1.2105). 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).