# Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of	)	
Assessment and Collection of Space and Earth Station Regulatory Fees for Fiscal Year 2024	) )	MD Docket No. 24-85
Review of the Commission's Assessment and Collection of Regulatory Fees for Fiscal Year 2024	)	MD Docket No. 24-86
	)	

#### REPORT AND ORDER

Adopted: June 13, 2024 Released: June 13, 2024

By the Commission:

#### I. INTRODUCTION

1. Pursuant to section 9 of the Communications Act of 1934, as amended,¹ (Communications Act or Act), we adopt a methodology change for one category of fee payors and include a type of space station in an existing category on an interim basis. These changes will be effective for the fiscal year 2024 (FY 2024) assessment and collection of regulatory fees.² Specifically, we adopt a new methodology for assessing regulatory fees for small satellites and spacecraft licensed under sections 25.122 and 25.123 of our rules,³ and include space stations that are principally used for Rendezvous & Proximity Operations (RPO) or On-Orbit Servicing (OOS), including Orbit Transfer

<sup>&</sup>lt;sup>1</sup> 47 U.S.C. § 159 (requiring the Commission to assess and collect regulatory fees to recover the costs of carrying out its activities in the total amounts provided for in Appropriations Acts); 47 U.S.C. § 159A (various provisions applicable to application and regulatory fees, e.g., notice to Congress and waiver provisions).

<sup>&</sup>lt;sup>2</sup> The Commission has sought comment on the assessment and collection of all FCC regulatory fees for FY 2024. *See Review of the Commission's Assessment and Collection of Regulatory Fees for Fiscal Year 2024*, Second Notice of Proposed Rulemaking, MD Docket No. 24-86, FCC 24-68 (Jun. 13, 2024) (FY 2024 Regulatory Fees NPRM).

<sup>&</sup>lt;sup>3</sup> 47 CFR §§ 25.122 and 25.123. The methodology for assessing fees for small satellites was adopted in 2022. *Assessment and Collection of Regulatory Fees for Fiscal Year 2021, Assessment and Collection of Regulatory Fees for Fiscal Year 2022*, Report and Order and Notice of Proposed Rulemaking, 37 FCC Rcd. 7003 (2022). A "small satellite" is an non-geostationary orbit (NGSO) space station eligible for authorization under the application process described in § 25.122, and a "small spacecraft" is an NGSO space station operating beyond Earth's orbit that is eligible for authorization under the application process described in section 25.123. 47 CFR § 25.103. Throughout this *Report and Order*, we use the terms "space station," "satellite," and "spacecraft." "Space station" is defined in the Commission's rules as "[a] station" located on an object which is beyond, is intended to go beyond, or has been beyond, the major portion of the Earth's atmosphere." 47 CFR §§ 2.1, 25.103. The Commission's rules define "satellite" as "[a] body which revolves around another body of preponderant mass, and which has a motion primarily and permanently determined by the force of attraction of that other body." 47 CFR § 2.1. In this *Report and Order*, we refer only to artificial satellites. The Commission's rules define "spacecraft" as "[a] man-made vehicle which is intended to go beyond the major portion of the Earth's atmosphere." 47 CFR § § 2.1, 25.103. These terms are used interchangeably in this *Report and Order*, but we observe that "satellite" and "spacecraft" are more broadly defined than "space station."

Vehicles (OTV),<sup>4</sup> in the existing fee category for "small satellites" on an interim basis until the Commission can develop more experience in how these space stations will be regulated. For the reasons discussed below, we find that these changes better serve the requirements and purpose of section 9 of the Act, and there is unopposed support in the record for adoption of these two proposals in time for the changes to be effective for FY 2024.

2. At this time, we defer action on other proposals made in the Notice of Proposed Rulemaking that was adopted and released on March 13, 2024.<sup>5</sup> We are continuing to consider the other proposals in light of the record received on those issues and will decide which, if any, may benefit from further development of the record. We anticipate acting on the remaining proposals in the *Space and Earth Station Regulatory Fees NPRM* in the near term.<sup>6</sup>

### II. BACKGROUND

3. Section 9 of the Act obligates the Federal Communications Commission (Commission or FCC) to assess and collect regulatory fees each year in an amount that can reasonably be expected to equal the amount of its annual salaries and expenses (S&E) appropriation.<sup>7</sup> Thus, the Commission has no discretion regarding the total amount to be collected in any given fiscal year. In accordance with the statute, each year the Commission proposes adjustments to the prior fee schedule under section 9(c) to "(A) reflect unexpected increases or decreases in the number of units subject to the payment of such fees; and (B) result in the collection of the amount required" by the Commission's annual appropriation.<sup>8</sup> The Commission will also propose amendments to the fee schedule under section 9(d) "if the Commission determines that the schedule requires amendment so that such fees reflect the full-time equivalent number of employees within the bureaus and offices of the Commission, adjusted to take into account factors that

<sup>&</sup>lt;sup>4</sup> OOS and RPO missions can include satellite refueling, inspecting and repairing in-orbit spacecraft, capturing and removing debris, and transforming materials through manufacturing while in space. *Assessment and Collection of Regulatory Fees for Fiscal Year 2023*, MD Docket No. 23-159, Report and Order, FCC 23-66, 2023 WL 5197492 at \*33, para. 108 (Aug. 10, 2023) (*FY 2023 Report and Order*).

<sup>&</sup>lt;sup>5</sup> Assessment and Collection of Space and Earth Station Regulatory Fees for Fiscal Year 2024, MD Docket No. 24-85; Review of the Commission's Assessment and Collection of Regulatory Fees for Fiscal Year 2024, MD Docket No. 24-86, Notice of Proposed Rulemaking, FCC 24-31 (Mar. 13, 2024) (Space and Earth Station Regulatory Fees NPRM).

<sup>&</sup>lt;sup>6</sup> Because of the short window each year for our regulatory fee proceeding, it is not unusual for the Commission to adopt proposals over time or seek further notice on certain items to further distill the legal and factual issues. As the Commission observed previously, in regulatory fee matters, the Commission proceeds "with careful consideration and make[s] changes in our process only after fully developing the record. This may mean . . . that the Commission considers the adoption of a new fee category or a change in categories multiple times and only proceeds with making a change when it develops sufficient basis for making the change. This meticulous approach to making changes moreover serves the goal of ensuring that our actions in assessing regulatory fees are fair, administrable, and sustainable." *Assessment and Collection of Regulatory Fees for Fiscal Year 2020, Assessment and Collection of Regulatory Fees for Fiscal Year 2019*, Report and Order and Notice of Proposed Rulemaking, 35 FCC Rcd 4976, 4979-80, para. 8 (2020).

<sup>&</sup>lt;sup>7</sup> 47 U.S.C. § 159(a), (b). The regulatory fee collection is guided by both the statutory authority in sections 6 and 9 of the Communications Act, 47 U.S.C. §§ 156, 159, and the explicit language of each fiscal year's S&E appropriation directing the amount to be collected as an offsetting collection. *See* Further Consolidation Appropriations Act, 2024, Pub. L. No. 118-47, Division B—Financial Services and General Government Appropriations Act, 2024 (FY 2024 Consolidated Appropriations Act).

<sup>&</sup>lt;sup>8</sup> 47 U.S.C. § 159(c). For example, if the number of units in a regulatory fee category increases, the amount due per unit may decrease. This would also include proportionate increases in a given fee category to reflect an overall increase in the annual FY appropriation. It is rare, however, for the Commission to solely propose adjustments under section 9(c). Pursuant to section 9A(b)(1) of the Act, the Commission must notify Congress immediately upon adoption of any adjustment under section 9(c) of the Act. 47 U.S.C. § 159A(b)(1).

are reasonably related to the benefits provided to the payor of the fee by the Commission's activities." In administering our regulatory fee program, the agency strives to adhere to the goals of ensuring that the program is fair, administrable, and sustainable. 10

4. The Commission released the *Space and Earth Station Regulatory Fees NPRM* on March 13, 2024, which initiated an examination and review of regulatory fees for space and earth station payors that are regulated by the new Space Bureau.<sup>11</sup> When the Commission adopted regulatory fees for FY 2023, it noted that it would be the last year for doing so using the nomenclature of certain fee payors being regulated by the International Bureau. The Commission noted that the creation of the Space Bureau and Office of International Affairs could result in changes in the assessment of regulatory fees for space and earth station fee payors resulting from changes in FTEs,<sup>12</sup> due to increased oversight on various relevant industries.<sup>13</sup> The Commission anticipated that the changes in the industry that resulted in the creation of the Space Bureau would likely also result in changes in the relative FTE burdens between and among space and earth station fee payors.<sup>14</sup> Accordingly, the Commission sought comment in the *Space and Earth Station Regulatory Fees NPRM* on a range of proposed changes related to the assessment of regulatory fees for space and earth stations under our existing regulatory fee methodology, as well as under a proposed alternative methodology for assessing space station regulatory fees.<sup>15</sup>

<sup>&</sup>lt;sup>9</sup> 47 U.S.C. § 159(d). Pursuant to section 9A(b)(2) of the Act, the Commission must notify Congress at least 90 days prior to making effective any amendments under section 9(d) of the Act. 47 U.S.C. § 159A(b)(2). Amendments under section 9(d) would need to be notified to Congress in early June 2024 to satisfy this requirement before end of the fiscal year on September 30, 2024.

<sup>&</sup>lt;sup>10</sup> See Procedures for Assessment and Collection of Regulatory Fees, Notice of Proposed Rulemaking, 27 FCC Rcd 8458, 8464-8465 paras. 14-16 (2012) (explanation of the three longstanding program goals). The Commission, however, has explained that such application of our overarching program goals must work within the language of the statute. *Id.* Moreover, in administering the fee regulatory program, we are also mindful of other general limits of fee authority. See National Cable Television Ass'n v. United States, 415 U.S. 336, 340-41 (1974) (construing Independent Offices Appropriations Act) (IOAA)); see also National Cable Television Ass'n v. FCC, 554 F.2d 1094, 1106 & n.42 (D.C. Cir. 1976). We are mindful that IOAA no longer applies to the Commission. See House of Representatives Report No. 99-453 (1985) at page 433 (noting the significance of National Cable and explaining that IOAA no longer applies to the Commission with the passage of other specific fee authority, application fees, in COBRA-85). We, nevertheless, are cognizant of broader legal issues raised by user fee and/or regulatory fee precedent.

<sup>&</sup>lt;sup>11</sup> Space and Earth Station Regulatory Fees NPRM at para. 3. The Space and Earth Station Regulatory Fees NPRM was published in the Federal Register on March 25, 2024. See 89 Fed. Reg. 20582 (Mar. 25, 2024). Effective April 10, 2023, the Commission eliminated the International Bureau, established a new Space Bureau and a new Office of International Affairs, and reallocated the International Bureau's authorities and functions between the Space Bureau and the Office of International Affairs. Establishment of the Space Bureau and the Office of International Affairs and Reorganization of the Consumer and Governmental Affairs Bureau and the Office of the Managing Director, MD Docket No. 23-12, Order, 38 FCC Rcd 608 (2023) (Space Bureau Order).

<sup>&</sup>lt;sup>12</sup> 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. *See generally* Executive Office of the President, Office of Management and Budget, Circular No. A-11, Preparation, Submission, and Execution of the Budget (August 2022), <a href="https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf">https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf</a>. *See* section 85.5(c) for a detailed explanation of how FTEs are calculated. In this proceeding when we state that 1.5 FTEs work on a particular subject matter, that might mean three individuals spend 50% of their time on that area. Moreover, any change in FTE allocation described here is solely for regulatory fee purposes and does not reflect any change of personnel in the various organizational work units.

<sup>&</sup>lt;sup>13</sup> FY 2023 Report and Order at \*22, para. 72.

<sup>&</sup>lt;sup>14</sup> FY 2023 Report and Order at \*32, para. 106.

<sup>&</sup>lt;sup>15</sup> Space and Earth Station Regulatory Fees NPRM at paras. 3-4.

- 5. Comments in response to the *Space and Earth Station Regulatory Fees NPRM* were due on April 12, 2024, and replies were due on April 29, 2024. We received 16 comments and 17 reply comments.<sup>16</sup> In addition, several entities made presentations to the Commission pursuant to our rules governing *ex parte* communications.<sup>17</sup>
- 6. In addition, on June 13, 2024, the Commission released the *FY 2024 Regulatory Fees NPRM*, seeking comment on the Commission's proposed methodology and regulatory fees for FY 2024. The *FY 2024 Regulatory Fees NPRM* does not seek comment again on the methodology for assessing space and earth station regulatory fees; rather, it seeks comment on the proposed regulatory fee rates for space and earth station payors for FY 2024 that were based on the existing methodology used in FY 2023 and also the proposals set forth in the *Space and Earth Station Regulatory Fees NPRM*. The proposed regulatory fee rates are set forth in Appendices A, B, and E of the *FY 2024 Regulatory Fees NPRM*. Comments in response to the *FY 2024 Regulatory Fees NPRM* are due on July 15, 2024, and reply comments are due on July 29, 2024.

### III. DISCUSSION

7. We adopt at this time two proposals made in the *Space and Earth Station Regulatory Fees NPRM*: amending the methodology for assessing fees for small satellites, and including space stations that are principally used for Rendezvous & Proximity Operations or On-Orbit Servicing, as well as Orbit Transfer Vehicles, in the existing fee category for "small satellites" on an interim basis. Commenters express strong support in the record for adoption of these two proposals, and no comments oppose adoption of these proposals. Accordingly, we adopt these proposals to be effective for FY 2024, for the reasons set forth below.

## A. Adoption of New Methodology for Assessing Fees for Small Satellites

8. We adopt the proposal in the *Space and Earth Station Regulatory Fees NPRM* to set the regulatory fee for "Space Stations (per license/call sign in non-geostationary orbit) (47 CFR part 25) (Small Satellite)" for FY 2024 at the level set for FY 2023 (\$12,215), with annual adjustments thereafter to reflect the percentage change in the FCC appropriation, unit count, and FTE allocation percentage from

<sup>&</sup>lt;sup>16</sup> The following entities filed comments: Anuvu Licensing Holdings, LLC (Anuvu); Astro Digital US, Inc.; Astroscale U.S., Inc. (Astroscale); Blue Origin, LLC (Blue Origin); Commercial Smallsat Spectrum Management Association (CSSMA); Intelsat License LLC (Intelsat); Kepler Communications Inc. (Kepler); Kinéis; Myriota Pty. Ltd. (Myriota); NCTA – The Internet & Television Association (NCTA); Planet Labs PBC; SES Americom, Inc., O3b Limited, and their affiliates (SES); Space Exploration Holdings, LLC (SpaceX); Telesat Canada (Telesat); Varda Space Industries, Inc. (Varda); and WorldVu Satellites Limited and Eutelsat S.A. (Eutelsat Group). The following entities filed reply comments: CONFERS; EchoStar Corporation and DIRECTV, LLC; Intelsat; Iridium Constellation LLC; Kepler; Kinéis; Kuiper Systems LLC; Maxar Technologies Inc.; Myriota; National Association of Broadcasters; NCTA; SES; SpaceX; Telesat; Vast Space, LLC (Vast); Viasat, Inc. (Viasat); and Eutelsat Group.

<sup>&</sup>lt;sup>17</sup> See, e.g., Letters from Jameson Dempsey, Director, Satellite Policy, SpaceX, to Marlene H. Dortch, Secretary, FCC, dated May 9, 2024 and May 24, 2024; Letters from W. Ray Rutngamlug, Associate General Counsel, Intelsat, to Marlene H. Dortch, Secretary, FCC, dated May 16, 2024, May 28, 2024, June 3, 2024, and June 11, 2024; Letter from Jarrett S. Toubman, VP & Deputy Chief Government Affairs and Regulatory Officer, and Christopher D. Bair, Associate General Counsel, Government Affairs and Regulatory, Viasat, to Marlene H. Dortch, Secretary, FCC, dated May 16, 2024; Letter from James S. Blitz, Senior Vice President, Regulatory Counsel, Sirius XM Radio Inc., to Marlene H. Dortch, Secretary, FCC, dated May 22, 2024; Letter from Will Lewis, Counsel to Myriota Pty. Ltd., to Marlene H. Dortch, Secretary, FCC, dated May 28, 2024; Letter from Cynthia J Grady, Assistant General Counsel, Intelsat, to Marlene H. Dortch, Secretary, FCC, dated May 28, 2024; Letter of Suzanne Malloy, SES, to Marlene H. Dortch, Secretary, FCC, dated June 7, 2024.

<sup>&</sup>lt;sup>18</sup> See generally FY 2024 Regulatory Fees NPRM.

<sup>&</sup>lt;sup>19</sup> *Id*. at para. 17.

the previous fiscal year.<sup>20</sup> Comments received in response to the *Space and Earth Station Regulatory Fees NPRM* support adoption of this proposal,<sup>21</sup> and no party opposes it.

- 9. As observed in the *Space and Earth Station Regulatory Fees NPRM*,<sup>22</sup> the small satellite fee rate is currently calculated by taking the average of the calculated fee rate for space stations in the Space Stations (Non-Geostationary Orbit)—Other ("NGSO-Other") and Space Stations (Non-Geostationary Orbit)—Less Complex ("NGSO-Less Complex") categories, multiplying this average by 5% (1/20) and rounding it to the nearest \$5.<sup>23</sup> The small satellite fee rate is then multiplied by the number of small satellite units and deducted from the share of space station regulatory fees allocated to non-geostationary orbit (NGSO) space stations.<sup>24</sup> This remaining amount is then divided between NGSO-Other and NGSO-Less Complex based on an 80/20 split and reduced from the target goals of NGSO-Other and NGSO-Less Complex respectively.<sup>25</sup> Because the small satellite fee is based on the fees assessed for NGSO-Other and NGSO-Less Complex categories, the increased fees expected for these two categories could lead to greatly increased fees for the small satellite regulatory fee category beginning in FY 2024 if the current method for assessing regulatory fees for small satellites is unchanged.<sup>26</sup>
- As the Space and Earth Station Regulatory Fees NPRM noted, the FTE burden arising 10. from licensing and regulating small satellite matters has not increased since FY 2023.<sup>27</sup> The additional FTE resources allocated to the Space Bureau are not intensively involved in the licensing and regulatory oversight of small satellites. As a result, the overall percentage of FTE burden for small satellites is less than the 1/20th burden of NGSO space stations previously estimated.<sup>28</sup> For this reason, we will continue to use the FY 2023 regulatory fee for FY 2024. We find that the regulatory fee for small satellites established for FY 2023 appropriately estimates the benefits received by such fee payors from the FTEs spent on licensing and regulating small satellites, without analyzing the FTE benefits as a proportion of another category of space station. In addition, the proposals made in the Space and Earth Station Regulatory Fees NPRM to create subcategories within the NGSO-Other category for "small" and "large" constellations would add to the complexity of calculating the appropriate share of FTE resources allocated to small satellites, if those proposals were to be adopted.<sup>29</sup> This added complexity does not correspond to any additional benefit to the calculation of FTE resources allocated to small satellites. Furthermore, separation of the methodology for assessing regulatory fees for small satellites from the regulatory fees for NGSO space stations permits freer consideration of the appropriate regulatory fee categories for

<sup>24</sup> *Id*.

<sup>&</sup>lt;sup>20</sup> Space and Earth Station Regulatory Fees NPRM at paras. 44-45.

<sup>&</sup>lt;sup>21</sup> Astroscale Comments at 4; Blue Origin Comments at 5; CONFERS Reply at 2; Vast Reply at 2.

<sup>&</sup>lt;sup>22</sup> Space and Earth Station Regulatory Fees NPRM at para. 9.

<sup>&</sup>lt;sup>23</sup> *Id*.

<sup>&</sup>lt;sup>25</sup> *Id*.

<sup>&</sup>lt;sup>26</sup> *Id.* at para. 44.

<sup>&</sup>lt;sup>27</sup> *Id.* at para. 45.

<sup>&</sup>lt;sup>28</sup> *Id*.

<sup>&</sup>lt;sup>29</sup> *Id.* at paras. 28-35. In reviewing any particular methodology, it is important to note that 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). Instead, 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). Thus, adopting a complex methodology without a clear showing that it facilitates the achievement of the Commission's overarching goals of a fair, administrable, and sustainable regulatory fee program is not consistent with our program goals or required by the statute.

NGSO space stations without necessitating consideration of potential unintended consequences for small satellite fee payors.

11. For FY 2024, we do not make any other changes to how small satellite regulatory fees are incorporated into the existing methodology for assessing space station regulatory fees. That is, we will continue to multiply the per unit regulatory fee for small satellites by the number of small satellite units for the fiscal year and deduct this amount from the NGSO share of space station regulatory fees, divided between NGSO-Other and NGSO-Less Complex based on an 80/20 split and reduced from the target goals of NGSO-Other and NGSO-Less Complex respectively.<sup>30</sup> We will implement the changes to the methodology for assessing fees for small satellites made herein as part of the order adopting FCC-wide regulatory fees for FY 2024.<sup>31</sup>

# B. Interim Assessment of Regulatory Fees on RPO, OOS, and OTV as Small Satellites

- 12. We adopt the proposal made in the *Space and Earth Station Regulatory Fees NPRM* to assess regulatory fees on spacecraft primarily performing Rendezvous and Proximity Operations (RPO) and On-Orbit Servicing (OOS) by including them in the existing regulatory fee category "Space Stations (per license/call sign in non-geostationary orbit) (Small Satellites)," on an interim basis, regardless of the orbit in which they are designed to operate. RPO and OOS missions can include satellite refueling, inspecting and repairing in-orbit spacecraft, capturing and removing debris, and transforming materials through manufacturing while in space.<sup>32</sup> We also conclude that it is appropriate to assess regulatory fees on Orbital Transfer Vehicles (OTV) in the same manner. The record in this proceeding supports adoption of these proposals, effective for FY 2024, and no party opposes adoption.<sup>33</sup>
- 13. The Commission has adopted the following regulatory fee categories for space stations: Space Stations (Geostationary Orbit); Space Stations (Non-Geostationary Orbit)-Less Complex; Space Stations (Non-Geostationary Orbit)-Other; and Space Station (Small Satellites).<sup>34</sup> Currently, due to the nascent nature of OOS and RPO industry, or more generally "in-space servicing" industries, the Commission has not adopted a distinct regulatory fee category for such operations, despite that fact that spacecraft have begun to operate under part 25 of the Commission's rules for radiocommunications while conducting these types of operations.<sup>35</sup> Previously, we determined that the record was insufficiently

<sup>&</sup>lt;sup>30</sup> Although the *Space and Earth Station Regulatory Fees NPRM* proposed, under the alternative fee methodology proposal, to subtract the amount of small satellite regulatory fees from the amount to be assessed on all remaining space station payors regardless of orbit utilized, *see Space and Earth Station Regulatory Fees NPRM* at para. 78, we defer action on this proposal until such time as we are able to act on proposals for assessing space station regulatory fees either under the alternative methodology or under the amended existing methodology.

<sup>&</sup>lt;sup>31</sup> We note that the change of methodology for assessing fees for small satellites affects only other space station fee payors and should not substantially impact the proposed fee rates for other space station fee payors, given the small share of fees collected for small space station fee payors under both the prior and new methodology.

<sup>&</sup>lt;sup>32</sup> FY 2023 Report and Order at \*33, para. 108.

<sup>&</sup>lt;sup>33</sup> Astroscale Comments at 1; CONFERS Reply at 2; Varda Comments at 3 (endorsing proposal to assess fees on RPO, OOS, and OTV space stations on an interim basis using the small satellite fee category, if the Commission finds that such space stations warrant a regulatory fee); Vast Reply at 2-3.

<sup>34 47</sup> CFR § 1.1156(a).

<sup>&</sup>lt;sup>35</sup> Space and Earth Station Regulatory Fees NPRM at paras. 48-50. To date, the former International Bureau's Satellite Division (Division) has authorized two spacecraft for communications while conducting these types of operations with GSO satellites. Space Logistics, LLC, IBFS File No. SAT-LOA-20170224-00021; Call Sign S2990 (granted Jun. 20, 2019) (MEV-1); Space Logistics, LLC, IBFS File No. SAT-LOA-20191210-00144; Call Sign S3059 (granted Mar. 25, 2020) (MEV-2). The Division also authorized on an STA basis several U.S. earth stations to communicate with the non-U.S-licensed NGSO spacecraft for telemetry, tracking and command operations during a mission involving RPO. See, e.g., IBFS File Nos. SES-STA-20200113-00043, SES-STA-20200811-00859, SES-STA-20200117-00055.

complete to adopt a separate regulatory fee category for spacecraft performing OOS and RPO.36 In the Space and Earth Station Regulatory Fees NPRM, we explained that it is not appropriate to assess regulatory fees on RPO, OOS, and OTV space stations under existing regulatory fee categories for Space Stations (Geostationary orbit) or Space Stations (Non-Geostationary Orbit) – Other or Less Complex because the regulatory burden of RPO, OOS, and OTV space stations is currently far less than that of other geostationary orbit (GSO) and NGSO space stations in those existing fee categories.<sup>37</sup> As we stated in the Space and Earth Station Regulatory Fees NPRM, we believe that further delay in addressing the appropriate regulatory fee is no longer appropriate even where, as here, we have not adopted a separate regulatory category for this type of operation. We tentatively concluded in the Space and Earth Station Regulatory Fees NPRM that the regulatory burden of RPO, OOS, and OTV space stations is more similar to that presented by small satellite space station licensees. For instance, these type of licensees are few in number and involve a relatively small number of space stations that have limited duration and scope of use, and operate using shared spectrum resources, which require far fewer FTE resources to license and regulate.<sup>38</sup> We adopt our tentative conclusion that the existing small satellite regulatory fee category is the most appropriate category to apply until such time as the Commission determines that separate fee categories for RPO, OOS, and OTV space stations are appropriate.<sup>39</sup> Moreover, we agree with comments that the Commission will be in a better position to adopt separate new fee categories, if appropriate, for RPO, OOS, and OTV space stations after it gains more experience with their licensing and regulation.<sup>40</sup>

14. Solely for the purpose of assessing regulatory fees, we will include space stations primarily performing RPO and OOS, as well as OTVs, within the existing Space Stations (Small Satellite) regulatory fee category, on an interim basis, rather than creating a new regulatory fee category for RPO, OOS, and OTV space stations. The International Bureau and Space Bureau have considered applications for RPO, OOS, and OTV space stations and issued licenses for such space stations under the existing regulatory framework of part 25 of the Commission's rules,<sup>41</sup> and such stations are already operational and subject to payment of regulatory fees. Given this immediate need to assess regulatory fees on RPO, OOS, and OTV space stations now and in the near future, we conclude that the purposes of section 9 of the Act would be best met by assessing regulatory fees on an interim basis under the existing category of

<sup>&</sup>lt;sup>36</sup> Space and Earth Station Regulatory Fees NPRM at para. 48.

<sup>&</sup>lt;sup>37</sup> *Id.* at para. 51. It is possible that, in the future, the regulatory burden of RPO, OOS, and OTV space stations may significantly increase and justify revisiting the regulatory burden presented by these types of operations.

<sup>&</sup>lt;sup>38</sup> *Id*.

<sup>&</sup>lt;sup>39</sup> Regulatory fee categories need not be unduly granular. The overall goal is to group fee payors into categories overseen by the same Bureau or Office that represent the same regulatory burden on the agency. Thus, fee categories need not be drawn narrowly and all the entities within a category do not need to be regulated identically. For example, in 2015, the Commission explained that the fee category Interstate Telecommunications Service Providers (ITSP), also include a range of carriers that may not be regulated identically. So when interconnected Voice over Internet Protocol (VoIP) providers were added to the ITSP, the Commission observed that "the costs and benefits associated with our regulation of interconnected VoIP providers are not identical as those associated with regulating interstate telecommunications service and CMRS." *Assessment and Collection of Regulatory Fees for Fiscal Year 2015*, Notice of Proposed Rulemaking, Report and Order, and Order, 30 FCC Rcd. 5354, 5369, para. 33 (*citing Assessment and Collection of Regulatory Fees for Fiscal Year 2007*, Report and Order and Further Notice of Proposed Rulemaking, 22 FCC Rcd 15712, 15719, para. 19 (2007). The key is whether the FTE burden imposed on the Commission is sufficiently similar that the including the different types of fee payors in one regulatory fee category is a reasonable mechanism for assessing fees on a particular group of entities. *Id*.

<sup>&</sup>lt;sup>40</sup> Blue Origin Comments at 3; Vast Reply at 3 ("In line with the Commission's views on RPO, OOS, and OTV spacecraft, Vast supports the Commission's efforts to allow its record of licensing the communications of spacecraft performing novel space activities to further mature before creating any new regulatory fee categories for such space stations.")

<sup>&</sup>lt;sup>41</sup> See, e.g., Space Logistics LLC, IBFS File No. SAT-LOA-20191210-00144 (granted Mar. 25, 2020); Space Logistics LLC, IBFS File No. SAT-LOA-20170224-00021 (granted June 20, 2019).

fees associated with the least-burdensome set of space station regulatees. We believe this approach is preferable to waiting for additional experience and, in the interim, potentially subjecting existing RPO, OOS, and OTV space stations subject to regulatory fees that do not reflect the amount of regulatory work required by these nascent services. As we gain more experience with the regulation of RPO, OOS, OTV space stations, we will be in a better position to decide if we should adopt a new, separate fee category for RPO, OOS, and OTV space stations or make any further modifications.

- satellite fee category regardless of the orbit utilized.<sup>42</sup> We affirm the tentative conclusion in the *Space and Earth Station Regulatory Fees NPRM*,<sup>43</sup> and agree with comments,<sup>44</sup> that the rationale above for using the small satellite regulatory fee category to assess fees on RPO, OOS, and OTV space stations applies regardless of whether the RPO, OOS, or OTV space stations operate in geostationary or non-geostationary orbit. We also adopt the proposal to assess the regulatory fee for RPO, OOS, and OTV space stations on a "per license/call sign" basis as is the case for small satellites payors, rather than on the "per system" basis used for Space Stations (Non-geostationary Orbit).<sup>45</sup> Although no party commented on this proposal, we conclude that the reasons that supported assessing regulatory fees on small satellites on a "per license/call sign" basis support treating RPO, OOS, and OTV space stations in the same manner.<sup>46</sup> We will implement the changes to the methodology for assessing fees for RPO, OOS, and OTV space stations adopted herein as part of the order adopting FCC-wide regulatory fees for FY 2024.
- 16. At this time, we decline to assess regulatory fees on all "ISAM space stations" using the small satellite fee category, as proposed in some comments in this proceeding.<sup>47</sup> In 2022, the Commission initiated a Notice of Inquiry regarding the regulatory needs related to in-space servicing, assembly, and manufacturing or "ISAM" that could include such services as RPO and OOS.<sup>48</sup> The Commission has since adopted a Notice of Proposed Rulemaking seeking comment on a framework for

<sup>&</sup>lt;sup>42</sup> We note that small satellites are limited to NGSO operations under our part 25 rules, and we continue to stress that we do not propose or suggest that RPO, OOS, or OTV space stations would meet the definition of a "small satellite" or "small spacecraft" under our part 25 rules by adopting the proposal to assess RPO, OOS, and OTV space stations using the existing small satellite fee category, regardless of the orbit utilized. *See Space and Earth Station Regulatory Fees NPRM* at para. 53.

<sup>&</sup>lt;sup>43</sup> Space and Earth Station Regulatory Fees NPRM at para. 53.

<sup>&</sup>lt;sup>44</sup> See Blue Origin Comments at 3 (arguing that small satellite licenses are the appropriate baseline against which to assess regulatory fees for RPO, OOS, OTV space stations, regardless of whether the application is for GSO or NGSO operations).

<sup>&</sup>lt;sup>45</sup> The fee assessed for Space Stations (Non-Geostationary Orbit), either Less Complex or Other, is per "system" of satellites with no limit on the number of satellites per system. This unit of assessment reflects the ability of applicants to apply for, and be authorized to operate, a "system" of NGSO space stations with no limit on the number of space stations per system. Each initial application for authority is granted under a single "call sign" as a regulatory identifier. In many cases the Commission has assessed a single regulatory fee for an NGSO system consisting of space stations requested and authorized under different call signs. *See Space and Earth Station Regulatory Fees NPRM* at para. 29. In contrast, fees for Space Stations (Small Satellites) are assessed per license/call sign, which can include up to 10 satellites or spacecraft. *Id.* at para. 10.

<sup>&</sup>lt;sup>46</sup> See Assessment and Collection of Regulatory Fees for Fiscal Year 2021, Assessment and Collection of Regulatory Fees for Fiscal Year 2022, Report and Order and Notice of Proposed Rulemaking, 37 FCC Rcd. 7003, 7019 para. 37 (2022) (observing the correlation between the time spent by FTEs in regulating small satellites and the number of licenses for a small satellite system when issuing multiple licenses to a small satellite operator, and the expectation that a per-license fee basis will be more efficient and administrable because it avoids potential complications and additional FTE time spent in determining whether various sets of small satellites are part of the same "system.").

<sup>&</sup>lt;sup>47</sup> See Astroscale Comments at 2; CONFERS Reply at 1-2. ISAM refers to in-space, servicing, assembly, and manufacturing.

<sup>&</sup>lt;sup>48</sup> See Space Innovation; Facilitating Capabilities for In-space Servicing, Assembly, and Manufacturing, Notice of Inquiry, 37 FCC Red 10022 (2022).

licensing ISAM space stations.<sup>49</sup> This rulemaking proceeding, which is considering the regulatory framework for such services, remains pending. We find that it is premature to make a decision regarding the assessment of regulatory fees on ISAM space stations for which the definition and regulatory framework are still being considered and for which there are no applications pending or licenses issued. We expect to revisit this issue in the future, after conclusion of the ISAM rulemaking, when the framework and expected FTE burdens for licensing and regulating ISAM space stations are better known. In addition, although one commenter suggests that we more clearly define RPO, OOS, and OTV by their characteristics in order to remove uncertainty by applicants with regards to their expected regulatory fees,<sup>50</sup> we decline to do so at this time, because the proposed characteristics for defining RPO, OOS, and OTV, such as limited duration of operations, ability to share spectrum, and low number of stations, have not been defined in our rules and are outside the scope of a regulatory fee proceeding. We also decline at this time to include missions involving 'habitable' or 'crewed' space stations in the existing fee category for small satellites, as proposed by one commenter,<sup>51</sup> finding it is premature to make a decision regarding the assessment of regulatory fees for potential future types of space stations for which the FTE benefits are not reasonably known and for which there are no applications pending or licenses issued.

- 17. Finally, we decline to address at this time the proposal in the *Space and Earth Station Regulatory Fees NPRM* that RPO or OOS space stations that are attached to another space station as part of servicing or mission extension operations be assessed regulatory fees separate from, and in addition to, any regulatory fees assessed on the space station that is being serviced or that is having its mission extended.<sup>52</sup> The Commission had previously tentatively concluded that RPO and OOS space stations joined to GSO space stations during servicing or mission extension operations should not be assessed separate regulatory fees, despite the RPO or OOS space stations being assigned their own call signs, which is the unit usually used to assess regulatory fees for space stations.<sup>53</sup> Although this tentative conclusion was never adopted, currently RPO or OOS space stations attached to another space station have not been assessed separate regulatory fees. The *Space and Earth Station Regulatory Fees NPRM* sought comment on this prior tentative conclusion and suggested that the requirements and purpose of section 9 of the Act would be better met by assessing regulatory fees on such attached RPO or OOS space stations.<sup>54</sup>
- 18. We find that consideration of this proposal would benefit from consideration of and action on the proposal in the *Space and Earth Station Regulatory Fees NPRM* to assess regulatory fees on all authorized space stations, not just on operational space stations as is currently the case,<sup>55</sup> because the rationale for assessing fees on authorized stations would support the rationale for assessing regulatory fees on RPO and OOS space stations regardless whether they are attached to a serviced space station. Action on this issue may benefit from our consideration of the proposal regarding assessing regulatory fees on authorized, not just operational, space stations. Thus, we plan to consider those matters at the same time in a future Commission item acting on the proposals made in the *Space and Earth Station Regulatory Fees NPRM*.

<sup>&</sup>lt;sup>49</sup> See Space Innovation; Facilitating Capabilities for In-space Servicing, Assembly, and Manufacturing, Notice of Proposed Rulemaking, FCC 24-21 (Feb. 16, 2024).

<sup>&</sup>lt;sup>50</sup> Blue Origin Comments at 2.

<sup>&</sup>lt;sup>51</sup> Vast Reply at 2.

<sup>&</sup>lt;sup>52</sup> Space and Earth Station Regulatory Fees NPRM at paras. 55-56.

<sup>&</sup>lt;sup>53</sup> FY 2023 Report and Order at \*33, para. 110.

<sup>&</sup>lt;sup>54</sup> Space and Earth Station Regulatory Fees NPRM at paras. 55-56.

<sup>&</sup>lt;sup>55</sup> *Id.* at paras. 57-65.

#### IV. PROCEDURAL MATTERS

- Regulatory Flexibility Act. The Regulatory Flexibility Act of 1980, as amended (RFA), 56 requires that an agency prepare a regulatory flexibility analysis for notice and comment rulemakings, unless the agency certifies that "the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities."<sup>57</sup> Accordingly, we have prepared a Final Regulatory Flexibility Analysis (FRFA) concerning the possible impact of the rule changes contained in this Report and Order on small entities. The FRFA is set forth in the Appendix.
- Paperwork Reduction Act. 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).
- Congressional Review Act. The Commission has determined, and the Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget, concurs, that this rule is non-major under the Congressional Review Act, 5 U.S.C. § 804(2). The Commission will send a copy of this Report and Order to Congress and the Government Accountability Office pursuant to 5 U.S.C. § 801(a)(1)(A).
- 22. 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 and Governmental Affairs Bureau at (202) 418-0530 (voice).

#### V. ORDERING CLAUSES

- Accordingly, IT IS ORDERED that, pursuant to the authority found in sections 4(i) and (i), 9, 9A, and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 159, 159A, and 303(r), this Report and Order IS HEREBY ADOPTED.
- IT IS FURTHER ORDERED that the Commission's Office of the Secretary SHALL SEND a copy of this *Report and Order*, including the Final Regulatory Flexibility Analysis, to the Chief Counsel for Advocacy of the Small Business Administration.
- 25. IT IS FURTHER ORDERED that the Commission's Office of the Managing Director, Performance and Program Management SHALL SEND a copy of this Report and Order in a report to be sent to Congress and the Government Accountability Office pursuant to the Congressional Review Act, see 5 U.S.C. § 801(a)(1)(A).
- IT IS FURTHER ORDERED that the amendments adopted in the Report and Order shall be effective 90 days after notice to Congress, pursuant to section 159A(b) of the Communications Act of 1934, as amended, 47 U.S.C. § 159A(b).

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch Secretary

<sup>&</sup>lt;sup>56</sup> See 5 U.S.C. §§ 601–612. The RFA, 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).

<sup>&</sup>lt;sup>57</sup> See 5 U.S.C. § 605(b).

#### **APPENDIX**

### **Final Regulatory Flexibility Analysis**

1. As required by the Regulatory Flexibility Act of 1980, as amended (RFA), an Initial Regulatory Flexibility Analysis (IRFA) was incorporated in the Notice of Proposed Rulemaking in Assessment and Collection of Space and Earth Station Regulatory Fees for Fiscal Year 2024; Review of the Commission's Assessment and Collection of Regulatory Fees for Fiscal Year 2024, released in March 2024 (Space and Earth Station Regulatory Fees NPRM). The Federal Communications Commission (Commission or FCC) sought written public comment on the proposals in the Space and Earth Station Regulatory Fees NPRM, including comment on the IRFA. No comments were filed addressing the IRFA. This Final Regulatory Flexibility Analysis (FRFA) conforms to the RFA.

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

2. The Commission is required by Congress pursuant to section 9 of the Communications Act of 1934, as amended (Communications Act or Act) to assess and collect regulatory fees each year to recover the regulatory costs associated with the Commission's oversight and regulatory activities in an amount that can reasonably be expected to equal the amount of its annual appropriation.<sup>4</sup> As part of last year's adoption of regulatory fees,<sup>5</sup> the Commission noted that FY 2023 would be the last year where the Commission will do so for the International Bureau, given the creation of the Space Bureau, and Office of International Affairs.<sup>6</sup> The Commission also noted that an examination of the regulatory fees, and categories for non-geostationary orbit (NGSO) space stations would be useful in light of changes resulting from the creation of the Space Bureau, and as part of a more holistic review of the FTE<sup>7</sup> burden of the Space Bureau in fiscal year 2024 (FY 2024). The *Space and Earth Station Regulatory Fees NPRM* commenced the examination and review of regulatory fees for space and earth station payors regulated by the new Space Bureau, specifically seeking comment on a range of proposed changes to the assessment of regulatory fees for space and earth stations under the existing methodology. The *Space and Earth Station Regulatory Fees NPRM* also proposed an alternative methodology for assessing space station regulatory

<sup>&</sup>lt;sup>1</sup> 5 U.S.C. § 603. The RFA, 5 U.S.C. §§ 601-612 was amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), Pub. L. No. 104-121, Title II, 110 Stat. 857 (1996).

<sup>&</sup>lt;sup>2</sup> Assessment and Collection of Space and Earth Station Regulatory Fees for Fiscal Year 2024; MD Docket Nos. 24-85; Review of the Commission's Assessment and Collection of Regulatory Fees for Fiscal Year 2024, MD Docket No. 24-86, Notice of Proposed Rulemaking, FCC 24-31 (Mar. 13, 2024) (Space and Earth Station Regulatory Fees NPRM).

<sup>&</sup>lt;sup>3</sup> 5 U.S.C. § 603.

<sup>&</sup>lt;sup>4</sup> See 47 U.S.C. § 159 (requiring the Commission to assess and collect regulatory fees to recover the costs of carrying out its activities in the total amounts provided for in the Appropriations Act.

<sup>&</sup>lt;sup>5</sup> Assessment and Collection of Regulatory Fees for Fiscal Year 2023, Report and Order, FCC 23-66, 2023 WL 5197492 (Aug. 10, 2023) (FY 2023 Report and Order).

<sup>&</sup>lt;sup>6</sup> *Id.* at \*22, para. 72.

<sup>&</sup>lt;sup>7</sup> 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. *See generally* Executive Office of the President, Office of Management and Budget, Circular No. A-11, Preparation, Submission, and Execution of the Budget (August 2022), <a href="https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf">https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf</a>. *See* section 85.5(c) for a detailed explanation of how FTEs are calculated. In this proceeding when we state that 1.5 FTEs work on a particular subject matter, that might mean three individuals spend 50% of their time on that area. Moreover, any change in FTE allocation described here is solely for regulatory fee purposes and does not reflect any change of personnel in the various organizational work units.

fees that would eliminate the distinction between geostationary orbit (GSO), NGSO, and all the subcategories of NGSO, while preserving a separate fee category for small satellites.

3. In the *Report and Order*, the Commission adopts two changes to the assessment and collection of its annual regulatory fees for space station payors for FY 2024. The adopted changes implement a new methodology for assessing fees for small satellites and spacecraft licensed under sections 25.122 and 25.123 of the Commission's rules that sets the regulatory fee for "Space Stations (per license/call sign in non-geostationary orbit) (47 CFR part 25) (Small Satellite)" for FY 2024 and future fiscal years at the level set for FY 2023, annually adjusted to reflect the percentage change in the appropriation from the previous fiscal year. The Commission also implements a change that includes, on an interim basis, space stations that are principally used for Rendezvous & Proximity Operations (RPO) or On-Orbit Servicing (OOS), including Orbit Transfer Vehicles (OTV), in the existing fee category for "small satellites" until the Commission can develop more experience in how these space stations will be regulated. The Commission defers actions on other proposals contained in the *Space and Earth Station Regulatory Fees NPRM* to allow for further development of the record and expects to address these matters to be effective for FY 2025.

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

4. There were no comments filed that specifically addressed the proposed rules and policies in the IRFA.

# C. Response to Comments by the Chief Counsel for Advocacy of the Small Business Administration

5. Pursuant to the Small Business Jobs Act of 2010, which amended the RFA, the Commission is required to respond to any comments filed by the Chief Counsel for Advocacy of the Small Business Administration (SBA), and to provide a detailed statement of any change made to the proposed rules as a result of those comments.<sup>8</sup> The Chief Counsel did not file any comments in response to the proposed rules or policies in this proceeding.

# D. 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 rules adopted herein. The RFA generally defines the term "small entity" as having the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction." In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act. 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.
- 7. Small Businesses, Small Organizations, Small Governmental Jurisdictions. Our actions, over time, may affect small entities that are not easily categorized at present. We therefore describe, at

<sup>&</sup>lt;sup>8</sup> 5 U.S.C. § 604(a)(3).

<sup>&</sup>lt;sup>9</sup> *Id.* § 604(a)(4).

<sup>&</sup>lt;sup>10</sup> *Id.* § 601(6).

<sup>&</sup>lt;sup>11</sup> *Id.* § 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."

<sup>&</sup>lt;sup>12</sup> 15 U.S.C. § 632.

the outset, three broad groups of small entities that could be directly affected herein.<sup>13</sup> First, while there are industry specific size standards for small businesses that are used in the regulatory flexibility analysis, according to data from the Small Business Administration's (SBA) Office of Advocacy, in general a small business is an independent business having fewer than 500 employees.<sup>14</sup> These types of small businesses represent 99.9% of all businesses in the United States, which translates to 33.2 million businesses.<sup>15</sup>

- 8. Next, the type of small entity described as a "small organization" is generally "any not-for-profit enterprise which is independently owned and operated and is not dominant in its field." The Internal Revenue Service (IRS) uses a revenue benchmark of \$50,000 or less to delineate its annual electronic filing requirements for small exempt organizations. Nationwide, for tax year 2022, there were approximately 530,109 small exempt organizations in the U.S. reporting revenues of \$50,000 or less according to the registration and tax data for exempt organizations available from the IRS. 18
- 9. Finally, the small entity described as a "small governmental jurisdiction" is defined generally as "governments of cities, counties, towns, townships, villages, school districts, or special districts, with a population of less than fifty thousand." U.S. Census Bureau data from the 2022 Census of Governments<sup>20</sup> indicate there were 90,837 local governmental jurisdictions consisting of general purpose governments and special purpose governments in the United States. <sup>21</sup> Of this number, there were

<sup>&</sup>lt;sup>13</sup> 5 U.S.C. § 601(3)-(6).

<sup>&</sup>lt;sup>14</sup> See SBA, Office of Advocacy, "What's New With Small Business?," <a href="https://advocacy.sba.gov/wp-content/uploads/2023/03/Whats-New-Infographic-March-2023-508c.pdf">https://advocacy.sba.gov/wp-content/uploads/2023/03/Whats-New-Infographic-March-2023-508c.pdf</a> (Mar. 2023).

<sup>&</sup>lt;sup>15</sup> *Id*.

<sup>&</sup>lt;sup>16</sup> 5 U.S.C. § 601(4).

<sup>&</sup>lt;sup>17</sup> The IRS benchmark is similar to the population of less than 50,000 benchmark in 5 U.S.C § 601(5) that is used to define a small governmental jurisdiction. Therefore, the IRS benchmark has been used to estimate the number of small organizations in this small entity description. See Annual Electronic Filing Requirement for Small Exempt Organizations – Form 990-N (e-Postcard), "Who must file," <a href="https://www.irs.gov/charities-non-profits/annual-electronic-filing-requirement-for-small-exempt-organizations-form-990-n-e-postcard">https://www.irs.gov/charities-non-profits/annual-electronic-filing-requirement-for-small-exempt-organizations-form-990-n-e-postcard</a>. We note that the IRS data does not provide information on whether a small exempt organization is independently owned and operated or dominant in its field.

<sup>&</sup>lt;sup>18</sup> See Exempt Organizations Business Master File Extract (EO BMF), "CSV Files by Region," <a href="https://www.irs.gov/charities-non-profits/exempt-organizations-business-master-file-extract-eo-bmf">https://www.irs.gov/charities-non-profits/exempt-organizations-business-master-file-extract-eo-bmf</a>. The IRS Exempt Organization Business Master File (EO BMF) Extract provides information on all registered tax-exempt/non-profit organizations. The data utilized for purposes of this description was extracted from the IRS EO BMF data for businesses for the tax year 2022 with revenue less than or equal to \$50,000 for Region 1-Northeast Area (71,897), Region 2-Mid-Atlantic and Great Lakes Areas (197,296), and Region 3-Gulf Coast and Pacific Coast Areas (260,447) that includes the continental U.S., Alaska, and Hawaii. This data includes information for Puerto Rico (469).

<sup>&</sup>lt;sup>19</sup> 5 U.S.C. § 601(5).

<sup>&</sup>lt;sup>20</sup> 13 U.S.C. § 161. The Census of Governments survey is conducted every five (5) years compiling data for years ending with "2" and "7". *See also* Census of Governments, <a href="https://www.census.gov/programs-surveys/economic-census/year/2022/about.html">https://www.census.gov/programs-surveys/economic-census/year/2022/about.html</a>.

<sup>&</sup>lt;sup>21</sup> See U.S. Census Bureau, 2022 Census of Governments – Organization Table 2. Local Governments by Type and State: 2022 [CG2200ORG02], <a href="https://www.census.gov/data/tables/2022/econ/gus/2022-governments.html">https://www.census.gov/data/tables/2022/econ/gus/2022-governments.html</a>. Local governmental jurisdictions are made up of general purpose governments (county, municipal and town or township) and special purpose governments (special districts and independent school districts). See also tbl.2. CG2200ORG02 Table Notes Local Governments by Type and State 2022.

36,845 general purpose governments (county,<sup>22</sup> municipal, and town or township<sup>23</sup>) with populations of less than 50,000 and 11,879 special purpose governments (independent school districts<sup>24</sup>) with enrollment populations of less than 50,000.<sup>25</sup> Accordingly, based on the 2022 U.S. Census of Governments data, we estimate that at least 48,724 entities fall into the category of "small governmental jurisdictions."<sup>26</sup>

- 10. Direct Broadcast Satellite (DBS) Service. DBS service is a nationally distributed subscription service that delivers video and audio programming via satellite to a small parabolic "dish" antenna at the subscriber's location. DBS is included in the Wired Telecommunications Carriers industry which 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.<sup>27</sup> Transmission facilities may be based on a single technology or combination of technologies.<sup>28</sup> 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.<sup>29</sup> By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry.<sup>30</sup>
- 11. The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small.<sup>31</sup> U.S. Census Bureau data for 2017 show that 3,054

<sup>&</sup>lt;sup>22</sup> See id. at tbl.5. County Governments by Population-Size Group and State: 2022 [CG2200ORG05], <a href="https://www.census.gov/data/tables/2022/econ/gus/2022-governments.html">https://www.census.gov/data/tables/2022/econ/gus/2022-governments.html</a>. There were 2,097 county governments with populations less than 50,000. This category does not include subcounty (municipal and township) governments.

<sup>&</sup>lt;sup>23</sup> See id. at tbl.6. Subcounty General-Purpose Governments by Population-Size Group and State: 2022 [CG2200ORG06], <a href="https://www.census.gov/data/tables/2022/econ/gus/2022-governments.html">https://www.census.gov/data/tables/2022/econ/gus/2022-governments.html</a>. There were 18,693 municipal and 16,055 town and township governments with populations less than 50,000.

<sup>&</sup>lt;sup>24</sup> See id. at tbl.10. Elementary and Secondary School Systems by Enrollment-Size Group and State: 2022 [CG2200ORG10], <a href="https://www.census.gov/data/tables/2022/econ/gus/2022-governments.html">https://www.census.gov/data/tables/2022/econ/gus/2022-governments.html</a>. There were 11,879 independent school districts with enrollment populations less than 50,000. See also tbl.4. Special-Purpose Local Governments by State Census Years 1942 to 2022 [CG2200ORG04], CG2200ORG04 Table Notes\_Special Purpose Local Governments by State\_Census Years 1942 to 2022.

<sup>&</sup>lt;sup>25</sup> While the special purpose governments category also includes local special district governments, the 2022 Census of Governments data does not provide data aggregated based on population size for the special purpose governments category. Therefore, only data from independent school districts is included in the special purpose governments category.

<sup>&</sup>lt;sup>26</sup> This total is derived from the sum of the number of general purpose governments (county, municipal and town or township) with populations of less than 50,000 (36,845) and the number of special purpose governments - independent school districts with enrollment populations of less than 50,000 (11,879), from the 2022 Census of Governments - Organizations tbls. 5, 6 & 10.

<sup>&</sup>lt;sup>27</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517311 Wired Telecommunications Carriers," https://www.census.gov/naics/?input=517311&year=2017&details=517311.

<sup>&</sup>lt;sup>28</sup> *Id*.

<sup>&</sup>lt;sup>29</sup> See id. Included in this industry are: broadband Internet service providers (e.g., cable, DSL); local telephone carriers (wired); cable television distribution services; long-distance telephone carriers (wired); closed-circuit television (CCTV) services; VoIP service providers, using own operated wired telecommunications infrastructure; direct-to-home satellite system (DTH) services; telecommunications carriers (wired); satellite television distribution systems; and multichannel multipoint distribution services (MMDS).

 $<sup>^{30}</sup>$  *Id*.

<sup>&</sup>lt;sup>31</sup> See 13 CFR § 121.201, NAICS Code 517311 (as of 10/1/22, NAICS Code 517111).

firms operated in this industry for the entire year.<sup>32</sup> Of this number, 2,964 firms operated with fewer than 250 employees.<sup>33</sup> Based on this data, the majority of firms in this industry can be considered small under the SBA small business size standard. According to Commission data however, only two entities provide DBS service - DIRECTV (owned by AT&T) and DISH Network, which require a great deal of capital for operation.<sup>34</sup> DIRECTV and DISH Network both exceed the SBA size standard for classification as a small business. Therefore, we must conclude based on internally developed Commission data, in general DBS service is provided only by large firms.

- 12. Fixed Satellite Small Transmit/Receive Earth Stations. Neither the SBA nor the Commission have developed a small business size standard specifically applicable to Fixed Satellite Small Transmit/Receive Earth Stations. Satellite Telecommunications<sup>35</sup> is the closest industry with an SBA small business size standard. The SBA size standard for this industry classifies a business as small if it has \$38.5 million or less in annual receipts.<sup>36</sup> For this industry, U.S. Census Bureau data for 2017 show that there was a total of 275 firms that operated for the entire year.<sup>37</sup> Of this total, 242 firms had revenue of less than \$25 million.<sup>38</sup> Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 65 providers that reported they were engaged in the provision of satellite telecommunications services.<sup>39</sup> Of these providers, the Commission estimates that approximately 42 providers have 1,500 or fewer employees.<sup>40</sup> Consequently, using the SBA's small business size standard, a little more than half of these providers can be considered small entities.
- 13. Fixed Satellite Very Small Aperture Terminal (VSAT) Systems. Neither the SBA nor the Commission have developed a small business size standard specifically applicable to Fixed Satellite Very Small Aperture Terminal (VSAT) Systems. A VSAT is a relatively small satellite antenna used for satellite-based point-to-multipoint data communications applications.<sup>41</sup> VSAT networks provide support for credit verification, transaction authorization, and billing and inventory management.<sup>42</sup> Satellite

<sup>&</sup>lt;sup>32</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Selected Sectors: Employment Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEEMPFIRM, NAICS Code 517311, <a href="https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false</a>.

<sup>&</sup>lt;sup>33</sup> *Id.* The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard.

<sup>&</sup>lt;sup>34</sup> See Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, Eighteenth Report, Table III.A.5, 32 FCC Rcd 568, 595 (Jan. 17, 2017).

<sup>&</sup>lt;sup>35</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517410 Satellite Telecommunications," https://www.census.gov/naics/?input=517410&year=2017&details=517410.

<sup>&</sup>lt;sup>36</sup> See 13 CFR § 121.201, NAICS Code 517410.

<sup>&</sup>lt;sup>37</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Selected Sectors: Sales, Value of Shipments, or Revenue Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEREVFIRM, NAICS Code 517410, <a href="https://data.census.gov/cedsci/table?y=2017&n=517410&tid=ECNSIZE2017.EC1700SIZEREVFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517410&tid=ECNSIZE2017.EC1700SIZEREVFIRM&hidePreview=false</a>.

<sup>&</sup>lt;sup>38</sup> *Id.* The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard. We also note that according to the U.S. Census Bureau glossary, the terms receipts and revenues are used interchangeably, *see* <a href="https://www.census.gov/glossary/#term\_ReceiptsRevenueServices.">https://www.census.gov/glossary/#term\_ReceiptsRevenueServices.</a>

<sup>&</sup>lt;sup>39</sup> Federal-State Joint Board on Universal Service, Universal Service Monitoring Report at 26, Table 1.12 (2022), <a href="https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf">https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf</a>.

<sup>&</sup>lt;sup>40</sup> *Id*.

<sup>&</sup>lt;sup>41</sup> HARRY NEWTON WITH STEVE SCHOEN, NEWTON'S TELECOM DICTIONARY 1382 (31st ed. 2018).

<sup>&</sup>lt;sup>42</sup> *Id*.

Telecommunications<sup>43</sup> is the closest industry with an SBA small business size standard. The SBA size standard for this industry classifies a business as small if it has \$38.5 million or less in annual receipts.<sup>44</sup> For this industry, U.S. Census Bureau data for 2017 show that there were a total of 275 firms that operated for the entire year.<sup>45</sup> Of this total, 242 firms had revenue of less than \$25 million.<sup>46</sup> Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 65 providers that reported they were engaged in the provision of satellite telecommunications services.<sup>47</sup> Of these providers, the Commission estimates that approximately 42 providers have 1,500 or fewer employees.<sup>48</sup> Consequently using the SBA's small business size standard, a little more than half of these providers can be considered small entities.

- 14. Home Satellite Dish (HSD) Service. HSD or the large dish segment of the satellite industry is the original satellite-to-home service offered to consumers and involves the home reception of signals transmitted by satellites operating generally in the C-band frequency. Unlike DBS, which uses small dishes, HSD antennas are between four and eight feet in diameter and can receive a wide range of unscrambled (free) programming and scrambled programming purchased from program packagers that are licensed to facilitate subscribers' receipt of video programming. Because HSD provides subscription services, HSD falls within the industry category of Wired Telecommunications Carriers. HSD falls within the industry category of Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for 2017 show that there were 3,054 firms that operated for the entire year. Thus, under the SBA size standard, the majority of firms in this industry can be considered small.
- 15. *Mobile Satellite Earth Stations*. Neither the SBA nor the Commission have developed a small business size standard specifically applicable to Mobile Satellite Earth Stations. Satellite Telecommunications<sup>53</sup> is the closest industry with a SBA small business size standard. The SBA small

<sup>&</sup>lt;sup>43</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517410 Satellite Telecommunications," https://www.census.gov/naics/?input=517410&year=2017&details=517410.

<sup>&</sup>lt;sup>44</sup> See 13 CFR § 121.201, NAICS Code 517410.

<sup>&</sup>lt;sup>45</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Selected Sectors: Sales, Value of Shipments, or Revenue Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEREVFIRM, NAICS Code 517410, <a href="https://data.census.gov/cedsci/table?y=2017&n=517410&tid=ECNSIZE2017.EC1700SIZEREVFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517410&tid=ECNSIZE2017.EC1700SIZEREVFIRM&hidePreview=false</a>.

<sup>&</sup>lt;sup>46</sup> *Id.* The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard. We also note that according to the U.S. Census Bureau glossary, the terms receipts and revenues are used interchangeably, *see* https://www.census.gov/glossary/#term\_ReceiptsRevenueServices.

<sup>&</sup>lt;sup>47</sup> Federal-State Joint Board on Universal Service, Universal Service Monitoring Report at 26, Table 1.12 (2022), <a href="https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf">https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf</a>.

<sup>&</sup>lt;sup>48</sup> *Id*.

<sup>&</sup>lt;sup>49</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517311 Wired Telecommunications Carriers," <a href="https://www.census.gov/naics/?input=517311&year=2017&details=517311">https://www.census.gov/naics/?input=517311&year=2017&details=517311</a>.

<sup>&</sup>lt;sup>50</sup> See 13 CFR § 121.201, NAICS Code 517311 (as of 10/1/22, NAICS Code 517111).

<sup>&</sup>lt;sup>51</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Selected Sectors: Employment Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEEMPFIRM, NAICS Code 517311, <a href="https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false</a>.

<sup>&</sup>lt;sup>52</sup> *Id.* The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard.

<sup>&</sup>lt;sup>53</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517410 Satellite Telecommunications," <a href="https://www.census.gov/naics/?input=517410&year=2017&details=517410">https://www.census.gov/naics/?input=517410&year=2017&details=517410</a>.

business size standard classifies a business with \$38.5 million or less in annual receipts as small.<sup>54</sup> For this industry, U.S. Census Bureau data for 2017 show that there were 275 firms that operated for the entire year.<sup>55</sup> Of this number, 242 firms had revenue of less than \$25 million.<sup>56</sup> Thus, for this industry under the SBA size standard, the Commission estimates that the majority of Mobile Satellite Earth Station licensees are small entities. Additionally, based on Commission data as of February 1, 2024, there were 16 Mobile Satellite Earth Stations licensees.<sup>57</sup> The Commission does not request nor collect annual revenue information, and is therefore unable to estimate the number of mobile satellite earth stations that would be classified as a small business under the SBA size standard.

- 16. Satellite Master Antenna Television (SMATV) Systems, also known as Private Cable Operators (PCOs). SMATV systems or PCOs are video distribution facilities that use closed transmission paths without using any public right-of-way. They acquire video programming and distribute it via terrestrial wiring in urban and suburban multiple dwelling units such as apartments and condominiums, and commercial multiple tenant units such as hotels and office buildings. SMATV systems or PCOs are included in the Wired Telecommunications Carriers' industry which includes wireline telecommunications businesses. The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for 2017 show that there were 3,054 firms in this industry that operated for the entire year. Of this total, 2,964 firms operated with fewer than 250 employees. Thus, under the SBA size standard, the majority of firms in this industry can be considered small.
- 17. Satellite Telecommunications. This industry comprises firms "primarily engaged in providing telecommunications services to other establishments in the telecommunications and broadcasting industries by forwarding and receiving communications signals via a system of satellites or reselling satellite telecommunications." Satellite telecommunications service providers include satellite and earth station operators. The SBA small business size standard for this industry classifies a business

<sup>&</sup>lt;sup>54</sup> See 13 CFR § 121.201, NAICS Code 517410.

<sup>&</sup>lt;sup>55</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Selected Sectors: Sales, Value of Shipments, or Revenue Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEREVFIRM, NAICS Code 517410, <a href="https://data.census.gov/cedsci/table?y=2017&n=517410&tid=ECNSIZE2017.EC1700SIZEREVFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517410&tid=ECNSIZE2017.EC1700SIZEREVFIRM&hidePreview=false</a>.

<sup>&</sup>lt;sup>56</sup> *Id.* The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard. We also note that according to the U.S. Census Bureau glossary, the terms receipts and revenues are used interchangeably, *see* <a href="https://www.census.gov/glossary/#term\_ReceiptsRevenueServices.">https://www.census.gov/glossary/#term\_ReceiptsRevenueServices.</a>

<sup>&</sup>lt;sup>57</sup> Based on a FCC Space Bureau, International Communication Filing System (ICFS), Advanced Search on February 1, 2024, <a href="https://licensing.fcc.gov/cgi-bin/ws.exe/prod/ib/forms/reports/swr030b.hts?set=">https://licensing.fcc.gov/cgi-bin/ws.exe/prod/ib/forms/reports/swr030b.hts?set=</a>. Search Terms used - Nature of Application Service = SES - Satellite Earth Station; Application Type = All; Class of Station = MES – Mobile Earth Station; and under "Filing Status" = Current.

<sup>&</sup>lt;sup>58</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517311 Wired Telecommunications Carriers," <a href="https://www.census.gov/naics/?input=517311&year=2017&details=517311">https://www.census.gov/naics/?input=517311&year=2017&details=517311</a>.

<sup>&</sup>lt;sup>59</sup> See 13 CFR § 121.201, NAICS Code 517311 (as of 10/1/22, NAICS Code 517111).

<sup>&</sup>lt;sup>60</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Selected Sectors: Employment Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEEMPFIRM, NAICS Code 517311, <a href="https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false</a>.

<sup>&</sup>lt;sup>61</sup> *Id.* The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard.

<sup>&</sup>lt;sup>62</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517410 Satellite Telecommunications," <a href="https://www.census.gov/naics/?input=517410&year=2017&details=517410">https://www.census.gov/naics/?input=517410&year=2017&details=517410</a>.

with \$38.5 million or less in annual receipts as small.<sup>63</sup> U.S. Census Bureau data for 2017 show that 275 firms in this industry operated for the entire year.<sup>64</sup> Of this number, 242 firms had revenue of less than \$25 million.<sup>65</sup> Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 65 providers that reported they were engaged in the provision of satellite telecommunications services.<sup>66</sup> Of these providers, the Commission estimates that approximately 42 providers have 1,500 or fewer employees.<sup>67</sup> Consequently, using the SBA's small business size standard, a little more than half of these providers can be considered small entities.

18. *All Other Telecommunications*. This industry is comprised of establishments primarily engaged in providing specialized telecommunications services, such as satellite tracking, communications telemetry, and radar station operation.<sup>68</sup> 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.<sup>69</sup> Providers of Internet services (e.g. dial-up ISPs) or Voice over Internet Protocol (VoIP) services, via client-supplied telecommunications connections are also included in this industry.<sup>70</sup> The SBA small business size standard for this industry classifies firms with annual receipts of \$35 million or less as small.<sup>71</sup> U.S. Census Bureau data for 2017 show that there were 1,079 firms in this industry that operated for the entire year.<sup>72</sup> Of those firms, 1,039 had revenue of less than \$25 million.<sup>73</sup> Based on this data, the Commission estimates that the majority of "All Other Telecommunications" firms can be considered small.

# E. Description of Projected Reporting, Recordkeeping and Other Compliance Requirements for Small Entities

19. The *Report and Order* does not change the Commission's current information collection, reporting, recordkeeping, or compliance requirements for small entities. Small and other regulated entities are required to pay regulatory fees on an annual basis. The cost of compliance with the annual

<sup>63</sup> See 13 CFR § 121.201, NAICS Code 517410.

<sup>&</sup>lt;sup>64</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Selected Sectors: Sales, Value of Shipments, or Revenue Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEREVFIRM, NAICS Code 517410, <a href="https://data.census.gov/cedsci/table?y=2017&n=517410&tid=ECNSIZE2017.EC1700SIZEREVFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517410&tid=ECNSIZE2017.EC1700SIZEREVFIRM&hidePreview=false</a>.

<sup>65</sup> *Id.* The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard. We also note that according to the U.S. Census Bureau glossary, the terms receipts and revenues are used interchangeably, *see* <a href="https://www.census.gov/glossary/#term">https://www.census.gov/glossary/#term</a> ReceiptsRevenueServices.

<sup>&</sup>lt;sup>66</sup> Federal-State Joint Board on Universal Service, Universal Service Monitoring Report at 26, Table 1.12 (2022), <a href="https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf">https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf</a>.

<sup>&</sup>lt;sup>67</sup> *Id*.

<sup>&</sup>lt;sup>68</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517919 All Other Telecommunications," <a href="https://www.census.gov/naics/?input=517919&year=2017&details=517919">https://www.census.gov/naics/?input=517919&year=2017&details=517919</a>.

<sup>&</sup>lt;sup>69</sup> *Id*.

<sup>&</sup>lt;sup>70</sup> *Id*.

<sup>&</sup>lt;sup>71</sup> See 13 CFR § 121.201, NAICS Code 517919 (as of 10/1/22, NAICS Code 517810).

<sup>&</sup>lt;sup>72</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Selected Sectors: Sales, Value of Shipments, or Revenue Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEREVFIRM, NAICS Code 517919, <a href="https://data.census.gov/cedsci/table?y=2017&n=517919&tid=ECNSIZE2017.EC1700SIZEREVFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517919&tid=ECNSIZE2017.EC1700SIZEREVFIRM&hidePreview=false</a>.

<sup>&</sup>lt;sup>73</sup> *Id.* The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard. We also note that according to the U.S. Census Bureau glossary, the terms receipts and revenues are used interchangeably, *see* <a href="https://www.census.gov/glossary/#term\_ReceiptsRevenueServices">https://www.census.gov/glossary/#term\_ReceiptsRevenueServices</a>.

regulatory assessment for small entities is the amount assessed for their regulatory fee category and should not require small entities to hire professionals to comply.

Small entities that qualify can take advantage of the exemption from payment of 20. regulatory fees allowed under the de minimis threshold. As discussed in the Space and Earth Station Regulatory Fees NPRM, small entities may also request a waiver, reduction, deferral, and/or installment payment of their regulatory fees.<sup>74</sup> The waiver process provides smaller entities that may not be familiar with the Commission's procedural filing rules an easier filing process.

#### F. Steps Taken to Minimize the Significant Economic Impact on Small Entities, and **Significant Alternatives Considered**

- 21. The RFA requires an agency to provide "a description of the steps the agency has taken to minimize the significant economic impact on small entities . . . including a statement of the factual, policy, and legal reasons for selecting the alternative adopted in the final rule and why each one of the other significant alternatives to the rule considered by the agency which affect the impact on small entities was rejected."75
- In the Report and Order, the Commission adopts the proposal in the Space and Earth Station Regulatory Fees NPRM to set the regulatory fee for "Space Stations (per license/call sign in nongeostationary order) (47 CFR part 25) (Small Satellite)" for FY 2024 at the level set for FY 2023 (\$12,215), with annual adjustments thereafter to reflect the percentage change in the FCC appropriation, unit count, and FTE allocation percentage from the previous year. The Report and Order finds that the administrability and sustainability of regulatory fees for small satellites would be better served by treating them as the Commission has historically treated the regulatory fees for earth stations – that is, a fixed regulatory fee that is adjusted from year-to-year on, rather than as a percentage of the Space Bureau's overall share of regulatory fee allocation, or as a percentage of other categories of space station fee payors. This change would significantly minimize the economic impact of regulatory fees potentially faced by small satellites. Without this change, the fee amount for the small satellite category for FY 2024 could be substantially greater than the fee assessed for FY 2023. Further, the record contains no objections to this approach.
- 23 The Report and Order also adopts the proposal, to assess regulatory fees on spacecraft primarily performing RPO and OOS, including OTV, by including them, on an interim basis, in the existing regulatory fee category "Space Stations (per license/call sign in non-geostationary orbit) (Small Satellites)" regardless of the orbit in which they are designed to operate in. The record in this proceeding not only supports this proposal, but no commenting party opposed it. The Space Bureau has received relatively few applications for RPO, OOS, or OTV space stations, and although it anticipates receiving more in the near future, the amount of FTE resources required at the present time to regulate these services is more similar to that presented by small satellite space station licensees, which are also few in number, and involve a relatively small number of space stations that have limited duration and scope of use and operate using shared spectrum resources. The Commission considered the alternative of adopting a separate regulatory fee category for spacecraft performing OOS and RPO, however, the record is insufficiently complete to justify supporting such a proposal. Additionally, the Commission considered assessing regulatory fees on RPO, OOS, and OTV space stations under other existing regulatory fee categories, however space stations in those categories are subject to a much greater regulatory burden. Therefore, the Report and Order finds that the purposes of section 9 of the Act would be best met by erring on the side of caution and assessing regulatory fees under the category of fees associated with the least-burdensome set of space station regulations which would result in lower regulatory fees, and have less economic impact on small entities in that sector.

<sup>&</sup>lt;sup>74</sup> Space and Earth Station Regulatory Fees NPRM, Appendix at para. 20

<sup>&</sup>lt;sup>75</sup> 5 U.S.C. § 604(a)(6).

<sup>&</sup>lt;sup>76</sup> Space and Earth Station Regulatory Fees NPRM at paras 44-45.

24. The Commission considered but declined to assess regulatory fees on all "ISAM space stations" using the small satellite fee category, as proposed in some comments in this proceeding.<sup>77</sup> In light of the current proceeding involving ISAM, the Commission finds it is premature to make a decision regarding the assessment of regulatory fees on ISAM space stations for which the definition and regulatory framework are still being considered and for which there are no applications pending or licenses issued. 78 The Commission expects to revisit this issue in the future, after conclusion of the ISAM rulemaking, when the framework and expected FTE burdens for licensing and regulating ISAM space stations are better known. The Commission also considered the suggestion of one commenter that it more clearly define RPO, OOS, and OTV by their characteristics in order to remove uncertainty by applicants with regards to their expected regulatory fees.<sup>79</sup> The Commission declined to do so at this time, because the proposed characteristics for defining RPO, OOS, and OTV, such as limited duration of operations, ability to share spectrum, and low number of stations, have not been defined in the Commission's rules and are outside the scope of a regulatory fee proceeding. The Commission also considered but declined at this time, to include missions involving 'habitable' or 'crewed' space stations in the existing fee category for small satellites, as proposed by one commenter. 80 finding it is premature to make a decision regarding the assessment of regulatory fees for potential future types of space stations for which the FTE benefits are not reasonably known and for which there are no applications pending or licenses issued.

## **G.** Report to Congress

25. The Commission will send a copy of the *Report and Order*, including this FRFA, in a report to Congress pursuant to the Congressional Review Act.<sup>81</sup> In addition, the Commission will send a copy of the *Report and Order*, including this FRFA, to the Chief Counsel for Advocacy of the SBA. A copy of the *Report and Order*, and FRFA (or summaries thereof) will also be published in the *Federal Register*.<sup>82</sup>

<sup>&</sup>lt;sup>77</sup> See Astroscale Comments at 2; CONFERS Reply at 1-2. ISAM refers to in-space, servicing, assembly, and manufacturing.

<sup>&</sup>lt;sup>78</sup> In 2022, the Commission initiated a Notice of Inquiry regarding the regulatory needs related to ISAM that could include such services as RPO and OOS. The Commission has since adopted a Notice of Proposed Rulemaking seeking comment on a framework for licensing ISAM space stations. *See Space Innovation; Facilitating Capabilities for In-space Servicing, Assembly, and Manufacturing*, Notice of Proposed Rulemaking, FCC 24-21 (Feb. 16, 2024). This rulemaking proceeding, which is considering the regulatory framework for such services, remains pending.

<sup>&</sup>lt;sup>79</sup> Blue Origin Comments at 2.

<sup>80</sup> Vast Reply at 2.

<sup>81</sup> See 5 U.S.C. § 801(a)(1)(A).

<sup>82</sup> See id. § 604(b).