

DEVELOPMENT OF COMMON CARRIER SERVICES REGULATORY FEES

Activity Cost Allocation: The Common Carrier Activity was allocated 49.0% (689 FTEs) of the total 1,406 FTEs associated with all regulatory fee activities. The same percentage (49.0%) was applied to total regulatory fee activity costs (\$116.4 million times 49.0% = \$57.0 million).

Revision of Payee Unit Volumes: Payee volume estimates (units of payment) were updated for FY 1995. See Table #2 below.

Projected Revenue Using FY 1994 Fee Amounts & Revised FY 1995 Payee Units: Projected revenue for FY 1995 for Common Carrier 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 \$26.1 million.

Pro-Rata Application of FY 1995 Revenue Requirement: Because projected revenues using FY 1994 fee amounts would have resulted in collections \$30.9 million less than required (\$57.0 million minus \$26.1 million), proposed Common Carrier fees for FY 1995 needed to be adjusted upward by 218.9% (\$26.1 million divided by \$30.9 million = 218.9%) so that revenue would better approximate the \$57.0 million cost allocation for this Activity. Table #4 below shows cost allocations that were computed for each fee category within the Common Carrier Activity.

Calculation of Fee: We then divided each of the above cost allocations by the FY 1995 projected payee volume to determine the new fee requirement for each fee category within the Common Carrier Activity:

Category	COST ALLOCATION	DIVIDED BY PAYEE VOLUME	EQUALS NEW FEE
Domestic Public Fixed Radio	\$158,894	1,320	120
Cellular/Public Mobile Radio	4,464,803	34,000,000	.13
International Public Fixed Radio	4,815	20	240
VSATs/Mobile Earth Stations	57,386	437,000	.13
Earth station Antennas (Tr & T/R)	3,553,239	19,100	185
Earth Station Antennas (Receive)	4,128,849	34,300	120
Space Stations	4,979,131	35	142,250
IXC, LEC, CAPS, Other Providers	39,395,321	300,000,000	.13
International Circuits	298,529	62,000	5
Total	\$57,081,566		

Table #4