those amendments go into effect. 47 U.S.C. § 159(b)(4)(B).

III. Discussion

A. Proposed FY 1995 Regulatory Fees

8. As noted above, Congress has required the recovery of \$116,400,000 for FY 1995 through the collection of regulatory fees representing the costs applicable to our enforcement, policy and rulemaking, international activities, and our user information services. 47 U.S.C. § 159(a).

9. In adjusting our regulatory fees pursuant to section 9(b)(2)'s provisions for "Mandatory Adjustments", we first distributed our directly assigned FY 1995 FTE's among our various regulatory activities. We then allocated additional FTEs supporting the regulatory fee activities to the Private Radio, Mass Media, Common Carrier, and Cable Services Bureaus.⁷ Appendix C contains a more detailed description of our allocation of FTEs by activity. The resulting allocation of FTEs is as follows:

	FTEs	Per- cent- age ratio
Private Radio Mass Media Common Carrier Cable Services	103 253 689 361	7.3 18.0 49.0 25.7
Total	1,406	100.00

10. Next, we allocated our

\$116,400,000 revenue requirement to the Private Radio, Mass Media, Common Carrier, and Cable Services activities, based on the FTE percentage ratios shown above. For example, to derive the amounts to be recovered from cable services, we calculated that the 25.7 percent of total FTEs representing the 361 FTEs assigned to the cable services activity resulted in \$29,824,911 to be recovered through the collection of cable services fees.⁸ The resulting allocation of costs by regulatory fee category was as follows:

⁸We have rounded all percentages to the nearest one-tenth of a percent.

Private Radio	\$8.5 million.
Mass Media	20.9 million.
Common Carrier	57.0 million.
Cable Services	29.9 million.

11. After determining the cost allocation, we estimated FY 1995 payee units for the individual services within each fee category. For example, we estimated that there are approximately 57,000,000 payment units for cable systems, *i.e.*, cable subscribers. These estimates are based upon information provided by Commission program managers and supplemented by information contained in actual licensee data bases maintained by the Commission, information provided by industry groups or contained in trade publications, and actual data from FY 1994 regulatory fee collections. See Appendices D through G.

12. Next, in order to make the proportionate changes in the statutory schedule of fees required by section 9(b)(2), we compared our FY 1995 revenue requirement in each fee category, e.g., Cable Services, with the total amount that would be collected from all of the services within each category under the FY 1994 fee schedule. For example, we estimated that approximately \$21.5 million or \$8.4 million less than its FY 1995 revenue requirement, would be collected from cable system payors based upon our FY 1994 fees. We pro-rated the difference in these amounts to the individual services, e.g., cable systems were allocated \$29.9 million to be recovered, and then divided the revenue requirement for each individual service by its estimated number of payee units to derive our "Mandatory Adjustments" to the fee schedule.

13. Following our calculation of the "Mandatory Adjustments" to the fee schedule, we reviewed each service and its associated fee payment to determine if the nature of a service or the public interest warranted a fee adjustment pursuant to section 9(b)(3)'s requirements for "Permitted Amendments." Pursuant to our authority to make permitted amendments to the fees, we are proposing to revise our method for calculating fees for AM and FM radio stations, public mobile service, including cellular service providers, competitive access providers (CAPs), and small earth station antennas. Additionally, we are proposing a separate fee for satellite television stations to distinguish those stations from full service television stations and we are proposing to add a fee requirement for licensees of FM translator and booster stations. After making these proposed permitted

amendments, we propose to revise the remaining fees within the affected service's category in order to take into account the impact of the fee modification upon other services within the category. Finally, we propose to combine certain services within a fee category having analogous fee amounts, such as public mobile and cellular licenses, in order to reduce the number of separate service categories and to simplify the overall schedule of fees.⁹

14. In the following paragraphs, we describe our mandatory adjustments and proposed permitted amendments to the Schedule of Regulatory Fees on a service-by-service basis. The Commission proposes to retain, for fee determination purposes, the fee classifications (i.e., Private Radio, Common Carrier. Cable Services and Mass Media) contained in 47 U.S.C. Section 159. Although we believe that we have authority to change the classifications to align them more closely with our current organizational structure, we want to minimize any adverse impacts to the schedule brought about solely by such a classification change. Although we have developed the fee amounts for FY 1995 based upon the service categories in the statutory fee schedule, in order to assist interested parties in locating particular fees, we have formatted the FY 1995 Schedule of Fees to reflect our new organizational structure. See Appendix B. With the exception of annual fees in the amount of \$5.00 or less, individual fee amounts have been rounded to the nearest \$5 in the case of fees under \$1,000 or to the nearest \$25 in the case of fees of \$1,000 or more in accordance with section 9(b)(2). Appendices C through G describe the method in which FTEs were assigned to the major service categories and the development of the fees within each major service category.

1. Private Radio Services

15. Regulatory fees for services in the Private Radio category are located in the Wireless Radio category of the proposed fee schedule. We have developed our FY 1995 regulatory fees for Private Radio services by making mandatory adjustments to their statutory fees that take into account the quality of frequency allocated to those services.

⁷ The FTEs attributed to Private Radio, Mass Media, Common Carrier, and Cable services activities are primarily performed within those Bureaus. In addition, the Compliance and Information Bureau (CIB), formerly the Field Operations Bureau, the Office of Engineering and Technology (OET) and the Office of Managing Director (OMD) perform activities supporting the Bureaus. FTEs assigned to CIB, OET and some sections of OMD supporting the regulatory activities of the Bureaus were attributed to the Bureaus' activities in developing the total FTEs allocated to the activities whose costs are to be recovered through regulatory fees.

⁹We have not proposed regulatory fees for the Personal Communications Service (PCS), Commercial Mobile Radio Service (CMRS), Low Earth Orbital (LEO) Satellite Service and the Direct Broadcasting Satellite (DBS) Service because no facilities were authorized on our proposed date for calculating fees, October 1, 1994, to operate in these services or such authorizations are so recent that negligible portion of FTEs are assigned to these services other than for application processing.