Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of	)	
	)	
Assessment and Collection of Regulatory Fees for Fiscal Year 2015	)	MD Docket No. 15-121
	)	
	)	

REPORT AND ORDER AND FURTHER NOTICE OF PROPOSED RULEMAKING

Adopted: September 1, 2015 **Released: September 2, 2015**

By the Commission:

Comment Date: (30 days after date of publication in the Federal Register)
Reply Comment Date: (60 days after date of publication in the Federal Register)

I. INTRODUCTION AND EXECUTIVE SUMMARY

1. This Report and Order adopts a schedule of regulatory fees to assess and collect $339,844,000 in regulatory fees for Fiscal Year (FY) 2015, pursuant to Section 9 of the Communications Act of 1934, as amended (the Act or Communications Act) and the Commission's FY 2015 Appropriation.[1] The schedule of regulatory fees for FY 2015 adopted here is attached in Appendix C. These regulatory fees are due in September 2015.

2. The FY 2015 regulatory fees are based on the proposals in the *FY 2015 NPRM*,[2] considered in light of the comments received and Commission analysis. The FY 2015 regulatory fee schedule includes the following noteworthy changes from prior years: (1) a reduction in regulatory fees for the submarine cable/terrestrial and satellite bearer circuit (IBC) category relative to other fee categories in the International Bureau; (2) the first fee rate for Direct Broadcast Satellite (DBS) as a subcategory of the cable television and Internet Protocol Television (IPTV) regulatory fee category; (3) the first regulatory fee rate for toll free numbers; and (4) the elimination of the regulatory fee component of two fee categories: amateur radio Vanity Call Signs and General Mobile Radio Service (GMRS).[3] In

[1] Section 9 regulatory fees are mandated by Congress and collected to recover the regulatory costs associated with the Commission's enforcement, policy and rulemaking, user information, and international activities. 47 U.S.C. § 159(a). Public Law 113-235, Consolidated and Further Continuing Appropriation Act of 2015 (FY 2015 Appropriation) ("Provided further, That $339,844,000 of offsetting collections shall be assessed and collected pursuant to section 9 of title I of the Communications Act of 1934, shall be retained and used for necessary expenses and shall remain available until expended.").

[2] *Assessment and Collection of Regulatory Fees for Fiscal Year 2015*, Notice of Proposed Rulemaking, Report and Order, and Order, 30 FCC Rcd 5354 (2015) (*FY 2015 NPRM, FY 2015 Fee Reform Report and Order*).

[3] *See FY 2015 Fee Reform Report and Order*, 30 FCC Rcd at 5361-62, paras. 19-22. As required by section 9(b)(4)(B) of the Act, "permitted amendment" letters were mailed June 4, 2015 and these amendments will take effect 90 days after congressional notification, i.e., on September 3, 2015.

addition, for FY 2015, in calculating the fee schedule, the Commission also reallocated four International Bureau full time employees (FTEs)[4] from direct to indirect.

3. In the Further Notice of Proposed Rulemaking in this docket we seek further comment on changes to our methodology in calculating regulatory fees for AM and FM broadcast radio and on reallocating FTEs from the Wireline Competition Bureau working on numbering and universal service issues.

II. BACKGROUND

4. Congress adopted a regulatory fee schedule in 1993[5] and authorized the Commission to assess and collect annual regulatory fees pursuant to the schedule, as amended by the Commission.[6] As a result, the Commission annually reviews the regulatory fee schedule, proposes changes to the schedule to reflect changes in the amount of its appropriation, and proposes increases or decrease to the schedule of regulatory fees.[7] The Commission makes changes to the regulatory fee schedule "if the Commission determines that the schedule requires amendment to comply with the requirements"[8] of section 9(b)(1)(A) of the Act.[9] The Commission may also add, delete, or reclassify services in the fee schedule to reflect additions, deletions, or changes in the nature of its services "as a consequence of Commission rulemaking proceedings or changes in law." Thus, for each fiscal year, the proposed fee schedule in the annual Notice of Proposed Rulemaking (NPRM) will reflect changes in the amount appropriated for the performance of the FCC's regulatory activities, changes in the industries represented by the regulatory fee payors, changes in Commission FTE levels, and any other issues of relevance to the proposed fee schedule.[10] After receipt and review of comments, the Commission issues a Report and Order adopting the fee schedule for the fiscal year and sets out the procedures for payment of fees.

5. The Commission calculates the fees by first determining the FTE number of employees performing the regulatory activities specified in section 9(a), "adjusted to take into account factors that are reasonably related to the benefits provided to the payor of the fee by the Commission's activities…."[11] FTEs are categorized as "direct" if they are performing regulatory activities in one of the "core" bureaus, i.e., the Wireless Telecommunications Bureau, Media Bureau, Wireline Competition Bureau, and part of the International Bureau. All other FTEs are considered "indirect."[12] The total FTEs for each fee

[4] One FTE, a "Full Time Equivalent" or "Full Time Employee," is a unit of measure equal to the work performed annually by a full time person (working a 40 hour workweek for a full year) assigned to the particular job, and subject to agency personnel staffing limitations established by the U.S. Office of Management and Budget.

[5] 47 U.S.C. § 159 (g) (showing original fee schedule prior to Commission amendment).

[6] 47 U.S.C. § 159

[7] 47 U.S.C. § 159(b)(1)(B).

[8] 47 U.S.C. § 159(b)(2).

[9] 47 U.S.C. § 159(b)(1)(A).

[10] Section 9(b)(2) discusses mandatory amendments to the fee schedule and Section 9(b)(3) discusses permissive amendments to the fee schedule. Both mandatory and permissive amendments are not subject to judicial review. 47 U.S.C. §§ 159(b)(2) and (3).

[11] 47 U.S.C. § 159(b)(1)(A). When section 9 was adopted, the total FTEs were to be calculated based on the number of FTEs in the Private Radio Bureau, Mass Media Bureau, and Common Carrier Bureau. (The names of these bureaus were subsequently changed.) Satellites and submarine cable were regulated through the Common Carrier Bureau before the International Bureau was created.

[12] The indirect FTEs are the employees from the International Bureau (in part), Enforcement Bureau, Consumer & Governmental Affairs Bureau, Public Safety & Homeland Security Bureau, Chairman and Commissioners' offices, Office of the Managing Director, Office of General Counsel, Office of the Inspector General, Office of Communications Business Opportunities, Office of Engineering and Technology, Office of Legislative Affairs, Office of Strategic Planning and Policy Analysis, Office of Workplace Diversity, Office of Media Relations, and Office of Administrative Law Judges, totaling 1,041 indirect FTEs.

category is calculated by counting the number of direct FTEs in the core bureau that regulates that category, plus a proportional allocation of indirect FTEs. Next, the Commission allocates the total amount to be collected among the various regulatory fee categories. This allocation is based on the number of FTEs assigned to work in each regulatory fee category. Each regulatee within a fee category pays its proportionate share based on an objective measure, e.g., revenues, number of subscribers, or licenses.[13]

6. As part of its annual review, the Commission regularly seeks to improve its regulatory fee analysis.[14] For example, in the *FY 2013 Report and Order*, the Commission adopted updated FTE allocations to more accurately reflect the number of FTEs working on regulation and oversight of the regulatees in the various fee categories,[15] combined the UHF and VHF television stations into one regulatory fee category,[16] and created a fee category to include IPTV.[17] Subsequently, in the *FY 2014 Report and Order and FNPRM*, the Commission adopted a new fee category for toll free numbers,[18] increased the de minimis threshold,[19] and eliminated several categories from the regulatory fee schedule.[20] Earlier this year, in our *FY 2015 Fee Reform Report and Order*, we added a subcategory for DBS providers in the cable television and IPTV regulatory fee category.[21]

7. In our *FY 2015 NPRM,* we proposed to collect $339,844,000 in regulatory fees and included a detailed, proposed fee schedule. We also sought comment on (1) a proposal revising the apportionment between the submarine cable/terrestrial and satellite bearer circuits fee category and the space station/earth station fee category; (2) revising an apportionment of regulatory fees among broadcasters; (3) a request for relief from regulatory fee assessments for radio stations in Puerto Rico filed by the Puerto Rico Broadcasters Association (PRBA);[22] (4) raising earth station regulatory fees relative to space station fees;[23] (5) a new regulatory fee for toll free numbers; (6) a new regulatory fee for DBS (as a subcategory in the cable television and IPTV regulatory fee category); and (7) whether certain FTEs should be allocated as direct instead of indirect.[24] We received 13 comments and eight reply comments. The list of commenters is attached in Appendix A.

---

[13] *See Assessment and Collection of Regulatory Fees*, Notice of Proposed Rulemaking, 27 FCC Rcd 8458, 8461-62, paras. 8-11 (2012) (*FY 2012 NPRM*).

[14] *See Assessment and Collection of Regulatory Fees for Fiscal Year 2008*, MD Docket No. 08-65, Report and Order and Further Notice of Proposed Rulemaking, 24 FCC Rcd 6388 (2008) (*FY 2008 Further Notice*).

[15] *Assessment and Collection of Regulatory Fees for Fiscal Year 2013*, MD Docket No. 08-65, Report and Order, 28 FCC Rcd 12351, 12354-58, paras 10-20 (2013) (*FY 2013 Report and Order*).

[16] *FY 2013 Report and Order*, 28 FCC Rcd at 12361-62, paras. 29-31.

[17] *Id.*, 28 FCC Rcd at 12362-63, paras. 32-33.

[18] *Assessment and Collection of Regulatory Fees for Fiscal Year 2014*, Report and Order and Further Notice of Proposed Rulemaking, 29 FCC Rcd 10767, 10777-79, paras. 25-28 (2014) (*FY 2014 Report and Order and FNPRM*).

[19] *FY 2014 Report and Order and FNPRM*, 29 FCC Rcd at 10774-76, paras. 18-21.

[20] *Id*., 29 FCC Rcd at 10776-77, paras. 22-24.

[21] *FY 2015 Fee Reform Report and Order*, 30 FCC Rcd at 5364-5373, paras. 28-41. We also eliminated two additional fee categories. *See id.,* 30 FCC Rcd at 5361-62, paras. 19-22.

[22] *See* Letter from Messrs. Francisco Montero, Esq. and Jonathan R. Markman, Esq., Counsel for the Puerto Rico Broadcasters Association, filed in Docket No. 14-92, to Marlene Dortch, Secretary, Federal Communications Commission (Dec. 10, 2014) (PRBA Letter).

[23] Earth station fees were previously increased by 7.5 percent. *See FY 2014 Report and Order*, 29 FCC Rcd at 10772-73, para. 12.

[24] This issue was raised previously. *See, e.g., FY 2014 NPRM,* 29 FCC Rcd at 6425-27, paras. 22-27.

III. REPORT AND ORDER

A. Discussion

1. FY 2015 Regulatory Fees

8. In this Report and Order, we adopt a regulatory fee schedule for FY 2015, pursuant to Section 9 of the Communications Act and our FY 2015 appropriation statute in order to collect $339,844,000 in regulatory fees.[25] Of this amount, we project approximately $18.56 million (5.45 percent of the total FTE allocation) in fees from the International Bureau regulatees;[26] $69.07 million (20.28 percent of the total FTE allocation) in fees from the Wireless Telecommunications Bureau regulatees;[27] $132.81 million (38.99 percent of the total FTE allocation) from Wireline Competition Bureau regulatees;[28] and $120.15 million (35.28 percent of the total FTE allocation) from the Media Bureau regulatees.[29] These regulatory fees are due in September 2015. The schedule of regulatory fees for FY 2015 adopted here is attached as Appendix C.

2. Toll Free Numbers

9. In the *FY 2014 Report and Order and FNPRM*,[30] we adopted a regulatory fee category for each toll free number managed by a RespOrg. The Commission adopted the new toll free regulatory fee for RespOrgs in addition to the fee for ITSPs because they are using Commission resources for each fee category. As a result, payment for both ITSP and toll free number fee categories should be made.[31]

---

[25] Section 9 regulatory fees are mandated by Congress and collected to recover the regulatory costs associated with the Commission's enforcement, policy and rulemaking, user information, and international activities. 47 U.S.C. § 159(a).

[26] Includes satellites, earth stations, and international bearer circuits (submarine cable systems and satellite and terrestrial bearer circuits).

[27] Includes Commercial Mobile Radio Service (CMRS), CMRS messaging, Broadband Radio Service/Local Multipoint Distribution Service (BRS/LMDS), and multi-year wireless licensees.

[28] Includes Interstate Telecommunications Service Providers (ITSP) and toll free numbers.

[29] Includes AM radio, FM radio, television, low power/FM, cable and IPTV, DBS, and Cable Television Relay Service (CARS) licenses.

[30] *FY 2014 Report and Order and FNPRM*, 29 FCC Rcd at 10777-79, paras. 25-28. We adopted this category for working, assigned, and reserved toll free numbers and for toll free numbers that are in the "transit" status, or any other status as defined in section 52.103 of the Commission's rules. The regulatory fee, assessed on Responsible Organizations or RespOrgs, for toll free numbers is limited to toll free numbers that are accessible within the United States.

[31] A Responsible Organization or RespOrg is a company that manages toll free telephone numbers for subscribers. RespOrgs use the SMS/800 data base to verify the availability of specific numbers and to reserve the numbers for subscribers. *See* 47 C.F.R. § 52.101(b). ITTA contends that "it makes no sense to collect this fee from entities that already pay regulatory fees as ITSPs." ITTA Comments at 7-8. In the *FY 2014 Report and Order and FNPRM*, 29 FCC Rcd at 10777-79, paras. 25-28, we explained the issue in some detail. In particular, we noted that there may be many toll free numbers controlled or managed by RespOrgs that in some cases are not carriers. Commission FTEs in the Wireline Competition Bureau and the Enforcement Bureau work on toll free numbering issues and other related activities. As a result, the Commission adopted a regulatory fee for each toll free number controlled or managed by the RespOrg, because many toll free numbers are controlled or managed by RespOrgs that are not carriers, and therefore, have not been paying regulatory fees. Because Commission FTEs work on toll free number regulation, we adopted the regulatory fee category for toll free numbers to recover the associated costs. It is also important to note that the amount assessed for toll free numbers reduces the total regulatory fee assessment for ITSPs. In the *FY 2014 Report and Order and FNPRM*, we stated that: "Based on evaluation, the FTEs involved in toll free issues are primarily from the Wireline Competition Bureau. . . . Accordingly, a regulatory fee assessed on toll free numbers reduces the ITSP regulatory fee total." *FY 2014 Report and Order and FNPRM*, 29 FCC Rcd at 10778, para. 27 (footnote omitted).

In the *FY 2015 NPRM*, we sought comment on a regulatory fee of 12 cents per toll free number.[32] In this Report and Order, we adopt the proposed fee of 12 cents per toll free number.

3. Submarine Cable

10. In the *FY 2014 Report and Order and FNPRM*, we concluded that the regulatory fee assessment for the submarine cable/terrestrial and satellite bearer circuits fee category did not fairly take into account the Commission's minimal oversight and regulation of the international bearer circuit (IBC) industry. Accordingly, we reduced the total regulatory fee apportionment for submarine cable/terrestrial and satellite bearer circuits by five percent and stated that we would revisit the issue to determine if additional adjustment is warranted.[33] Subsequently, in the *FY 2015 NPRM*, we sought comment on further reducing the regulatory fee allocation for the submarine cable/terrestrial and satellite bearer circuit fee category.[34] In particular, we observed that after the initial licensing process, the regulatory activity concerning submarine cable/terrestrial and satellite bearer circuit systems is primarily limited to reviewing the Circuit Capacity Reports[35] and quarterly reports filed by licensees.[36] Based on our tentative conclusion that the fee remained excessive relative to the minimal Commission oversight and regulation of this industry, we proposed another five percent decrease in fees.[37]

11. NASCA, representing submarine cable operators,[38] argues that the proposed fee remains excessive because the industry would be responsible for 27.6 percent of all International Bureau regulatory fees.[39] Commenters also contend that the apportionment of regulatory fees for submarine cable operators and terrestrial and satellite bearer circuits remains too high due to the small number of FTEs working on those services.[40] Some commenters observe as well that the high regulatory fees imposed on the submarine cable operators can place the United States at a competitive disadvantage because Canada and Mexico have much lower fees and the submarine cable industry may choose to land new cables in those countries instead.[41] Commenters suggest that this could pose national security issues if the submarine cable operators choose to build out in Canada and Mexico, because those facilities would not be subject to the Communications Assistance for Law Enforcement Act, commonly known as CALEA.[42] EchoStar contends that we have not supported our proposal to reduce the IBC fees with sufficient facts.[43]

12. In 2009, the Commission adopted a new regulatory fee methodology for submarine cable

[32] *FY 2015 NPRM*, 30 FCC Rcd at 5358, para. 10.

[33] *See FY 2014 Report and Order and FNPRM*, 29 FCC Rcd at 10772, para. 11.

[34] *Id*.

[35] *See* 47 C.F.R. § 43.62(a)(2); *Reporting Requirements for U.S. Providers of International Telecommunications Services; Amendment of Part 43 of the Commission's Rules*, IB Docket No. 04-112, Second Report and Order, 28 FCC Rcd 575, 601-08, paras. 89-108 (2013) (*Second Report and Order*); *id*. at 604, para. 98 (noting that submarine cable capacity holders will report circuit capacity, rather than circuit status, going forward), *recon. dismissed*, Order, 30 FCC Rcd 6318 (Int'l Bur. 2015).

[36] *See* 47 C.F.R. § 1.767(l).

[37] *FY 2015 NPRM*, 30 FCC Rcd at 5358-59, para. 12.

[38] NASCA Comments at 2-3. (NASCA represents operators with 30 of the 42 active systems landing in the United States.)

[39] NASCA Comments at 9.

[40] NASCA Comments at 11-13; Coalition Comments at 4-7 & Reply Comments at 3. (The Coalition consists of Cedar Cable Ltd., Columbus Networks USA, Inc., GlobeNet Cabos Submarinos America, Inc., and GU Holdings Inc.).

[41] Coalition Comments at 8.

[42] Coalition Comments at 8.

[43] EchoStar Comments at 5.

based on a proposal by a large group of submarine cable operators.[44] Under this methodology, after we apportion the IBC revenue requirement between the terrestrial and satellite facilities and submarine cable, we assess the submarine cable systems on a per cable landing license basis, with higher fees for larger systems and lower fees for smaller systems (the regulatory fees for terrestrial and satellite facilities are still assessed on a per bearer circuit basis).[45] The regulatory fees that are now paid by the submarine cable operators cover the services provided to common carriers using the submarine cable circuits in addition to the services that the International Bureau provides to submarine cable operators. The International Bureau's regulatory activity concerning submarine cable includes licensing,[46] reviewing the Circuit Capacity Reports[47] and filed quarterly reports.[48] In addition, all International Bureau services provided to common carriers using the submarine cable circuits, such as benchmarks enforcement,[49] protection from anticompetitive actions by foreign carriers, foreign ownership rulings (Petitions for Declaratory Rulings, or PDRs), section 214 authorizations, and bilateral and multilateral negotiations and representation of U.S. interests at international organizations, are all provided by the International Bureau on behalf of the common carriers using submarine cable circuits. Upon this further analysis, we conclude that our previous estimate of two FTEs working on IBC issues, discussed in *FY 2014 Report and Order*, did not take these issues into account.[50] Nevertheless, as we have discussed previously in the *FY 2013 NPRM*, *FY 2014 NPRM*, and the *FY 2015 NPRM*,[51] the oversight and regulation of the IBC industry may warrant additional adjustment to the fee allocation. For the reasons discussed above, we reduce the regulatory fee apportionment for submarine cable/terrestrial and satellite bearer circuits by 7.5 percent to more accurately reflect the regulation and oversight for the industry.[52] This analysis reflects both the direct work on submarine cable/terrestrial and satellite bearer circuit issues and other common carrier issues by International Bureau FTEs and the indirect FTEs that devote their time to International Bureau regulatees as a whole. We find that this decrease in the regulatory fees paid by IBCs more accurately reflects the level of regulation and oversight for this industry. Also, we reject the speculation that failure to reduce regulatory fees as much as the submarine cable operators might prefer could lead to a change in the cable landing locations. We also reject EchoStar's statement that our proposal lacked factual support. As noted above, the regulatory oversight of this fee category has been explained in detail in this, and prior proceedings,[53] and has been the subject of comments by submarine cable operators for a number of years.

---

[44] *Assessment and Collection of Regulatory Fees for Fiscal Year 2008*, Second Report and Order, 24 FCC Rcd 4208 (2009) (*Submarine Cable Order*).

[45] *Submarine Cable Order*, 24 FCC Rcd at 4214-17, paras. 13-22.

[46] The International Bureau reviews, processes, analyzes, and grants applications for submarine cable landing license applications, transfers, assignments, and modifications. The bureau also coordinates processing of submarine cable landing license applications with the relevant Executive Branch agencies.

[47] *See Second Report and Order*, 28 FCC Rcd at 601-08, paras. 89-108.

[48] *See* 47 C.F.R. § 1.767(l). The International Bureau reviews Part 43 submarine cable circuit capacity and traffic and revenue filings, and compiles and publishes annual industry analysis reports based on that data.

[49] *See, e.g.*, *International Settlement Rates*, IB Docket No. 96-261, Report and Order, 12 FCC Rcd 19806 (1997) (*Benchmarks Order*); Report and Order on Reconsideration and Order Lifting Stay, 14 FCC Rcd 9256 (1999) (*Benchmarks Reconsideration Order*); *aff'd sub nom. Cable & Wireless*, 166 F.3d 1224.

[50] *FY 2014 Report and Order*, 29 FCC Rcd at 10772, para. 11.

[51] *FY 2013 NPRM*, 28 FCC Rcd at 7800-7803, paras. 24-29; *FY 2014 NPRM*, 29 FCC Rcd at 6427-28, para. 28; *FY 2015 NPRM,* 30 FCC Rcd at 5358-59, para. 12.

[52] The actual decrease adopted herein is higher than 7.5 percent due to the reallocation of four direct FTEs, discussed in para. 24, because the submarine cable percentage of International Bureau regulatory fees was 31.36 percent in FY 2014 and will be 24.85 percent in FY 2015, a reduction of more than 20 percent.

[53] *See FY 2013 NPRM*, 28 FCC Rcd at 7800-7803, paras. 24-29; *FY 2014 NPRM*, 29 FCC Rcd at 6427-28, para. 28; *FY 2015 NPRM,* 30 FCC Rcd at 5358-59, para. 12.

4. Earth Stations

13. In the *FY 2014 NPRM*, the Commission recognized that the International Bureau's oversight and regulation of the satellite industry involves FTEs working on legal, technical, and policy issues pertaining to both space station and earth station operations and is therefore interdependent to some degree.[54] For that reason, we sought comment on whether we should increase the earth station regulatory fee allocation in order to reflect more appropriately the number of FTEs devoted to the regulation and oversight of the earth station portion of the satellite industry.[55] In the FY 2014 regulatory fee proceeding, we increased the regulatory fees paid by earth station licensees by approximately 7.5 percent based on our analysis and review of the record.[56]

14. In the *FY 2015 NPRM*, we sought comment on whether to raise the earth station regulatory fees again.[57] We find, however, that this issue requires further analysis. In particular, due to comments suggesting that we adopt different regulatory fees for different types of earth stations and an ongoing proceeding concerning Part 25 (Satellite Communications) of the Commission's rules which may affect the distribution of FTE work, we plan to further examine and consider this issue for FY 2016.[58] In doing so, we intend to seek comment on EchoStar's proposal to assess different levels of regulatory fees on different types of earth station licenses.[59]

5. FTE Reallocations

15. As explained above in paragraph five, we calculate regulatory fees by classifying FTEs either as direct or indirect. FTEs classified as direct are further associated with one of the core bureaus. The Commission now updates FTE allocations on an annual basis to more accurately reflect the number of FTEs working on regulation and oversight of the regulatees in the various fee categories.[60] The Commission has also previously determined that some of the International Bureau FTEs should be considered indirect instead of direct.[61] We find that apart from the unique nature of the International Bureau FTEs, the work of all the FTEs in a core bureau contributes to the cost of regulating and overseeing the licensees of that bureau. Therefore, we may reasonably expect that the work of the FTEs in the core bureaus would remain focused on the industry segment regulated by each of those bureaus. The work of the FTEs in the remaining (i.e., indirect) bureaus and offices benefits the Commission and the telecommunications industry and is not specifically focused on the licensees of a particular core bureau. Given the significant implications of reassignment of FTEs in our fee calculation, we make changes to FTE classifications only after performing considerable analysis and finding the clearest case for reassignment.[62]

a. Request to Characterize Indirect FTEs as Direct FTEs

16. SIA and EchoStar propose that we consider FTEs working in certain divisions of the Enforcement Bureau and the Consumer & Governmental Affairs Bureau and the Office of Engineering &

---

[54] *FY 2014 NPRM*, 29 FCC Rcd at 6428, para. 29.

[55] *Id.*, 29 FCC Rcd at 6428, para. 29.

[56] *See FY 2014 Report and Order*, 29 FCC Rcd at 10772-73, para. 12.

[57] *FY 2015 NPRM*, 30 FCC Rcd at 5360, para. 14.

[58] *See* EchoStar July 20, 2015 ex parte.

[59] *See id*.

[60] *FY 2013 Report and Order*, 28 FCC Rcd at 12355-56, para. 14.

[61] *Id.*, 28 FCC Rcd at 12356, para. 14.

[62] *FY 2013 Report and Order*, 28 FCC Rcd at 12357, para. 19. The Commission observed that the International Bureau was a "singular case" because the work of those FTEs "primarily benefits licensees regulated by other bureaus." *Id.*, 28 FCC Rcd at 12355, para. 14.

Technology (i.e., indirect FTEs) as direct FTEs, associated with a core bureau for purposes of regulatory fee calculation.[63] SIA contends that the work in the Market Disputes Resolution Division "is limited to complaints against common carriers and pole attachment disputes"[64] and the "Telecommunications Consumers Division focuses on protecting consumers from fraudulent, misleading, and other harmful practices involving telecommunications, such as slamming."[65] SIA's description of these two Enforcement Bureau divisions underestimates the range of issues that they investigate.[66] EchoStar argues that the Office of Engineering & Technology's regulatory work suggests that "no more than 7 percent of the applicable FTEs for the OET should be allocated to space-related IB licensees."[67] This proposal raised by SIA and EchoStar involves more than an analysis of two divisions and one office but rather would require an assessment of how all work done by FTEs in a bureau or office not classified as a core bureau could be associated with the work of a core bureau, such that additional FTEs could be allocated to the core bureau. However, FTEs are assigned as indirect in our regulatory fee calculation where the FTEs work on a variety of issues that cannot be attributed to one particular type of industry or regulatee at this time.

17. The Enforcement Bureau and Consumer & Governmental Affairs Bureau FTEs and other indirect FTEs, such as those in the Office of Engineering & Technology, work on a wide range of matters, not all directly assignable to a particular core bureau. We recognize that before the Enforcement Bureau was created, the core bureaus each had an enforcement division and those FTEs would have been assigned to those core bureaus. Currently, however, most enforcement activity is consolidated into the Enforcement Bureau; therefore, the FTEs in that bureau work on a wider range of issues and it would be difficult to attribute the work to a specific core bureau, e.g., investigations that involve more than one service. While SIA suggests that we might track informal complaints filed in the Consumer & Governmental Affairs Bureau and associate them with a core licensing bureau based on the number of informal complaints in each category over a certain time period,[68] we find that this would not be feasible at this time because the types of informal complaints can vary considerably and often cover areas that are not specifically correlated with one core bureau, e.g., billing issues for bundled services. For these reasons, we conclude that reallocating indirect FTEs as direct as suggested by EchoStar and SIA is not feasible at this time. We will, however, continue to analyze this issue.

b. Request to Associate Direct FTEs with a Different Core Bureau

18. NAB notes that the FTEs in the Media Bureau who work on issues pertaining to the upcoming spectrum incentive auction to repurpose broadcast television spectrum to wireless use should be reallocated to the Wireless Telecommunications Bureau for regulatory fee purposes.[69] SIA asks us to "re-evaluate whether it is appropriate to exclude auction FTEs in assessing direct costs."[70] FTE time devoted to developing and implementing the upcoming spectrum incentive auction–direct and indirect

[63] SIA Comments at 8-11; EchoStar Comments at 3-4. CTIA observes that excluding one type of licensee, such as satellite providers, from contributing to indirect costs would threaten the administrability of the regulatory fee program. CTIA Reply Comments at 5. We interpret this proposal as asking us to determine how many indirect FTEs work on issues pertaining to all core bureau licensees.

[64] SIA Comments at 8.

[65] SIA Comments at 8.

[66] For a brief description of the Enforcement Bureau divisions, *see* https://www.fcc.gov/encyclopedia/enforcement-bureau-organization.

[67] EchoStar Comments at 4. We note that currently International Bureau licensees are 5.43% of the direct FTEs and therefore 5.43% of the indirect FTEs are assigned to the International Bureau licensees, which is lower than the 7% EchoStar is proposing.

[68] SIA Comments at 10.

[69] NAB Comments at 4.

[70] SIA Comments at 12.

costs–is not included in the calculation of fees and is not offset by the collection of regulatory fees. Instead, time devoted to developing and implementing the incentive auction is tracked separately from other work performed by Media Bureau and other FTEs and is offset by the auction proceeds that the Commission is permitted to retain pursuant to section 309(j)(8) of the Communications Act and the Commission's annual appropriation statute.[71] Thus, the Commission is unable, as a legal matter, to implement these proposals.

6. DBS Rate Issues

19. In the *FY 2015 NPRM*, we sought comment on setting the initial rate for DBS regulatory fees, as a subset of the cable television and IPTV category, at 12 cents per year, or one cent per month.[72] Several commenters contend that we should require DBS operators to pay the same rate as cable television and IPTV.[73] DBS commenters contend that paying the same rate as cable television/IPTV would cause "rate shock" and if we adopt a fee it should be 12 cents as proposed.[74]

20. When adopting the new regulatory fee subcategory for DBS within the cable and IPTV category, we determined a variety of regulatory developments have increased the amount of regulatory activity by the Media Bureau FTEs involving regulation and oversight of MVPDs, including DBS providers.[75] For example, DBS providers (and cable television operators) are permitted to file program access complaints[76] and complaints seeking relief under the retransmission consent good faith rules.[77] In addition, DBS providers are subject to MVPD requirements such as those pertaining to program carriage[78] and the requirement to negotiate retransmission consent in good faith.[79] More recently, the Commission adopted a host of requirements that apply to all MVPDs and thus equally apply to DBS providers as part of its implementation of the Commercial Advertisement Loudness Mitigation Act (CALM Act),[80] the Twenty-First Century Communications and Video Accessibility Act of 2010 (CVAA),[81] as well as the Satellite Television Extension and Localism Act (STELA) Reauthorization Act of 2014 (STELAR).[82] Moreover, we recognize that FY 2015 would be the first time the Commission would be applying this regulatory fee subcategory for DBS. Thus, for the above reasons, we find that for FY 2015 the proposed

---

[71] *See, e.g.* the FCC's FY 2015 appropriation statute, the Consolidated and Further Continuing Appropriations Act, 2015, Pub.L. 113-235, 128 Stat. 2130 (2014).

[72] *FY 2015 NPRM*, 30 FCC Rcd at 5358, para. 9.

[73] NCTA & ACA Comments at 2-6 & Reply Comments at 4-6; ITTA Comments at 5-7.

[74] DIRECTV Comments at 3-5 & Reply Comments at 3-4 (arguing that if we adopt a fee it should be the 12 cents proposed); DISH Reply Comments at 4-5.

[75] *See FY 2015 Fee Reform Report and Order,* 30 FCC Rcd at 5367-68, para. 31.

[76] 47 U.S.C. § 548; 47 C.F.R. § 76.1000-1004.

[77] 47 U.S.C. §§ 325(b)(1), (3)(C)(ii); 47 C.F.R. § 76.65(b).

[78] 47 U.S.C. § 536; 47 C.F.R. §§ 76.1300-1302.

[79] 47 U.S.C. § 325(b)(3)(C)(iii); 47 C.F.R. § 76.65(a)-(b).

[80] *See Implementation of the Commercial Advertisement, Loudness Mitigation (CALM) Act*, Report and Order, 26 FCC Rcd 17222 (2011) (*CALM Act Report and Order*).

[81] Pub. L. No. 111-260, 124 Stat. 2751 (2010). *See also Amendment of Twenty-First Century Communications and Video Accessibility Act of 2010*, Pub. L. No. 111-265, 124 Stat. 2795 (2010) (making corrections to the CVAA); 47 C.F.R. Part 79.

[82] The STELA Reauthorization Act of 2014 (STELAR), §§ 102, Pub. L. No.113-200, 128 Stat.2059, 2060-62 (2014) (codified at 47 U.S.C. § 338(1)). The STELAR was enacted on Dec. 4, 2014 (H.R.5728, 113th Cong.). *Implementation of Section 102 of the STELA Reauthorization Act of 2014*, Notice of Proposed Rulemaking, MB Docket No. 15-71, FCC 15-34 (rel. Mar. 26, 2015) proposes satellite television "market modification" rules to implement section 102 of STELAR.

rate of 12 cents per subscriber per year is a sensible fee supported by data and analysis.[83] In the FY 2016 regulatory fee proceeding, we will update this rate for future years, based on relevant information, as necessary for ensuring an appropriate level of regulatory parity and considering the resources dedicated to this new regulatory fee subcategory.[84]

7. Other Rate Issues

21. *Aviation Ground Licenses*. In the *FY 2015 NPRM,* we proposed an increase in regulatory fees for aviation ground licenses. Commenters contend that we have proposed an unjustified and disproportionate fee increase for aviation ground licensees.[85] The Aviation Joint Commenters disagree with our contention that the payment units should be adjusted and they observe that we failed to explain why the revenue requirement was increased.[86] These commenters observe that despite no increase in regulation of this industry, the Commission has significantly increased the regulatory fees in FY 2014 and FY 2015.[87] We agree with the Aviation Joint Commenters and, after reviewing additional information, have adjusted the payment units and rate accordingly based on current fiscal year renewals.

22. *Satellite*. Several commenters have raised issues pertaining to the proposed space station fees. SIA and EchoStar object to the proposed increase in fees, contending that we should cap any increases at 7.5 percent.[88] These commenters argue that we should adopt the same cap we adopted for FY 2013. In FY 2013, the 7.5 percent cap was instituted to address the initial changes in the FTE allocations (not fee rate changes resulting from changes in the unit counts) as a result of the General Accountability Office (GAO) recommendations adopted in that proceeding.[89] Such FTE allocation changes could have caused some regulatory fee rates to increase dramatically. To address this issue, the Commission capped the fee rate increase to 7.5 percent from the prior year. In the current proceeding, some satellite commenters requested that the Commission adopt a 7.5 percent cap on FY 2015 regulatory fee increases as the Commission did in FY 2013 with respect to the Non-Geostationary Space Station fee category. Although the circumstances in which we instituted the cap in FY 2013 are different than now, any discussion of imposing a cap at this time is not necessary because the satellite fee rate in the FY 2015 Report and Order is nearly the same or slightly lower than in FY 2014. We therefore decline to adopt a cap in this instance.

23. Intelsat asks that we take satellite application fees[90] into consideration in calculating our regulatory fees.[91] We are required to assess and collect $339,844,000 in regulatory fees for FY 2015,

---

[83] *See FY 2015 Fee Reform Report and Order*, 30 FCC Rcd at 5367-5373, paras. 31 to 41. The agency is not required to calculate its costs with "scientific precision." *Central & Southern Motor Freight Tariff Ass'n v. United States*, 777 F.2d 722, 736 (D.C. Cir. 1985). Reasonable approximations will suffice. *Id.; Mississippi Power & Light*, 601 F.2d at 232; *National Cable Television Ass'n v. FCC*, 554 F.2d 1094, 1105 (D.C. Cir. 1976); 36 Comp. Gen. 75 (1956).

[84] *See FY 2015 Fee Reform Report and Order*, 30 FCC Rcd at 5371-72, para. 38

[85] Aviation Joint Comments at 4-12.

[86] *Id.* at 5-6.

[87] *Id.* at 6-9.

[88] SIA Comments at 6-7; EchoStar Comments at 6-8.

[89] General Accountability Office, "Federal Communications Commission, Regulatory Fee Process Needs to be Updated", GAO 12-686, August 2012, p. 1, 8-11.

[90] Application fees are assessed under Section 8 of the Communications Act. 47 U.S.C. § 158 and are paid directly into the general fund of the U.S. Treasury. 47 U.S.C. §158(e). The Commission is not authorized to retain receipts from application fees for its own use or to use application fees to offset its appropriation.

[91] Intelsat Comments at 1-2.

pursuant to Section 9 of the Communications Act and the Commission's FY 2015 Appropriation.[92] Thus, we are not able to collect less than mandated by Congress in order to take into account section 8 application fees, as Intelsat requests.

24. In addition, Intelsat argues that U.S.-licensed satellite operators should not have to subsidize the non-U.S.-licensed satellite operators' ability to serve the U.S. market.[93] We have sought comment previously on this issue because the number of International Bureau FTEs working on non-U.S.-licensed space stations increases the regulatory fees for the International Bureau regulatees.[94] We also note that non-U.S.-licensed space stations that have been granted access to the U.S. market will eventually communicate with earth stations in the United States, and therefore aspects of the interrelated communications system are apportioned to earth station licensees when accounting for FTE time spent processing requests to access the non-U.S. licensed space station. We conclude that due to: (i) the time spent by International Bureau FTEs in working on these issues; and (ii) the significant number of requests to access the U.S. market by non-U.S.-licensed space stations, the FTEs working on petitions or other matters involving non-U.S.-licensed space stations should be removed from the regulatory fee assessments for U.S.-licensed space stations and considered indirect for regulatory fee purposes. Non-U.S.-licensed space stations granted access to the market in the United States provide a variety of services. Attributing such FTE work as indirect appropriately attributes the regulatory fee burden to the wider telecommunications industry that benefits from such grants of market access. We have reviewed the number of FTEs working on the non-U.S.-licensed space stations and have determined that approximately four FTEs are devoted to this work at this time, therefore, we are reallocating four International Bureau FTEs as indirect FTEs for regulatory fee purposes.[95]

8. Puerto Rico Broadcasters Association Petition

25. In the *FY 2015 NPRM*, we sought comment on the petition filed by the Puerto Rico Broadcaster's Association (PRBA) seeking regulatory fee relief.[96] We recognize the challenging circumstances described in the PRBA petition. Due to the complexities of this proposal and time constraints imposed by the annual regulatory fee process, additional time is needed to further consider this petition. We intend to address the PRBA petition in a separate proceeding outside of the regulatory fee rulemaking process. We understand that PRBA is contending that the costs associated with preparing and filing a waiver request would be overly burdensome; however, [97] our waiver process[98] is available to PRBA members and any aggrieved party seeking a waiver of our rules.[99]

9. Effective Date of Elimination of the Vanity Call Sign and General Mobile Radio Service Regulatory Fee

26. In the Commission's *FY 2015 Fee Reform Report and Order*,[100] the Commission

[92] Section 9 regulatory fees are mandated by Congress and collected to recover the regulatory costs associated with the Commission's enforcement, policy and rulemaking, user information, and international activities. 47 U.S.C. § 159(a).

[93] Intelsat Comments at 3-4.

[94] *See FY 2014 NPRM*, 29 FCC Rcd at 6434, para. 50.

[95] The number of market access requests can vary; however, four FTEs is appropriate at this point.

[96] *FY 2015 NPRM*, 30 FCC Rcd at 5360-61, paras. 15-18. One commenter addressed the issues in the PRBA petition and suggests that we adopt our second proposal and create a separate fee category for Puerto Rico at a lower rate. ARSO Comments at 6-8.

[97] PRBA Comments at 2.

[98] 47 U.S.C. § 159(d); 47 C.F.R. § 1.1166.

[99] *See* the Commission's regulatory fee waiver fact sheet, *available at* https://www.fcc.gov/document/fy-2014-regulatory-fees-waiver-fact-sheet.

[100] *FY 2015 Fee Reform Report and Order*, 30 FCC Rcd at 5361-62, paras. 19-22.

eliminated the regulatory fee component of two fee categories: amateur radio Vanity Call Signs[101] and General Mobile Radio Service (GMRS).[102] The elimination of regulatory fee categories constitutes a "permitted amendment" as defined in section 9(b)(3) of the Act. As required by section 9(b)(4)(B) of the Act, "permitted amendment" letters dated June 4, 2015 were mailed to congressional officials informing them of the elimination of these two fee categories and adoption of the new DBS fee category. Consistent with section 9(b)(4)(B) of the Act, these amendments will take effect 90 days after congressional notification of the permitted amendment letter, dated June 4, 2015. Thus, effective September 3, 2015, the Vanity Call Sign and GMRS regulatory fee categories will be eliminated and licensees will not be required to pay additional regulatory fees for these licenses.[103] Regulatees are still responsible for the payment of all application fees associated with these licenses.

IV. FURTHER NOTICE OF PROPOSED RULEMAKING

A. Broadcasters' Regulatory Fees

27. In the *FY 2015 NPRM*, we sought comment on whether the Commission should review the apportionment of regulatory fees among broadcasters. We sought comment on whether the Commission should reexamine the number of FTEs devoted to the regulation of radio versus television broadcasters and adjust the fee paid by radio and television broadcasters to more accurately take into account factors related to "the benefits provided to the payor of the fee by the Commission's activities."[104] NAB filed comments in support of our effort to better align fees with the FTEs working on broadcast issues, but observes that we have not yet provided information about the relevant FTEs.[105] We have reviewed the categories of work performed by FTEs in the Media Bureau, in order to provide further information for commenters on this issue. The Media Bureau, consisting of 169 FTEs, develops, recommends, and administers the policy and licensing programs for electronic media, including cable television, broadcast television, and radio in the United States and its territories, and also handles post-licensing matters regarding DBS service. The Media Bureau has 25 FTEs in the bureau front office, (including staff assigned to Bureau-wide administrative support), 51 in the Audio Division, 27 in the Industry Analysis Division, 13 in Engineering Division, 29 in the Policy Division, and 24 in the Video Division. Some of these FTEs may be categorized as auctions-funded, depending on the Commission's auctions schedule. All of the Engineering Division FTEs work on cable issues, and some FTEs from the Policy and Industry Analysis Divisions also work on cable issues. Of the 52 FTEs in the Audio Division, approximately 42 are assigned to FM and 10 to AM. The 25 FTEs in the Video Division work on television issues. We seek further comment on whether and how to reform our regulatory fee assessments for broadcasters.

28. The Commission assesses regulatory fees on radio broadcasters based on type and class of service and on the population they serve. Earlier this year we sought comment on whether the dividing points for higher fee levels for both television and radio broadcasters remain appropriate and observed

---

[101] Call signs assigned to newly licensed stations, i.e., a sequential call sign, are assigned based on the licensee's mailing address and class of operator license. 47 C.F.R. § 97.17(d). The licensee can request a specific unassigned but assignable call sign, known as a vanity call sign. 47 C.F.R. § 97.19. There is no fee for the sequential call sign.

[102] GMRS (formerly Class A of the Citizens Radio Service) is a personal radio service available for the conduct of an individual's personal and family communications. *See* 47 C.F.R. § 95.1.

[103] The letter dated June 4, 2015 also includes the establishment of a DBS regulatory fee which will also be effective September 3, 2015.

[104] 47 U.S.C. § 159(b)(1)(A) (providing for adjustment of the FTE allocation to "take into account factors that are reasonably related to the benefits provided to the payor of the fee by the Commission's activities, including such factors as service area coverage, shared use versus exclusive use, and other factors that the Commission determines are necessary in the public interest.").

[105] NAB Comments at 2.

that "no single ratio apportions regulatory fees among AM and FM radio categories."[106] We seek further comment on rationalizing the regulatory fee table for radio broadcasters. First, we seek input on including a higher population row in the table, dividing radio broadcasters that serve 3,000,001–6,000,000 people from those that serve more. Second, we seek input on standardizing the incremental increase in fees as radio broadcasters increase the population they serve, such as by requiring that fee adjustments between tiers monotonically increase as the population served increases. Third, we seek input on consistently assessing fees based on the relative type and class of service, such as by assessing FM class B, C, C0, C1, & C2 stations at twice the rate of AM class C stations, and FM class A, B1, & C3 stations assessed at 75 percent more than AM class C stations. For AM stations, we seek comment on assessing AM class A stations at 60 percent more, AM class B stations at 15 percent more, and AM class D stations at 10 percent more than AM class C stations (i.e., at roughly the relative rates assessed today). Taking these options together, we seek comment on the following potential table of regulatory fees for radio broadcasters.

PROPOSED 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	$910	$655	$570	$625	$1,000	$1,140
25,001 – 75,000	$1,370	$985	$855	$940	$1,495	$1,710
75,001 – 150,000	$1,825	$1,310	$1,140	$1,255	$1,995	$2,280
150,001 – 500,000	$2,735	$1,965	$1,710	$1,880	$2,995	$3,420
500,001 – 1,200,000	$4,560	$3,280	$2,850	$3,135	$4,990	$5,700
1,200,001–3,000,000	$6,840	$4,915	$4,275	$4,705	$7,480	$8,550
3,000,001–6,000,000	$9,120	$6,555	$5,700	$6,270	$9,975	$11,400
>6,000,000	$11,400	$8,195	$7,125	$7,840	$12,470	$14,250

29. The Commission assesses regulatory fees on television broadcasters based on the markets they serve (1–10:11–25:26–50:51–100: Remaining Market). Before the Commission combined the VHF and UHF regulatory fee categories, the ratio of regulatory fees for VHF stations (then considered the most valuable stations) was roughly 14:11:7:4:1. Today, it is roughly 10:9:6:3:1. We seek comment on readjusting the table to restore the traditional determination that Top 10 stations should pay about twice what stations in markets 26–50 pay (that is, the new ratios would be 12:9:6:3:1). With this change, and adjusting to recover the same total regulatory fees as television broadcasters pay today, we seek comment on the following potential table of regulatory fees for television broadcasters.

Digital TV (47 CFR part 73) VHF and UHF Commercial	BEFORE	AFTER
Markets 1-10	$46,825	$55,025
Markets 11-25	$43,200	$41,270
Markets 26-50	$27,625	$27,515
Markets 51-100	$16,275	$13,755
Remaining Markets	$4,850	$4,585

[106] *FY 2015 NPRM*, 30 FCC Rcd at 5359, para. 13.

Construction Permits	$4,850	$4,585

30. NAB also observes that after the spectrum incentive auction there may be fewer television stations, resulting in material changes in the regulatory fee apportionment among the remaining stations.[107] We seek comment on whether, when, and how the Commission should adjust its methodology for assessing regulatory fees on televisions stations, to respond to such potential changed circumstances consistent with the provisions of Section 9 of the Communications Act.

B. **ITTA's Proposals to Reallocate FTEs**

31. ITTA has suggested that we should consider all cross-cutting work throughout the Commission, not just in the International Bureau, and we should re-assign certain Wireline Competition Bureau FTEs for regulatory fee purposes.[108] ITTA contends that the Commission should make appropriate adjustments to its regulatory fee structure to reflect that the work of the Wireline Competition Bureau is no longer primarily focused on ITSPs.[109] According to ITTA, resources expended by Wireline Competition Bureau FTEs increasingly benefit other industry sectors.[110] ITTA argues that the Commission's efforts to modernize the Lifeline program and to conduct a comprehensive analysis of the special access marketplace, for example, generate significant benefits for entities that do not pay regulatory fees as ITSPs.[111]

32. ITTA has previously proposed that we combine wireless providers into the ITSP fee category so that all voice providers pay regulatory fees on the same basis.[112] ITTA continues to endorse this approach and contends that such action would be consistent with the Commission's decision to incorporate interconnected VoIP providers into the ITSP fee category to ensure that such providers are paying their share of regulatory fees in connection with the Commission's oversight of voice services.[113]

33. We recognize that there is substantial convergence in the telecommunications industry and organizational changes in the Commission that may support additional FTE reallocations as ITTA contends. Wireless providers are not subject to all of the regulations and requirements imposed on ITSPs. However, there are certain rules (e.g., universal service), that wireless and wireline services benefit from and the Wireline Competition Bureau FTEs provide the oversight and regulation of the industry in these areas.[114] We seek comment on ITTA's proposals to (i) combine wireless voice and wireline services into the ITSP category and, alternatively, to (ii) re-assign certain Wireline Competition Bureau FTEs as indirect for regulatory fee purposes. Concerning any reassignment of direct FTEs, we seek comment on whether it is reasonable and consistent with section 9 of the Act to readjust the assignment of FTEs in the bureau and if the record demonstrates the clearest case for reassignment.[115]

34. Commenters supporting ITTA's proposals should also explain: how wireless voice services and wireline services can be combined (currently wireless regulatory fees are calculated per subscriber and ITSP fees are based on revenues) and how we would determine which and how many Wireline Competition Bureau FTEs to reassign as indirect. We note that, as ITTA observes, certain

[107] NAB Comments at 7-9.

[108] ITTA Comments at 2-5.

[109] *Id.* at 3-4.

[110] *Id.* at 4.

[111] *Id.* at 4-5.

[112] *Id.* at 3.

[113] *Id.*

[114] 47 C.F.R. §§ 54.900 *et seq.*

[115] *FY 2013 Report and Order*, 28 FCC Rcd at 12357-58, para. 19.

issues handled in the Wireline Competition Bureau benefit wireless providers, and that argument could support reassigning certain Wireline Competition Bureau FTEs as Wireless Telecommunications Bureau FTEs for regulatory fee purposes.[116] For example, given the amount of Universal Service Lifeline Support distributed to wireless providers, should FTEs who work on issues related to such providers be allocated the Wireless Telecommunications Bureau for regulatory fee calculations?[117] Alternatively, we also seek comment on adopting a new fee category for wireless providers, as a subcategory of the ITSP regulatory fee category, based on a percentage Wireline Competition Bureau FTE work devoted to work related to these wireless regulatees.[118]

V. PROCEDURAL MATTERS

A. Payment of Regulatory Fees

1. Payments by Check Will Not Be Accepted for Payment of Annual Regulatory Fees

35. Pursuant to an Office of Management and Budget (OMB) directive,[119] the Commission is moving towards a paperless environment, extending to disbursement and collection of select federal government payments and receipts.[120] The initiative to reduce paper and curtail check payments for regulatory fees is expected to produce cost savings, reduce errors, and improve efficiencies across government. Accordingly, the Commission will no longer accept checks (including cashier's checks and money orders) and the accompanying hardcopy forms (e.g., Forms 159, 159-B, 159-E, 159-W) for the payment of regulatory fees. This new paperless procedure will require that all payments be made by online Automated Clearing House (ACH) payment, online credit card, or wire transfer. Any other form of payment (e.g., checks, cashier's checks, or money orders) will be rejected. For payments by wire, a Form 159-E should still be transmitted via fax so that the Commission can associate the wire payment with the correct regulatory fee information. This change will affect all payments of regulatory fees.[121]

2. Revised Credit Card Transaction Levels

36. 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.[122] Previously, the credit card limit was $49,999.99. This lower transaction amount is

---

[116] Based on staff analysis, approximately 10 FTEs work on high-cost issues, 4 FTEs work on Lifeline issues, 9 FTEs work on E-rate issues, and 4 FTEs work on Rural Health Care issues. In addition approximately 14 FTEs work on numbering issues and/or special access.

[117] Wireless providers received an estimated $1.4 billion in Lifeline disbursements in 2014.

[118] *See, e.g., FY 2014 NPRM*, 29 FCC Rcd at 10782-84, paras. 38-43.

[119] Office of Management and Budget (OMB) Memorandum M-10-06, Open Government Directive, Dec. 8, 2009; *see also* http://www.whitehouse.gov/the-press-office/2011/06/13/executive-order-13576-delivering-efficient-effective-and-accountable-gov.

[120] *See* U.S. Department of the Treasury, Open Government Plan 2.1, Sept. 2012.

[121] Payors should note that this change will mean that to the extent certain entities have to date paid both regulatory fees and application fees at the same time via paper check, they will no longer be able to do so as the regulatory fees payment via paper check will no longer be accepted.

[122] 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.

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 available electronic alternatives such as Visa or MasterCard debit cards, ACH debits from a bank account, and wire transfers. 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.

3. Lock Box Bank

37. During the fee season for collecting FY 2015 regulatory fees, regulatees can pay their fees by credit card through Pay.gov,[123] ACH, debit card,[124] or by wire transfer. Additional payment instructions are posted at http://transition.fcc.gov/fees/regfees.html.

4. Receiving Bank for Wire Payments

38. The receiving bank for all wire payments is the Federal Reserve Bank, New York, New York (TREAS NYC). When making a wire transfer, regulatees must fax a copy of their Fee Filer generated Form 159-E 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. Regulatees should discuss arrangements (including bank closing schedules) with their bankers several days before they plan to make the wire transfer to allow sufficient time for the transfer to be initiated and completed before the deadline. Complete instructions for making wire payments are posted at http://transition.fcc.gov/fees/wiretran.html

5. De Minimis Regulatory Fees

39. Regulatees whose total FY 2015 annual regulatory fee liability, including all categories of fees for which payment is due, is $500 or less are exempt from payment of FY 2015 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 regulate will need to reevaluate their total fee liability each fiscal year to determine whether they meet the *de minimis* exemption.

6. Standard Fee Calculations and Payment Dates

40. The Commission will accept fee payments made in advance of the window for the 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, 2014 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, 2014. For providers of Direct Broadcast Service (DBS) service, regulatory fees should be paid based on a subscriber count on or about December 31, 2014. In instances where a permit or license is transferred or assigned after October 1, 2014, 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, 2014. In instances where a permit or license is transferred or assigned after October 1, 2014, responsibility for payment rests with the holder of the permit or

[123] In accordance with U.S. Treasury Financial Manual Announcement No. A-2014-04 (July 2014), the amount that may be charged on a credit card for transactions with federal agencies has been reduced to $24,999.99.

[124] In accordance with U.S. Treasury Financial Manual Announcement No. A-2012-02, the maximum dollar-value limit for debit card transactions is eliminated. It should also be noted that only Visa and MasterCard branded debit cards are accepted by Pay.gov.

license as of the fee due date. Audio bridging service providers are included in this category.[125] For Responsible Organizations (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, 2014.

- *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, 2014. The number of subscribers, units, or telephone numbers on December 31, 2014 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, 2014, 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 amount 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 2015.

- *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, 2014.[126] Regulatory fees also must be paid for CARS licenses that were granted on or before October 1, 2014. In instances where a permit or license is transferred or assigned after October 1, 2014, 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, 2014. In instances where a permit or license is transferred or assigned after October 1, 2014, 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, 2014. In instances where a license is transferred or assigned after October 1, 2014, responsibility for payment rests with the holder of the license as of the fee due date. For regulatory fee purposes, the allocation in FY 2015 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 have active (used or leased) international bearer circuits as of December 31, 2014 in any

[125] Audio bridging services are toll teleconferencing services.

[126] 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 2014, rather than on a count as of December 31, 2014.

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, 2014. Whether circuits are used specifically for voice or data is not relevant for purposes of determining that they are active circuits.[127] In instances where a permit or license is transferred or assigned after October 1, 2014, 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 2015 will remain at 87.6 percent for submarine cable and 12.4 percent for satellite/terrestrial facilities.[128]

B. Commercial Mobile Radio Service (CMRS) Cellular and Mobile Services Assessments

41. The Commission will compile data from the Numbering Resource Utilization Forecast (NRUF) report that is based on "assigned" telephone number (subscriber) counts that have been adjusted for porting to net Type 0 ports ("in" and "out").[129] This information of telephone numbers (subscriber count) will be posted on the Commission's electronic filing and payment system (Fee Filer) along with the carrier's Operating Company Numbers (OCNs).

42. A carrier wishing to revise its telephone number (subscriber) count can do so by accessing Fee Filer and follow the prompts to revise their telephone number counts. Any revisions to the telephone number counts should be accompanied by an explanation or supporting documentation.[130] The Commission will then review the revised count and supporting documentation and either approve or disapprove the submission in Fee Filer. If the submission is disapproved, the Commission will contact the provider to afford the provider an opportunity to discuss its revised subscriber count and/or provide additional supporting documentation. If we receive no response from the provider, or we do not reverse our initial disapproval of the provider's revised count submission, the fee payment must be based on the number of subscribers listed initially in Fee Filer. Once the timeframe for revision has passed, the telephone number counts are final and are the basis upon which CMRS regulatory fees are to be paid. Providers can view their final telephone counts online in Fee Filer. A final CMRS assessment letter will not be mailed out.

43. Because some carriers do not file the NRUF report, they may not see their telephone number counts in Fee Filer. In these instances, the carriers should compute their fee payment using the standard methodology that is currently in place for CMRS Wireless services (i.e., compute their telephone number counts as of December 31, 2014), and submit their fee payment accordingly. Whether a carrier reviews its telephone number counts in Fee Filer or not, the Commission reserves the right to audit the number of telephone numbers for which regulatory fees are paid. In the event that the Commission determines that the number of telephone numbers that are paid is inaccurate, the Commission will bill the carrier for the difference between what was paid and what should have been paid.

[127] 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.

[128] We remind facilities-based common carriers to review their reporting processes to ensure that they accurately calculate and report IBCs. As we recently have done with submarine cable capacity holders, we will review the processes for reporting IBCs in the near future to ensure that all carriers are reporting IBCs in the same manner, consistent with our rules.

[129] *See FY 2005 Report and Order,* 20 FCC Rcd at 12264, paras. 38-44.

[130] In the supporting documentation, the provider will need to state a reason for the change, such as a purchase or sale of a subsidiary, the date of the transaction, and any other pertinent information that will help to justify a reason for the change.

C. Enforcement

44. To be considered timely, regulatory fee payments must be made electronically by the payment due date for regulatory fees. 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 deadline for filing these fees.[131] 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,[132] which generally requires the Commission to withhold action on "applications, including on a petition for reconsideration or any application for review of a fee determination, or requests for authorization by any entity found to be delinquent in its debt to the Commission" and in the DCIA.[133] We also assess administrative processing charges on delinquent debts to recover additional costs incurred in processing and handling the debt pursuant to the DCIA and section 1.1940(d) of the Commission's rules.[134] These administrative processing charges will be assessed on any delinquent regulatory fee, in addition to the 25 percent late charge penalty. In the case of partial payments (underpayments) 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, then 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.

45. Pursuant to the "red light rule," 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.[135] 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).[136] Pursuant to a pilot program, we have initiated procedures to transfer debt to the Centralized Receivables Service at the U.S. Treasury, as described below.

D. Transfers of Unpaid Debt to Centralized Receivables Service, U.S. Treasury

46. Under section 9 of the Act, Commission rules, and federal debt collection laws, a licensee's regulatory fee is due on the first day of the fiscal year and payable at a date established in the Commission's annual regulatory fee Report and Order. Beginning on or after October 1, 2015, under revised procedures, the Commission will begin transferring unpaid regulatory fee receivables directly to the CRS at the U.S. Treasury instead of working to collect the debt and then transferring the remaining unpaid debts to Treasury. The Commission can transfer delinquent debt to Treasury for further collection action within 120 days after the date of delinquency.[137] We anticipate that the transfer of FY 2015 debts to Treasury will occur much sooner than our current process. Regulatees, however, will not likely see any substantial change in the current procedures of how past due debts are to be paid, except that the debts will be handled by CRS (U.S. Treasury) rather than by the Commission.

[131] 47 U.S.C. § 159(c).

[132] *See* 47 C.F.R. § 1.1910.

[133] Delinquent debt owed to the Commission triggers the "red light rule," which places a hold on the processing of pending applications, fee offsets, and pending disbursement payments. 47 C.F.R. §§ 1.1910, 1.1911, 1.1912. In 2004, the Commission adopted rules implementing the requirements of the DCIA. *See Amendment of Parts 0 and 1 of the Commission's Rules*, MD Docket No. 02-339, Report and Order, 19 FCC Rcd 6540 (2004); 47 C.F.R. Part 1, Subpart O, Collection of Claims Owed the United States.

[134] 47 C.F.R. § 1.1940(d).

[135] *See* 47 C.F.R. §§ 1.1161(c), 1.1164(f)(5), and 1.1910.

[136] 47 U.S.C. § 159.

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

E. Effective Date

47. Providing a 30 day period after Federal Register publication before this Report and Order becomes effective as required by 5 U.S.C. § 553(d) will not allow sufficient time for the Commission to collect the FY 2015 fees before FY 2015 ends on September 30, 2015. For this reason, pursuant to 5 U.S.C. § 553(d)(3), the Commission finds there is good cause to waive the requirements of section 553(d), and this Report and Order and Further Notice of Proposed Rulemaking will become effective upon publication in the Federal Register. Because payments of the regulatory fees will not actually be due until the middle of September, persons affected by this Report and Order will still have a reasonable period in which to make their payments and thereby comply with the rules established herein.

F. Final Regulatory Flexibility Analysis

48. As required by the Regulatory Flexibility Act of 1980 (RFA),[138] the Commission has prepared a Final Regulatory Flexibility Analysis (FRFA) relating to this Report and Order. The FRFA is contained in Appendix G.

G. Initial Regulatory Flexibility Analysis

49. An initial regulatory flexibility analysis (IRFA) is contained in Appendix F. Comments to the IRFA must be identified as responses to the IRFA and filed by the deadlines for comments on the Further Notice of Proposed Rulemaking. The Commission will send a copy of the Further Notice of Proposed Rulemaking, including the IRFA, to the Chief Counsel for Advocacy of the Small Business Administration.

H. Initial Paperwork Reduction Act of 1995 Analysis

50. This document does not contain new or modified information collection requirements subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. In addition, therefore, it does not contain any new or modified information collection burden for small business concerns with fewer than 25 employees, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, *see* 44 U.S.C. 3506(c)(4).

I. Congressional Review Act.

51. The Commission will send a copy of this Report and Order to Congress and the Government Accountability Office pursuant to the Congressional Review Act. 5 U.S.C. 801(a)(1)(A).

J. Filing Instructions

52. Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 C.F.R. §§ 1.415, 1.419, interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS). *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS.
- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.
    - Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal

[138] *See* 5 U.S.C. § 603. The RFA, *see* 5 U.S.C. §§ 601-612, has been amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), Pub. L. No. 104-121, Title II, 110 Stat. 847 (1996). The SBREFA was enacted as Title II of the Contract with America Advancement Act of 1996 (CWAAA).

Communications Commission.

- All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.
- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.
- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington, DC 20554.

53. People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

K. **Ex Parte Information**

54. This proceeding shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's ex parte rules. Persons making ex parte presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral ex parte presentations are reminded that memoranda summarizing the presentation must list all persons attending or otherwise participating in the meeting at which the ex parte presentation was made, and summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda, or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during ex parte meetings are deemed to be written ex parte presentations and must be filed consistent with rule 1.1206(b). In proceedings governed by rule 1.49(f) or for which the Commission has made available a method of electronic filing, written ex parte presentations and memoranda summarizing oral ex parte presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission's ex parte rules.

ORDERING CLAUSES

55. Accordingly, **IT IS ORDERED** that, pursuant to Sections 4(i) and (j), 9, and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 159, and 303(r), this Report and Order and Further Notice of Proposed Rulemaking **IS HEREBY ADOPTED**.

56. **IT IS FURTHER ORDERED** that, as provided in paragraph 47, this Report and Order and Further Notice of Proposed Rulemaking **SHALL BE EFFECTIVE** upon publication in the Federal Register.

57. **IT IS FURTHER ORDERED** that the Commission's Consumer & Governmental Affairs Bureau, Reference Information Center, **SHALL SEND** a copy of this Report and Order, including the Final Regulatory Flexibility Analysis in Appendix G, to the Chief Counsel for Advocacy of the U.S. Small Business Administration.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary

APPENDIX A

List of Commenters—Initial Comments

Commenter	Abbreviation
ARSO Radio Corporation	ARSO
Aviation Spectrum Resources, Inc., Airlines for America, Aircraft Owners and Pilots Association, Delta Airlines, Harris Corporation, Rockwell-Collins Information Management Services, Southwest Airlines Co., The Boeing Company, and SITA OnAir	Aviation Joint Commenters
DIRECTV, LLC	DIRECTV
DISH Network, L.L.C.	DISH
EchoStar Satellite Operating Corporation and Hughes Network Systems, LLC	EchoStar
Intelsat Licensee, LLC	Intelsat
ITTA—The Voice of Mid-Size Communications Companies	ITTA
National Association of Broadcasters	NAB
National Cable & Telecommunications Association and the American Cable Association	NCTA & ACA
North American Submarine Cable Association	NASCA
Puerto Rico Broadcasters Association, International Broadcasting Corporation, Eastern Television Corporation, America-CV Stations Group, Inc., R & F Broadcasting, Inc.	PRBA
Satellite Industry Association	SIA
Submarine Cable Coalition	Coalition

List of Commenters—Reply Comments

Commenter	Abbreviation
CTIA—The Wireless Association®	CTIA
DIRECTV, LLC	DIRECTV
DISH Network, L.L.C.	DISH
EchoStar Satellite Operating Corporation and Hughes Network Systems, LLC	EchoStar
National Cable & Telecommunications Association and the American Cable Association	NCTA & ACA
North American Submarine Cable Association	NASCA
SES Americom, Inc., Inmarsat, Inc., Telesat Canada	Satellite Parties
Submarine Cable Coalition	Coalition

APPENDIX B

Calculation of FY 2015 Revenue Requirements and Pro-Rata 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	FY 2015 Payment Units	Yrs	FY 2014 Revenue Estimate	Pro-Rated FY 2015 Revenue Require-ment	Computed FY 2015 Regulatory Fee	Rounded FY 2015 Reg. Fee	Expected FY 2015 Revenue
PLMRS (Exclusive Use)	1,820	10	595,000	589,899	32	30	546,000
PLMRS (Shared use)	31,000	10	3,000,000	2,822,788	9	10	3,100,000
Microwave	12,600	10	2,550,000	2,780,552	22	20	2,520,000
Marine (Ship)	6,300	10	780,000	927,085	15	15	945,000
Aviation (Aircraft)	4,200	10	420,000	420,954	10	10	420,000
Marine (Coast)	490	10	165,000	168,241	34	35	171,500
Aviation (Ground)	900	10	153,000	168,241	19	20	180,000
AM Class A[4a]	65	1	274,700	280,935	4,322	4,325	281,125
AM Class B[4b]	1,505	1	3,410,900	3,483,012	2,314	2,325	3,499,125
AM Class C[4c]	889	1	1,212,750	1,245,750	1,401	1,400	1,244,600
AM Class D[4d]	1,492	1	4,033,300	4,120,475	2,762	2,750	4,103,000
FM Classes A, B1 & C3[4e]	3,132	1	8,466,575	8,641,905	2,759	2,700	8,613,000
FM Classes B, C, C0, C1 & C2[4f]	3,143	1	10,437,175	10,595,484	3,371	3,375	10,607,625
AM Construction Permits [1]	29	1	17,700	17,110	590	590	17,110
FM Construction Permits[1]	182	1	138,750	136,500	750	750	136,500
Satellite TV	127	1	196,850	199,675	1,572	1,575	200,025
Digital TV Markets 1-10	134	1	6,161,700	6,274,824	46,827	46,825	6,274,550
Digital TV Markets 11-25	137	1	5,809,800	5,918,646	43,202	43,200	5,918,400
Digital TV Markets 26-50	181	1	4,909,450	5,001,220	27,631	27,625	5,00,125
Digital TV Markets 51-100	283	1	4,524,000	4,608,775	16,285	16,275	4,605,825
Digital TV Remaining Markets	379	1	1,805,000	1,834,853	4,841	4,850	1,838,150
Digital TV Construction Permits[1]	2	1	23,750	9,700	4,850	4,850	9,700
LPTV/Translators/ Boosters/Class A TV	3,640	1	1,570,300	1,592,900	438	440	1,601,600
CARS Stations	300	1	196,625	197,876	660	660	198,000
Cable TV Systems, including IPTV	64,500,000	1	64,746,000	61,618,439	.955532	.96	61,920,000

Fee Category	FY 2015 Payment Units	Yrs	FY 2014 Revenue Estimate	Pro-Rated FY 2015 Revenue Require-ment	Computed FY 2015 Regulatory Fee	Rounded FY 2015 Reg. Fee	Expected FY 2015 Revenue
Direct Broadcast Satellite (DBS)	34,000,000	1		4,115,811	.1211	.12	4,080,000
Interstate Telecommunication Service Providers	$38,800,000,000	1	131,369,000	128,607,682	0.0033146	0.00331	128,428,000
Toll Free Numbers	36,500,000	1		4,419,018	0.12069	0.12	4,380,000
CMRS Mobile Services (Cellular/Public Mobile)	354,000,000	1	60,300,000	60,506,881	0.1737	0.17	60,180,000
CMRS Messag. Services	2,600,000	1	232,000	208,000	0.0800	0.080	208,000
BRS[2] LMDS	890 375	1 1	643,500 135,850	564,064 237,667	634 634	635 635	565,150 238,125
Per 64 kbps Int'l Bearer Circuits Terrestrial (Common) & Satellite (Common & Non-Common) [5]	21,900,000	1	941,640	658,593	.0301	.03	657,000
Submarine Cable Providers (see chart in Appendix C)[3,5]	40.563	1	6,586,731	4,652,639	114,702	114,700	4,652,576
Earth Stations [5]	3,300	1	1,003,000	1,022,890	310	310	1,023,000
Space Stations (Geostationary) [5]	96	1	11,505,600	11,437,435	119,140	119,150	11,438,400
Space Stations (Non-Geostationary) [5]	6	1	797,100	792,693	132,116	132,125	792,750
****** Total Estimated Revenue to be Collected			339,847,246	341,879,214			340,593,961
****** Total Revenue Requirement			339,844,000	339,844,000			339,844,000
Difference			3,246	2,035,214			749,961

Notes on Appendix B

[1] The AM and FM Construction Permit revenues and the Digital (VHF/UHF) Construction Permit revenues were adjusted, respectively, to set the regulatory fee to an amount no higher than the lowest licensed fee for that class of service. Reductions in the Digital (VHF/UHF) Construction Permit revenues were also offset by increases in the revenue totals for various Digital television stations by market size, respectively.

[2] MDS/MMDS category was renamed Broadband Radio Service (BRS). *See Amendment of Parts 1, 21, 73, 74 and 101 of the Commission's Rules to Facilitate the Provision of Fixed and Mobile Broadband Access, Educational and Other Advanced Services in the 2150-2162 and 2500-2690 MHz Bands*, Report & Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd 14165, 14169, para. 6 (2004).

[3] The chart at the end of Appendix C lists the submarine cable bearer circuit regulatory fees (common and non-common carrier basis) that resulted from the adoption of the *FY 2008 Further Notice*, 24 FCC Rcd 6388 and the *Submarine Cable Order*, 24 FCC Rcd 4208.

[4] The fee amounts listed in the column entitled "Rounded New FY 2015 Regulatory Fee" constitute a weighted average media regulatory fee by class of service. The actual FY 2015 regulatory fees for AM/FM radio station are listed on a grid located at the end of Appendix C.

[5] As a continuation of our regulatory fee reform for the submarine cable and bearer circuit fee categories, the allocation percentage for these two categories, in relation to the satellite (GSO and NGSO) and earth station fee categories, was reduced by approximately 7.5 per cent proportionally between the submarine cable and bearer circuit fee categories. This allocation reduction of 7.5 per cent resulted in an increase in the allocation for the satellite and earth station fee categories. In addition, four (4) International Bureau FTEs were changed from "direct" to "indirect", thereby reducing the International Bureau's overall FTE allocation percentage.

APPENDIX C

FY 2015 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)	30
Microwave (per license) (47 CFR part 101)	20
Marine (Ship) (per station) (47 CFR part 80)	15
Marine (Coast) (per license) (47 CFR part 80)	35
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)	.17
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) Local Multipoint Distribution Service (per call sign) (47 CFR, part 101)	635 635
AM Radio Construction Permits	590
FM Radio Construction Permits	750
Digital TV (47 CFR part 73) VHF and UHF Commercial	
Markets 1-10	46,825
Markets 11-25	43,200
Markets 26-50	27,625
Markets 51-100	16,275
Remaining Markets	4,850
Construction Permits	4,850
Satellite Television Stations (All Markets)	1,575
Low Power TV, Class A TV, TV/FM Translators & Boosters (47 CFR part 74)	440
CARS (47 CFR part 78)	660
Cable Television Systems (per subscriber) (47 CFR part 76), Including IPTV	.96

Fee Category	Annual Regulatory Fee (U.S. $'s)
Direct Broadcast Service (DBS) (per subscriber) (as defined by section 602(13) of the Act)	.12
Interstate Telecommunication Service Providers (per revenue dollar)	.00331
Toll Free (per toll free subscriber) (47 C.F.R. section 52.101 (f) of the rules)	.12
Earth Stations (47 CFR part 25)	310
Space Stations (per operational station in geostationary orbit) (47 CFR part 25) also includes DBS Service (per operational station) (47 CFR part 100)	119,150
Space Stations (per operational system in non-geostationary orbit) (47 CFR part 25)	132,125
International Bearer Circuits - Terrestrial/Satellites (per 64KB circuit)	.03
Submarine Cable Landing Licenses Fee (per cable system)	See Table Below

FY 2015 SCHEDULE OF REGULATORY FEES: (continued)

FY 2015 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 2015 SCHEDULE OF REGULATORY FEES
International Bearer Circuits - Submarine Cable

Submarine Cable Systems (capacity as of December 31, 2014)	Fee amount
< 2.5 Gbps	$7,175
2.5 Gbps or greater, but less than 5 Gbps	$14,350
5 Gbps or greater, but less than 10 Gbps	$28,675
10 Gbps or greater, but less than 20 Gbps	$57,350
20 Gbps or greater	$114,700

APPENDIX D

Sources of Payment Unit Estimates for FY 2015

In order to calculate individual service fees for FY 2015, we adjusted FY 2014 payment units for each service to more accurately reflect expected FY 2015 payment liabilities. We obtained our updated estimates through a variety of means. For example, we used Commission licensee data bases, actual prior year payment records and industry and trade association projections when available. The databases we consulted include our Universal Licensing System (ULS), International Bureau Filing System (IBFS), Consolidated Database System (CDBS) and Cable Operations and Licensing System (COALS), as well as reports generated within the Commission such as the Wireless Telecommunications Bureau's *Numbering Resource Utilization Forecast*.

We sought verification for these estimates from multiple sources and, in all cases, we compared FY 2015 estimates with actual FY 2014 payment units to ensure that our revised estimates were reasonable. Where appropriate, we adjusted and/or rounded our final estimates to take into consideration the fact that certain variables that impact on the number of payment units cannot yet be estimated with sufficient accuracy. These include an unknown number of waivers and/or exemptions that may occur in FY 2015 and the fact that, in many services, the number of actual licensees or station operators fluctuates from time to time due to economic, technical, or other reasons. When we note, for example, that our estimated FY 2015 payment units are based on FY 2014 actual payment units, it does not necessarily mean that our FY 2015 projection is exactly the same number as in FY 2014. We have either rounded the FY 2015 number or adjusted it slightly to account for these variables.

FEE CATEGORY	SOURCES OF PAYMENT UNIT ESTIMATES
Land Mobile (All), Microwave, Marine (Ship & Coast), Aviation (Aircraft & Ground), Domestic Public Fixed	Based on Wireless Telecommunications Bureau (WTB) projections of new applications and renewals taking into consideration existing Commission licensee data bases. Aviation (Aircraft) and Marine (Ship) estimates have been adjusted to take into consideration the licensing of portions of these services on a voluntary basis.
CMRS Cellular/Mobile Services	Based on WTB projection reports, and FY 14 payment data.
CMRS Messaging Services	Based on WTB reports, and FY 14 payment data.
AM/FM Radio Stations	Based on CDBS data, adjusted for exemptions, and actual FY 2014 payment units.
Digital TV Stations (Combined VHF/UHF units)	Based on CDBS data, adjusted for exemptions, and actual FY 2014 payment units.
AM/FM/TV Construction Permits	Based on CDBS data, adjusted for exemptions, and actual FY 2014 payment units.
LPTV, Translators and Boosters, Class A Television	Based on CDBS data, adjusted for exemptions, and actual FY 2014 payment units.
BRS (formerly MDS/MMDS) LMDS	Based on WTB reports and actual FY 2014 payment units. Based on WTB reports and actual FY 2014 payment units.
Cable Television Relay Service ("CARS") Stations	Based on data from Media Bureau's COALS database and actual FY 2013 payment units.
Cable Television System Subscribers, Including IPTV	Based on publicly available data sources for estimated subscriber counts and actual FY 2014 payment units.

Subscribers	
Interstate Telecommunication Service Providers	Based on FCC Form 499-Q data for the four quarters of calendar year 2014, the Wireline Competition Bureau projected the amount of calendar year 2014 revenue that will be reported on 2015 FCC Form 499-A worksheets in April, 2015.
Earth Stations	Based on International Bureau ("IB") licensing data and actual FY 2014 payment units.
Space Stations (GSOs & NGSOs)	Based on IB data reports and actual FY 2014 payment units.
International Bearer Circuits	Based on IB reports and submissions by licensees, adjusted as necessary.
Submarine Cable Licenses	Based on IB license information.

APPENDIX E

Factors, Measurements, and Calculations That Determines Station Signal Contours and Associated Population Coverages

AM Stations

For stations with nondirectional daytime antennas, the theoretical radiation was used at all azimuths. For stations with directional daytime antennas, specific information on each day tower, including field ratio, phase, spacing, and orientation was retrieved, as well as the theoretical pattern root-mean-square of the radiation in all directions in the horizontal plane (RMS) figure (milliVolt per meter (mV/m) @ 1 km) for the antenna system. The standard, or augmented standard if pertinent, horizontal plane radiation pattern was calculated using techniques and methods specified in sections 73.150 and 73.152 of the Commission's rules. Radiation values were calculated for each of 360 radials around the transmitter site. Next, estimated soil conductivity data was retrieved from a database representing the information in FCC Figure R3. Using the calculated horizontal radiation values, and the retrieved soil conductivity data, the distance to the principal community (5 mV/m) contour was predicted for each of the 360 radials. The resulting distance to principal community contours were used to form a geographical polygon. Population counting was accomplished by determining which 2010 block centroids were contained in the polygon. (A block centroid is the center point of a small area containing population as computed by the U.S. Census Bureau.) The sum of the population figures for all enclosed blocks represents the total population for the predicted principal community coverage area.

FM Stations

The greater of the horizontal or vertical effective radiated power (ERP) (kW) and respective height above average terrain (HAAT) (m) combination was used. Where the antenna height above mean sea level (HAMSL) was available, it was used in lieu of the average HAAT figure to calculate specific HAAT figures for each of 360 radials under study. Any available directional pattern information was applied as well, to produce a radial-specific ERP figure. The HAAT and ERP figures were used in conjunction with the Field Strength (50-50) propagation curves specified in 47 C.F.R. §73.313 of the Commission's rules to predict the distance to the principal community (70 dBu (decibel above 1 microVolt per meter) or 3.17 mV/m) contour for each of the 360 radials. The resulting distance to principal community contours were used to form a geographical polygon. Population counting was accomplished by determining which 2010 block centroids were contained in the polygon. The sum of the population figures for all enclosed blocks represents the total population for the predicted principal community coverage area.

APPENDIX F

Initial Regulatory Flexibility Analysis

1. As required by the Regulatory Flexibility Act (RFA),[1] the Commission prepared this Initial Regulatory Flexibility Analysis (IRFA) of the possible significant economic impact on small entities by the policies and rules proposed in the Further Notice of Proposed Rulemaking (*Further Notice*). Written comments are requested on this IRFA. Comments must be identified as responses to the IRFA and must be filed by the deadline for comments on this *Notice*. The Commission will send a copy of the *Further Notice*, including the IRFA, to the Chief Counsel for Advocacy of the Small Business Administration (SBA).[2] In addition, the *Further Notice* and IRFA (or summaries thereof) will be published in the Federal Register.[3]

A. Need for, and Objectives of, the Notice

2. The *Further Notice* seeks comment regarding adjusting the regulatory fees paid by broadcasters, for radio and television. Specifically, the Commission seeks comment on the extent of FTEs that work on video, cable, DBS, and radio services, and whether the current proportion of fees paid by these various fee categories associated with these services are still accurate. The level of FTE activity on these media services determines the proportion of fees to be paid by each media service fee category, which in turn is used to calculate the fee amount for each fee category.

B. Legal Basis:

3. This action, including publication of proposed rules, is authorized under Sections (4)(i) and (j), 9, and 303(r) of the Communications Act of 1934, as amended.[4]

C. Description and Estimate of the Number of Small Entities to Which the Rules Will Apply:

4. The RFA directs agencies to provide a description of, and where feasible, an estimate of the number of small entities that may be affected by the proposed rules and policies, if adopted.[5] The RFA generally defines the term "small entity" as having the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction."[6] In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act.[7] A "small business concern" is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA.[8]

5. **Small Entities.** Our actions, over time, may affect small entities that are not easily

[1] 5 U.S.C. § 603. The RFA, 5 U.S.C. §§ 601-612 has been amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), Pub. L. No. 104-121, Title II, 110 Stat. 847 (1996).

[2] 5 U.S.C. § 603(a).

[3] *Id.*

[4] 47 U.S.C. §§ 154(i) and (j), 159, and 303(r).

[5] 5 U.S.C. § 603(b)(3).

[6] 5 U.S.C. § 601(6).

[7] 5 U.S.C. § 601(3) (incorporating by reference the definition of "small-business concern" in the Small Business Act, 15 U.S.C. § 632). Pursuant to 5 U.S.C. § 601(3), the statutory definition of a small business applies "unless an agency, after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the Federal Register."

[8] 15 U.S.C. § 632.

6. categorized at present. We therefore describe here, at the outset, three comprehensive small entity size standards that could be directly affected by the proposals under consideration.[1] As of 2009, small businesses represented 99.9 percent of the 27.5 million businesses in the United States, according to the SBA.[2] In addition, a "small organization is generally any not-for-profit enterprise which is independently owned and operated and not dominant in its field.[3] Nationwide, as of 2007, there were approximately 1,621,215 small organizations.[4] Finally the term "small governmental jurisdiction" is defined generally as "governments of cities, towns, townships, villages, school districts, or special districts, with a population of less than fifty thousand.[5] Census Bureau data for 2011 indicate that there were 90,056 local governmental jurisdictions in the United States.[6] We estimate that, of this total, as many as 89,327 entities may qualify as "small governmental jurisdictions."[7] Thus, we estimate that most local government jurisdictions are small.

7. **Wired Telecommunications Carriers**. The U.S. Census Bureau defines this industry as "establishments primarily engaged in operating and/or providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired communications networks. Transmission facilities may be based on a single technology or a combination of technologies. Establishments in this industry use the wired telecommunications network facilities that they operate to provide a variety of services, such as wired telephony services, including VoIP services, wired (cable) audio and video programming distribution, and wired broadband internet services. By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry."[8] The SBA has developed a small business size standard for Wired Telecommunications Carriers, which consists of all such companies having 1,500 or fewer employees.[9] Census data for 2007 shows that there were 3,188 firms that operated that year. Of this total, 3,144 operated with fewer than 1,000 employees.[10] Thus, under this size standard, the majority of firms in this industry can be considered small.

8. **Local Exchange Carriers (LECs)**. Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to local exchange services. The closest applicable NAICS Code category is for Wired Telecommunications Carriers as defined in paragraph 6 of this IRFA. Under that size standard, such a business is small if it has 1,500 or fewer employees.[11]

---

[1] *See* 5 U.S.C. § 601(3)-(6).

[2] *See* SBA, Office of Advocacy, "Frequently Asked Questions", available at http://www.sba.gov/faqs/faqindex.cfm?arealD=24.

[3] 5 U.S.C. § 601(4).

[4] *See* Independent Sector, The New Nonprofit Almanac and Desk Reference (2010).

[5] 5 U.S.C. § 601(5).

[6] *See* SBA, Office of Advocacy, "Frequently Asked Questions," available at http.www.sba.gov/sites/default/files.FAQ March 201_Opdf.

[7] The 2011 Census Data for small governmental organizations are not presented based on the size of the population in each organization. As stated above, there were 90,056 local governmental organizations in 2011. As a basis for estimating how many of these 90,056 local organizations were small, we note that there were a total of 729 cities and towns (incorporated places and civil divisions) with populations over 50,000. *See* http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk. If we subtract the 729 cities and towns that exceed the 50,000 population threshold, we conclude that approximately 789, 237 are small.

[8] *See* http://www.census.gov/cgi-bin/sssd/naics/naicsrch

[9] *See* 13 C.F.R. § 120.201, NAICS Code 517110.

[10] http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ECN_2007_US_51SSSZ5 &prodType= table.

[11] 13 C.F.R. § 121.201, NAICS code 517110.

According to Commission data, census data for 2007 shows that there were 3,188 establishments that operated that year. Of this total, 3,144 operated with fewer than 1,000 employees.[12] The Commission estimates that most providers of local exchange service are small entities that may be affected by the rules and policies proposed in the *Notice*.

9. **Incumbent LECs.** Neither the Commission nor the SBA has developed a small business size standard specifically for incumbent local exchange services. The closest applicable NAICS Code category is Wired Telecommunications Carriers, as defined in paragraph 6 of this IRFA. Under that size standard, such a business is small if it has 1,500 or fewer employees.[13] According to Commission data, 3,188 firms operated in that year. 1,307 carriers reported that they were incumbent local exchange service providers.[14] Of this total, 3,144 operated with fewer than 1,000 employees.[15] Consequently, the Commission estimates that most providers of incumbent local exchange service are small businesses that may be affected by the rules and policies proposed in the *Notice*. Three hundred and seven (307) Incumbent Local Exchange Carriers reported that they were incumbent local exchange service providers.[16] Of this total, an estimated 1,006 have 1,500 or fewer employees.[17]

10. **Competitive Local Exchange Carriers (Competitive LECs), Competitive Access Providers (CAPs), Shared-Tenant Service Providers, and Other Local Service Providers**. Neither the Commission nor the SBA has developed a small business size standard specifically for these service providers. The appropriate NAICS Code category is Wired Telecommunications Carriers, as defined in paragraph 6 of this IRFA. Under that size standard, such a business is small if it has 1,500 or fewer employees.[18] U.S. Census data for 2007 indicate that 3,188 firms operated during that year. Of that number, 3,144 operated with fewer than 1,000 employees.[19] Based on this data, the Commission concludes that the majority of Competitive LECs, CAPs, Shared-Tenant Service Providers, and Other Local Service Providers are small entities. According to Commission data, 1,442 carriers reported that they were engaged in the provision of either competitive local exchange services or competitive access provider services.[20] Of these 1,442 carriers, an estimated 1,256 have 1,500 or fewer employees. In addition, 17 carriers have reported that they are Shared-Tenant Service Providers, and all 17 are estimated to have 1,500 or fewer employees.[21] In addition, 72 carriers have reported that they are Other Local Service Providers.[22] Of this total, 70 have 1,500 or fewer employees.[23] Consequently, the Commission estimates that most providers of competitive local exchange service, competitive access providers, Shared-Tenant Service Providers, and Other Local Service Providers are small entities that may be affected by rules adopted pursuant to the proposals in this *Notice*.

11. **Interexchange Carriers (IXCs)**. Neither the Commission nor the SBA has developed a

[12] *See id.*

[13] 13 C.F.R. § 121.201, NAICS code 517110.

[14] *See Trends in Telephone Service*, Federal Communications Commission, Wireline Competition Bureau, Industry Analysis and Technology Division at Table 5.3 (Sept. 2010) (*Trends in Telephone Service*).

[15] *See id.*

[16] *See id*.

[17] *Id.*

[18] 13 C.F.R. § 121.201, NAICS code 517110.

[19] http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ECN_2007_US_51SSSZ5&prodType=%20table.

[20] *See Trends in Telephone Service,* at tbl. 5.3.

[21] *Id.*

[22] *Id.*

[23] *Id.*

definition for Interexchange Carriers. The closest NAICS Code category is Wired Telecommunications Carriers as defined in paragraph 6 of this IRFA. The applicable size standard under SBA rules is that such a business is small if it has 1,500 or fewer employees.[24] According to Commission data, 359 companies reported that their primary telecommunications service activity was the provision of interexchange services.[25] Of this total, an estimated 317 have 1,500 or fewer employees and 42 have more than 1,500 employees.[26] Consequently, the Commission estimates that the majority of interexchange service providers are small entities that may be affected by rules adopted pursuant to the *Notice*.

12. **Prepaid Calling Card Providers.** Neither the Commission nor the SBA has developed a small business size standard specifically for prepaid calling card providers. The appropriate NAICS Code category for prepaid calling card providers is Telecommunications Resellers. This industry comprises establishments engaged in purchasing access and network capacity from owners and operators of telecommunications networks and reselling wired and wireless telecommunications services (except satellite) to businesses and households. Mobile virtual networks operators (MVNOs) are included in this industry.[27] Under the applicable SBA size standard, such a business is small if it has 1,500 or fewer employees.[28] U.S. Census data for 2007 show that 1,523 firms provided resale services during that year. Of that number, 1,522 operated with fewer than 1,000 employees.[29] Thus, under this category and the associated small business size standard, the majority of these prepaid calling card providers can be considered small entities. According to Commission data, 193 carriers have reported that they are engaged in the provision of prepaid calling cards.[30] All 193 carriers have 1,500 or fewer employees.[31] Consequently, the Commission estimates that the majority of prepaid calling card providers are small entities that may be affected by rules adopted pursuant to the *Notice*.

13. **Local Resellers**. The SBA has developed a small business size standard for the category of Telecommunications Resellers. Under that size standard, such a business is small if it has 1,500 or fewer employees.[32] Census data for 2007 show that 1,523 firms provided resale services during that year. Of that number, 1,522 operated with fewer than 1,000 employees.[33] Under this category and the associated small business size standard, the majority of these local resellers can be considered small entities. According to Commission data, 213 carriers have reported that they are engaged in the provision of local resale services.[34] Of this total, an estimated 211 have 1,500 or fewer employees.[35] Consequently, the Commission estimates that the majority of local resellers are small entities that may be affected by rules adopted pursuant to the proposals in this *Notice*.

14. **Toll Resellers**. The Commission has not developed a definition for Toll Resellers. The closest NAICS Code Category is Telecommunications Resellers, and the SBA has developed a small

[24] 13 C.F.R. § 121.201, NAICS code 517110.

[25] *See Trends in Telephone Service,* at tbl. 5.3.

[26] *Id.*

[27] http://www.census.gov/cgi-bin/ssd/naics/naicsrch.

[28] 13 C.F.R. § 121.201, NAICS code 517911.

[29] http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ECN_2007_US_51SSSZ5&prodType=table.

[30] *See Trends in Telephone Service,* at tbl. 5.3.

[31] *Id.*

[32] 13 C.F.R. § 121.201, NAICS code 517911.

[33] *Id.*

[34] *See Trends in Telephone Service,* at tbl. 5.3.

[35] *Id.*

business size standard for the category of Telecommunications Resellers. Under that size standard, such a business is small if it has 1,500 or fewer employees.[36] Census data for 2007 show that 1,523 firms provided resale services during that year. Of that number, 1,522 operated with fewer than 1,000 employees.[37] Thus, under this category and the associated small business size standard, the majority of these resellers can be considered small entities. According to Commission data, 881 carriers have reported that they are engaged in the provision of toll resale services.[38] Of this total, an estimated 857 have 1,500 or fewer employees.[39] Consequently, the Commission estimates that the majority of toll resellers are small entities that may be affected by our proposals in the *Notice*.

15. **Other Toll Carriers.** Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to Other Toll Carriers. This category includes toll carriers that do not fall within the categories of interexchange carriers, operator service providers, prepaid calling card providers, satellite service carriers, or toll resellers. The closest applicable NAICS Code category is for Wired Telecommunications Carriers, as defined in paragraph 6 of this IRFA. Under that size standard, such a business is small if it has 1,500 or fewer employees.[40] Census data for 2007 shows that there were 3,188 firms that operated that year. Of this total, 3,144 operated with fewer than 1,000 employees.[41] Thus, under this category and the associated small business size standard, the majority of Other Toll Carriers can be considered small. According to Commission data, 284 companies reported that their primary telecommunications service activity was the provision of other toll carriage.[42] Of these, an estimated 279 have 1,500 or fewer employees.[43] Consequently, the Commission estimates that most Other Toll Carriers are small entities that may be affected by the rules and policies adopted pursuant to the *Notice*.

16. **Wireless Telecommunications Carriers (except Satellite).** This industry comprises establishments engaged in operating and maintaining switching and transmission facilities to provide communications via the airwaves, such as cellular services, paging services, wireless internet access, and wireless video services.[44] The appropriate size standard under SBA rules is that such a business is small if it has 1,500 or fewer employees. For this industry, Census Data for 2007 show that there were 1,383 firms that operated for the entire year. Of this total, 1,368 firms had fewer than 1,000 employees. Thus under this category and the associated size standard, the Commission estimates that the majority of wireless telecommunications carriers (except satellite) are small entities. Similarly, according to internally developed Commission data, 413 carriers reported that they were engaged in the provision of wireless telephony, including cellular service, Personal Communications Service (PCS), and Specialized Mobile Radio (SMR) services.[45] Of this total, an estimated 261 have 1,500 or fewer employees.[46] Consequently, the Commission estimates that approximately half of these firms can be considered small. Thus, using available data, we estimate that the majority of wireless firms can be considered small.

---

[36] 13 C.F.R. § 121.201, NAICS code 517911.

[37] *Id.*

[38] *Trends in Telephone Service*, at tbl. 5.3.

[39] *Id.*

[40] 13 C.F.R. § 121.201, NAICS code 517110.

[41] *Id.*

[42] *Trends in Telephone Service*, at tbl. 5.3.

[43] *Id.*

[44] NAICS Code 517210. *See* http://www.census.gov/cgi-bin/ssd/naics/naiscsrch.

[45] *Trends in Telephone Service*, at tbl. 5.3.

[46] *Id.*

17. **Cable Television and other Subscription Programming.**[47] Since 2007, these services have been defined within the broad economic census category of Wired Telecommunications Carriers. That category is defined as follows: "This industry comprises establishments primarily engaged in operating and/or providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired telecommunications networks. Transmission facilities may be based on a single technology or a combination of technologies."[48] The SBA has developed a small business size standard for this category, which is: all such firms having 1,500 or fewer employees.[49] Census data for 2007 shows that there were 3,188 firms that operated that year. Of this total, 3,144 had fewer than 1,000 employees.[50] Thus under this size standard, the majority of firms offering cable and other program distribution services can be considered small and may be affected by rules adopted pursuant to the *Notice*.

18. **Cable Companies and Systems**. The Commission has developed its own small business size standards for the purpose of cable rate regulation. Under the Commission's rules, a "small cable company" is one serving 400,000 or fewer subscribers nationwide.[51] Industry data indicate that there are currently 4,600 active cable systems in the United States.[52] Of this total, all but ten cable operators nationwide are small under the 400,000-subscriber size standard. [53] In addition, under the Commission's rate regulation rules, a "small system" is a cable system serving 15,000 or fewer subscribers.[54] Current Commission records show 4,600 cable systems nationwide.[55] Of this total, 3,900 cable systems have less

---

[47] In 2014, "Cable and Other Subscription Programming," NAICS Code 515210, replaced a prior category, now obsolete, which was called "Cable and Other Program Distribution." Cable and Other Program Distribution, prior to 2014, were placed under NAICS Code 517110, Wired Telecommunications Carriers. Wired Telecommunications Carriers is still a current and valid NAICS Code Category. Because of the similarity between "Cable and Other Subscription Programming" and "Cable and other Program Distribution," we will, in this proceeding, continue to use Wired Telecommunications Carrier data based on the U.S. Census. The alternative of using data gathered under Cable and Other Subscription Programming (NAICS Code 515210) is unavailable to us for two reasons. First, the size standard established by the SBA for Cable and Other Subscription Programming is annual receipts of $38.5 million or less. Thus to use the annual receipts size standard would require the Commission either to switch from existing employee based size standard of 1,500 employees or less for Wired Telecommunications Carriers, or else would require the use of two size standards. No official approval of either option has been granted by the Commission as of the time of the release of the *FY 2015 NPRM*. Second, the data available under the size standard of $38.5 million dollars or less is not applicable at this time, because the only currently available U.S. Census data for annual receipts of all businesses operating in the NAICS Code category of 515210 (Cable and other Subscription Programming) consists only of total receipts for all businesses operating in this category in 2007 and of total annual receipts for all businesses operatin6 in this category in 2012. Hence the data do not provide any basis for determining, for either year, how many businesses were small because they had annual receipts of $38.5 million or less. *See* http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ECN_2012_US_51I2&prodType=table.

[48] U.S. Census Bureau, 2007 NAICS Definitions, "517110 Wired Telecommunications Carriers" (partial definition), (Full definition stated in paragraph 6 of this IRFA) available at http://www.census.gov/cgi-bin/sssd/naics/naicsrch.

[49] 13 C.F.R. § 121.201, NAICS code 517110.

[50] http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ECN_2007_US-51SSSZ5&prodType=Table.

[51] 47.C.F.R. 76.901(e)

[52] August 15, 2015 Report from the Media Bureau based on data contained in the Commission's Cable Operations And Licensing System(COALS). See www/fcc.gov/coals

[53] *See* SNL KAGAN at www.snl.com/interactiveX/top cableMSOs aspx?period2015Q1&sortcol=subscribersbasic&sortorder=desc.

[54] 47 C.F.R 76.901(c)

[55] *See* footnote 2, *supra*.

than 15,000 subscribers, and 700 systems have 15,000 or more subscribers, based on the same records.[56] Thus, under this standard as well, we estimate that most cable systems are small entities.

19. **Cable System Operators (Telecom Act Standard).** The Communications Act of 1934, as amended, also contains a size standard for small cable system operators, which is "a cable operator that, directly or through an affiliate, serves in the aggregate fewer than 1 percent of all subscribers in the United States and is not affiliated with any entity or entities whose gross annual revenues in the aggregate exceed $250,000,000are approximately 52,403,705 cable video subscribers in the United States today.[57] Accordingly, an operator serving fewer than 524,037 subscribers shall be deemed a small operator if its annual revenues, when combined with the total annual revenues of all its affiliates, do not exceed $250 million in the aggregate.[58] Based on available data, we find that all but nine incumbent cable operators are small entities under this size standard.[59] We note that the Commission neither requests nor collects information on whether cable system operators are affiliated with entities whose gross annual revenues exceed $250 million.[60] Although it seems certain that some of these cable system operators are affiliated with entities whose gross annual revenues exceed $250,000,000, we are unable at this time to estimate with greater precision the number of cable system operators that would qualify as small cable operators under the definition in the Communications Act.

20. **All Other Telecommunications**. **"**All Other Telecommunications" is defined as follows: This U.S. industry is comprised of establishments that are primarily engaged in providing specialized telecommunications services, such as satellite tracking, communications telemetry, and radar station operation. This industry also includes establishments primarily engaged in providing satellite terminal stations and associated facilities connected with one or more terrestrial systems and capable of transmitting telecommunications to, and receiving telecommunications from, satellite systems. Establishments providing Internet services or voice over Internet protocol (VoIP) services via client-supplied telecommunications connections are also included in this industry.[61] The SBA has developed a small business size standard for "All Other Telecommunications," which consists of all such firms with gross annual receipts of $32.5 million or less.[62] For this category, census data for 2007 show that there were 2,383 firms that operated for the entire year. Of these firms, a total of 2,346 had gross annual receipts of less than $25 million.[63] Thus, a majority of "All Other Telecommunications" firms potentially affected by the proposals in the *Further Notice* can be considered small.

D. Description of Projected Reporting, Recordkeeping and Other Compliance Requirements

21. This *Further Notice* does not propose any changes to the Commission's current information collection, reporting, recordkeeping, or compliance requirements.

---

[56] August 5, 2015 report from the Media Bureau based on its research in COALS.See www.fcc.gov /coals

[57] *See* SNL KAGAN at www.snl.com/interactivex/MultichannelIndustryBenchmarks.aspx.

[58] 47.901(f) and notes ff. 1, 2, and 3.

[59] *See* SNL KAGAN at www.snl.com/Interactivex/TopCable MSOs.aspx.

[60] The Commission does receive such information on a case-by-case basis if a cable operator appeals a local franchise authority's finding that the operator does not qualify as a small cable operator pursuant to § 76.901(f) of the Commission's rules. *See* 47 C.F.R. § 76.901(f).

[61] http://www.census.gov/cgi-bin/ssssd/naics/naicsrch.

[62] 13 C.F.R 121.201; NAICs Code 517919.

[63] http://factfinder.census.gov/faces/tableservices.jasf/pages/productview.xhtml?pid+ECN_2007_US.51SSSZ4&prodType=table.

E. Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered

22. The RFA requires an agency to describe any significant alternatives that it has considered in reaching its approach, which may include the following four alternatives, among others: (1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance or reporting requirements under the rule for small entities; (3) the use of performance, rather than design, standards; and (4) an exemption from coverage of the rule, or any part thereof, for small entities.[64]

23. This *Further Notice* seeks comment on the Commission's regulatory fee collection for radio and television broadcasters, including comment on exempting smaller broadcasters from regulatory fees. Specifically, the Commission seeks comment on the extent of FTEs that work on video, cable, DBS, and radio services, and whether the current proportion of fees paid by these various fee categories associated with these services are still accurate. The level of FTE activity on these media services determines the proportion of fees to be paid by each media service fee category, which in turn is used to calculate the fee amount for each fee category. Since this determines the fee rate for big and small media companies, the Commission is sensitive to the impact of any changes in the proportion of FTE activity on companies in the media industry.

F. Federal Rules that May Duplicate, Overlap, or Conflict with the Proposed Rules

24. None.

[64] 5 U.S.C. § 603(c)(1)–(c)(4).

APPENDIX G

Final Regulatory Flexibility Analysis

1. As required by the Regulatory Flexibility Act of 1980, as amended (RFA),[1] an Initial Regulatory Flexibility Analysis (IRFA) was included in the *Notice of Proposed Rulemaking*.[2] The Commission sought written public comment on these proposals including comment on the IRFA. This Final Regulatory Flexibility Analysis (FRFA) conforms to the IRFA.[3]

A. Need for, and Objectives of, the Report and Order

2. In this Report and Order, we conclude the Assessment and Collection of Regulatory Fees for Fiscal Year (FY) 2015 proceeding to collect $339,844,000 in regulatory fees for FY 2015, pursuant to section 9 of the Communications Act of 1934, as amended.[4] These regulatory fees will be due in September 2015. Under section 9 of the Communications Act, regulatory fees are mandated by Congress and collected to recover the regulatory costs associated with the Commission's enforcement, policy and rulemaking, user information, and international activities in an amount that can be reasonably expected to equal the amount of the Commission's annual appropriation.[5]

3. This FY 2015 Report and Order adopts a regulatory fee schedule that includes the following noteworthy changes from prior years: (1) a reduction in regulatory fees for the submarine cable/terrestrial and satellite bearer circuit category relative to other fee categories in the International Bureau; (2) the first fee rate for Direct Broadcast Satellite (DBS) as a subcategory of the cable television and Internet Protocol Television (IPTV) regulatory fee category; (3) the first fee rate for toll free numbers; and (4) the elimination of the regulatory fee component of two fee categories: Amateur Radio Vanity Call Signs and General Mobile Radio Service (GMRS). In addition, in calculating the FY 2015 fee schedule, the Commission also reallocated four International Bureau full time employees (FTEs) as indirect.

4. With respect to the submarine cable/terrestrial and satellite bearer circuit fee category, after additional review, the Commission concluded that the fee assessed on the submarine cable/terrestrial and satellite bearer circuit fee category was excessive relative to the Commission's oversight and regulation of this industry. As a result, the Commission reduced the percentage of total fees paid by this fee category by 7.5 percent. With respect to the DBS fee category, the Commission instituted the DBS fee after realizing that Media Bureau resources were being used to address DBS and MVPD issues, but these costs were not being recovered from DBS providers. Therefore, the DBS fee is instituted to recover the cost of Media Bureau resources that is spent on MVPD and DBS issues. Similarly, a toll free number regulatory fee is instituted to recover the cost of resources expended by the Wireline Bureau on issues relating to toll free numbers. With respect to Amateur Radio Vanity Call Signs and General Mobile Radio Service (GMRS), the Commission concluded that the administrative costs of processing, reviewing, and enforcing the thousands of Vanity Call Sign and GMRS licenses far exceeds the $21.40 and $25 per license regulatory fee rate that is collected, respectively. Many of the Amateur Vanity Call Signs and GMRS licensees are small businesses and/or individuals. Finally, in calculating the FY 2015 fee schedule, the Commission reallocated four International Bureau full time employees (FTEs) as

---

[1] 5 U.S.C. § 603. The RFA, 5 U.S.C. §§ 601-612 has been amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), Pub. L. No. 104-121, Title II, 110 Stat. 847 (1996).

[2] *Assessment and Collection of Regulatory Fees for Fiscal Year 2015*, Notice of Proposed Rulemaking, Report and Order, and Order, MD Docket No. 15-121, 30 FCC Rcd 5354 (2015) (*FY 2015 NPRM*).

[3] 5 U.S.C. § 604.

[4] 47 U.S.C. § 159.

[5] 47 U.S.C. § 159(a).

indirect to reflect work performed by International Bureau staff on non-U.S.-licensed space stations, who are not required to pay regulatory fees.

B. Summary of the Significant Issues Raised by the Public Comments in Response to the IRFA

5. None.

C. Description and Estimate of the Number of Small Entities to Which the Rules Will Apply:

6. The RFA directs agencies to provide a description of, and where feasible, an estimate of the number of small entities that may be affected by the proposed rules and policies, if adopted.[6] The RFA generally defines the term "small entity" as having the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction."[7] In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act.[8] A "small business concern" is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA.[9] Nationwide, there are a total of approximately 27.9 million small businesses, according to the SBA.[10]

7. **Wired Telecommunications Carriers**. The U.S. Census Bureau defines this industry as "establishments primarily engaged in operating and/or providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired communications networks. Transmission facilities may be based on a single technology or a combination of technologies. Establishments in this industry use the wired telecommunications network facilities that they operate to provide a variety of services, such as wired telephony services, including VoIP services, wired (cable) audio and video programming distribution, and wired broadband internet services. By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry."[11] The SBA has developed a small business size standard for Wired Telecommunications Carriers, which consists of all such companies having 1,500 or fewer employees.[12] Census data for 2007 shows that there were 3,188 firms that operated that year. Of this total, 3,144 operated with less than 1,000 employees.[13] Thus, under this size standard, the majority of firms in this industry can be considered small.

8. **Local Exchange Carriers (LECs)**. Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to local exchange services. The closest applicable NAICS Code category is Wired Telecommunications Carriers as defined in paragraph 6 of this FRFA. Under the applicable SBA size standard, such a business is small if it has 1,500 or fewer

---

[6] 5 U.S.C. § 603(b)(3).

[7] 5 U.S.C. § 601(6).

[8] 5 U.S.C. § 601(3) (incorporating by reference the definition of "small-business concern" in the Small Business Act, 15 U.S.C. § 632). Pursuant to 5 U.S.C. § 601(3), the statutory definition of a small business applies "unless an agency, after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the Federal Register."

[9] 15 U.S.C. § 632.

[10] *See* SBA, Office of Advocacy, "Frequently Asked Questions," http://www.sba.gov/sites/default/files/FAQ_Sept_2012.pdf.

[11] http://www.census.gov/cgi-bin/sssd/naics/naicsrch.

[12] *See* 13 C.F.R. § 120.201, NAICS Code 517110.

[13] http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ECN_2007_US_51SSSZ5&prodType=table.

employees.[14] According to Commission data, census data for 2007 shows that there were 3,188 firms that operated that year. Of this total, 3,144 operated with fewer than 1,000 employees.[15] The Commission therefore estimates that most providers of local exchange carrier service are small entities that may be affected by the rules adopted.

9. **Incumbent LECs.** Neither the Commission nor the SBA has developed a small business size standard specifically for incumbent local exchange services. The closest applicable NAICS Code category is Wired Telecommunications Carriers as defined in paragraph 6 of this FRFA. Under that size standard, such a business is small if it has 1,500 or fewer employees.[16] According to Commission data, 3,188 firms operated in that year. Of this total, 3,144 operated with fewer than 1,000 employees.[17] Consequently, the Commission estimates that most providers of incumbent local exchange service are small businesses that may be affected by the rules and policies adopted. Three hundred and seven (307) Incumbent Local Exchange Carriers reported that they were incumbent local exchange service providers.[18] Of this total, an estimated 1,006 have 1,500 or fewer employees.[19]

10. **Competitive Local Exchange Carriers (Competitive LECs), Competitive Access Providers (CAPs), Shared-Tenant Service Providers, and Other Local Service Providers**. Neither the Commission nor the SBA has developed a small business size standard specifically for these service providers. The appropriate NAICS Code category is Wired Telecommunications Carriers, as defined in paragraph 6 of this FRFA. Under that size standard, such a business is small if it has 1,500 or fewer employees.[20] U.S. Census data for 2007 indicate that 3,188 firms operated during that year. Of that number, 3,144 operated with fewer than 1,000 employees.[21] Based on this data, the Commission concludes that the majority of Competitive LECS, CAPs, Shared-Tenant Service Providers, and Other Local Service Providers, are small entities. According to Commission data, 1,442 carriers reported that they were engaged in the provision of either competitive local exchange services or competitive access provider services.[22] Of these 1,442 carriers, an estimated 1,256 have 1,500 or fewer employees.[23] In addition, 17 carriers have reported that they are Shared-Tenant Service Providers, and all 17 are estimated to have 1,500 or fewer employees.[24] Also, 72 carriers have reported that they are Other Local Service Providers.[25] Of this total, 70 have 1,500 or fewer employees.[26] Consequently, based on internally researched FCC data, the Commission estimates that most providers of competitive local exchange service, competitive access providers, Shared-Tenant Service Providers, and Other Local Service

[14] 13 C.F.R. § 121.201, NAICS code 517110.

[15] http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ECN_2007_US_51SSSZ5&prodType=table.

[16] 13 C.F.R. § 121.201, NAICS code 517110.

[17] http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ECN_2007_US_51SSSZ5&prodType=table.

[18] *See Trends in Telephone Service*, Federal Communications Commission, Wireline Competition Bureau, Industry Analysis and Technology Division at Table 5.3 (Sept. 2010) (*Trends in Telephone Service*).

[19] *Id.*

[20] 13 C.F.R. § 121.201, NAICS code 517110.

[21] http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ECN_2007_US_51SSSZ5&prodType=table.

[22] *See Trends in Telephone Service,* at tbl. 5.3.

[23] *Id.*

[24] *Id.*

[25] *Id.*

[26] *Id.*

Providers are small entities that may be affected by the rules adopted.

11. **Interexchange Carriers (IXCs)**. Neither the Commission nor the SBA has developed a definition for Interexchange Carriers. The closest NAICS Code category is Wired Telecommunications Carriers as defined in paragraph 6 of this FRFA. The applicable size standard under SBA rules is that such a business is small if it has 1,500 or fewer employees.[27] U.S. Census data for 2007 indicates that 3,188 firms operated during that year. Of that number, 3,144 operated with fewer than 1,000 employees.[28] According to internally developed Commission data, 359 companies reported that their primary telecommunications service activity was the provision of interexchange services.[29] Of this total, an estimated 317 have 1,500 or fewer employees.[30] Consequently, the Commission estimates that the majority of interexchange service providers are small entities that may be affected by the rules adopted.

12. **Prepaid Calling Card Providers.** Neither the Commission nor the SBA has developed a small business size standard specifically for prepaid calling card providers. The appropriate NAICS Code category for prepaid calling card providers is Telecommunications Resellers. This industry comprises establishments engaged in purchasing access and network capacity from owners and operators of telecommunications networks and reselling wired and wireless telecommunications services (except satellite) to businesses and households. Mobile virtual networks operators (MVNOs) are included in this industry.[31] Under the applicable SBA size standard, such a business is small if it has 1,500 or fewer employees.[32] U.S. Census data for 2007 show that 1,523 firms provided resale services during that year. Of that number, 1,522 operated with fewer than 1,000 employees.[33] Thus, under this category and the associated small business size standard, the majority of these prepaid calling card providers can be considered small entities. According to Commission data, 193 carriers have reported that they are engaged in the provision of prepaid calling cards.[34] All 193 carriers have 1,500 or fewer employees.[35] Consequently, the Commission estimates that the majority of prepaid calling card providers are small entities that may be affected by the rules adopted.

13. **Local Resellers**. The SBA has developed a small business size standard for the category of Telecommunications Resellers. Under that size standard, such a business is small if it has 1,500 or fewer employees.[36] Census data for 2007 show that 1,523 firms provided resale services during that year. Of that number, 1,522 operated with fewer than 1,000 employees.[37] Under this category and the associated small business size standard, the majority of these local resellers can be considered small entities. According to Commission data, 213 carriers have reported that they are engaged in the provision of local resale services.[38] Of this total, an estimated 211 have 1,500 or fewer employees.[39] Consequently,

---

[27] 13 C.F.R. § 121.201, NAICS code 517110.

[28] http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ECN_2007_US_51SSSZ5&prodType=table.

[29] *See Trends in Telephone Service,* at tbl. 5.3.

[30] *Id.*

[31] http://www.census.gov/cgi-bin/ssd/naics/naicsrch.

[32] 13 C.F.R. § 121.201, NAICS code 517911.

[33] http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ECN_2007_US_51SSSZ5&prodType=table.

[34] *See Trends in Telephone Service,* at tbl. 5.3.

[35] *Id.*

[36] 13 C.F.R. § 121.201, NAICS code 517911.

[37] http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ECN_2007_US_51SSSZ5&prodType=table.

[38] *See Trends in Telephone Service,* at tbl. 5.3.

the Commission estimates that the majority of local resellers are small entities that may be affected by the rules adopted.

14. **Toll Resellers**. The Commission has not developed a definition for Toll Resellers. The closest NAICS Code Category is Telecommunications Resellers, and the SBA has developed a small business size standard for the category of Telecommunications Resellers. Under that size standard, such a business is small if it has 1,500 or fewer employees.[40] Census data for 2007 show that 1,523 firms provided resale services during that year. Of that number, 1,522 operated with fewer than 1,000 employees.[41] Thus, under this category and the associated small business size standard, the majority of these resellers can be considered small entities. According to Commission data, 881 carriers have reported that they are engaged in the provision of toll resale services.[42] Of this total, an estimated 857 have 1,500 or fewer employees.[43] Consequently, the Commission estimates that the majority of toll resellers are small entities that may be affected by the rules adopted.

15. **Other Toll Carriers.** Neither the Commission nor the SBA has developed a definition for small businesses specifically applicable to Other Toll Carriers. This category includes toll carriers that do not fall within the categories of interexchange carriers, operator service providers, prepaid calling card providers, satellite service carriers, or toll resellers. The closest applicable NAICS Code category is for Wired Telecommunications Carriers as defined in paragraph 6 of this FRFA. Under the applicable SBA size standard, such a business is small if it has 1,500 or fewer employees.[44] Census data for 2007 shows that there were 3,188 firms that operated that year. Of this total, 3,144 operated with fewer than 1,000 employees.[45] Thus, under this category and the associated small business size standard, the majority of Other Toll Carriers can be considered small. According to internally developed Commission data, 284 companies reported that their primary telecommunications service activity was the provision of other toll carriage.[46] Of these, an estimated 279 have 1,500 or fewer employees.[47] Consequently, the Commission estimates that most Other Toll Carriers are small entities that may be affected by the rules and policies adopted.

16. **Wireless Telecommunications Carriers (except Satellite).** This industry comprises establishments engaged in operating and maintaining switching and transmission facilities to provide communications via the airwaves, such as cellular services, paging services, wireless internet access, and wireless video services.[48] The appropriate size standard under SBA rules is that such a business is small if it has 1,500 or fewer employees. For this industry, Census data for 2007 show that there were 1,383 firms that operated for the entire year. Of this total, 1,368 firms had fewer than 1,000 employees. Thus under this category and the associated size standard, the Commission estimates that the majority of wireless telecommunications carriers (except satellite) are small entities. Similarly, according to internally developed Commission data, 413 carriers reported that they were engaged in the provision of

(Continued from previous page)

[39] *Id.*

[40] http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ECN_2007_US_51SSSZ5&prodType=table.

[41] *Id*.

[42] *Trends in Telephone Service*, at tbl. 5.3.

[43] *Id.*

[44] 13 C.F.R. § 121.201, NAICS code 517110.

[45] http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ECN_2007_US_51SSSZ5&prodType=table.

[46] *Trends in Telephone Service*, at tbl. 5.3.

[47] *Id.*

[48] NAICS Code 517210. *See* http://www.census.gov/cgi-bin/ssd/naics/naiscsrch.

wireless telephony, including cellular service, Personal Communications Service (PCS), and Specialized Mobile Radio (SMR) services.[49] Of this total, an estimated 261 have 1,500 or fewer employees.[50] Consequently, the Commission estimates that approximately half of these firms can be considered small. Thus, using available data, we estimate that the majority of wireless firms can be considered small.

17. **Cable Television and Other Subscription Programming**.[51] Since 2007, these services have been defined within the broad economic census category of Wired Telecommunications Carriers. That category is defined as follows: "This industry comprises establishments primarily engaged in operating and/or providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired telecommunications networks. Transmission facilities may be based on a single technology or a combination of technologies."[52] The SBA has developed a small business size standard for this category, which is: all such firms having 1,500 or fewer employees.[53] Census data for 2007 shows that there were 3,188 firms that operated that year. Of this total, 3,144 had fewer than 1,000 employees.[54] Thus under this size standard, the majority of firms offering cable and other program distribution services can be considered small and may be affected by rules adopted.

18. **Cable Companies and Systems**. The Commission has developed its own small business size standards for the purpose of cable rate regulation. Under the Commission's rules, a "small cable company" is one serving 400,000 or fewer subscribers nationwide.[55] Industry data indicate that there are currently 4,600 active cable systems in the United States.[56] Of this total, all but ten cable operators

---

[49] *Trends in Telephone Service*, at tbl. 5.3.

[50] *Id.*

[51] In 2014, "Cable and Other Subscription Programming," NAICS Code 515210, replaced a prior category, now obsolete, which was called "Cable and Other Program Distribution." Cable and Other Program Distribution, prior to 2014, was placed under NAICS Code 517110, Wired Telecommunications Carriers. Wired Telecommunications Carriers is still a current and valid NAICS Code Category. Because of the similarity between "Cable and Other Subscription Programming" and "Cable and other Program Distribution," we will, in this proceeding, continue to use Wired Telecommunications Carrier data based on the U.S. Census. The alternative of using data gathered under Cable and Other Subscription Programming (NAICS Code 515210) is unavailable to us for two reasons. First, the size standard established by the SBA for Cable and Other Subscription Programming is annual receipts of $38.5 million or less. Thus to use the annual receipts size standard would require the Commission either to switch from existing employee based size standard of 1,500 employees or less for Wired Telecommunications Carriers, or else would require the use of two size standards. No official approval of either option has been granted by the Commission as of the time of the release of the *FY 2015 NPRM*. Second, the data available under the size standard of $38.5 million dollars or less is not applicable at this time, because the only currently available U.S. Census data for annual receipts of all businesses operating in the NAICS Code category of 515210 (Cable and other Subscription Programming) consists only of total receipts for all businesses operating in this category in 2007 and of total annual receipts for all businesses operating in this category in 2012. The data do not provide any basis for determining, for either year, how many businesses were small because they had annual receipts of $38.5 million or less. *See* http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ECN_2012_US_51I2&prodType=table.

[52] U.S. Census Bureau, 2007 NAICS Definitions, "517110 Wired Telecommunications Carriers" (partial definition), (Full definition stated in paragraph 6 of this IRFA) *available at* http://www.census.gov/cgi-bin/sssd/naics/naicsrch.

[53] 13 C.F.R. § 121.201, NAICS code 517110.

[54] http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ECN_2007_US-51SSSZ5&prodType=Table.

[55] 47.C.F.R. 76.901(e)

[56] August 15, 2015 Report from the Media Bureau based on data contained in the Commission's Cable Operations And Licensing System(COALS). *See* www/fcc.gov/coals.

nationwide are small under the 400,000-subscriber size standard. [57] In addition, under the Commission's rate regulation rules, a "small system" is a cable system serving 15,000 or fewer subscribers.[58] Current Commission records show 4,600 cable systems nationwide.[59] Of this total, 3,900 cable systems have less than 15,000 subscribers, and 700 systems have 15,000 or more subscribers, based on the same records.[60] Thus, under this standard as well, we estimate that most cable systems are small entities.

19. **Cable System Operators (Telecom Act Standard).** The Communications Act of 1934, as amended, also contains a size standard for small cable system operators, which is "a cable operator that, directly or through an affiliate, serves in the aggregate fewer than 1 percent of all subscribers in the United States and is not affiliated with any entity or entities whose gross annual revenues in the aggregate exceed $250,000,000."[61] There are approximately 52,403,705 cable video subscribers in the United States today.[62] Accordingly, an operator serving fewer than 524,037 subscribers shall be deemed a small operator if its annual revenues, when combined with the total annual revenues of all its affiliates, do not exceed $250 million in the aggregate.[63] Based on available data, we find that all but nine incumbent cable operators are small entities under this size standard.[64] We note that the Commission neither requests nor collects information on whether cable system operators are affiliated with entities whose gross annual revenues exceed $250 million.[65] Although it seems certain that some of these cable system operators are affiliated with entities whose gross annual revenues exceed $250,000,000, we are unable at this time to estimate with greater precision the number of cable system operators that would qualify as small cable operators under the definition in the Communications Act.

20. **All Other Telecommunications**. **"**All Other Telecommunications" is defined as follows: This U.S. industry is comprised of establishments that are primarily engaged in providing specialized telecommunications services, such as satellite tracking, communications telemetry, and radar station operation. This industry also includes establishments primarily engaged in providing satellite terminal stations and associated facilities connected with one or more terrestrial systems and capable of transmitting telecommunications to, and receiving telecommunications from, satellite systems. Establishments providing Internet services or voice over Internet protocol (VoIP) services via client-supplied telecommunications connections are also included in this industry.[66] The SBA has developed a small business size standard for "All Other Telecommunications," which consists of all such firms with gross annual receipts of $32.5 million or less.[67] For this category, census data for 2007 show that there were 2,383 firms that operated for the entire year. Of these firms, a total of 2,346 had gross annual receipts of less than $25 million.[68] Thus, a majority of "All Other Telecommunications" firms potentially

---

[57] *See* SNL KAGAN at www.snl.com/interactiveX/top cableMSOs aspx?period2015Q1&sortcol=subscribersbasic&sortorder=desc.

[58] 47 C.F.R 76.901(c)

[59] *See* footnote 2, *supra*.

[60] August 5, 2015 report from the Media Bureau based on its research in COALS. *See* www.fcc.gov /coals.

[61] 47 C.F.R 901 (f) and notes ff. 1, 2, and 3.

[62] *See* SNL KAGAN at www.snl.com/interactivex/MultichannelIndustryBenchmarks.aspx.

[63] 47.901(f) and notes ff. 1, 2, and 3.

[64] *See* SNL KAGAN at www.snl.com/interactivex/TopCable MSOs.aspx.

[65] The Commission does receive such information on a case-by-case basis if a cable operator appeals a local franchise authority's finding that the operator does not qualify as a small cable operator pursuant to § 76.901(f) of the Commission's rules. *See* 47 C.F.R. § 76.901(f).

[66] http://www.census.gov/cgi-bin/ssssd/naics/naicsrch.

[67] 13 C.F.R 121.201; NAICS Code 517919

[68] http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ECN_2007_US_51SSSZ5&prodType=table.

affected by the rules adopted can be considered small.

D. Description of Projected Reporting, Recordkeeping and Other Compliance Requirements

21. This Report and Order does not adopt any new reporting, recordkeeping, or other compliance requirements.

E. Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered

22. The RFA requires an agency to describe any significant alternatives that it has considered in reaching its approach, which may include the following four alternatives, among others: (1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance or reporting requirements under the rule for small entities; (3) the use of performance, rather than design, standards; and (4) an exemption from coverage of the rule, or any part thereof, for small entities.[69]

23. This Report and Order does not adopt any new reporting requirements. Therefore no adverse economic impact on small entities will be sustained based on reporting requirements. There will be a regulatory fee instituted on DBS providers due to the adoption of a new fee category, but we anticipate that the two primary DBS companies required to pay these fees are not small entities. Similarly, a new regulatory fee for Responsible Organizations (RespOrg) has also been instituted in FY 2015 for the toll free number fee category that was previously adopted--the fee rate adopted is 12 cents per year. This is not a new reporting requirement, and should not have any adverse economic impact on small RespOrg. entities because they are able to recover these assessed fees from their customers.

24. In keeping with the requirements of the Regulatory Flexibility Act, we have considered certain alternative means of mitigating the effects of fee increases to a particular industry segment. For example, beginning in FY 2015 the Commission has increased the de minimis threshold from under $10 to $500 (the total of all regulatory fees), which will impact many small entities that pay regulatory fees for ITSP, paging, cellular, cable, and Low Power Television/FM Translators. Historically, many of these small entities have been late in making their fee payments to the Commission by the due date. This increase in the de minimis threshold to $500 will relieve regulatees both financially and administratively. Finally, regulatees may also seek waivers or other relief on the basis of financial hardship. *See* 47 C.F.R. §1.1166.

F. Federal Rules that May Duplicate, Overlap, or Conflict

25. None.

[69] 5 U.S.C. § 603(c)(1)–(c)(4).

APPENDIX H

FY 2014 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)	35
Microwave (per license) (47 CFR part 101)	15
218-219 MHz (Formerly Interactive Video Data Service) (per license) (47 CFR part 95)	80
Marine (Ship) (per station) (47 CFR part 80)	15
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)	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)	30
Amateur Vanity Call Signs (per call sign) (47 CFR part 97)	2.14
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) Local Multipoint Distribution Service (per call sign) (47 CFR, part 101)	715 715
AM Radio Construction Permits	590
FM Radio Construction Permits	750
Digital TV (47 CFR part 73) VHF and UHF Commercial	
Markets 1-10	44,650
Markets 11-25	42,100
Markets 26-50	26,975
Markets 51-100	15,600
Remaining Markets	4,750
Construction Permits	4,750
Satellite Television Stations (All Markets)	1,550

Fee Category	Annual Regulatory Fee (U.S. $'s)
Construction Permits – Satellite Television Stations	1,300
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)	605
Cable Television Systems (per subscriber) (47 CFR part 76), Including IPTV	.99
Interstate Telecommunication Service Providers (per revenue dollar)	.00343
Earth Stations (47 CFR part 25)	295
Space Stations (per operational station in geostationary orbit) (47 CFR part 25) also includes DBS Service (per operational station) (47 CFR part 100)	122,400
Space Stations (per operational system in non-geostationary orbit) (47 CFR part 25)	132,850
International Bearer Circuits - Terrestrial/Satellites (per 64KB circuit)	.21
International Bearer Circuits - Submarine Cable	See Table Below

FY 2014 SCHEDULE OF REGULATORY FEES: Maintain Allocation (continued)

FY 2014 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 2014 SCHEDULE OF REGULATORY FEES
International Bearer Circuits - Submarine Cable

Submarine Cable Systems (capacity as of December 31, 2013)	Fee amount
< 2.5 Gbps	$10,250
2.5 Gbps or greater, but less than 5 Gbps	$20,500
5 Gbps or greater, but less than 10 Gbps	$40,975
10 Gbps or greater, but less than 20 Gbps	$81,950
20 Gbps or greater	$163,900

APPENDIX I

Rule Changes

Part 1 of Title 47 of the Code of Federal Regulations is amended to read as follows:

PART 1 – PRACTICE AND PROCEDURE

1. The authority citation for part 1 continues to read as follows:
Authority: 15 U.S.C. 79 *et seq.*; 47 U.S.C. 151, 154(i), 154(j), 155, 157, 225, 303(r), 309.

2. Section 1.1152 is revised to read as follows:

§ 1.1152 Schedule of annual regulatory fees for wireless radio services.

Exclusive use services (per license)	**Fee Amount** [70]
1. Land Mobile (Above 470 MHz and 220 MHz Local, Base Station & SMRS) (47 CFR part 90)	
a)New, Renew/Mod (FCC 601 & 159)	$30.00
b) New, Renew/Mod (Electronic Filing) (FCC 601 & 159)	$30.00
c)Renewal Only (FCC 601 & 159)	$30.00
d)Renewal Only (Electronic Filing) (FCC 601 & 159)	$30.00
220 MHz Nationwide	$30.00
a)New, Renew/Mod (FCC 601 & 159)	
b)New, Renew/Mod (Electronic Filing) (FCC 601 & 159)	$30.00

[70] Note that "small fees" are collected in advance for the entire license term. Therefore, the annual fee amount shown in this table that is a small fee (categories 1 through 5) must be multiplied by the 5-or 10-year license term, as appropriate, to arrive at the total amount of regulatory fees owed. Also, application fees may apply as detailed in §1.1102 of this chapter.

c)Renewal Only (FCC 601 & 159)	$30.00
d)Renewal Only (Electronic Filing) (FCC 601 & 159)	$30.00

2. Microwave (47 CFR Pt. 101) (Private)

a)New, Renew/Mod (FCC 601 & 159)	$20.00
b)New, Renew/Mod (Electronic Filing) (FCC 601 & 159)	$20.00
c)Renewal Only (FCC 601 & 159)	$20.00
d)Renewal Only (Electronic Filing) (FCC 601 & 159)	$20.00

3. Shared Use Services

Land Mobile (Frequencies Below 470 MHz – except 220 MHz)

a)New, Renew/Mod (FCC 601 & 159)	$10.00
b) New, Renew/Mod (Electronic Filing) (FCC 601 & 159)	$10.00
c)Renewal Only (FCC 601 & 159)	$10.00
d)Renewal Only (Electronic Filing) (FCC 601 & 159)	$10.00

Rural Radio (Part 22)

a)New, Additional Facility, Major Renew/Mod (Electronic Filing)	$10.00

(FCC 601 & 159)

b)Renewal, Minor Renew/Mod (Electronic Filing) (FCC 601 & 159)	$10.00
Marine Coast	
a)New Renewal/Mod (FCC 601 & 159)	$35.00
b)New, Renewal/Mod (Electronic Filing) (FCC 601 & 159)	$35.00
c)Renewal Only (FCC 601 & 159)	$35.00
d)Renewal Only (Electronic Filing) (FCC 601 & 159)	$35.00
Aviation Ground	
a)New, Renewal/Mod (FCC 601 & 159)	$20.00
b)New, Renewal/Mod (Electronic Filing) (FCC 601 & 159)	$20.00
c)Renewal Only (FCC 601 & 159)	$20.00
d)Renewal Only (Electronic Only) (FCC 601 & 159)	$20.00
Marine Ship	
a)New, Renewal/Mod (FCC 605 & 159)	$15.00
b)New, Renewal/Mod (Electronic Filing) (FCC 605 & 159)	$15.00
c)Renewal Only (FCC 605 & 159)	$15.00

d)Renewal Only (Electronic Filing) (FCC 605 & 159)	$15.00
Aviation Aircraft a)New, Renew/Mod (FCC 605 & 159)	$10.00
b)New, Renew/Mod (Electronic Filing) (FCC 605 & 159)	$10.00
c)Renewal Only (FCC 605 & 159)	$10.00
d)Renewal Only (Electronic Filing) (FCC 605 & 159)	$10.00
4. CMRS Cellular/Mobile Services (per unit) (FCC 159)	$ .17[71]
5. CMRS Messaging Services (per unit) (FCC 159)	$ .08[72]
6. Broadband Radio Service (formerly MMDS and MDS)	$ 635
7. Local Multipoint Distribution Service	$ 635

3. Section 1.1153 is revised to read as follows:

§ 1.1153 Schedule of annual regulatory fees and filing locations for mass media services.

Radio [AM and FM] (47 CFR part 73)	**Fee Amount**
1. <u>AM Class A</u>	

[71] These are standard fees that are to be paid in accordance with § 1.1157(b) of this chapter.

[72] These are standard fees that are to be paid in accordance with § 1.1157(b) of this chapter.

	<=25,000 population	$775
	25,001-75,000 population	$1,550
	75,001-150,000 population	$2,325
	150,001-500,000 population	$3,475
	500,001-1,200,000 population	$5,025
	1,200,001-3,000,000 population	$7,750
	>3,000,000 population	$9,300
2.	AM Class B	
	<=25,000 population	$645
	25,001-75,000 population	$1,300
	75,001-150,000 population	$1,625
	150,001-500,000 population	$2,750
	500,001-1,200,000 population	$4,225
	1,200,001-3,000,000 population	$6,500
	>3,000,000 population	$7,800
3.	AM Class C	
	<=25,000 population	$590
	25,001-75,000 population	$900
	75,001-150,000 population	$1,200
	150,001-500,000 population	$1,800
	500,001-1,200,000 population	$3,000
	1,200,001-3,000,000 population	$4,500
	>3,000,000 population	$5,700
4.	AM Class D	
	<=25,000 population	$670
	25,001-75,000 population	$1,000
	75,001-150,000 population	$1,675
	150,001-500,000 population	$2,025
	500,001-1,200,000 population	$3,375
	1,200,001-3,000,000 population	$5,400
	>3,000,000 population	$6,750
5.	AM Construction Permit	$590
6.	FM Classes A, B1 and C3	
	<=25,000 population	$750
	25,001-75,000 population	$1,500
	75,001-150,000 population	$2,050
	150,001-500,000 population	$3,175
	500,001-1,200,000 population	$5,050
	1,200,001-3,000,000 population	$8,250
	>3,000,000 population	$10,500
7.	FM Classes B, C, C0, C1 and C2	
	<=25,000 population	$925
	25,001-75,000 population	$1,625
	75,001-150,000 population	$3,000
	150,001-500,000 population	$3,925

	500,001-1,200,000 population	$5,775
	1,200,001-3,000,000 population	$9,250
	>3,000,000 population	$12,025
8.	FM Construction Permits	$750

TV (47 CFR, part 73)
Digital TV (UHF and VHF Commercial Stations)

1.	Markets 1 thru 10	$46,825
2.	Markets 11 thru 25	$43,200
3.	Markets 26 thru 50	$27,625
4.	Markets 51 thru 100	$16,275
5.	Remaining Markets	$ 4,850
6.	Construction Permits	$ 4,850

Satellite UHF/VHF Commercial

1.	All Markets	$1,575

Low Power TV, Class A TV, TV/FM Translator, & TV/FM Booster (47 CFR part 74)	$ 440

4. Section 1.1154 is revised to read as follows:

§ 1.1154 Schedule of annual regulatory charges for common carrier services.

Radio Facilities		**Fee Amount**
1.	Microwave (Domestic Public Fixed) (Electronic Filing) (FCC Form 601 & 159)	$20.00

Carriers

1.	Interstate Telephone Service Providers (per interstate and international end-user revenues (see FCC Form 499-A)	$ .00331
2.	Toll Free Number Fee	$.12 per Toll Free Number

5. Section 1.1155 is revised to read as follows:

§ 1.1155 Schedule of regulatory fees for cable television services.

Fee Amount

1. Cable Television Relay Service $660

2. Cable TV System, Including IPTV (per subscriber) $ 0.96

3. Direct Broadcast Satellite (DBS) $.12 per subscriber

6. Section 1.1156 is revised to read as follows:

§ 1.1156 Schedule of regulatory fees for international services.

a. The following schedule applies for the listed services:

Fee Category	Fee Amount
Space Stations (Geostationary Orbit)	$119,150
Space Stations (Non-Geostationary Orbit)	$132,125
Earth Stations: Transmit/Receive & Transmit only (per authorization or registration)	$310

b. *International Terrestrial and Satellite*. Regulatory fees for International Bearer Circuits are to be paid by facilities-based common carriers that have active (used or leased) international bearer circuits as of December 31 of the prior year in any terrestrial or satellite transmission facility for the provision of service to an end user or resale carrier, which includes active circuits to themselves or to their affiliates. In addition, non-common carrier satellite operators must pay a fee for each circuit 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. In addition, whether circuits are used specifically for voice or data is not relevant in determining that they are active circuits.

The fee amount, per active 64 KB circuit or equivalent will be determined for each fiscal year.

International Terrestrial and Satellite (capacity as of December 31, 2014)	Fee Amount
Terrestrial Common Carrier Satellite Common Carrier Satellite Non-Common Carrier	$0.03 per 64 KB Circuit

c. *Submarine cable:* Regulatory fees for submarine cable systems will be paid annually, per cable landing license, for all submarine cable systems operating as of December 31 of the prior year. The fee amount will be determined by the Commission for each fiscal year.

Submarine Cable Systems (capacity as of Dec. 31, 2014)	Fee Amount
< 2.5 Gbps	$7,175
2.5 Gbps or greater, but less than 5 Gbps	$14,350
5 Gbps or greater, but less than 10 Gbps	$28,675
10 Gbps or greater, but less than 20 Gbps	$57,350
20 Gbps or greater	$114,700