

**DEVELOPMENT OF PRIVATE RADIO SERVICES REGULATORY FEES**

**Activity Cost Allocation:** The Private Radio Activity was allocated 7.3% (103 FTEs) of the total 1,406 FTEs associated with all regulatory fee activities. The same percentage (7.3%) was applied to total regulatory fee activity costs (\$116.4 million times 7.3% = \$8.5 million).

**Revision of Payee Unit Volumes:** Payee volume estimates (units of payment) were updated for FY 1995. See Table #1 below.

**Projected Revenue Using FY 1994 Fee Amounts & Revised FY 1995 Payee Units:** Projected revenue for FY 1995 for Private Radio Activities using FY 1994 fee amounts was calculated by multiplying the updated payee volume in each fee category times the FY 1994 fee amounts. The resulting total revenue in these categories totaled approximately \$19.8 million.

**Pro-Rata Application of FY 1995 Revenue Requirement:** Because projected revenues using FY 1994 fee amounts would have resulted in excess collections of \$11.3 million (\$19.8 million minus \$8.5 million), proposed Private Radio fees for FY 1995 needed to be multiplied by 43% (\$8.5 million divided by \$19.8 million = 43%) so that revenue would better approximate the \$8.5 million cost allocation for this Activity. Table #1 below shows cost allocations that were computed for each fee category within the Private Radio Activity:

**Calculation of Fee:** We then divided each of the above cost allocations by the applicable license term and then divided that result by the FY 1995 projected payee volume to determine the new fee requirement for each fee category within the Private Radio Activity:

CATEGORY	COST ALLOCATION	DIVIDED BY LICENSE TERM (Yrs)	DIVIDED BY PAYEE VOLUME	EQUALS NEW FEE <sup>31</sup>
Land Mobile (220-222 MHz, 470 MHz and above, unless otherwise noted)	\$462,455	5	13,213	7
Microwave	225,400	5	6,440	7
IVDS	50,750	5	1,450	7
Marine (Ship)	5,070,420	10	169,014	3
GMRS	41,775	5	2,785	3
Land Mobile (Other)	1,396,275	5	93,085	3
Aviation (Aircraft)	1,130,430	10	37,681	3
Marine (Coast)	41,955	5	2,797	3
Aviation (Ground)	39,900	5	2,660	3
Amateur Vanity Call Signs	60,000	10	2,000	3
Total	\$8,527,169			

Table #1

<sup>31</sup> Rounded (applies to all tables).