6712-01

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 1

[MD Docket Nos. 12-201; 13-140; 14-92; FCC 14-88]

Assessment and Collection of Regulatory Fees for Fiscal Year 2014; Assessment and Collection of Regulatory Fees for Fiscal Year 2013; and Procedures for Assessment and Collection of Regulatory Fees.

AGENCY: Federal Communications Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: In this document, the Federal Communications Commission (Commission) will revise its Schedule of Regulatory Fees in order to recover an amount of $339,844,000 that Congress has required the Commission to collect for fiscal year 2014.

DATES: Submit comments on or before July 7, 2014, and reply comments on or before July 14, 2014.

ADDRESSES: You may submit comments, identified by MD Docket No. 14-92, by any of the following methods:

- Federal eRulemaking Portal: http://www.regulations.gov. Follow the instructions for submitting comments.
- Federal Communications Commission's Web Site: http://www.fcc.gov/cgb/ecfs. Follow the instructions for submitting comments.
- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: FCC504@fcc.gov or phone: 202-418-0530 or TTY: 202-418-0432.
- E-mail: ecfs@fcc.gov. Include MD Docket No. 14-92 in the subject line of the message.
- Mail: Commercial overnight mail (other than U.S. Postal Service Express Mail, and Priority Mail, must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-

class, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington D.C. 20554.

For detailed instructions for submitting comments and additional information on the rulemaking process, see the **SUPPLEMENTARY INFORMATION** section of this document.

FOR FURTHER INFORMATION CONTACT: Roland Helvajian, Office of Managing Director at (202) 418-0444.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Notice of Proposed Rulemaking (NPRM), Second Further Notice of Proposed Rulemaking, and Order, FCC 14-88, MD Docket No. 14-92, adopted on June 12, 2014 and released June 13, 2014. The full text of this document is available for inspection and copying during normal business hours in the FCC Reference Center, 445 12th Street, SW., Room CY-A257, Portals II, Washington, DC 20554, and may also be purchased from the Commission's copy contractor, BCPI, Inc., Portals II, 445 12th Street, SW., Room CY-B402, Washington, DC 20554. Customers may contact BCPI, Inc. via their Web site, http://www.bcpi.com, or call 1-800-378-3160. This document is available in alternative formats (computer diskette, large print, audio record, and braille). Persons with disabilities who need documents in these formats may contact the FCC by e-mail: FCC504@fcc.gov or phone: 202-418-0530 or TTY: 202-418-0432.

I. PROCEDURAL MATTERS

Ex Parte Rules Permit-But-Disclose Proceeding

1. The Notice of Proposed Rulemaking (FY 2014 NPRM), Second Further Notice of Proposed Rulemaking, and Order shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's ex parte rules. Persons making ex parte presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral ex parte presentations are reminded that memoranda summarizing the presentation must list all

persons attending or otherwise participating in the meeting at which the ex parte presentation was made, and summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda, or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during ex parte meetings are deemed to be written ex parte presentations and must be filed consistent with § 1.1206(b). In proceedings governed by § 1.49(f) or for which the Commission has made available a method of electronic filing, written ex parte presentations and memoranda summarizing oral ex parte presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission's ex parte rules.

Comment Filing Procedures

2. Comments and Replies. Pursuant to §§ 1.415 and 1.419 of the Commission's rules, 47 CFR 1.415, 1.419, interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's eRulemaking Portal, or (3) by filing paper copies. See Electronic Filing of Documents in Rulemaking Proceedings, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: http://fjallfoss.fcc.gov/ecfs2/ or the Federal eRulemaking Portal: http://www.regulations.gov.

- Paper Filers: Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building.
- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.
- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington DC 20554.

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 & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

3. Availability of Documents. Comments, reply comments, and ex parte submissions will be available for public inspection during regular business hours in the FCC Reference Center, Federal Communications Commission, 445 12th Street, SW, CY-A257, Washington, DC 20554. These documents will also be available free online, via ECFS. Documents will be available electronically in ASCII, Word, and/or Adobe Acrobat.

4. Accessibility Information. To request information in accessible formats (computer diskettes, large print, audio recording, and Braille), send an e-mail to fcc504@fcc.gov or call the Commission's Consumer and Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432

(TTY). This document can also be downloaded in Word and Portable Document Format ("PDF") at: http://www.fcc.gov.

Initial Paperwork Reduction Act

5. This NPRM and Second Further Notice of Proposed Rulemaking document solicits possible proposed information collection requirements. The Commission, as part of its continuing effort to reduce paperwork burdens, invites the general public and the Office of Management and Budget (OMB) to comment on the possible proposed information collection requirements contained in this document, as required by the Paperwork Reduction Act of 1995, Public Law 104-13. In addition, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, see 44 U.S.C. 3506(c)(4), the Commission seeks specific comment on how it can further reduce the information collection burden for small business concerns with fewer than 25 employees.

Initial Regulatory Flexibility Analysis

6. An initial regulatory flexibility analysis ("IRFA") is contained in Attachment E**.** Comments to the IRFA must be identified as responses to the IRFA and filed by the deadlines for comments on the Notice of Proposed Rulemaking (NPRM). The Commission will send a copy of this NPRM, including the IRFA, to the Chief Counsel for Advocacy of the Small Business Administration.

II. INTRODUCTION AND EXECUTIVE SUMMARY

7. In this Notice of Proposed Rulemaking, Second Further Notice of Proposed Rulemaking, and Order (Notice), the Federal Communication Commission seeks comment on its proposed regulatory fees for fiscal year (FY) 2014, and how it can improve its regulatory fee process. In 2013, the Commission sought comment[1] on several proposals to revise the regulatory fee process to more accurately reflect the

[1] Procedures for Assessment and Collection of Regulatory Fees; Assessment and Collection of Regulatory Fees for Fiscal Year 2013, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, 78 FR 34612 (June 10, 2013) (FY 2013 NPRM). Regulatory fees are mandated by Congress in section 9 of the Communications Act of 1934, as amended (Communications Act or Act), and collected to recover the regulatory costs associated with the Commission's enforcement, policy and rulemaking, user information, and international activities. 47 U.S.C. 159(a).

regulatory activities of current Commission full time employees (FTEs).[2] In the FY 2013 Report and Order,[3] released on August 12, 2013, the Commission adopted a number of these proposals, including updating the number of FTEs in the core bureaus, reallocating certain FTEs in the International Bureau for regulatory fee purposes, establishing a new regulatory fee category to include Internet Protocol TV (IPTV), and consolidating UHF and VHF Television stations into one fee category.

8. This Notice seeks comment on the regulatory fees proposed for FY 2014, set forth in Table B, and on whether AM expanded band radio stations should remain exempt from regulatory fees. In addition, the Commission explains that, for calculating FY 2014 regulatory fees, the following previously adopted provisions will apply: (1) UHF/VHF regulatory fees will be combined into one digital television fee category and (2) IPTV will be included in the cable television systems category for regulatory fee purposes. In addition, the Commission finds it in the public interest to maintain the Commercial Mobile Radio Service (CMRS) messaging rate at $.08 per subscriber.

9. In the attached Second Further Notice of Proposed Rulemaking, the Commission seeks comment on additional reform measures to improve the regulatory fee process, including the adoption of methodologies tailored to ensure a more equitable distribution of the regulatory fee burden among categories of Commission licensees under the statutory framework in section 9 of the Communications Act.[4] Some of the issues for which comment is sought were raised by commenters in FY 2013 (or earlier) and now the Commission tailors its inquiry, in response to the more developed record, to further examine these proposals. Proposals for which further comment is sought include: (1) reallocating some of the FTEs from the Enforcement Bureau, the Consumer & Governmental Affairs Bureau (CGB), and the Office of Engineering and Technology (OET) as direct FTEs for regulatory fee purposes; (2) reapportioning the fee allocations between groups of International Bureau regulatees; (3) periodically updating FTE allocations;

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[2] 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.

[3] Assessment and Collection of Regulatory Fees for Fiscal Year 2013, Report and Order, 78 FR 52433 (August 23, 2013) (FY 2013 Report and Order).

[4] 47 U.S.C. 159.

(4) applying a cap on any regulatory fee increases for FY 2014; (5) improving access to information through our website; (6) establishing a higher de minimis threshold, such as $100, $500, or $1,000; (7) eliminating certain regulatory fee categories that account for a small amount of regulatory fee payments; (8) combining Interstate Telecommunications Service Providers (ITSP) and wireless voice services into one fee category; (9) adding direct broadcast satellite (DBS) operators to the cable television and IPTV category; (10) creating a new regulatory fee category for non-U.S. licensed space stations, or, alternatively, reallocating some FTEs assigned to work on non-U.S. licensed space station issues as indirect for regulatory fee purposes; and (11) adding a new regulatory fee category for toll free numbers. Some of these reforms would constitute mandatory amendments pursuant to section 9(b)(2) of the Act. To the extent that some of the reforms and other changes would constitute permitted amendments, Congressional notification pursuant to sections 9(b)(3) and 9(b)(4)(B) would be required. In addition, the Commission is adopting revisions to §§ 1.1112, 1.1158, 1.1161, and 1.1164 of our rules,[5] to correspond with the Commission's FY 2013 Report and Order requiring electronic payment of regulatory fees.[6]

III. BACKGROUND

10. Congress requires the Commission to collect regulatory fees "to recover the costs of … enforcement activities, policy and rulemaking activities, user information services, and international activities."[7] The fees assessed each fiscal year are to "be derived by determining the full-time equivalent number of employees performing" these activities, "adjusted to take into account factors that are reasonably related to the benefits provided to the payer of the fee by the Commission's activities…."[8] Regulatory fees recover direct costs, such as salary and expenses; indirect costs, such as overhead functions; and support costs, such as rent, utilities, or equipment.[9] Regulatory fees also cover the costs

[5] 47 CFR 1.1112, 1.1158, 1.1161, 1.1164. See Table F for the revised rules.

[6] See FY 2013 Report and Order, 78 FR 52445, paragraph 47 (August 23, 2013) (FY 2013 Report and Order).

[7] 47 U.S.C. 159(a).

[8] 47 U.S.C. 159(b)(1)(A).

[9] See Assessment and Collection of Regulatory Fees for Fiscal Year 2004, Report and Order, 69 FR 41030, paragraph 11 (July 7, 2004) (FY 2004 Report and Order).

incurred by entities that are exempt from paying regulatory fees,[10] entities whose regulatory fees are waived,[11] and entities that provide nonregulated services.[12] Congress sets the amount the Commission must collect each year in the Commission's fiscal year appropriations, and section 9(a)(2) of the Act requires us to collect fees sufficient to offset, but not exceed, the amount appropriated. For FY 2014, this amount is $339,844,000.

11. To calculate regulatory fees, the Commission allocates the total collection target, as mandated by Congress each year, across all regulatory fee categories. The allocation of fees to fee categories is based on the Commission's calculation of FTEs in each regulatory fee category. Historically, the Commission allocated FTEs as "direct" if the employee is in one of the four "core" bureaus; otherwise, that employee was considered an "indirect" FTE.[13] The total FTEs for each fee category includes the direct FTEs associated with that category, plus a proportional allocation of the indirect FTEs. Each regulatee within those fee categories then pays a proportionate share based on some objective measure, e.g., revenues, subscribers, or licenses.

12. In the FY 2012 NPRM,[14] the Commission proposed updating the FTE allocations for the first time since 1998.[15] After examining updated FTE data, the Commission determined that the International Bureau employed 22 percent of FTEs considered as direct in 2012, yet that bureau's

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[10] For example, governmental and nonprofit entities are exempt from regulatory fees under section 9(h) of the Act. 47 U.S.C. 159(h); 47 CFR 1.1162.

[11] 47 CFR 1.1166.

[12] For example, broadband services.

[13] The core bureaus are the Wireline Competition Bureau, Wireless Telecommunications Bureau, Media Bureau, and part of the International Bureau. The "indirect" FTEs are the employees from the following bureaus and offices: Enforcement Bureau, Consumer & Governmental Affairs Bureau, Public Safety and Homeland Security Bureau, Chairman and Commissioners' offices, Office of Managing Director, Office of General Counsel, Office of the Inspector General, Office of Communications Business Opportunities, Office of Engineering and Technology, Office of Legislative Affairs, Office of Strategic Planning and Policy Analysis, Office of Workplace Diversity, Office of Media Relations, and Office of Administrative Law Judges, totaling 954 FTEs (excluding auctions FTEs).

[14] See Assessment and Collection of Regulatory Fees for Fiscal Year 2012, Notice of Proposed Rulemaking, 77 FR 29275 (May 17, 2012) (2012) (FY 2012 NPRM).

[15] FY 2012 NPRM, 77 FR 49752, paragraph 14 (August 17, 2012) (FY 2012 NPRM). This issue was also examined by the GAO. See GAO, Federal Communications Commission, "Regulatory Fee Process Needs to be Updated," Aug. 2012, GAO-12-686 (GAO Report). The GAO concluded that the Commission should perform an updated FTE analysis to determine whether the fee categories should be revised.

regulatees contributed only 6.3 percent of the total regulatory fee collection for that year. In contrast, ITSPs (interexchange carriers (IXCs), incumbent local exchange carriers (LECs), toll resellers, and other IXC service providers regulated by the Wireline Competition Bureau) contributed 47 percent of the total regulatory fee collection in 2012, yet that bureau employed 29 percent of the FTEs considered direct in 2012.

13. With respect to updating the FTE allocations, the Commission recognized that, in most of the core bureaus, the work of most of its FTEs predominantly benefits that bureau's own licensees or regulatees. The Commission found, however, that the work performed by most of the International Bureau's FTEs benefitted other bureaus' licensees or the Commission as a whole.[16] Based on extensive review, the Commission determined that 28 of the FTEs from the Policy Division, Satellite Division, and Bureau front office of the International Bureau should be considered direct FTEs because they are engaged primarily in oversight and regulation of International Bureau licensees, such as satellite systems and submarine cable systems.[17] The remaining International Bureau FTEs, however, were considered indirect for regulatory fee purposes.

14. In the FY 2013 Report and Order, the Commission committed to additional regulatory fee reform and to issuing a Second Further Notice of Proposed Rulemaking, stating:

> Various other issues relevant to revising our regulatory fee program were also raised in either the FY 2013 NPRM or in comments submitted in response to it. Because we require further information to best determine what action to take on these complex issues, we will consolidate them for consideration in a Second Further Notice of Proposed Rulemaking that we will issue

[16] FY 2013 Report and Order, 78 FR 52437, paragraph 16 (August 23, 2013) (FY 2013 Report and Order). For example, the International Bureau's largest division, Strategic Analysis and Negotiation Division (SAND), is responsible for intergovernmental and regional leadership, negotiation, and planning and oversight of the Commission's participation in international forums and conferences. SAND's activities also cover telecommunications services outside of the International Bureau's oversight and regulatory activities; e.g., coordination of wireless services with Canada and Mexico. Because the activities of the SAND FTEs benefit the licensees in other bureaus in addition to its own licensees, the Commission reallocated the FTEs in SAND as indirect FTEs.

[17] FY 2013 Report and Order, 78 FR 52437, paragraph 16 (August 23, 2013) (FY 2013 Report and Order).

shortly. We recognize that these are complex issues and that resolving them will be difficult. Nevertheless, we intend to conclusively readjust regulatory fees within three years.[18]

15. To accomplish this goal, Commission staff continues its efforts to better align the work performed by its FTEs and the regulatees that benefit from such work, as required by section 9(b) of the Act. As part of these efforts, Commission staff engaged in extensive discussions with a number of Commission regulatees to obtain input concerning regulatory fee reform, including additional suggestions for FTE reallocation.[19] The FCC now seeks comment, or further comment, on additional regulatory fee changes the Commission should adopt for FY 2014 and beyond.

IV. CHANGES ADOPTED IN FY 2013 (OR EARLIER) THAT WILL APPLY IN FY 2014

16. As is discussed below, a number of substantive and procedural changes have previously been adopted and will apply to the calculation of regulatory fees in FY 2014. For the reasons discussed previously, the Commission will combine UHF/VHF regulatory fees into one digital television fee category[20] and include IPTV in the cable television systems category.[21] In addition, the FCC finds it in the public interest to retain the CMRS messaging rate at $.08 per subscriber.[22]

17. Combining UHF/VHF Television Regulatory Fees into One Digital Television Fee Category. In the FY 2013 Report and Order, the Commission combined the VHF and UHF stations in the

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[18] Id., 78 FR 52435, paragraph 7 (August 23, 2013) (FY 2013 Report and Order).

[19] See, e.g., Enterprise Wireless Alliance, Notice of Ex Parte Presentation (Nov. 1, 2013); Competitive Carriers Association, Notice of Ex Parte Presentation (Nov. 8, 2013); Critical Messaging Association, Ex Parte Memorandum (Nov. 14, 2013); CTIA—The Wireless Association, AT&T, Verizon, and T-Mobile, Notice of Ex Parte Presentation (Nov. 15, 2013); United States Telecom Association (USTelecom), Notice of Ex Parte Presentation (Nov. 15, 2013); Satellite Industry Association (SIA), Notice of Oral Ex Parte Presentation (Nov. 22, 2013); American Cable Association (ACA), Notice of Ex Parte Presentation (Nov. 22, 2013); Independent Telephone and Telecommunications Alliance (ITTA), Notice of Ex Parte Communication (Nov. 22, 2013); North American Submarine Cable Association (NASCA), Notice of Ex Parte Presentation (Dec. 5, 2013); Intelsat Corporation Notice of Oral Ex Parte Presentation (Dec. 13, 2013); SES, Inmarsat, and Telesat, Notice of Oral Ex Parte Presentation (Dec. 13, 2013); DIRECTV, DISH Network Corp., Hughes Network Systems, and Echostar Corp., Notice of Ex Parte Presentation (Dec. 13, 2013), National Association of Broadcasters (NAB), Notice of Late-Filed Ex Parte Communication (Jan. 24, 2014).

[20] FY 2013 Report and Order, 78 FR 52443, paragraphs 32-34 (August 23, 2013) (FY 2013 Report and Order).

[21] Id., 78 FR 52443-52444, paragraphs 35-36 (August 23, 2013) (FY 2013 Report and Order).

[22] Id., 78 FR 52444, paragraphs 38-39 (August 23, 2013) (FY 2013 Report and Order).

same market area into one fee category (with five tiered market segments) beginning in FY 2014 and eliminated the fee disparity between VHF and UHF stations.[23]

18. Internet Protocol TV is included in the Cable Television Systems Category. In the FY 2013 Report and Order, the Commission concluded that IPTV providers should be subject to the same regulatory fees as cable providers and, beginning in FY 2014, the Commission will assess regulatory fees on IPTV providers in the same manner that it assesses fees on cable television providers; the Commission is not, however, stating that IPTV providers are cable television providers.[24]

19. Congressional notification. As required by sections 9(b)(3) and 9(b)(4)(B) of the Act,[25] the Commission notified Congress on March 27, 2014 of the addition of IPTV to the cable television system fee category and the combination of UHF and VHF stations in the same market into a single fee category.[26] The pending 90-day congressional notification period expires on June 25, 2014, upon which these changes will become effective.

20. Commercial Mobile Radio Service (CMRS) Messaging. CMRS Messaging Service, which replaced the CMRS One-Way Paging fee category in 1997, includes all narrowband services.[27] Initially, the Commission froze the regulatory fee for this fee category at the FY 2002 level to provide

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[23] Id., 78 FR 52443, paragraph 33 (August 23, 2013) (FY 2013 Report and Order).

[24] See FY 2013 Report and Order, 78 FR 52444, paragraph 36 (August 23, 2013) (FY 2013 Report and Order). For purposes of this fee, IPTV providers include the AT&T U-Verse service and other wireline providers that deliver multiple channels of video using Internet protocol. However, the Commission notes that this regulatory fee will not apply to online video distributors (OVDs), e.g., over-the-top video providers See Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, 28 FCC Rcd 10496, 10499 n.4 (July 22, 2013).

[25] 47 U.S.C. 159(b)(3); 47 U.S.C. 159(b)(4)(B).

[26] 47 U.S.C. 159(b)(4)(B); Letter concerning permitted amendment from Office of Managing Director, Federal Communications Commission to Chair and Ranking Members of U.S. House of Representatives' Committees on Energy and Commerce and Appropriations and applicable Subcommittees and to Chair and Ranking Members of the United States Senate Committees on Commerce, Science, and Transportation and Appropriations and applicable Subcommittees (Mar. 27, 2014).

[27] See Assessment and Collection of Regulatory Fees for Fiscal Year 1997, Report and Order, 62 FR 37417, paragraph 60 (July 11, 1997) (FY 1997 Report and Order).

relief to the paging industry by setting an applicable rate of $0.08 per subscriber beginning in FY 2003.[28] At that time the Commission noted that CMRS Messaging units had significantly declined from 40.8 million in FY 1997 to 19.7 million in FY 2003—a decline of 51.7 percent.[29] We continue to observe a gradual decline in subscribership, which indicates that this decrease is not temporary. We will maintain the CMRS Messaging fee rate at $.08 per subscriber in FY 2014.[30] If we adopt a new de minimis threshold, as discussed below, some of the CMRS Messaging providers will no longer be required to pay regulatory fees.

V. ORDER AND ADMINISTRATIVE CHANGES FOR FY 2014

21. We have previously adopted several procedural changes that will apply to this year's fee collection. In particular, in the FY 2013 Report and Order we stated the Commission will no longer accept checks (including cashier's checks) and the accompanying hardcopy forms (e.g., Form 159's, Form 159-B's, Form 159-E's, Form 159-W's) for the payment of regulatory fees.[31] This new paperless procedure will require that all payments be made by online ACH payment, online credit card, or wire transfer. Accordingly, we revise §§1.1112, 1.1158, 1.1161, and 1.1164 of our rules[32] to correspond with the Commission's FY 2013 Report and Order requiring electronic payment of regulatory fees.[33]

22. Carriers seeking to revise their subscriber counts can do so by accessing Fee Filer. Providers should follow the prompts in Fee Filer to record their subscriber revisions, along with any supporting documentation. In the supporting documentation, the provider will need to state a reason for the change, such as a purchase or sale of a subsidiary, the date of the transaction, and any other pertinent

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[28] Assessment and Collection of Regulatory Fees for Fiscal Year 2003, Report and Order, 68 FR 48451, paragraph 22 (August 13, 2003) (FY 2003 Report and Order).

[29] FY 2003 Report and Order, 68 FR 48451, paragraph 21 (August 13, 2003) (FY 2003 Report and Order). The subscriber base in the paging industry declined 93 percent from 40.8 million to 2.97 million between FY 1997 and FY 2013, according to FY 2013 collection data as of Sept. 30, 2013.

[30] If the fee rate were not frozen at $.08 per subscriber, the actual fee rate for the CMRS Messaging fee category would have been $.46 per subscriber (.39% of all fees with a projected unit count of 2.9 million).

[31] See FY 2013 Report and Order, 78 FR 52445, paragraph 48 (August 23, 2013) (FY 2013 Report and Order).

[32] 47 CFR 1.1112, 1.1158, 1.1161, 1.1164.

[33] See Rule Changes section.

information that will help to justify a reason for the change. The Commission will then review the revised count and supporting documentation and either approve or disapprove the revision.

23. For purposes of determining a CMRS provider's subscriber count, the Commission determines the quantity of assigned telephone numbers from the provider's Numbering Resource Utilization Forecast (NRUF) report and adjusts for porting to account for numbers that have been marked as assigned in their numbering systems but that reflect telephone numbers being served by another carrier.[34] The CMRS count is based on the carrier's Operating Company Numbers (OCNs) aggregate subscriber total. For carriers that do not file an NRUF report, the Commission will not calculate an initial CMRS subscriber total. In these instances, the carriers should compute their fee payment based on subscriber counts as of December 31, 2013. Regardless of whether the Commission calculates a carrier's initial CMRS subscriber count, or the carrier self-reports its subscriber count based on December 31, 2013 totals, the Commission reserves the right to audit the number of subscribers for which regulatory fees are paid. In the event that the Commission determines that the number of subscribers paid is inaccurate, the Commission will bill the carrier for the difference between what was paid and what should have been paid, along with applicable penalties and interest. Finally, beginning this year, the Commission will no longer mail out initial CMRS assessment letters to CMRS providers.

VI. NOTICE OF PROPOSED RULEMAKING

24. Proposed regulatory fees. As noted in paragraph four, in FY 2014 we are required to collect $339,844,000 in regulatory fees.[35] Based on the new proposals below and the earlier adopted changes discussed in Section IV, above, we seek comment on the resulting proposed regulatory fees in Table B, which are based on the allocations listed in Table 1 below.

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[34] See Assessment and Collection of Regulatory Fees for Fiscal Year 2005 and Assessment and Collection of Regulatory Fees for Fiscal Year 2004, MD Docket Nos. 05-59 and 04-73, Report and Order and Order on Reconsideration, 70 FR 41973-41974, paragraphs 38-44 (July 21, 2005) (FY 2005 Report and Order and Order on Reconsideration).

[35] Attachment A lists the proposed regulatory fees for FY 2014 if none of the changes proposed in the Notice are adopted. In FY 2013, the Commission was also required to collect $339,844,000 in regulatory fees. The final collection amount was $10.9 million over this total, which the Commission deposited into the U.S. Treasury. The year-to-date accumulated total is $81.9 million.

Table 1: FY 2013 and FY 2014 Allocations of FTEs by Bureau

Bureau	**FY 2013 FTE Allocation (uncapped)**[36]	**FY 2013 FTE Allocation (capped)**[37]	**FY 2014 FTE Allocation (uncapped)**[38]	**FY 2014 FTE Allocation (capped)**[39]
International	6.13%	6.91%	6.14%	6.13%
Wireless Telecommunications	21.44%	19.59%	20.39%	20.00%
Wireline Competition	35.01%	39.81%	38.60%	39.17%
Media	37.42%	33.69%	34.87%	34.70%

25. AM Expanded Band Radio Stations. The AM Expanded Band licensing rules were adopted in the 1990's to promote the cancellation of licenses of "high interfering" stations in the AM standard band. Migration to the AM Expanded Band was voluntary, and a migrating licensee was allowed a five-year period to operate in both bands, after which it was to relinquish either its lower band or expanded band frequency, at its option. As an incentive to move to the expanded band, the Commission decided not to subject these AM radio stations to regulatory fees. In the FY 2008 FNPRM, however, the Commission stated that "[t]here is no compelling reason to permanently exempt AM expanded band licensees from paying regulatory fees. As a general matter, it would be appropriate to treat the AM expanded band and the AM standard band similarly for regulatory fee purposes."[40] There is no longer a reason to provide a regulatory incentive to AM broadcasters in the expanded band. A number of those

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[36] The FY 2013 (uncapped) column represents the allocation percentages before a fee increase cap of 7.5% was applied to regulatory fee categories.

[37] The FY 2013 (capped) column represents the allocation percentages after a fee increase cap of 7.5% was applied to regulatory fee categories.

[38] The FY 2014 (uncapped) column represents the allocation percentages using updated FY 2014 FTE counts (through September 30, 2013).

[39] The FY 2014 (capped) column represents the allocation percentages using updated FY 2014 FTE counts (through September 30, 2013), if a cap is applied, e.g. a cap of 7.5%.

[40] See Assessment and Collection of Regulatory Fees for Fiscal Year 2008, Report and Order and Further Notice of Proposed Rulemaking, 73 FR 50203, paragraph 13 (August 26, 2008) (FY 2008 FNPRM).

broadcasters relinquished their standard band licenses and have chosen to operate exclusively in the expanded band; at least two opted to retain their standard band licenses. There is no reason why broadcasters who have retained both their standard and expanded band licenses should continue to be exempt from paying regulatory fees.[41] We therefore propose adopting a section 9 regulatory fee obligation for all AM Expanded Band radio stations, beginning in FY 2014. We seek comment on this proposal.

VII. SECOND FURTHER NOTICE OF PROPOSED RULEMAKING

26. In this Second Further Notice of Proposed Rulemaking, we seek comment on additional proposals for regulatory fee reform. Several of the issues discussed below were previously raised by commenters but were not adopted because we either did not have the opportunity to fully evaluate the proposals or we determined that additional comments would be useful.[42]

27. Our proposals to further reform the regulatory fee process involve consideration of the following concepts: (1) combining certain regulatory fee categories; (2) creating new fee categories; and/or (3) reallocating direct or indirect FTEs. In addition, we seek to make the regulatory fee calculation, collection, and appeal procedures more efficient, transparent, and user friendly. We also seek comment on adopting a cap on regulatory fee increases, increasing the de minimis threshold, eliminating some regulatory fee categories, and reexamining FTE allocations periodically.

FTE Reallocations

1. Enforcement Bureau and Consumer & Governmental Affairs Bureau

28. We have historically considered the FTEs in the core bureaus to be direct FTEs for regulatory fee purposes. The FTEs in the non-core bureaus and offices have been considered "indirect," and allocated as such across all Commission regulatory fee payors in proportion to their allocated share of the overall regulatory fee burden. We have not designated any FTEs outside the core bureaus as direct or used the FTEs of the non-core bureaus to determine regulatory fee allocations. Commenters, however, have suggested that the work of FTEs in two of the non-core bureaus—the Enforcement Bureau and

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[41] FY 2008 FNPRM, 73 FR 50203, paragraph 13 (August 26, 2008) (FY 2008 FNPRM).

[42] See supra paragraph 15.

CGB—is more focused on certain core bureau(s), and that reallocation of such indirect FTEs as "direct" for regulatory fee purposes may be appropriate.

29. In our FY 2013 NPRM we sought comment on "whether the work of indirect FTEs is focused disproportionately on one or more core bureaus, and if we should allocate indirect FTEs among the core bureaus on this basis."[43] In response, SIA proposed that we reallocate Enforcement Bureau and CGB FTEs as direct FTEs to the Wireline Competition Bureau, Wireless Telecommunications Bureau, and Media Bureau.[44] We seek comment on this proposal.

30. SIA's argument concerning reallocating indirect FTEs is based on the assumption that the FTEs in the Enforcement Bureau and CGB spend little time on matters affecting International Bureau regulatees. Based on our examination into the work done by these bureaus, we believe SIA's reallocation proposal deserves further consideration. The Enforcement Bureau regional and field offices, 114 FTEs, located throughout the Nation,[45] are responsible for handling investigations and inspections in response to complaints (such as pirate radio complaints and wireless interference complaints) and conducting on-site inspections of radio facilities, cable systems, and antenna structures to determine compliance with applicable Commission rules.[46] The regional and field offices also conduct wireless coordination with Canada and Mexico, to address potential wireless interference issues for wireless and broadcast services. Table 2, below, shows the change in FTE allocation if the Commission adopts this proposal and allocates the field and regional offices FTEs equally to the Wireless Telecommunications Bureau and the Media Bureau. We seek comment on this proposal, including the appropriate reallocations of FTEs between the

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[43] FY 2013 NPRM, 78 FR 34619, paragraph 35 (June 10, 2013) (FY 2013 NPRM).

[44] SIA Comments at 10 (filed June 19, 2013).

[45] For the locations of the regional and field offices, see http://transition.fcc.gov/eb/rfo/.

[46] In FY 2013, the Enforcement Bureau database shows that investigations done by the regional and field offices were almost evenly split between wireless and broadcast-related cases. The regional and field offices' work involving wireline carriers is limited to disaster relief efforts. In addition, the regional and field offices as a whole employ one engineer responsible for addressing all of the Enforcement Bureau's satellite interference issues. Thus, the regional and field offices of the Enforcement Bureau devote nearly all of their work (with the exception of one FTE) to media/broadcast and wireless enforcement.

two bureaus. In addition, the Enforcement Bureau[47] as a whole (i.e., all the Enforcement Bureau divisions including the regional and field offices)[48] is primarily focused on enforcement activity in the wireline, wireless, and broadcast or media industries, and only occasionally addresses Act and rule violations by International Bureau licensees.[49] We seek comment on this proposal and also seek proposals concerning the appropriate percentages of FTEs among the three bureaus. Similarly, CGB,[50] the bureau responsible for, among other things, processing informal consumer complaints, received a total of 316,430 informal complaints in 2013 of which 3,682 (approximately one percent of the total informal complaints) were filed against DBS providers; only a very small number of informal complaints dealt with issues handled by the International Bureau.[51] We seek comment on this proposal and also seek other proposals concerning appropriate reallocation percentages of FTEs among the three bureaus.

31. The Commission also seeks comment on all aspects of SIA's proposal. In the process, the Commission asks commenters for input concerning whether our analysis accurately attributes the full range of work done by the Enforcement Bureau and CGB, and whether those two bureaus are more focused on licensees and regulatees of the Wireline Competition Bureau, Wireless Telecommunications Bureau, and Media Bureau than the International Bureau.[52] Commenters should specify proposed

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[47] The Enforcement Bureau has 262 FTEs as of September 30, 2013.

[48] The Enforcement Bureau consists of the following: Office of the Bureau Chief, the Investigations and Hearings Division, the Market Disputes Resolution Division, the Spectrum Enforcement Division, the Telecommunications Consumers Division, and the Regional and Field Offices (discussed above). The bureau's efforts are primarily focused on enforcement activity in the wireline, wireless, and broadcast or media industries.

[49] See, e.g., Intelsat License, LLC, Notice of Apparent Liability for Forfeiture, 28 FCC Rcd 17183 (2013) (apparent violation of § 25.158(e) of the Commission's rules).

[50] CGB has 156 FTEs. The division responsible for informal complaints is the Consumer Inquiries and Complaints Division, with 55 FTEs. CGB develops and implements the Commission's consumer policies, including disability access issues; provides outreach and education to consumers; and responds to consumer inquiries and informal complaints. CGB also maintains partnerships with state, local, and Tribal governments on issues of emergency preparedness and implementation of new technologies.

[51] Although DBS providers are licensed by the International Bureau, the Media Bureau is responsible for overseeing DBS providers' compliance with the Commission's rules. Informal complaints filed by consumers against DBS providers could therefore be considered Media Bureau issues rather than International Bureau issues.

[52] Please note that one of the CGB divisions, the Reference Information Center, contains public filings from all telecommunications industries, including International Space Station files.

reallocations concerning the Enforcement Bureau and CGB, and explain the legal and policy reasoning for such support.

2. Office of Engineering & Technology and Other Reallocation Proposals

32. The FCC recognizes that sometimes the work of the FTEs in a core or non-core bureau may affect the regulatees of another core bureau or bureaus. We seek comment on whether, in addition to those divisions affected by the proposed FTE reallocations discussed above, there are other divisions within the core or non-core bureaus that should be treated as direct FTEs to another bureau. For example, the Office of Engineering and Technology (OET) advises the Commission on technical and engineering matters, develops and administers Commission decisions regarding spectrum allocations, develops technical rules for the operation of unlicensed radio devices, authorizes the marketing of radio frequency devices as compliant with Commission technical rules, grants experimental radio licenses, and is the agency's liaison to the National Telecommunications and Information Administration (NTIA) for coordinating policy decisions and frequency assignments between Federal agency and non-Federal spectrum users. OET also manages the FCC's program to perform broadband speed measurements and supports inter-bureau broadband projects such as the Technology Transitions Task Force. OET FTEs provide direct support to the equipment authorization and experimental radio licensing programs, as well as indirectly to the Commission's overall spectrum policy planning processes (e.g., spectrum allocations). We seek comment on whether and to what extent commenters believe OET's work is focused on the licensees and regulatees of the Wireless Telecommunications Bureau, Wireline Competition Bureau, Media Bureau, and International Bureau, and whether a portion of OET FTEs should be directly allocated to those bureaus for determining regulatory fees. Commenters should specify proposed reallocations and the legal and policy reasoning for such support.

33. Of the proposals presented above, for illustrative purposes, the following Table 2 approximates the impact based on adopting two of these proposals—reallocating the CGB and EB regional and field offices—as direct to certain core bureaus.

Table 2: Reallocating the CGB and EB Regional and Field offices

Bureau	Current FTE Direct	Current FTE Indirect	CGB FTEs	EB Regional and Field Offices FTEs	FTE total[53]
International	28 FTEs (6.14%)	47.5 FTEs (6.14%)	0 FTEs (0.00%)	0 FTEs (0.00%)	75.5 FTEs (5.03%)
Wireless	93 FTEs (20.39%)	157.9 FTEs (20.39%)	52 FTEs (33.33%)	57 FTEs (50.00%)	359.9 FTEs (24%)
Wireline	176 FTEs (38.60%)	298.7 FTEs (38.60%)	52 FTEs (33.33%)	0 FTEs (0.00%)	526.7 FTEs (35.11%)
Media	159 FTEs (34.87%)	269.9 FTEs (34.87%)	52 FTEs (33.33%)	57 FTEs (50.00%)	537.9 FTEs (35.86%)
Total	456	774	156	114	1,500

3. Reallocations within Fee Categories

34. Submarine Cable. Submarine cable systems transport data, as well as voice services, for international carriers, Internet providers, wholesale operators, corporate customers, and governments. As discussed in the FY 2013 NPRM, international submarine cable service involves minimal regulation and oversight from the Commission after the initial licensing process.[54] For example, such activity is limited to filing Traffic and Revenue Reports regarding international services and for U.S. facilities based international common carriers, and Circuit Status Reports.[55] Several commenters in response to the FY 2013 NPRM suggested that the regulatory fees among International Bureau licensees should be adjusted to reflect this minimal oversight.[56] The satellite operators and earth stations pay 59 percent of regulatory fees allocated to International Bureau licensees, and the submarine cable and bearer circuit fee categories pay 41 percent. The Commission tentatively concludes that it should revise the apportionment between the satellite/earth station operators and the submarine cable operators/terrestrial/satellite circuits to reduce the proportional allocation for submarine cable operators/terrestrial/satellite circuits and increase the allocation

[53] This illustration is based on the adoption of the proposals to allocate the FTEs from the Enforcement Bureau Regional and Field offices and CGB.

[54] FY 2013 NPRM, 78 FR 34618-34619, paragraph 33 (June 10, 2013) (FY 2013 NPRM).

[55] Id.

[56] See, e.g., NASCA Comments at 8-9 (filed June 19, 2013); Telstra Comments at 2 (filed June 19, 2013); ICC Reply Comments at 2 (filed June 19, 2013).

for satellite/earth station operators to more accurately reflect the amount of oversight and regulation for these industries.[57]

35. Earth Stations. An earth station transmits or receives messages from a satellite. Currently, earth station licensees pay regulatory fees of $275 per year while satellite operators pay $139,100 (for space stations, per operational system in geostationary orbit) and $149,875 (for space stations, per operational system in non-geostationary orbit) per year. The Commission recognizes that earth station and satellite oversight and regulation, although using different quantities of FTEs, is interdependent to some degree and also involves issues pertaining to non-U.S.-licensed space stations. Commenters suggest that the FCC increase the percentage of regulatory fees assigned to earth stations. We therefore seek comment on whether the Commission should increase this allocation in order to reflect more appropriately the regulation and oversight of this industry. Commenters should also discuss whether the type of earth station authorization should affect the relative allocation for regulatory fees. We invite comment on whether any material distinction should be drawn concerning the appropriate allocation of regulatory fees among various types of earth station authorizations.

Improving the Regulatory Fee Process

36. Following this analysis for FY 2014, how often should the Commission conduct an in depth review in the future? How often should this methodology be revisited for allocation of direct FTEs? Absent any changes in methodology, how often should the Commission update the number of FTEs in the core bureaus in order to calculate regulatory fees? Commenters should recommend an appropriate time frame, such as every three years, that balances the need for stability for industry sectors to budget for regulatory fees against the need to reflect the changing work of the Commission FTEs.

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[57] The revenue allocation between submarine cable operators and common carrier terrestrial/satellite circuits is 87.6 percent/12.4 percent. This was adopted in the Submarine Cable Order. See Assessment and Collection of Regulatory Fees for Fiscal Year 2008, Second Report and Order, 74 FR 22104 (May 12, 2009) (Submarine Cable Order). The Commission does not propose any changes to the 87.6/12.4 allocation between submarine cable operators and common carrier terrestrial/satellite circuits.

Revising Our De Minimis Threshold and Eliminating Regulatory Fee Categories

37. Under the Commission's present policy on de minimis regulatory fee payments, a regulatee is exempt from paying regulatory fees if the sum total of all of its regulatory fee liabilities for the fiscal year is less than $10. For example, using FY 2013 fee data, an ITSP would be exempt if the total calendar year revenues did not exceed $2,881. A cell phone operator would be exempt if the number of subscribers did not exceed 55; a cable television operator would be exempt if the subscriber number did not exceed nine. The Commission proposes to increase the de minimis threshold to provide more relief to smaller entities. We seek comment on whether the Commission should establish a higher de minimis amount, such as $100, $500, $750, or $1,000. In doing so, we seek comment on whether the administrative burden on small regulatees and the FCC's operational costs associated with processing and collecting these fees outweigh the benefits of such payments. Commenters should discuss whether certain categories of licensees, such as those who are subject to frequency coordination by private industry groups, should be excluded from regulatory fees due to limited Commission regulation, among other things. Commenters should also discuss whether smaller entities with limited funds are more likely to be unable to budget for regulatory fees on a timely basis and therefore incur late fees and use more Commission resources for fee collection. In addition, commenters should address whether the Commission should phase in a higher de minimis threshold over two or more years.

38. Similarly, we seek comment on whether to include certain fee categories (e.g., broadcast and multi-year licenses) in a new de minimis threshold. Commenters should discuss whether adding a new tier for broadcast, for smaller stations, would be feasible. Concerning multi-year licenses, the Commission proposes to exclude two categories whose regulatory fees for the term of the license would be under $100: vanity call signs ($21.60 for a 10-year license) and General Mobile Radio Service (GMRS) ($25 for a five-year license).[58] The Commission also seeks comment on eliminating certain other regulatory fee categories, such as Satellite TV, Satellite TV Construction Permits, Broadcast Auxiliaries, LPTV/Class A Television and FM Translators/Boosters, and CMRS Messaging (Paging), from regulatory fees because the

[58] Our proposal would exclude these two categories from regulatory fees going forward, not just for FY 2014.

categories account for such a small amount of regulatory fees. We seek comment on the benefits of discontinuing such collections. Commenters should discuss how other multi-year licenses should be treated with respect to a de minimis threshold. Since some licensees may hold many multi-year licenses, commenters should address whether it would be burdensome for such licensees to have some multi-year licenses above the de minimis threshold and some below.

39. The Commission tentatively concludes that eliminating categories from our regulatory fee schedule would be a permitted amendment as defined in section 9(b)(3) of the Act,[59] and pursuant to section 9(b)(4)(B) must be submitted to Congress at least 90 days before it would become effective.[60]

A Cap or Limitation on Increases of Regulatory Fees for FY 2014

40. For FY 2014, unlike last year, it is unlikely regulatees will experience substantial increases in their regulatory fees.[61] Nevertheless, out of an abundance of caution, we seek comment on the appropriateness of a cap to prevent, "unexpected, substantial increases which could severely impact the economic wellbeing of these licensees."[62] We seek comment on whether to continue to apply a cap of 7.5 percent, or a higher cap, such as 10 percent, on the amount by which regulatory fee rates increase in FY 2014 over the FY 2013 fee rates, before rounding FY 2014 rates, for any category resulting solely from the reallocations of FTEs or our reform measures adopted in the FY 2013 Report and Order or in this proceeding.[63] Therefore, if adopting our proposals would create a substantial increase in the fee rate for any category of regulatees, such an increased would be capped. We seek comment on the reasonableness of a 7.5 percent or 10 percent cap for FY 2014. The Commission also invites proposals for higher or lower

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[59] 47 U.S.C. 159(b)(3).

[60] 47 U.S.C. 159(b)(4)(B).

[61] See, e.g., Table 1 at paragraph 18.

[62] See Assessment and Collection of Regulatory Fees for Fiscal Year 1997, Report and Order, 62 FR 37414, paragraph 37 (July 11, 1997) (FY 1997 Report and Order).

[63] This cap would apply to an increase to an entire fee category as a result of FTE reallocations or reform measures; such cap would not apply to limit changes in regulatory fees for a particular payor resulting from other factors, such as increased or decreased revenues, changes in subscriber numbers, number of licenses, etc. For example, UHF television fees in Markets 1-10 will increase from $38,000 (FY 2013) to $44,875 (FY 2014) as a result of our regulatory reform measure in combining the UHF and VHF fee categories.

percentages. Commenters suggesting a different cap should explain how such proposals would prevent a severe impact on the economic wellbeing of licensees yet remain consistent with the goal to more accurately align FTEs with their areas of work. A cap limiting increases, if adopted, would be effective for FY 2014.

Additional Regulatory Fee Reform

41. We also seek comment on ways to further improve our regulatory fee process to make it less burdensome for all entities, specifically smaller entities. The Commission recognizes that the FCC is currently seeking comment on a Commission-wide "Process Reform."[64] Any comments relating specifically to the regulatory fee processes could also be filed in this docket for implementation for FY 2014 and the suggestions will be coordinated with the Process Reform proceeding. Commenters should suggest ways in which the Commission can further streamline its processes to make it easier for regulatory fee payors. Commenters should also address the timing of our annual regulatory fee process. Commenters should suggest ways in which the FCC can improve its website to make it easier for the public to obtain information about regulatory fees. Making regulatory fee waiver decisions public and accessible on our website is also a Commission proposal. We seek comment on the feasibility of an automated online waiver process. We seek comment on other ways to make information more accessible on the Commission's website.

Combining Existing Regulatory Fee Categories

42. In the FY 2013 NPRM, the Commission sought comment on combining wireline and wireless voice services into one category and assessing regulatory fees based on voice revenues for this new category.[65] The Commission explained that because wireless services are comparable to wireline services, both services encompass similar regulatory policies and programs, such as universal service and

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[64] http://transition.fcc.gov/Daily_Releases/Daily_Business/2014/db0214/DA-14-199A2.pdf.

[65] FY 2013 NPRM, 78 FR 34615, paragraph 18 (June 10, 2013) (FY 2013 NPRM). See, e.g., ITTA Comments at 2-3 (filed June 19, 2013). ITTA's proposal was also discussed in the FY 2008 FNPRM, 73 FR 50288-50289, paragraphs 16-17 (August 26, 2008 (FY 2008 FNPRM). In that proceeding, the Commission stated that "ITTA recommends that the Commission extend the process by which it added interconnected Voice over Internet Protocol ('VoIP') providers to the ITSP category and also include wireless providers in the ITSP category." Id., 73 FR 50288-50289, paragraph 16 (August 26, 2008) (FY 2008 FNPRM).

number portability.[66] The Independent Telephone and Telecommunications Alliance (ITTA) contends that wireline companies bear a disproportionately high burden in regulatory fees because these companies no longer require the same expenditure of Commission resources as when regulatory fees were first adopted.[67] ITTA further observes that issues addressed by FTEs in the Wireline Competition Bureau also affect the providers of other voice services, such as wireless and VoIP; for example, the Wireline Competition Bureau oversees contributions to the universal service fund by wireless providers and programs that benefit and provide disbursements to wireless providers, such as Lifeline, high-cost, and E-rate.[68]

43. We seek comment on combining wireless cellular services with the ITSP category to create one regulatory fee category whose regulatory fees are calculated based on the combined number of FTEs in the Commission's Wireline Competition Bureau and Wireless Telecommunications Bureau. We also seek comment on whether the Commission should combine any portion of other service categories with ITSP. Any combination of categories proposed by commenters should address the need to reconcile different assessment methodologies for ITSP, which pay fees based on revenues and wireless, which pay fees based on handsets. If ITSP is combined with another category, a uniform method would need to be applied to calculate the fees (e.g., revenues, subscribers, handsets, telephone numbers). Commenters should propose and discuss uniform methods for calculating regulatory fees in a combined regulatory fee category. Although revenues appear to be the most appealing methodology because this information is available in FCC Form 499 filings and is already used in other FCC programs to determine obligations, such as universal service contributions, commenters advocating using revenues for assessing regulatory fees in a combination of categories should take into account whether all revenues should be assessed, or

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[66] FY 2013 NPRM, 78 FR 34615, paragraph 18 (June 10, 2013) (FY 2013 NPRM).

[67] ITTA Comments at 4 (filed June 19, 2013).

[68] 47 CFR 54.706; Schools and Libraries Universal Support Mechanism, Eligible Services List, CC Docket No. 02-6, GN Docket No. 09-51, Order, 28 FCC Rcd 14534 (WCB 1993); Federal Communications Commission Consumer Guide, Lifeline: Affordable Telephone Service for Income-Eligible Consumers (2013), available at http://transition.fcc.gov/cgb/consumerfacts/lllu.pdf; Connect America Fund, et al., WC Docket No. 10-90, Report and Order and Further Notice of Proposed Rulemaking, 77 FR 1637 (January 11, 2012), petitions for review pending sub nom, In Re Federal Communications Commission 11-161, No. 11-9900 (10th Cir, filed December 18, 2011).

whether only the proportion of revenues allocated to voice be used.[69]

44. Depending on the revenues that are included in the base, combining wireless cellular and the historic ITSP fee categories together could result in a sizeable change in the wireline regulatory fee rate. We seek comment on transitioning to a combined category and capping any increase to 7.5 or 10 percent, annually. It is possible that by combining the wireless cellular and ITSP fee categories into a new category as proposed by ITTA, the effect of a cap on increases, and the reduction in fees for the wireline industry, could cause significant fee increases for the remaining regulatory fee categories. Alternatively, the Commission could transition by keeping wireless and ITSP separate categories based on revenue and phasing in an increase in wireless and decrease in ITSP fee rates before combining the two categories.[70] We seek comment on ways to transition to a combined wireless and wireline category without causing hardship on the wireless industry and other fee categories.

45. For example, if the cellular wireless and ITSP fee categories were combined into one fee category based on 499-A revenues, the fee rate and collections amount would be projected as follows.

Table 3: Combined Wireless and ITSP Fee Rate and Projected Revenue (without cap)

Revenue Source (FCC Form 499-A 2013 Revenue)	499-A Projected Revenue	Combined Rev. 2014 Fee Rate	Estim. Revenue Collected	% of Rev. Collected	Diff. Paid w/ Combined Rate
ITSP	$38,800,000,000	.00287	$111,356,000	32.77%	($20,569,314)
Wireless (Cellular)	$27,715,500,000	.00287	$79,543,485	23.41%	$20,139,689
Total	$66,515,500,000		$190,899,485	56.18%	

Note: The combined revenue fee rate of .00287 was calculated on an ITSP allocation (FTE) percentage of 38.60% and a cellular wireless percentage of 17.34%.

[69] Commenters advocating using revenues for assessing regulatory fees in a combination of services should take into account that wireless carriers provide "voice" service without charge for customers with data plans.

[70] By way of illustration, if the increase were capped at 10%, the cellular wireless projected regulatory fee revenue would increase from approximately $58.9M to $64.8M for FY 2014, to $71.3M for FY 2015, to $78.4M for FY 2016, to $86.2 for FY 2017, and to $94.9M for FY 2018, at which point the two categories would be combined into one ITSP category. During this phase-in process, the wireline regulatory fee revenues would decrease each year, from approximately $131.2M to $125.3M for FY 2014, to $118.8M for FY 2015, to $111.7M for FY 2016, to $103.8M for FY 2017, and to $95.2M in FY 2018.

46. The Commission tentatively concludes that combining two fee categories into one new fee category constitutes a reclassification of services in the regulatory fee schedule, and thus a permitted amendment as defined in section 9(b)(3) of the Act,[71] which pursuant to section 9(b)(4)(B) must be submitted to Congress at least 90 days before it becomes effective.[72]

New Regulatory Fee Categories

4. DBS

47. DBS providers are multichannel video programming distributors (MVPDs), pursuant to section 522(13) of the Act. These operators of U.S.-licensed geostationary space stations used to provide one way subscription television service to consumers in the United States pay a fee under the category "Space Station (Geostationary Orbit)" in the regulatory fee schedule. Such providers of one-way subscription satellite television service to consumers in the United States do not pay a per-subscriber regulatory fee. DBS services are similar to cable services because both services offer multi-channel video programming to end-users. DBS services, however, also differ from cable because programming is transmitted to end users by satellites stationed in geosynchronous orbit and not by terrestrial cable.

48. Commenters, in response to the FY 2013 NPRM, proposed that DBS providers pay regulatory fees based on Media Bureau FTEs due to the similar regulatory work devoted to cable operators and DBS providers.[73] For example, DBS providers (and cable operators) are permitted to file program access complaints[74] and complaints seeking relief under the retransmission consent good faith rules;[75] and DBS providers are required to comply with Media Bureau oversight and regulation such as Commercial

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[71] 47 U.S.C. 159(b)(3).

[72] 47 U.S.C. 159(b)(4)(B).

[73] Previously, when this issue was first proposed by the cable industry, the Commission declined to modify its methodology. See, e.g., FY 2013 NPRM, 78 FR 34627-34628, paragraphs 56-58 (June 10, 2013) (FY 2013NPRM); FY 2008 FNPRM, 73 FR 50290, paragraph 26 (August 26, 2008) (FY 2008 FNPRM). For FY 2014, a new category was adopted that includes cable television and IPTV. We now seek further comment whether DBS providers should also be included in the cable television and IPTV category.

[74] 47 U.S.C. 548; 47 CFR 76.1000-1004.

[75] 47 U.S.C. 325(b)(1), (3)(C)(ii); 47 CFR 76.65(b).

Advertisement Loudness Mitigation Act (CALM Act),[76] the Twenty-First Century Video Accessibility Act (CVAA),[77] and the closed captioning and video description rules.[78] DBS providers argue, however, that they are not cable television operators and they are not subject to all of the regulations historically imposed on the cable industry by the Media Bureau; instead, their business model is based on satellite technology and is subject to satellite licensing rules through the International Bureau.[79]

49. The Commission invites further comment on whether regulatory fees paid by DBS providers should be included in the cable television and IPTV category and assessed in the same manner as cable television system operators. We also seek comment on a new name for this category. For example, should this fee category be named "MVPD" or "subscription television fees" or should other names be more appropriate for this category? We also ask commenters to further address the impact of this on the cable industry and the satellite industry.

Table 4: Change in cable/IPTV regulatory fees when DBS added

Fee Service	Subscriber Count	FY 14 Fee Per Subscriber Combined	FY 14 Fee Not Combined	Projected Revenue Combined	Projected Rev. Not Combined	Diff. Paid with Combined
Cable/IPTV Subscribers	65,400,000	$.68	$1.00 per subscriber	$44,472,000	$65,400,000	($20,928,000)
DBS Subscribers	34,000,000	$.68	$114,025 per satellite	$23,120,000	$2,052,450	$21,067,550
Total	99,400,000			$67,592,000	$67,452,450	

50. When DBS video providers are included in the cable and IPTV subscriber count, the FY 2014 regulatory fee rate for cable television (and IPTV and DBS video service) reduces from a fee rate of $1.00 per subscriber (cable and IPTV subscribers) to $.68 per subscriber. This would affect only the 18 satellites that provide video programming, EchoStar and DIRECTV. The GSO Space Stations will be

[76] See Implementation of the Commercial Advertisement, Loudness Mitigation (CALM) Act, Report and Order, 77 FR 40276 (July 9, 2012) (2012).

[77] 47 U.S.C. 618(b).

[78] 47 CFR part 79.

[79] See, e.g., DIRECTV Comments at 8-17 (filed June 19, 2013); EchoStar Corporation and DISH Network Reply Comments at 4-6 (filed June 26, 2013).

reduced by 18 satellites, and $2.5 million in projected revenue. This would add $2.5 million to cable's projected revenue, i.e., 34,000,000 new subscribers, totaling 99,400,000 subscribers.

51. One-way satellite television subscription service is provided by a variety of satellites in the United States.[80] As a result, there are multiple definitions of DBS in the Commission's rules.[81] Commenters should also explain how they would define DBS satellite television service providers for regulatory fee purposes.

52. Commenters should also discuss the relationship between regulatory fees that would be paid by DBS satellite television service providers and the regulatory fees paid by operators of GSO satellites, which are used to provide satellite television service to consumers in the United States. At the same time, the Commission recognizes that non-U.S.-licensed satellites are also used to provide one-way satellite television service to consumers in the United States, but do not pay a regulatory fee.[82] Commenters may wish to address this point in any discussion of the relationship between the two fee categories and the impact of this fee category on the satellite industry.

5. Non-U.S.-Licensed Space Stations Serving the United States

53. To recover the costs associated with policy and rulemaking activities associated with space stations, § 1.1156 of the Commission's rules includes "Space Station (Geostationary Orbit)" and "Space Stations (Non-Geostationary Orbit)" in the regulatory fee schedule.[83] These fees are assessed only for U.S.-licensed space stations. Regulatory fees are not assessed for non-U.S.-licensed space stations that have been granted access to the market in the United States.[84] Previously, the Commission sought

[80] For example, DIRECTV operates a number of Ka-band satellites used to provide satellite television services to consumers in the United States in addition to its fleet of DBS satellites.

[81] Compare definition of DBS in § 25.103 used for satellite licensing with the definition for DBS in § 25.701 used for other public interest obligations. 47 CFR 25.103, 25.701.

[82] See, e.g., EchoStar Satellite, LLC, Order and Authorization, 20 FCC Rcd 20083 (International Bureau 2005).

[83] 47 CFR 1.1156.

[84] This issue was raised in the FY 1999 Report and Order where the Commission observed that that the legislative history provides that only space stations licensed under Title III—which does not include non-U.S.-licensed satellite operators—may be subject to regulatory fees. Assessment and Collection of Regulatory Fees for Fiscal Year 1999, Report and Order, 64 FR 35837, paragraph 39 (July 1, 1999) (FY 1999 Report and Order).

comment on a proposal to assess regulatory fees on non-U.S.-licensed space stations that had been granted market access in the United States, and this discussion is incorporated in this rulemaking by reference.[85] Intelsat supports creating this new category.[86] Most commenters addressing this issue do not support assessing regulatory fees on non-U.S.-licensed satellites and contend that the Commission does not have authority to do so; such fees would conflict with international treaties; and that a fee assessment could lead to a proliferation of fees from other countries that would have a serious impact on global satellite services.[87]

54. The Commission also seeks additional comment on whether regulatory fees should be assessed on non-U.S. licensed space station operators granted access to the market in the United States. Commenters should discuss whether the Commission should revisit the Commission's 1999 conclusion that the regulatory fee category for Space Stations (Geostationary Orbit) and Space Stations (Non-Geostationary Orbit) in § 1.1156(a) of the Commission's rules covers only Title III license holders, including the Commission's finding that it "cannot include operators of non-U.S.-licensed satellite space stations among regulatory fee payors."[88] Commenters should also discuss any negative policy implications that may arise from taking such action, such as the likelihood that other countries will choose to assess fees on U.S.-licensed satellite systems. Table 5 below illustrates the number of feeable (U.S. licensed) versus non-feeable (non-U.S. licensed) satellites that require agency resources to be expended.

Table 5: Projected Number of Satellites that are Regulatory Feeable and Non-Feeable

Regulatory Feeable GSO & NGSO Satellites	Market Access List (Not Feeable)	K-Band List (Not Feeable)	ISAT List (Not Feeable)	Permitted List (Not Feeable)	Total (Not Feeable)
100	19	6	6	38	69

[85] See FY 2013 NPRM, 78 FR 34627, paragraphs 53-55 (June 10, 2013) (FY 2013 NPRM).

[86] Intelsat Comments (June 19, 2013).

[87] See, e.g., EchoStar Corporation and DISH Network Comments at 15-18 (contending that the Commission lacks the authority to impose such regulatory fees and that doing so would also be inconsistent with established multilateral trade agreements) (June 19, 2013); SES Americom, Inc., Inmarsat, Inc., and Telesat Canada Comments at 2-12) (June 19, 2013).

[88] FY 1999 Report and Order, 64 FR 35837, paragraph 39 (July 1, 1999) (FY 1999 Report and Order)..

55. Commenters advocating the assessment of regulatory fees on non-U.S.-licensed space stations granted access to the market in the United States should propose how the fees should be calculated and applied. Because market access is granted through a variety of procedural mechanisms, commenters should address each situation. For example, how would fees be calculated and applied in instances where the non-U.S.-licensed space station operator accesses the U.S. market solely through grant of an application by a U.S.-licensed earth station operator identifying the non-U.S. licensed space station as a point of communication? Commenters should also provide specific information as to whether other countries already assess fees in one form or another on U.S.-licensed satellite systems accessing their markets.

56. Based on Commission filings over the past three years, there were eleven applications filed each year for U.S. space station authorization, eight applications per year to add a non-U.S.-licensed space station to the Permitted List, and ten applications per year from U.S. earth stations to communicate with non-U.S.-licensed space stations that are not on the Permitted List. Thus, over half of the space station applications and notifications during this three year period pertained to non-U.S.-licensed space stations. As Intelsat observes, "[t]he Satellite Division's work on behalf of non-U.S.-licensed satellite operators with U.S. market access generates regulatory costs."[89] As an alternative to adopting a new regulatory fee category for non-U.S.-licensed space stations, as discussed above, FTEs working on petitions or other matters involving non-U.S.-licensed satellites could be removed from the regulatory fee assessments for U.S.-licensed satellites and considered indirect for regulatory fee purposes. We seek comment on whether these FTEs should be considered indirect FTEs because their responsibilities concerning non-U.S.-licensed satellite operators are of general benefit to the United States public, as well as other entities, including the United States government, who uses these satellite services. Indirect treatment may be further warranted because U.S. earth stations utilize these foreign satellites. We seek comment on whether these FTEs should be considered "indirect" FTEs instead of direct International Bureau FTEs.

[89] Intelsat Comments at 4 (June 19, 2013).

6. Toll free numbers

57. The Commission also seeks comment on whether toll free numbers, as defined in §52.101(f) of our rules,[90] should be added to the regulatory fee schedule set forth in section 9. Toll free numbers are not currently subject to regulatory fees. These numbers are managed by a RespOrg, or Responsible Organization, for toll free subscribers. Commission resources are used in enforcement activities,[91] as well as rulemakings and other policy making proceedings,[92] pertaining to the use of these numbers. Historically, the Commission has not assessed regulatory fees on toll free numbers, under the rationale that the entities controlling the numbers, wireline and wireless carriers, were paying regulatory fees based on either revenues or subscribers.[93] This may no longer be a realistic assumption today as there appear to be many toll free numbers controlled or managed by entities that are not carriers. We therefore seek comment on whether regulatory fees should be assessed on RespOrgs, for each toll free number managed by a RespOrg. We seek comment on whether regulatory fees should be assessed on working, assigned, and reserved toll free numbers. In addition, should regulatory fees be assessed for toll free numbers that are in the "transit" status, or any other status as defined in § 52.103 of the Commission's rules? Commenters should discuss an appropriate regulatory fee for this new category; e.g., one cent per month, or twelve cents per year. Using this figure, the amount of fees collected could total approximately $4 million per year, depending on how many toll free numbers continued to be managed by RespOrgs if the regulatory fee were to be imposed. The FTEs involved in toll free issues are primarily from the Wireline Competition Bureau;[94] therefore, this additional fee would reduce the ITSP regulatory fee total.

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[90] Toll free numbers are telephone numbers for which the toll charges for completed calls are paid by the toll free subscriber. See 47 CFR 52.101(f).

[91] See, e.g., Richard Jackowitz, IT Connect, Inc., Notice of Apparent Liability for Forfeiture, 29 FCC Rcd 3318 (2014); Richard Jackowitz, IT Connect, Inc., Notice of Apparent Liability for Forfeiture, 28 FCC Rcd 6692 (2013); Telseven, LLC, et al., Notice of Apparent Liability for Forfeiture, 27 FCC Rcd 15558 (2013).

[92] See, e.g., Toll Free Access Codes, Second Report and Order and Further Notice of Proposed Rulemaking, 62 FR 20126 (April 25, 1997); 62 FR 20147 (April 25, 1997) (1997).

[93] See generally, Universal Service Contribution Methodology, Further Notice of Proposed Rulemaking, 77 FR 33923, paragraph 227 (June 7, 2012) (2012).

[94] Enforcement Bureau staff also work on toll free issues.

7. Permitted Amendments

58. The Commission tentatively concludes that including the three categories discussed above: DBS, non-U.S.-licensed space stations, and toll free numbers, in new or revised regulatory fee categories would constitute a reclassification of services in the regulatory fee schedule as defined in section 9(b)(3) of the Act,[95] and pursuant to section 9(b)(4)(B) must be submitted to Congress at least 90 days before it becomes effective.[96]

VIII. PROCEDURAL MATTERS

Payment of Regulatory Fees

59. In order to help regulatory fee payors better understand the process for payment of regulatory fees, the Commission restates important information below.

1. Manner of Payment

60. As of October 1, 2013, the Commission no longer accepts checks (including cashier's checks) and the accompanying hardcopy forms (e.g., Form 159's, Form 159-B's, Form 159-E's, Form 159-W's) for payment of regulatory fees. All payments must now be made by online ACH payment, online credit card, or wire transfer. Any other form of payment (e.g., checks) will be rejected and sent back to the payor. So that the Commission can associate the wire payment with the correct regulatory fee information, an accompanying Form 159-E must still be transmitted via fax for wire transfers.[97]

2. Lock Box Bank

61. All lock box payments to the Commission for FY 2014 will be processed by U.S. Bank, St. Louis, Missouri, and payable to the FCC. During the fee season for collecting FY 2014 regulatory fees, regulatees can pay their fees by credit card through Pay.gov,[98] by ACH or debit card,[99] or by wire transfer.

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[95] 47 U.S.C. 159(b)(3).

[96] 47 U.S.C. 159(b)(4)(B).

[97] We incorporate this change into our rules at Table F.

[98] In accordance with U.S. Treasury Financial Manual Announcement No. A-2012-02, the U.S. Treasury will reject credit card transactions greater than $49,999.99 from a single credit card in a single day. This includes online transactions conducted via Pay.gov, transactions conducted via other channels, and direct-over-the counter transactions made at a U.S. Government facility. Individual credit card transactions larger than the $49,999.99 limit may not be split into multiple transactions using the same credit card, whether or not the split transactions are (continued….)

Additional payment options and instructions are posted at http://transition.fcc.gov/fees/regfees.html.

3. Receiving Bank for Wire Payments

62. The receiving bank for all wire payments is the Federal Reserve Bank, New York, New York (TREAS NYC). So that the processing bank can properly associate the wire payment with the fee payment details, regulatees making a wire transfer must fax a copy of their Fee Filer generated Form 159-E to U.S. Bank, St. Louis, Missouri at (314) 418-4232 at least one hour before initiating the wire transfer (but on the same business day) so as not to delay crediting their account. The use of the Form 159-E is permissible with wire transfer. Regulatees should discuss arrangements (including bank closing schedules) with their bankers several days before they plan to make the wire transfer to allow sufficient time for the transfer to be initiated and completed before the deadline. Complete instructions for making wire payments are posted at http://transition.fcc.gov/fees/wiretran.html.

4. De Minimis Regulatory Fees

63. Regulatees whose total FY 2014 regulatory fee liability, including all categories of fees for which payment is due, is less than an established de minimis amount are exempted from payment of FY 2014 regulatory fees. The de minimis amount to date has been $10 (ten dollars); however, such amount could change as a result of this Notice.

5. Standard Fee Calculations

64. The Commission will accept fee payments made in advance of the window for the payment of regulatory fees. The responsibility for payment of fees by service category is as follows:

- Media Services: Regulatory fees must be paid for initial construction permits that were granted on or before October 1, 2013 for AM/FM radio stations, VHF/UHF full service television stations, and satellite television stations. Regulatory fees must be paid for all broadcast facility

(Continued from previous page) assigned to multiple days. Splitting a transaction violates card network and Financial Management Service (FMS) rules. However, credit card transactions exceeding the daily limit may be split between two or more different credit cards. Other alternatives for transactions exceeding the $49,999.99 credit card limit include payment by check, electronic debit from your bank account, and wire transfer.

[99] In accordance with U.S. Treasury Financial Manual Announcement No. A-2012-02, the maximum dollar-value limit for debit card transactions will be eliminated. It should also be noted that only Visa and MasterCard branded debit cards are accepted by Pay.gov.

licenses granted on or before October 1, 2013. In instances where a permit or license is transferred or assigned after October 1, 2013, responsibility for payment rests with the holder of the permit or license as of the fee due date.

- Wireline (Common Carrier) Services: Regulatory fees must be paid for authorizations that were granted on or before October 1, 2013. In instances where a permit or license is transferred or assigned after October 1, 2013, responsibility for payment rests with the holder of the permit or license as of the fee due date. Audio bridging service providers are included in this category.[100]

- Wireless Services: CMRS cellular, mobile, and messaging services (fees based on number of subscribers or telephone number count): Regulatory fees must be paid for authorizations that were granted on or before October 1, 2013. The number of subscribers or telephone numbers on December 31, 2013 will be used as the basis for calculating the fee payment. In instances where a permit or license is transferred or assigned after October 1, 2013, responsibility for payment rests with the holder of the permit or license as of the fee due date.

- The first eleven regulatory fee categories in our Schedule of Regulatory Fees (see Table B) pay "small multi-year wireless regulatory fees." Entities pay these regulatory fees in advance for the entire amount of their five-year or ten-year term of initial license, and only pay regulatory fees again when the license is renewed or a new license is obtained. These fee categories are included in our Schedule of Regulatory Fees to publicize our estimates of the number of "small multi-year wireless" licenses that will be renewed or newly obtained in FY 2014.

- Multichannel Video Programming Distributor Services (cable television operators and CARS licensees) and Internet Protocol Television (IPTV): Regulatory fees must be paid for the number

[100] Audio bridging services are toll teleconferencing services.

of basic cable television subscribers as of December 31, 2013.[101] In addition, beginning in FY 2014, IPTV providers that had subscribers as of December 31, 2013 are also obligated to pay regulatory fees. Holders of CARS licenses that were granted on or before October 1, 2013 must also pay regulatory fees. In instances where a permit or license is transferred or assigned after October 1, 2013, responsibility for payment rests with the holder of the permit or license as of the fee due date.

- International Services*:* Regulatory fees must be paid for earth stations that were authorized (licensed) on or before October 1, 2013. Geostationary orbit space stations and non-geostationary orbit satellite systems that were licensed and operational on or before October 1, 2013 are subject to regulatory fees. In instances where a permit or license is transferred or assigned after October 1, 2013, responsibility for payment rests with the holder of the permit or license as of the fee due date.

- International Services: Submarine Cable Systems*:* Regulatory fees for submarine cable systems are to be paid on a per cable landing license basis based on circuit capacity as of December 31, 2013. In instances where a license is transferred or assigned after October 1, 2013, responsibility for payment rests with the holder of the license as of the fee due date. For regulatory fee purposes, the allocation in FY 2014 will remain at 87.6 percent for submarine cable and 12.4 percent for satellite/terrestrial facilities.

- International Services: Terrestrial and Satellite Services: Regulatory fees for International Bearer Circuits are to be paid by facilities-based common carriers that have active (used or leased) international bearer circuits as of December 31, 2013 in any terrestrial or satellite

[101] Cable television system operators should compute their number of basic subscribers as follows: Number of single family dwellings + number of individual households in multiple dwelling unit (apartments, condominiums, mobile home parks, etc.) paying at the basic subscriber rate + bulk rate customers + courtesy and free service. Note: Bulk-Rate Customers = Total annual bulk-rate charge divided by basic annual subscription rate for individual households. Operators may base their count on “a typical day in the last full week” of December 2013, rather than on a count as of December 31, 2013.

transmission facility for the provision of service to an end user or resale carrier, which includes active circuits to themselves or to their affiliates. In addition, non-common carrier satellite operators must pay a fee for each circuit sold or leased to any customer, including themselves or their affiliates, other than an international common carrier authorized by the Commission to provide U.S. international common carrier services. "Active circuits" for these purposes include backup and redundant circuits as of December 31, 2013. Whether circuits are used specifically for voice or data is not relevant for purposes of determining that they are active circuits. In instances where a permit or license is transferred or assigned after October 1, 2013, responsibility for payment rests with the holder of the permit or license as of the fee due date. For regulatory fee purposes, the allocation in FY 2014 will remain at 87.6 percent for submarine cable and 12.4 percent for satellite/terrestrial facilities.

- Clarification regarding DTV Replacement Translators. Because these TV translators do not extend the coverage of the primary station, but operate solely within the primary station's protected contour, these special TV translators are deemed to be "replacement translators" and are not subject to a separate TV translator regulatory fee.

- Clarification regarding TV Translator/Booster Facilities Operating in Analog, Digital, or in an Analog/Digital Simulcast Mode. With respect to Low Power, Class A, and TV Translator/Booster facilities that may be operating in analog, digital, or in an analog and digital simulcast mode, the Commission assesses a fee for each facility operating either in an analog or digital mode. In instances in which a licensee is simulcasting in both analog and digital modes, a single regulatory fee will be assessed for the analog facility and its corresponding digital component, but not for both facilities.

Enforcement

65. To be considered timely, regulatory fee payments must be received and stamped at the lockbox bank by the due date of regulatory fees. Section 9(c) of the Act requires us to impose a late payment penalty of 25 percent of the unpaid amount to be assessed on the first day following the deadline

date for filing of these fees.[102] Failure to pay regulatory fees and/or any late penalty will subject regulatees to sanctions, including those set forth in § 1.1910 of the Commission's rules[103] and in the Debt Collection Improvement Act of 1996 (DCIA).[104] The Commission also assesses administrative processing charges on delinquent debts to recover additional costs incurred in processing and handling the related debt pursuant to the DCIA and § 1.1940(d) of the Commission's rules.[105] These administrative processing charges will be assessed on any delinquent regulatory fee, in addition to the 25 percent late charge penalty. In case of partial payments (underpayments) of regulatory fees, the payor will be given credit for the amount paid, but if it is later determined that the fee paid is incorrect or not timely paid, then the 25 percent late charge penalty (and other charges and/or sanctions, as appropriate) will be assessed on the portion that is not paid in a timely manner.

66. The Commission will withhold action on any application or other requests for benefits filed by anyone who is delinquent in any non-tax debts owed to the Commission (including regulatory fees) and will ultimately dismiss those applications or other requests if payment of the delinquent debt or other satisfactory arrangement for payment is not made.[106] Failure to pay regulatory fees may also result in the initiation of a proceeding to revoke any and all authorizations held by the entity responsible for paying the delinquent fee(s).

IX.

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[102] 47 U.S.C. 159(c).

[103] See 47 CFR 1.1910.

[104] Delinquent debt owed to the Commission triggers application of the "red light rule" which requires offsets or holds on pending disbursements. 47 CFR 1.1910. In 2004, the Commission adopted rules implementing the requirements of the DCIA. See Amendment of parts 0 and 1 of the Commission's rules, MD Docket No. 02-339, Report and Order, 69 FR 27843 (May 17, 2004) (2004); 47 CFR part 1, subpart O, Collection of Claims Owed the United States.

[105] 47 CFR 1.1940(d).

[106] See 47 CFR 1.1161(c), 1.1164(f)(5), and 1.1910.

ADDITIONAL TABLES

TABLE A

Calculation of FY 2014 Revenue Requirements and Pro-Rata Fees

Regulatory fees for the first ten categories below are collected by the Commission in advance to cover the term of the license and are submitted at the time the application is filed.

Fee Category	FY 2014 Payment Units	Years	FY 2013 Revenue Estimate	Pro-Rated FY 2014 Revenue Require-ment	Computed New FY 2014 Regulatory Fee	Rounded New FY 2014 Regula-tory Fee	Expected FY 2014 Revenue
PLMRS (Exclusive Use)	1,700	10	560,000	578,582	34	35	595,000
PLMRS (Shared use)	30,000	10	2,250,000	2,768,930	9	10	3,000,000
Microwave	17,000	10	2,640,000	2,727,603	16	15	2,550,000
218-219 MHz (Formerly IVDS)	5	10	3,750	4,133	83	85	4,250
Marine (Ship)	5,200	10	655,000	909,201	17	15	780,000
GMRS	8,900	5	197,500	330,619	7	5	222,500
Aviation (Aircraft)	4,200	10	290,000	413,273	10	10	420,000
Marine (Coast)	300	10	156,750	165,309	55	55	165,000
Aviation (Ground)	450	10	135,000	165,309	37	35	157,500
Amateur Vanity Call Signs	11,500	10	230,230	247,964	2.16	2.16	248,400
AM Class A[4a]	67	1	286,000	276,418	4,126	4,125	276,375
AM Class B[4b]	1,483	1	3,435,250	3,439,404	2,319	2,325	3,447,975
AM Class C[4c]	882	1	1,201,500	1,227,453	1,392	1,400	1,234,800
AM Class D[4d]	1,522	1	3,862,500	4,071,166	2,675	2,675	4,071,350
FM Classes A, B1 & C3[4e]	3,107	1	8,379,375	8,528,907	2,745	2,750	8,544,250
FM Classes B, C, C0, C1 & C2[4f]	3,139	1	10,597,500	10,461,550	3,333	3,325	10,437,175
AM Construction Permits	30	1	30,090	17,700	590	590	17,700
FM Construction Permits[1]	185	1	142,500	138,750	750	750	138,750
Satellite TV	127	1	190,625	197,208	1,553	1,550	196,850
Satellite TV Construction Permit	3	1	2,880	3,944	1,315	1,325	3,975
Digital TV Markets 1-10	138	1	6,235,725	6,193,664	44,882	44,875	6,192,750

Fee Category	FY 2014 Payment Units	Years	FY 2013 Revenue Estimate	Pro-Rated FY 2014 Revenue Require-ment	Computed New FY 2014 Regulatory Fee	Rounded New FY 2014 Regula-tory Fee	Expected FY 2014 Revenue
Digital TV Markets 11-25	138	1	5,636,875	5,838,689	42,309	42,300	5,837,400
Digital TV Markets 26-50	182	1	4,965,225	4,931,531	27,096	27,100	4,932,200
Digital TV Markets 51-100	290	1	4,645,275	4,547,390	15,681	15,675	4,545,750
Digital TV Remaining Markets	380	1	1,769,975	1,814,316	4,775	4,775	1,814,500
Digital TV Construction Permits1	5	1	20,950	23,875	4,775	4,775	23,875
Broadcast Auxiliaries	25,800	1	254,000	315,533	12.23	10	258,000
LPTV/Translators/ Boosters/Class A TV	3,830	1	1,527,250	1,577,667	412	410	1,570,300
CARS Stations	325	1	165,750	197,262	607	605	196,625
Cable TV Systems, including IPTV	65,400,000	1	61,200,000	65,293,695	.9984	1.00	65,400,000
Interstate Telecommunication Service Providers	$38,800,000,000	1	135,330,000	131,835,683	0.003398	0.00340	131,920,000
CMRS Mobile Services (Cellular/Public Mobile)	330,000,000	1	58,680,000	60,312,520	0.1828	0.18	59,400,000
CMRS Messag. Services	2,900,000	1	240,000	232,000	0.0800	0.080	232,000
BRS[2]	900	1	469,200	646,718	719	720	648,000
LMDS	190	1	86,700	136,529	719	720	136,800
Per 64 kbps Int'l Bearer Circuits Terrestrial (Common) & Satellite (Common & Non-Common)	4,484,000	1	1,032,277	1,073,199	.2393	.24	1,076,160
Submarine Cable Providers (see chart in Appendix C)[3]	39.19	1	8,530,139	7,554,010	192,766	192,775	7,554,370
Earth Stations	3,400	1	935,000	829,539	244	245	833,000
Space Stations (Geostationary)	94	1	12,101,700	10,717,648	114,018	114,025	10,716,750
Space Stations (Non-Geostationary	6	1	899,250	796,358	132,726	132,725	796,350

Fee Category	FY 2014 Payment Units	Years	FY 2013 Revenue Estimate	Pro-Rated FY 2014 Revenue Require-ment	Computed New FY 2014 Regulatory Fee	Rounded New FY 2014 Regula-tory Fee	Expected FY 2014 Revenue
****** Total Estimated Revenue to be Collected			339,965,741	341,541,247			340,598,280
****** Total Revenue Requirement			339,844,000	339,844,000			339,844,000
Difference			121,741	1,697,247			754,280

[1] The FM Construction Permit revenues and the VHF and UHF Construction Permit revenues were adjusted to set the regulatory fee to an amount no higher than the lowest licensed fee for that class of service. The reductions in the FM Construction Permit revenues are offset by increases in the revenue totals for FM radio stations. Similarly, reductions in the VHF and UHF Construction Permit revenues are offset by increases in the revenue totals for VHF and UHF television stations, respectively.

[2] MDS/MMDS category was renamed Broadband Radio Service (BRS). See Amendment of parts 1, 21, 73, 74 and 101 of the Commission's rules to Facilitate the Provision of Fixed and Mobile Broadband Access, Educational and Other Advanced Services in the 2150-2162 and 2500-2690 MHz Bands, Report & Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd 14165, 14169, paragraph 6 (2004).

[3] The chart at the end of Table B lists the submarine cable bearer circuit regulatory fees (common and non-common carrier basis) that resulted from the adoption of the Submarine Cable Order.

[4] The fee amounts listed in the column entitled "Rounded New FY 2013 Regulatory Fee" constitute a weighted average media regulatory fee by class of service. The actual FY 2014 regulatory fees for AM/FM radio station are listed on a grid located at the end of Table B.

TABLE B

FY 2014 Schedule of Regulatory Fees

Regulatory fees for the first eleven categories below are collected by the Commission in advance to cover the term of the license and are submitted at the time the application is filed.

Fee Category	Annual Regulatory Fee (U.S. $'s)
PLMRS (per license) (Exclusive Use) (47 CFR part 90)	35
Microwave (per license) (47 CFR part 101)	15
218-219 MHz (Formerly Interactive Video Data Service) (per license) (47 CFR part 95)	85
Marine (Ship) (per station) (47 CFR part 80)	15
Marine (Coast) (per license) (47 CFR part 80)	55
General Mobile Radio Service (per license) (47 CFR part 95)	5
Rural Radio (47 CFR part 22) (previously listed under the Land Mobile category)	10
PLMRS (Shared Use) (per license) (47 CFR part 90)	10
Aviation (Aircraft) (per station) (47 CFR part 87)	10
Aviation (Ground) (per license) (47 CFR part 87)	35
Amateur Vanity Call Signs (per call sign) (47 CFR part 97)	2.16
CMRS Mobile/Cellular Services (per unit) (47 CFR parts 20, 22, 24, 27, 80 and 90)	.18
CMRS Messaging Services (per unit) (47 CFR parts 20, 22, 24 and 90)	.08
Broadband Radio Service (formerly MMDS/ MDS) (per license) (47 CFR part 27) Local Multipoint Distribution Service (per call sign) (47 CFR, part 101)	720 720
AM Radio Construction Permits	590
FM Radio Construction Permits	750
Digital TV (47 CFR part 73) VHF and UHF Commercial	
Markets 1-10	44,875
Markets 11-25	42,300
Markets 26-50	27,100
Markets 51-100	15,675
Remaining Markets	4,775

Fee Category	Annual Regulatory Fee (U.S. $'s)
Construction Permits	4,775
Satellite Television Stations (All Markets)	1,550
Construction Permits – Satellite Television Stations	1,325
Low Power TV, Class A TV, TV/FM Translators & Boosters (47 CFR part 74)	410
Broadcast Auxiliaries (47 CFR part 74)	10
CARS (47 CFR part 78)	605
Cable Television Systems (per subscriber) (47 CFR part 76), Including IPTV	1.00
Interstate Telecommunication Service Providers (per revenue dollar)	.00340
Earth Stations (47 CFR part 25)	245
Space Stations (per operational station in geostationary orbit) (47 CFR part 25) also includes DBS Service (per operational station) (47 CFR part 100)	114,025
Space Stations (per operational system in non-geostationary orbit) (47 CFR part 25)	132,725
International Bearer Circuits - Terrestrial/Satellites (per 64KB circuit)	.24
International Bearer Circuits - Submarine Cable	See Table Below

FY 2014 SCHEDULE OF REGULATORY FEES: Maintain Allocation (continued)

FY 2014 RADIO STATION REGULATORY FEES						
Population Served	**AM Class A**	**AM Class B**	**AM Class C**	**AM Class D**	**FM Classes A, B1 & C3**	**FM Classes B, C, C0, C1 & C2**
<=25,000	$775	$645	$590	$670	$750	$925
25,001 – 75,000	$1,550	$1,300	$900	$1,000	$1,500	$1,625
75,001 – 150,000	$2,325	$1,625	$1,200	$1,675	$2,050	$3,000
150,001 – 500,000	$3,475	$2,750	$1,800	$2,025	$3,175	$3,925
500,001 – 1,200,000	$5,025	$4,225	$3,000	$3,375	$5,050	$5,775
1,200,001 – 3,000,00	$7,750	$6,500	$4,500	$5,400	$8,250	$9,250
>3,000,000	$9,300	$7,800	$5,700	$6,750	$10,500	$12,025

FY 2014 SCHEDULE OF REGULATORY FEES

International Bearer Circuits - Submarine Cable

Submarine Cable Systems (capacity as of December 31, 2013)	Fee amount	Address
< 2.5 Gbps	$12,050	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000
2.5 Gbps or greater, but less than 5 Gbps	$24,100	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000
5 Gbps or greater, but less than 10 Gbps	$48,200	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000
10 Gbps or greater, but less than 20 Gbps	$96,400	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000
20 Gbps or greater	$192,775	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000

TABLE C

Sources of Payment Unit Estimates for FY 2014

In order to calculate individual service fees for FY 2014, the Commission adjusted FY 2013 payment units for each service to more accurately reflect expected FY 2014 payment liabilities. These units were obtained through a variety of means. For example, the Commission used licensee data bases, actual prior year payment records and industry and trade association projections when available. Databases that were consulted include our Universal Licensing System (ULS), International Bureau Filing System (IBFS), Consolidated Database System (CDBS) and Cable Operations and Licensing System (COALS), as well as reports generated within the Commission such as the Wireline Competition Bureau's Trends in Telephone Service and the Wireless Telecommunications Bureau's Numbering Resource Utilization Forecast.

The Commission sought verification for these estimates from multiple sources and, in all cases, the Commission compared FY 2014 estimates with actual FY 2013 payment units to ensure that its revised estimates were reasonable. Where appropriate, final estimates were adjusted and/or rounded to take into consideration the fact that certain variables that impact the number of payment units cannot yet be estimated with sufficient accuracy. These include an unknown number of waivers and/or exemptions that may occur in FY 2014 and the fact that, in many services, the number of actual licensees or station operators fluctuates from time to time due to economic, technical, or other reasons. When the Commission notes, for example, that its estimated FY 2014 payment units are based on FY 2013 actual payment units, the Commission does not necessarily mean that our FY 2014 projection is exactly the same number as in FY 2013. The FY 2014 projection has either been rounded or adjusted slightly to account for these variables.

FEE CATEGORY	SOURCES OF PAYMENT UNIT ESTIMATES
Land Mobile (All), Microwave, 218-219 MHz, Marine (Ship & Coast), Aviation (Aircraft & Ground), GMRS, Amateur Vanity Call Signs, Domestic	Based on Wireless Telecommunications Bureau ("WTB") projections of new applications and renewals taking into consideration existing Commission licensee data bases. Aviation (Aircraft) and Marine (Ship) estimates have been adjusted to take into consideration the licensing of portions of these services on a

Public Fixed	voluntary basis.
CMRS Cellular/Mobile Services	Based on WTB projection reports, and FY 13 payment data.
CMRS Messaging Services	Based on WTB reports, and FY 13 payment data.
AM/FM Radio Stations	Based on CDBS data, adjusted for exemptions, and actual FY 2013 payment units.
Digital TV Stations (Combined VHF/UHF units)	Based on CDBS data, adjusted for exemptions, and actual FY 2013 payment units.
AM/FM/TV Construction Permits	Based on CDBS data, adjusted for exemptions, and actual FY 2013 payment units.
LPTV, Translators and Boosters, Class A Television	Based on CDBS data, adjusted for exemptions, and actual FY 2013 payment units.
Broadcast Auxiliaries	Based on actual FY 2013 payment units.
BRS (formerly MDS/MMDS) LMDS	Based on WTB reports and actual FY 2013 payment units. Based on WTB reports and actual FY 2013 payment units.
Cable Television Relay Service (CARS) Stations	Based on data from Media Bureau's COALS database and actual FY 2013 payment units.
Cable Television System Subscribers, Including IPTV Subscribers	Based on publicly available data sources for estimated subscriber counts and actual FY 2013 payment units.
Interstate Telecommunication Service Providers	Based on FCC Form 499-Q data for the four quarters of calendar year 2013, the Wireline Competition Bureau projected the amount of calendar year 2013 revenue that will be reported on 2014 FCC Form 499-A worksheets in April, 2014.
Earth Stations	Based on International Bureau ("IB") licensing data and actual FY 2013 payment units.
Space Stations (GSOs & NGSOs)	Based on IB data reports and actual FY 2013 payment units.
International Bearer Circuits	Based on IB reports and submissions by licensees, adjusted as necessary.
Submarine Cable Licenses	Based on IB license information.

TABLE D

Factors, Measurements, and Calculations That Determines Station Signal Contours and Associated Population Coverages

AM Stations

For stations with nondirectional daytime antennas, the theoretical radiation was used at all azimuths. For stations with directional daytime antennas, specific information on each day tower, including field ratio, phase, spacing, and orientation was retrieved, as well as the theoretical pattern root-mean-square of the radiation in all directions in the horizontal plane ("RMS") figure (milliVolt per meter (mV/m) @ 1 km) for the antenna system. The standard, or augmented standard if pertinent, horizontal plane radiation pattern was calculated using techniques and methods specified in §§ 73.150 and 73.152 of the Commission's rules. Radiation values were calculated for each of 360 radials around the transmitter site. Next, estimated soil conductivity data was retrieved from a database representing the information in FCC Figure R3. Using the calculated horizontal radiation values, and the retrieved soil conductivity data, the distance to the principal community (5 mV/m) contour was predicted for each of the 360 radials. The resulting distance to principal community contours were used to form a geographical polygon. Population counting was accomplished by determining which 2010 block centroids were contained in the polygon. (A block centroid is the center point of a small area containing population as computed by the U.S. Census Bureau.) The sum of the population figures for all enclosed blocks represents the total population for the predicted principal community coverage area.

FM Stations

The greater of the horizontal or vertical effective radiated power (ERP) (kW) and respective height above average terrain (HAAT) (m) combination was used. Where the antenna height above mean sea level (HAMSL) was available, it was used in lieu of the average HAAT figure to calculate specific HAAT figures for each of 360 radials under study. Any available directional pattern information was applied as well, to produce a radial-specific ERP figure. The HAAT and ERP figures were used in conjunction with the Field Strength (50-50) propagation curves specified in 47 CFR 73.313 of the Commission's rules to predict the distance to the principal community (70 dBu (decibel above 1 microVolt per meter) or 3.17 mV/m) contour for each of the 360 radials. The resulting distance to principal community contours were used to form a geographical polygon. Population counting was accomplished by determining which 2010 block centroids were contained in the polygon. The sum of the population figures for all enclosed blocks represents the total population for the predicted principal community coverage area.

TABLE E

Revised FTE (as of 9/30/12) Allocations, Fee Rate Increases Capped at 7.5%

FY 2013 Schedule of Regulatory Fees

Regulatory fees for the first eleven categories below are collected by the Commission in advance to cover the term of the license and are submitted at the time the application is filed.

Fee Category	**Annual Regulatory Fee (U.S. $'s)**
PLMRS (per license) (Exclusive Use) (47 CFR part 90)	40
Microwave (per license) (47 CFR part 101)	20
218-219 MHz (Formerly Interactive Video Data Service) (per license) (47 CFR part 95)	75
Marine (Ship) (per station) (47 CFR part 80)	10
Marine (Coast) (per license) (47 CFR part 80)	55
General Mobile Radio Service (per license) (47 CFR part 95)	5
Rural Radio (47 CFR part 22) (previously listed under the Land Mobile category)	15
PLMRS (Shared Use) (per license) (47 CFR part 90)	15
Aviation (Aircraft) (per station) (47 CFR part 87)	10
Aviation (Ground) (per license) (47 CFR part 87)	15
Amateur Vanity Call Signs (per call sign) (47 CFR part 97)	1.61
CMRS Mobile/Cellular Services (per unit) (47 CFR parts 20, 22, 24, 27, 80 and 90)	.18
CMRS Messaging Services (per unit) (47 CFR parts 20, 22, 24 and 90)	.08
Broadband Radio Service (formerly MMDS/ MDS) (per license) (47 CFR part 27) Local Multipoint Distribution Service (per call sign) (47 CFR, part 101)	510 510
AM Radio Construction Permits	590
FM Radio Construction Permits	750
TV (47 CFR part 73) VHF Commercial	
Markets 1-10	86,075
Markets 11-25	78,975
Markets 26-50	42,775
Markets 51-100	22,475
Remaining Markets	6,250

Fee Category	Annual Regulatory Fee (U.S. $'s)
Construction Permits	6,250
TV (47 CFR part 73) UHF Commercial	
Markets 1-10	38,000
Markets 11-25	35,050
Markets 26-50	23,550
Markets 51-100	13,700
Remaining Markets	3,675
Construction Permits	3,675
Satellite Television Stations (All Markets)	1,525
Construction Permits – Satellite Television Stations	960
Low Power TV, Class A TV, TV/FM Translators & Boosters (47 CFR part 74)	410
Broadcast Auxiliaries (47 CFR part 74)	10
CARS (47 CFR part 78)	510
Cable Television Systems (per subscriber) (47 CFR part 76)	1.02
Interstate Telecommunication Service Providers (per revenue dollar)	.00347
Earth Stations (47 CFR part 25)	275
Space Stations (per operational station in geostationary orbit) (47 CFR part 25) also includes DBS Service (per operational station)	139,100
Space Stations (per operational system in non-geostationary orbit) (47 CFR part 25)	149,875
International Bearer Circuits - Terrestrial/Satellites (per 64KB circuit)	.27
International Bearer Circuits - Submarine Cable	See Table Below

FY 2013 SCHEDULE OF REGULATORY FEES: Fee Rate Increases Capped at 7.5% (continued)

FY 2013 RADIO STATION REGULATORY FEES						
Population Served	**AM Class A**	**AM Class B**	**AM Class C**	**AM Class D**	**FM Classes A, B1 & C3**	**FM Classes B, C, C0, C1 & C2**
<=25,000	$775	$645	$590	$670	$750	$925
25,001 – 75,000	$1,550	$1,300	$900	$1,000	$1,500	$1,625
75,001 – 150,000	$2,325	$1,625	$1,200	$1,675	$2,050	$3,000
150,001 – 500,000	$3,475	$2,750	$1,800	$2,025	$3,175	$3,925
500,001 – 1,200,000	$5,025	$4,225	$3,000	$3,375	$5,050	$5,775
1,200,001 – 3,000,00	$7,750	$6,500	$4,500	$5,400	$8,250	$9,250
>3,000,000	$9,300	$7,800	$5,700	$6,750	$10,500	$12,025

FY 2013 SCHEDULE OF REGULATORY FEES: Fee Rate Increases Capped at 7.5%
International Bearer Circuits - Submarine Cable

Submarine Cable Systems (capacity as of December 31, 2012)	Fee amount	Address
< 2.5 Gbps	$13,600	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000
2.5 Gbps or greater, but less than 5 Gbps	$27,200	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000
5 Gbps or greater, but less than 10 Gbps	$54,425	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000
10 Gbps or greater, but less than 20 Gbps	$108,850	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000
20 Gbps or greater	$217,675	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000

X. INITIAL REGULATORY FLEXIBILITY ANALYSIS

1. As required by the Regulatory Flexibility Act (RFA),[107] the Commission prepared this Initial Regulatory Flexibility Analysis (IRFA) of the possible significant economic impact on small entities by the policies and rules proposed in this Notice of Proposed Rulemaking, Second Further Notice of Proposed Rulemaking, and Order (FNPRM). Written comments are requested on this IRFA. Comments must be identified as responses to the IRFA and must be filed by the deadline for comments on this FNPRM. The Commission will send a copy of the FNPRM, including the IRFA, to the Chief Counsel for Advocacy of the Small Business Administration (SBA).[108] In addition, the FNPRM and IRFA (or summaries thereof) will be published in the Federal Register.[109]

Need for, and Objectives of, the Notice

2. The FNPRM seeks comment concerning adoption and implementation of proposals to reallocate regulatory fees to more accurately reflect the subject areas worked on by current Commission FTEs for FY 2014. As such, the Commission seeks comment on, among other things, (1) adopting a regulatory fee obligation for AM Expanded Band radio stations; (2) reallocating certain indirect FTEs in the Enforcement Bureau and/or the Consumer & Governmental Affairs Bureau and certain direct FTEs in the International Bureau; (3) periodically updating FTE allocations; (4) applying a 7.5 or 10 percent cap on any regulatory fee increases for FY 2014; (5) improving the Commission's website for regulatory fee payors; (6) adopting a higher de minimis threshold to provide relief for small carriers; and (7) eliminating certain regulatory fee categories.

4. The FNPRM also seeks comment concerning adoption and implementation of proposals which include: (1) combining Interstate Telecommunications Service Providers (ITSPs) with wireless

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[107] 5 U.S.C. 603. The RFA, 5 U.S.C. 601-612 has been amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), Public Law 104-121, Title II, 110 Stat. 847 (1996).

[108] 5 U.S.C. 603(a).

[109] Id.

telecommunications services, or other services such as cable television services, and using revenues, subscribers, telephone numbers, or another means as the basis for calculating regulatory fees; and (2) creating new categories for non-U.S.-Licensed Space Stations; Direct Broadcast Satellite service; and toll free numbers in our regulatory fee process. We invite comment on these topics to better inform the Commission concerning whether and/or how these services should be assessed under our regulatory fee methodology in future years.

II. Legal Basis:

5. This action, including publication of proposed rules, is authorized under sections (4)(i) and (j), 9, and 303(r) of the Communications Act of 1934, as amended.[110]

III. 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 proposed rules and policies, if adopted.[111] The RFA generally defines the term "small entity" as having the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction."[112] In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act.[113] 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.[114]

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[110] 47 U.S.C. 154(i) and (j), 159, and 303(r).

[111] 5 U.S.C. 603(b)(3).

[112] 5 U.S.C. 601(6).

[113] 5 U.S.C. 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."

[114] 15 U.S.C. 632.

7. **Small Businesses.** Nationwide, there are a total of approximately 27.9 million small businesses, according to the SBA.[115]

8. **Wired Telecommunications Carriers**. The SBA has developed a small business size standard for Wired Telecommunications Carriers, which consists of all such companies having 1,500 or fewer employees. Census data for 2007 shows that there were 31,996 establishments that operated that year. Of this total, 1,818 operated with more than 100 employees, and 30,178 operated with fewer than 100 employees.[116] Thus, under this size standard, the majority of firms can be considered small.

9. **Local Exchange Carriers (LECs)**. Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to local exchange services. The closest applicable size standard under SBA rules is for Wired Telecommunications Carriers. Under that size standard, such a business is small if it has 1,500 or fewer employees.[117] According to Commission data, census data for 2007 shows that there were 31,996 establishments that operated that year. Of this total, 1,818 operated with more than 100 employees, and 30,178 operated with fewer than 100 employees.[118] The Commission estimates that most providers of local exchange service are small entities that may be affected by the rules and policies proposed in the FNPRM.

10. **Incumbent LECs.** Neither the Commission nor the SBA has developed a small business size standard specifically for incumbent local exchange services. The closest applicable size standard under SBA rules is for the category Wired Telecommunications Carriers. Under that size standard, such a business is small if it has 1,500 or fewer employees.[119] According to Commission data, 1,307 carriers

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[115] See SBA, Office of Advocacy, "Frequently Asked Questions," http://www.sba.gov/sites/default/files/FAQ_Sept_2012.pdf.

[116] See id.

[117] 13 CFR 121.201, NAICS code 517110.

[118] See id.

[119] 13 CFR 121.201, NAICS code 517110.

reported that they were incumbent local exchange service providers.[120] Of this total, an estimated 1,006 have 1,500 or fewer employees and 301 have more than 1,500 employees.[121] Consequently, the Commission estimates that most providers of incumbent local exchange service are small businesses that may be affected by the rules and policies proposed in the FNPRM.

11. **Competitive Local Exchange Carriers (Competitive LECs), Competitive Access Providers (CAPs), Shared-Tenant Service Providers, and Other Local Service Providers.** Neither the Commission nor the SBA has developed a small business size standard specifically for these service providers. The appropriate size standard under SBA rules is for the category Wired Telecommunications Carriers. Under that size standard, such a business is small if it has 1,500 or fewer employees.[122] According to Commission data, 1,442 carriers reported that they were engaged in the provision of either competitive local exchange services or competitive access provider services.[123] Of these 1,442 carriers, an estimated 1,256 have 1,500 or fewer employees and 186 have more than 1,500 employees.[124] In addition, 17 carriers have reported that they are Shared-Tenant Service Providers, and all 17 are estimated to have 1,500 or fewer employees.[125] In addition, 72 carriers have reported that they are Other Local Service Providers.[126] Of this total, 70 have 1,500 or fewer employees and two have more than 1,500 employees.[127] Consequently, the Commission estimates that most providers of competitive local exchange service, competitive access providers, Shared-Tenant Service Providers, and Other Local Service Providers are small entities that may be affected by rules adopted pursuant to the proposals in this FNPRM.

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[120] See Trends in Telephone Service, Federal Communications Commission, Wireline Competition Bureau, Industry Analysis and Technology Division at Table 5.3 (September 2010) (Trends in Telephone Service).

[121] Id.

[122] 13 CFR 121.201, NAICS code 517110.

[123] See Trends in Telephone Service, at Table 5.3.

[124] Id.

[125] Id.

[126] Id.

[127] Id.

12. **Interexchange Carriers (IXCs)**. Neither the Commission nor the SBA has developed a small business size standard specifically applicable to interexchange services. The applicable size standard under SBA rules is for the Wired Telecommunications Carriers. Under that size standard, such a business is small if it has 1,500 or fewer employees.[128] According to Commission data, 359 companies reported that their primary telecommunications service activity was the provision of interexchange services.[129] Of this total, an estimated 317 have 1,500 or fewer employees and 42 have more than 1,500 employees.[130] Consequently, the Commission estimates that the majority of interexchange service providers are small entities that may be affected by rules adopted pursuant to the FNPRM.

13. **Prepaid Calling Card Providers.** Neither the Commission nor the SBA has developed a small business size standard specifically for prepaid calling card providers. The appropriate size standard under SBA rules is for the category Telecommunications Resellers. Under that size standard, such a business is small if it has 1,500 or fewer employees.[131] Census data for 2007 show that 1,523 firms provided resale services during that year. Of that number, 1,522 operated with fewer than 1000 employees and one operated with more than 1,000.[132] Thus under this category and the associated small business size standard, the majority of these prepaid calling card providers can be considered small entities. According to Commission data, 193 carriers have reported that they are engaged in the provision of prepaid calling cards.[133] All 193 carriers have 1,500 or fewer employees and none have more than 1,500 employees.[134] Consequently, the Commission estimates that the majority of prepaid calling card providers are small entities that may be affected by rules adopted pursuant to the FNPRM.

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[128] 13 CFR 121.201, NAICS code 517110.

[129] See Trends in Telephone Service, at Table 5.3.

[130] Id.

[131] 13 CFR 121.201, NAICS code 517911.

[132] Id.

[133] See Trends in Telephone Service, at Table 5.3.

[134] Id.

14. **Local Resellers**. The SBA has developed a small business size standard for the category of Telecommunications Resellers. Under that size standard, such a business is small if it has 1,500 or fewer employees.[135] Census data for 2007 show that 1,523 firms provided resale services during that year. Of that number, 1,522 operated with fewer than 1000 employees and one operated with more than 1,000.[136] Under this category and the associated small business size standard, the majority of these local resellers can be considered small entities. According to Commission data, 213 carriers have reported that they are engaged in the provision of local resale services.[137] Of this total, an estimated 211 have 1,500 or fewer employees and two have more than 1,500 employees.[138] Consequently, the Commission estimates that the majority of local resellers are small entities that may be affected by rules adopted pursuant to the proposals in this FNPRM.

15. **Toll Resellers**. The SBA has developed a small business size standard for the category of Telecommunications Resellers. Under that size standard, such a business is small if it has 1,500 or fewer employees.[139] Census data for 2007 show that 1,523 firms provided resale services during that year. Of that number, 1,522 operated with fewer than 1,000 employees and one operated with more than 1,000.[140] Thus, under this category and the associated small business size standard, the majority of these resellers can be considered small entities. According to Commission data, 881 carriers have reported that they are engaged in the provision of toll resale services.[141] Of this total, an estimated 857 have 1,500 or fewer employees and 24 have more than 1,500 employees.[142] Consequently, the Commission estimates that the majority of toll resellers are small entities that may be affected by our proposals in the FNPRM.

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[135] 13 CFR 121.201, NAICS code 517911.

[136] Id.

[137] See Trends in Telephone Service, at Table 5.3.

[138] Id.

[139] 13 CFR 121.201, NAICS code 517911.

[140] Id.

[141] Trends in Telephone Service, at Table 5.3.

[142] *Id.*

16. **Other Toll Carriers.** Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to Other Toll Carriers. This category includes toll carriers that do not fall within the categories of interexchange carriers, operator service providers, prepaid calling card providers, satellite service carriers, or toll resellers. The closest applicable size standard under SBA rules is for Wired Telecommunications Carriers. Under that size standard, such a business is small if it has 1,500 or fewer employees.[143] Census data for 2007 shows that there were 31,996 establishments that operated that year. Of this total, 1,818 operated with more than 100 employees, and 30,178 operated with fewer than 100 employees.[144] Thus, under this category and the associated small business size standard, the majority of Other Toll Carriers can be considered small. According to Commission data, 284 companies reported that their primary telecommunications service activity was the provision of other toll carriage.[145] Of these, an estimated 279 have 1,500 or fewer employees and five have more than 1,500 employees.[146] Consequently, the Commission estimates that most Other Toll Carriers are small entities that may be affected by the rules and policies adopted pursuant to the FNPRM.

17. **Wireless Telecommunications Carriers (except Satellite).** Since 2007, the SBA has recognized wireless firms within this new, broad, economic census category.[147] Prior to that time, such firms were within the now-superseded categories of Paging and Cellular and Other Wireless Telecommunications.[148] Under the present and prior categories, the SBA has deemed a wireless business to

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[143] 13 CFR 121.201, NAICS code 517110.

[144] Id.

[145] Trends in Telephone Service, at Table 5.3.

[146] Id.

[147] 13 CFR 121.201, NAICS code 517210.

[148] U.S. Census Bureau, 2002 NAICS Definitions, "517211 Paging," available at http://www.census.gov/cgibin/sssd/naics/naicsrch?code=517211&search=2002%20NAICS%20Search; U.S. Census Bureau, 2002 NAICS Definitions, "517212 Cellular and Other Wireless Telecommunications," available at http://www.census.gov/cgi-bin/sssd/naics/naicsrch?code=517212&search=2002%20NAICS%20Search.

be small if it has 1,500 or fewer employees.[149] For this category, census data for 2007 show that there were 11,163 establishments that operated for the entire year.[150] Of this total, 10,791 establishments had employment of 999 or fewer employees and 372 had employment of 1000 employees or more.[151] Thus, under this category and the associated small business size standard, the Commission estimates that the majority of wireless telecommunications carriers (except satellite) are small entities that may be affected by our proposed action.

18. Similarly, according to Commission data, 413 carriers reported that they were engaged in the provision of wireless telephony, including cellular service, Personal Communications Service (PCS), and Specialized Mobile Radio (SMR) Telephony services.[152] Of this total, an estimated 261 have 1,500 or fewer employees and 152 have more than 1,500 employees.[153] Consequently, the Commission estimates that approximately half or more of these firms can be considered small. Thus, using available data, we estimate that the majority of wireless firms can be considered small.

19. **Cable Television and other Program Distribution**. Since 2007, these services have been defined within the broad economic census category of Wired Telecommunications Carriers; that category is defined as follows: "This industry 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. Transmission facilities may be based on a single technology or a combination of technologies."[154] The SBA has

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[149] 13 CFR 121.201, NAICS code 517210. The now-superseded, pre-2007 CFR citations were 13 CFR 121.201, NAICS codes 517211 and 517212 (referring to the 2002 NAICS).

[150] U.S. Census Bureau, Subject Series: Information, Table 5, "Establishment and Firm Size: Employment Size of Firms for the United States: 2007 NAICS Code 517210" (issued November 2010).

[151] Id. Available census data do not provide a more precise estimate of the number of firms that have employment of 1,500 or fewer employees; the largest category provided is for firms with "100 employees or more."

[152] Trends in Telephone Service, at Table 5.3.

[153] Id.

[154] U.S. Census Bureau, 2007 NAICS Definitions, "517110 Wired Telecommunications Carriers" (partial definition), available at http://www.census.gov/cgi-bin/sssd/naics/naicsrch?code=517110&search=2007%20NAICS%20Search.

developed a small business size standard for this category, which is: all such firms having 1,500 or fewer employees.[155] Census data for 2007 shows that there were 31,996 establishments that operated that year. Of this total, 1,818 had more than 100 employees, and 30,178 operated with fewer than 100 employees. Thus under this size standard, the majority of firms offering cable and other program distribution services can be considered small and may be affected by rules adopted pursuant to the FNPRM.

20. **Cable Companies and Systems**. The Commission has developed its own small business size standards, for the purpose of cable rate regulation. Under the Commission's rules, a "small cable company" is one serving 400,000 or fewer subscribers, nationwide.[156] Industry data indicate that, of 1,076 cable operators nationwide, all but eleven are small under this size standard.[157] In addition, under the Commission's rules, a "small system" is a cable system serving 15,000 or fewer subscribers.[158] Industry data indicate that, of 6,635 systems nationwide, 5,802 systems have under 10,000 subscribers, and an additional 302 systems have 10,000-19,999 subscribers.[159] Thus, under this second size standard, most cable systems are small and may be affected by rules adopted pursuant to the FNPRM.

21. **All Other Telecommunications**. The Census Bureau defines this industry as including "establishments primarily engaged in providing specialized telecommunications services, such as satellite tracking, communications telemetry, and radar station operation. This industry also includes establishments primarily engaged in providing satellite terminal stations and associated facilities connected with one or

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[155] 13 CFR 121.201, NAICS code 517110.

[156] See 47 CFR 76.901(e). The Commission determined that this size standard equates approximately to a size standard of $100 million or less in annual revenues. See Implementation of Sections of the 1992 Cable Television Consumer Protection and Competition Act: Rate Regulation, MM Docket Nos. 92-266, 93-215, Sixth Report and Order and Eleventh Order on Reconsideration, 10 FCC Rcd 7393, 7408, paragraph 28 (1995).

[157] These data are derived from R.R. BOWKER, BROADCASTING & CABLE YEARBOOK 2006, "Top 25 Cable/Satellite Operators," pages A-8 & C-2 (data current as of June 30, 2005); WARREN COMMUNICATIONS NEWS, TELEVISION & CABLE FACTBOOK 2006, "Ownership of Cable Systems in the United States," pages D-1805 to D-1857.

[158] See 47 CFR 76.901(c).

[159] WARREN COMMUNICATIONS NEWS, TELEVISION & CABLE FACTBOOK 2006, "U.S. Cable Systems by Subscriber Size," page F-2 (data current as of October 2007). The data do not include 851 systems for which classifying data were not available.

more terrestrial systems and capable of transmitting telecommunications to, and receiving telecommunications from, satellite systems. Establishments providing Internet services or Voice over Internet Protocol (VoIP) services via client-supplied telecommunications connections are also included in this industry."[160] The SBA has developed a small business size standard for this category; that size standard is $30.0 million or less in average annual receipts.[161] According to Census Bureau data for 2007, there were 2,623 firms in this category that operated for the entire year.[162] Of this total, 2478 establishments had annual receipts of under $10 million and 145 establishments had annual receipts of $10 million or more.[163] Consequently, the Commission estimates that the majority of these firms are small entities that may be affected by our action in this FNPRM.

IV. Description of Projected Reporting, Recordkeeping and Other Compliance Requirements

22. This FNPRM seeks comment on changes to the Commission's current regulatory fee methodology and schedule which may result in additional information collection, reporting, and recordkeeping requirements. Specifically, the FNPRM seeks comment on combining fee categories and possibly using revenues or some other means to calculate regulatory fees. If a revenue-based option is adopted, this may require entities that do not currently file a Form 499-A to provide the Commission with revenue information. The FNPRM seeks comment on using subscribers, telephone numbers, or another method of calculating regulatory fees, which may involve additional recordkeeping, if such proposals are adopted. The FNPRM also seeks comment on adding categories to our regulatory fee schedule by changing the treatment of non-U.S.-Licensed Space Stations; Direct Broadcast Satellite; and toll free number subscribers in our regulatory fee process. If adopted, those entities that currently do not pay regulatory fees, such as non-U.S.-Licensed Space Stations and toll free number subscribers, would be required to pay

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[160] U.S. Census Bureau, "2007 NAICS Definitions: 517919 All Other Telecommunications," available at http://www.census.gov/cgi-bin/sssd/naics/naicsrch?code=517919&search=2007%20NAICS%20Search.

[161] 13 CFR 121.201, NAICS code 517919.

[162] U.S. Census Bureau, 2007 Economic Census, Subject Series: Information, Table 4, "Establishment and Firm Size: Receipts Size of Firms for the United States: 2007 NAICS Code 517919" (issued November 2010).

[163] Id.

regulatory fees to the Commission and DBS providers would pay regulatory fees in a different category. The FNPRM also seeks comment on increasing our de minimis threshold and eliminating certain fee categories, which, if adopted, would result in more carriers *not* paying regulatory fees to the Commission.

V. Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered

23. The RFA requires an agency to describe any significant alternatives that it has considered in reaching its approach, which may include the following four alternatives, among others: (1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance or reporting requirements under the rule for small entities; (3) the use of performance, rather than design, standards; and (4) an exemption from coverage of the rule, or any part thereof, for small entities.[164]

24. With respect to reporting requirements, the Commission is aware that some of the proposals under consideration will impact small entities by imposing costs and administrative burdens if these entities will be required to calculate regulatory fees under a different methodology. For example, if the Commission were to adopt a revenue-based approach for calculating regulatory fees, certain entities that currently do not report revenues to the Commission—or that only report some revenues and not others—may have to report such information.

25. This FNPRM seeks to reform the regulatory fee methodology. We specifically seek comment on ways to lessen the regulatory fee burden on small companies by, for example, adopting a higher de minimis threshold or exempting certain categories from regulatory fees. We also seek comment on ways to improve the regulatory fee process for companies that have difficulty with the Commission's rules, by, for example, improving our website.

26. It is possible that some of our proposals, if adopted, would result in increasing or

[164] 5 U.S.C. 603(c)(1)–(c)(4).

imposing a regulatory fee burden on small entities. For example, our reallocations, if adopted, may result in higher regulatory fees for certain categories of regulatory fee payors. The Commission anticipates that if that should occur the increase would be minimal and the inequities would be mitigated from such increases, by, for example, limiting the annual increase. In keeping with the requirements of the Regulatory Flexibility Act, the Commission has considered certain alternative means of mitigating the effects of fee increases to a particular industry segment. The FNPRM seeks comment on capping any regulatory fee increases at 7.5 or 10 percent. This FNPRM also proposes adopting a higher de minimis standard to exempt the smaller entities from paying any regulatory fees and to eliminate certain regulatory fee categories entirely. The Commission seeks comment on the abovementioned, and any other, means and methods that would minimize any significant economic impact of our proposed rules on small entities.

VI. Federal Rules that May Duplicate, Overlap, or Conflict with the Proposed Rules

27. None.

XI. ORDERING CLAUSES

67. Accordingly, **IT IS ORDERED** that, pursuant to sections 4(i) and (j), 9, and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. 154(i), 154(j), 159, and 303(r), this Second Further Notice of Proposed Rulemaking, Notice of Proposed Rulemaking, and Order **ARE HEREBY ADOPTED**.

68.

IT IS FURTHER ORDERED that the Commission's Consumer and Governmental Affairs Bureau, Reference Information Center, **SHALL SEND** a copy of this Second Further Notice of Proposed Rulemaking and Notice of Proposed Rulemaking, including the Initial Regulatory Flexibility Analysis, to the Chief Counsel for Advocacy of the U.S. Small Business Administration.

List of Subjects in 47 CFR part 1

Administrative practice and procedure.

FEDERAL COMMUNICATIONS COMMISSION

Sheryl D. Todd,
Deputy Secretary,

RULE CHANGES

For the reasons discussed in the preamble, the Federal Communications Commission amends 47 CFR part 1 as follows:

PART 1 – PRACTICE AND PROCEDURE

1. The authority citation for part 1 continues to read as follows:

Authority: 15 U.S.C. 79 *et seq.;* 47 U.S.C. 151, 154(i), 154(j), 155, 157, 225, 227, 303(r), 309, 1403, 1404, and 1451.

2. Section 1.1112 is amended by revising paragraphs (a) and (b), redesignating paragraphs (e) through (g) as paragraphs (f) and (g) and by adding new paragraph (e) to read as follows:

§ 1.1112 Form of payment.

(a) Annual and multiple year regulatory fees must be paid electronically as described below in § 1.1112(e). Fee payments, other than annual and multiple year regulatory fee payments, should be in the form of a check, cashier's check, or money order denominated in U.S. dollars and drawn on a United States financial institution and made payable to the Federal Communications Commission or by a Visa, MasterCard, American Express, or Discover credit card. No other credit card is acceptable. Fees for applications and other filings paid by credit card will not be accepted unless the credit card section of FCC Form 159 is completed in full. The Commission discourages applicants from submitting cash and will not be responsible for cash sent through the mail. Personal or corporate checks dated more than six months prior to their submission to the Commission's lockbox bank and postdated checks will not be accepted and will be returned as deficient. Third party checks (i.e., checks with a third party as maker or endorser) will not be accepted.

(1) Although payments (other than annual and multiple year regulatory fee payments) may be submitted in the form of a check, cashier's check, or money order, payors of these fees are encouraged to submit these payments electronically under the procedures described in section 1.1112 (e).

(2) Specific procedures for electronic payments are announced in Bureau/Office fee filing guides.

(3) It is the responsibility of the payer to insure that any electronic payment is made in the manner required by the Commission. Failure to comply with the Commission's procedures will result in the return of the application or other filing.

(4) To insure proper credit, applicants making wire transfer payments must follow the instructions set out in the appropriate Bureau Office fee filing guide.

(b) Applicants are required to submit one payment instrument (check, cashier's check, or money order) and FCC Form 159 with each application or filing; multiple payment instruments for a single application or filing are not permitted. A separate Fee Form (FCC Form 159) will not be required once the information requirements of that form (the Fee Code, fee amount, and total fee remitted) are incorporated into the underlying application form.

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(e) Annual and multiple year regulatory fee payments shall be submitted by online ACH payment, online Visa, MasterCard, American Express, or Discover credit card payment, or wire transfer payment denominated in U.S. dollars and drawn on a United States financial institution and made payable to the Federal Communications Commission. No other credit card is acceptable. Any other form of payment for regulatory fees (e.g., paper checks) will be rejected and sent back to the payor.

(f) All fees collected will be paid into the general fund of the United States Treasury in accordance with Pub. L. 99-272.

(g) The Commission will furnish a stamped receipt of an application only upon request that complies with the following instructions. In order to obtain a stamped receipt for an application (or other filing), the application package must include a copy of the first page of the application, clearly marked "copy", submitted expressly for the purpose of serving as a receipt of the filing. The copy should be the top document in the package. The copy will be date-stamped immediately and provided to the bearer of the submission, if hand delivered. For submissions by mail, the receipt copy will be provided through return mail if the filer has attached to the receipt copy a stamped self-addressed envelope of sufficient size to contain the date stamped copy of the application. No remittance receipt copies will be furnished.

7. Section 1.1158 is amended by revising the introductory text and paragraph (a) to read as follows:

§ 1.1158 Form of payment for regulatory fees.

Any annual and multiple year regulatory fee payment must be submitted by online Automatic Clearing House (ACH) payment, online Visa, MasterCard, American Express, or Discover credit card payment, or wire transfer payment denominated in U.S. dollars and drawn on a United States financial institution and made payable to the Federal Communications Commission. No other credit card is acceptable. Any other form of payment for annual and multiple year regulatory fees (e.g., paper checks, cash) will be rejected and sent back to the payor. The Commission will not be responsible for cash, under any circumstances, sent through the mail.

(a) Payors making wire transfer payments must submit an accompanying FCC Form 159-E via facsimile.

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9. Section 1.1161 is amended by revising paragraph (a) to read as follows:

§1.1161 Conditional license grants and delegated authorizations.

(a) Grant of any application or an instrument of authorization or other filing for which an annual or multiple year regulatory fee is required to accompany the application or filing will be conditioned upon final payment of the current or delinquent regulatory fees. Current annual and multiple year regulatory fees must be paid electronically as described in section 1.1112(e). For all other fees, (e.g., application fees, delinquent regulatory fees) final payment shall mean receipt by the U.S. Treasury of funds cleared by the financial institution on which the check, cashier's check, or money order is drawn. Electronic payments are considered timely when a wire transfer was received by the Commission's bank no later than 6:00 pm on the due date; confirmation to pay.gov that a credit card payment was successful no later than 11:59 pm (EST) on the due date; or confirmation an ACH was credited no later than 11:59 pm (EST) on the due date.

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10. Section 1.1164 is amended by revising the introductory text to read as follows:

§ 1.1164   Penalties for late or insufficient regulatory fee payments.

Electronic payments are considered timely when a wire transfer was received by the Commission's bank no later than 6:00 pm on the due date; confirmation to pay.gov that a credit card payment was successful no later than 11:59 pm (EST) on the due date; or confirmation an ACH was credited no later than 11:59 pm (EST) on the due date. In instances where a non-annual regulatory payment (i.e., delinquent payment) is made by check, cashier's check, or money order, a timely fee payment or installment payment is one received at the Commission's lockbox bank by the due date specified by the Commission or by the Managing Director. Where a non-annual regulatory fee payment is made by check, cashier's check, or money order, a timely fee payment or installment payment is one received at the Commission's lockbox bank by the due date specified by the Commission or the Managing Director. Any late payment or insufficient payment of a regulatory fee, not excused by bank error, shall subject the regulatee to a 25 percent penalty of the amount of the fee of installment payment which was not paid in a timely manner.

A payment will also be considered late filed if the payment instrument (check, money order, cashier's check, or credit card) is uncollectible.

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