

# FEDERAL COMMUNICATIONS COMMISSION

## 47 CFR Part 1

[MD Docket No. 95-3; FCC 95-227]

### Assessment and Collection of Regulatory Fees for Fiscal Year 1995

AGENCY: Federal Communications Commission.

ACTION: Final rule.

**SUMMARY:** The commission has revised its Schedule of Regulatory Fees in order to recover the amount of regulatory fees that Congress has required it to collect for fiscal year 1995. Section 9 of the Communications Act of 1934, as amended, provides for the annual assessment and collection of regulatory fees. For fiscal year 1995 sections 9(b) (2) and (3) provide for annual "Mandatory Adjustments" and "Permitted Amendments" to the Schedule of Regulatory Fees. These revisions will further the National Performance Review goals of reinventing Government by requiring beneficiaries of Commission services to pay for such services.

**EFFECTIVE DATE:** September 18, 1995.

**FOR FURTHER INFORMATION CONTACT:** Peter W. Herrick, Office of Managing Director at (202) 418-0443, or Terry D. Johnson, Office of Managing Director at (202) 418-0445.

#### SUPPLEMENTARY INFORMATION:

In the Matter of: Assessment and Collection of Regulatory Fees for Fiscal Year 1995.

Price Cap Treatment of Regulatory Fees Imposed by Section 9 of the Act.

#### Report and Order

Adopted: June 14, 1995.

Released: June 19, 1995.

By the Commission.

#### Table of Contents

- I. Introduction
- II. Background
- III. Discussion

#### A. FY 1995 Regulatory Fees

- 1. General Discussion
- 2. Private Radio Services
  - a. Exclusive Use Services
  - b. Shared Use Services
  - c. Amateur Radio Vanity Call Signs
- 3. Mass Media Services
  - a. Commercial AM and FM Radio Stations
  - b. Construction Permits—Commerical AM Radio
  - c. Construction Permits—Commerical FM Radio
  - d. Commercial Television Stations
  - e. Commercial Television Satellite Stations
  - f. Construction Permits—Commerical VHF Television Stations

- g. Construction Permits—Commerical UHF Television Stations
- h. Construction Permits—Commerical Television Satellite Stations
- i. Low Power Television, FM Translator and Booster Stations, TV Translator and Booster Stations
- j. Broadcast Auxiliary Stations
- k. International HF Broadcast (Short Wave)
- 4. Cable Services
  - a. Cable Television Systems
  - b. Cable Antenna Relay Service
- 5. Common Carrier Services
  - a. Public Mobile/Cellular Radio Services
  - b. Domestic Public Fixed Radio Services
  - c. International Public Fixed Radio Service
  - d. Earth Stations
  - e. Space Stations (Geosynchronous)
  - f. International Bearer Circuits
  - g. Inter-exchange and Local Exchange, Competitive Access Providers, Resellers, and Other Service Providers

#### B. Procedures for Payment of Regulatory Fees

- 1. Annual Payments of Standard Fees
- 2. Installment Payments for Large Fees
- 3. Advance Payments of Small Fees
- 4. Timing of Standard Fee Calculations and Payments

#### C. Authority and Further Information

Appendix A—Regulatory Flexibility Analysis

Appendix B—Schedule of Regulatory Fees

Appendix C—How Full Time Equivalents (FTEs) and Fee Category Cost Allocations Were Calculated

Appendix D—Development of Private Radio Services Regulatory Fee

Appendix E—Development of Mass Media Services Regulatory Fees

Appendix F—Development of Cable Services Regulatory Fees

Appendix G—Development of Common Carrier Services Regulatory Fees

Appendix H—Guidelines for Regulatory Fee Categories

Appendix I—Description of FCC Activities

Appendix J—Parties filing Comments

#### I. Introduction

1. The Congress, pursuant to Section 9 of the Communications Act of 1934, as amended, has required that the Commission collect \$116,400,000 in FY 1995 to recover certain of its regulatory costs. On January 12, 1995, the Commission released a Notice of Proposed Rule Making, *In the Matter of Assessment and Collection of Regulatory Fees for Fiscal year 1995*, MD Docket No. 95-3, FCC 95-14 (Notice), 60 FR 3807 (1995). In the Notice, the Commission asked for comments on proposals to revise its Schedule of Regulatory Fees.<sup>1</sup> The Commission now has under consideration a proposed *Report and Order* to revise its Schedule of Regulatory Fees. See 47 CFR 1.1152 through 1.1156.

2. In revising our regulatory fees, we adjusted our Regulatory Fee Schedule to

recover \$116,400,000 in regulatory costs, consistent with the amount that Congress has appropriated for our enforcement, policy and rule making, international, and user information activities for FY 1995.<sup>2</sup> 47 U.S.C. § 159(a). In addition, we have amended the Schedule to collect regulatory fees from regulatees of services not included in the FY 1994 Schedule and we have modified our method of assessing fees for certain services. 47 U.S.C. §§ 159(b)(1)(A), (b)(3). The revised Regulatory Fee Schedule is set forth in Appendix B.

3. For several categories of service, the regulatory fees for FY 1995 are significantly higher than corresponding fees for FY 1994. See 47 U.S.C. § 159(g); see also *Implementation of Section 9 of the Communications Act (FY 1994 Order)*, 9 FCC Rcd 5333 (1994) *Petitions for Reconsideration Pending*, 59 FR 30984 (1994). Our revised assessments result, for the most part, from increases in the amount that Congress has appropriated for Commission activities whose costs must be recovered through regulatory fees. As noted, the amount appropriated and to be recovered through regulatory fees is \$116,400,000. That amount is 93 percent greater than the \$60,400,000 that Congress required us to recover through regulatory fees in FY 1994. The impact of this increase is, however, lessened for some categories of services by anticipated revenues from categories of regulatees that we added to the Regulatory Fee Schedule and by increases in the number of payment units, e.g., subscribers.<sup>3</sup> Similarly, for some services increases in the fees exceed 93% because of the reallocation of FTEs, decreases in the number of payment units, and modification of the methodology for computing fees to better reflect the benefits derived from the Commission's regulation.

4. In determining the individual fee amounts for FY 1995, Section 9 of the Act requires that we first determine the number of full-time equivalent

<sup>2</sup> See Public Law 103-317, 108 Stat. 1724 at 1737-38 (August 26, 1994).

<sup>3</sup> Payment units represent the number of individual payments available in a particular service to generate the required revenue in that service. Payment units also represent, in a different context, the number by which a payor must multiply the fee amount for a particular service in order to calculate its total fee due for the service. For example, "subscribers" is the payment unit applicable to Cable Television fees. The number of subscribers is divided into the overall Cable Television revenue requirement to determine the fee amount for that service, and it is also used by payors to determine the system's total fee liability (i.e., by multiplying the payment units by the fee amount to determine the system's total fee requirement).

<sup>1</sup> The pleadings and reply pleadings are listed in Appendix J.