

\$35.00 fee covering the five year license term (\$7.00 per year) and is to be paid at the same time a license renewal application or new application is filed.

58. Commercial Radio Operators. Commercial Radio Operator licensees and individuals holding Restricted Permits and Radiotelephone Operator Licenses are authorized for various classes of radio stations. License endorsements also provide for specific purposes, e.g., operation of global maritime distress and safety equipment. See 47 C.F.R. Part 13. The \$7.00 annual regulatory fee for commercial radio operators will be assessed on a per license basis and, at the time of application or renewal, the total \$35.00 fee will be paid to cover a five-year license term. Restricted Permittees and General Radiotelephone Operator Licensees will be assessed a one-time regulatory fee of \$105.00 to cover the lifetime license or permit term.

c. Amateur Vanity Call-Signs

59. If Part 97 of the Rules is amended by the Commission to authorize the use of vanity call-signs, amateur radio operators would be able to request a specific call-sign. See Notice of Proposed Rulemaking in PR Docket No. 93-305, FCC 93-545, 9 FCC Rcd 105 (1993). Each amateur licensee with a vanity call-sign will be assessed a regulatory fee of \$7.00 per year. The total fee of \$70.00 will cover the ten year license term during which the call sign will be in use. The first 10-year fee must be paid at the time a request for vanity call-sign(s) is made. If a requested vanity call-sign is not available or otherwise cannot be issued to the requestor, the regulatory fee will be refunded since amateurs are expressly exempt under the statute from regulatory fees, unless they have received their vanity call-sign.

2. Mass Media Bureau

60. The regulatory fees for Mass Media services generally apply to broadcast licensees and permittees and to other regulatees.⁵¹

⁵¹We note that some Mass Media services, such as the direct broadcast satellite service ("DBS"), the Instructional Television Fixed Service ("ITFS"), and FM translators and boosters were not specifically listed in the statutory schedule. As noted above, we believe that ITFS was excluded because of its general educational noncommercial status. We also believe that the omission of DBS and FM translators and boosters was inadvertent and that Congress did not intend to exempt all DBS permittees and licensees and licensees of FM translators and boosters from regulatory fees as these services result in the Commission incurring costs for necessary regulatory functions. Since these

As discussed fully above, we propose to exempt noncommercial educational broadcasters from regulatory fees. We intend to use, to the extent possible, the Bureau's computer data bases for verifying the identity of regulatees subject to regulatory fees and the number of licenses, permits or other authorizations subject to fees.

a. AM Radio Stations

61. Class A. Class A AM radio stations are unlimited time stations operating on a clear channel and designed to render primary and secondary service over an extended service area and at relatively long distances from their transmitters. Class A stations' primary service areas are protected from objectionable interference from other stations on the same and adjacent channels, with secondary service areas protected from interference from other stations on the same channel. The operating power shall not be less than 10 kW nor more than 50 kW. For FY 1994, each licensee of a Class A AM station will be assessed a \$900.00 annual regulatory fee."

62. Class B. Class B AM radio stations are unlimited time stations rendering service only over a primary service area. These stations are authorized to operate with a minimum power of 0.25 kW (or, if less than 0.25 kW, an equivalent RMS antenna field of at least 141 mV/m at 1 km) and a maximum power of 50 kW (or 10 kW for stations that are authorized to operate in the 1605-1705 kHz band). For FY 1994, each licensee of a Class B AM station will be assessed a \$500.00 annual regulatory fee.

63. Class C. Class C AM radio stations operate on local channels and are designed to render service only over a primary service area that may be reduced as a consequence of interference. These stations are authorized to operate at not less than 0.25 kW, nor more than 1 kW. Class C stations that were previously licensed to operate with 0.1 kW may continue to do so under our rules. For FY 1994, each licensee of a Class C AM station will be assessed a \$200.00 annual regulatory fee.

63. Class D. Class D AM radio stations operate either daytime, limited time or unlimited time with nighttime power less than

services are not on the statutory schedule, we propose not to assess fees for these services during the 1994 fiscal year. However, pursuant to our authority in section 9(b)(3) to modify the schedule, we intend to add regulatory fee categories for DBS licenses and for FM translators and boosters to be assessed and collected during the 1995 fiscal year.

"Regulatees are to pay the fee to which their facility is subject on the date the fee is due.

0.25 kW and an equivalent RMS antenna field of less than 141 mV/m at one km. Class D stations operate with daytime powers not less than 0.25 kW nor more than 50 kW. Nighttime operations of Class D stations are not afforded protection and must protect all Class A and Class B operations during nighttime hours. For FY 1994, each licensee of a Class D AM station will be assessed a \$250.00 annual regulatory fee.

64. AM Construction Permits. For FY 1994, persons holding a construction permit for a any class of a new AM station are subject to a \$100.00 annual regulatory fee for each outstanding permit. Upon issuance of an operating license to cover the construction permit, this fee is no longer applicable. Instead, licensees will pay a regulatory fee amount based upon the designated class of the licensed station, as described above, as of the date the regulatory fee payment is due.

b. FM Radio Stations

65. Licensed Stations. FM radio stations must meet the location, power and antenna height requirements for stations designated as Classes C, C1, C2, or B, as set forth in sections 73.205, 73.210 and 73.211 of the Commission's Rules. For FY 1994, each commercial licensee of a Class C, C1, C2 or B FM station will be assessed a \$900.00 annual regulatory fee per license. FM radio stations meeting the location, power and antenna height requirements for stations designated as Classes A, B1, or C3, as set forth in the Commission's rules, have a smaller coverage area. Thus, for FY 1994, each commercial licensee for a Class A, B1, or C3 FM station will be assessed a \$600.00 annual regulatory fee per license.

66. FM Construction Permits. Persons holding a construction permit for a any class of a new FM station, except Class D, are subject to a \$500.00 annual regulatory fee per outstanding permit in FY 1994. Upon issuance of an operating license to cover the construction permit, this fee is no longer applicable. Instead, licensees will pay a regulatory fee based upon the designated class of the licensed station, as described above, as of the date the regulatory fee payment is due.

c. Television Stations

67. VHF and UHF Commercial Licenses. Commercial VHF and UHF television licensees will be assessed a regulatory fee amount based on the ranking of the station's market. Specifically, for FY 1994 these annual regulatory fees are as follows:

VHF Commercial	
Markets 1 through 10	\$18,000.00
Markets 11 through 25	\$16,000.00
Markets 26 through 50	\$12,000.00

Markets 51 through 100	\$8,000.00
Remaining Markets	\$5,000.00

UHF Commercial

Markets 1 through 10	\$14,400.00
Markets 11 through 25	\$12,800.00
Markets 26 through 50	\$9,600.00
Markets 51 through 100	\$6,400.00
Remaining Markets	\$4,000.00

Stations authorized as "satellite" television stations pursuant to note 5 of Section 73.3555 of the Commission's Rules (47 C.F.R. § 73.3555 note 5) will be assessed a fee on the same basis as other full power stations in the same market.

68. As discussed above, we propose to allow installment payments for these regulatory fees if a television licensee's annual fee exceeds \$12,000. We propose that this amount be deemed large because it greatly exceeds the estimated average regulatory fee obligations to be incurred by most other television licensees. Specifically, according to our estimates, the 551 commercial VHF television licensees will pay an average fee of \$8,826. Most VHF licensees (379, or 69 percent) will pay \$8,000 or under in fiscal year 1994 and only 18.5 percent of VHF licensees will be asked to pay over \$12,000." Similarly, under the statutory schedule 561 commercial UHF television licensees will pay an average fee of \$8,294. The vast majority of UHF licensees (406, or 72 percent) will pay under \$10,000 in fiscal year 1994 and only 27.63 percent of UHF licensees will be asked to pay over \$12,000. Thus, we tentatively conclude that television licensees subject to a regulatory fee above \$12,000 will be automatically eligible to make two equal installment payments, subject to additional administrative and interest charges.

69. In determining a TV station's market rank, the Commission has traditionally relied on the Arbitron Company's publication "Television Markets and Ranking Guide." See, e.g., 47 C.F.R. §§ 73.658(k) note 1 (prime-time access rule). We note, however, that Arbitron has recently announced that it will no longer provide television ratings services. See Cooper, Arbitron Drops Local TV and Cable Ratings, Broadcasting & Cable, Oct. 25, 1993, at 45. It appears that Arbitron will cease publishing its annual Television Markets and Ranking Guide. Thus, we seek comment on whether we should rely on the latest Arbitron publication's rankings which would be placed in our rules (see, e.g., 47 C.F.R. § 76.51 (major television markets)), or should we use some other source (such as A.C. Nielsen) to determine a television station's market ranking each year for purposes of assessing regulatory fees. In this regard, we tentatively conclude that we will need

"See Appendix C, Table 1.

to rely on the most recent market rankings to assess fees each fiscal year because a static list in our rules may become outdated after a few years. Thus, any changes in market rankings may affect regulatory fee amounts for the following fiscal year.

70. Television Construction Permits. For FY 1994, persons holding a construction permit for a new VHF television station, in any size market, are subject to a \$4,000.00 annual regulatory fee per outstanding permit. UHF construction permits for stations in any size market will be assessed a \$3,200.00 annual regulatory fee. Upon issuance of an operating license to cover the construction permit, this construction permit fee is no longer applicable. Instead, licensees will pay a regulatory fee amount based upon the licensed station's market ranking, as described above.

d. Low Power TV, TV Translator, and TV Booster Stations

71. Under Part 74 of the Commission's Rules, low power UHF and VHF TV stations operate with a transmitter power output limited to 0.01kw for a UHF facility and, generally, 1kw for a VHF facility, and may retransmit the programs and signals of a full-power TV broadcast station, originate programming, and/or operate as a subscription service. TV translator stations are authorized to retransmit the programs and signals of TV broadcast stations without significantly altering the characteristic of the original signal other than its frequency and amplitude, for the purpose of providing TV reception to the general public. See 47 C.F.R. Part 74. TV booster stations are operated by the licensee of a full service TV broadcast station to retransmit the programs and signals of the licensee's station by amplifying and reradiating such signals, without significantly altering the characteristics of the original signal other than its amplitude. Id. For FY 1994, licensees of these secondary television broadcast stations will be assessed a \$135.00 annual regulatory fee per license.

e. Broadcast Auxiliary Stations

72. Licensees of remote pickup stations, aural broadcast auxiliary stations, television broadcast auxiliary stations, and low power auxiliary stations, authorized under Part 74 of the Commission's Rules, will be assessed a \$25.00 per license annual regulatory fee for FY 1994. These auxiliary stations are associated with a particular television or radio broadcast station. Hence, those licensees will be required to pay the required regulatory fees for each auxiliary license they hold. Individual users under 47 C.F.R. Subpart D, F and H will similarly have to pay the required regulatory fee for each auxiliary license they hold.

f. International (HF) Broadcast Stations

73. International broadcast stations are licensed to operate on frequencies in the 5,950 khz to 26,100 khz band to provide service to the general public in foreign countries. For FY 1994, each international broadcast licensee will be assessed an annual regulatory fee of \$200.00 per license.

3. Cable Services Bureau

a. Cable Antenna Relay Service

74. Cable television antenna relay service ("CARS") stations are used to transmit television and related audio signals, signals of AM and FM broadcast stations and cablecasting from the point of reception to a terminal point from where the signals are distributed to the public by cable television systems. See 47 C.F.R. Part 78. For FY 1994, each CARS licensee will be assessed an annual regulatory fee of \$220.00 per license.

b. Cable Television Systems

75. For FY 1994, each cable television system, as that term is defined in section 76.5 of our rules, will be assessed an annual regulatory fee of \$370.00 per 1000 subscribers or any portion thereof.⁵ Although the statutory schedule indicates that cable systems are to be assessed regulatory fees for every 1,000 subscribers, we do not believe that Congress intended to completely exempt systems with less than 1,000 subscribers. These smaller systems represent more than half of all cable systems and benefit from the Commission's regulatory activities. Accordingly, we tentatively conclude that cable systems with 1,000 or fewer subscribers will be assessed a fee of \$370.00 per 1,000 subscribers or any portion thereof. We seek comment on this tentative conclusion.

76. We also seek comment on how to verify a cable television operator's regulatory fee obligation, which, as noted, is based on its total number of subscribers. We propose to initially rely on a cable operator's good faith representation on its fee remittance form as to the number of subscribers it has as of the date of its annual regulatory fee payment. We also intend to perform random audits to determine whether individual cable systems have based their fee payments on the correct number of subscribers. Commenters are invited to suggest other alternatives.

77. As indicated above, we propose to allow installment payments for these regulatory fees if a cable television system's annual fee exceeds \$18,500.00 (i.e., systems with more than 50,000

⁵The term "subscriber" is defined in section 76.5 of the Commission's Rules. 47 C.F.R. § 76.5.

subscribers). We propose that this amount be considered large in this context because it significantly exceeds the estimated average fee that will be paid by most cable systems. Specifically, according to our estimates, the average fee in this category will be approximately \$1,914.00 in FY 1994.⁶⁶ However, a relatively few systems (the approximately 2 percent of all systems) will be subject to average fees over \$18,500.00 and significantly above the \$1,914.00 average. These systems will pay, on average, a fee of approximately \$36,000. Thus, we believe that \$18,500.00 is a reasonable cut-off. Therefore, pursuant to the statute, we propose to permit cable systems whose regulatory fee for FY 1994 exceeds \$18,500.00 to pay in two equal installments on the dates later specified by the Commission, subject to additional administrative and interest charges. We invite comment on this proposal.

4. Common Carrier Bureau

78. Most common carrier regulatory fees are based on the size of a regulatee's communication operation as determined by number of stations, subscribers, access lines, or antennas. We intend to rely on the Bureau's licensing data bases to confirm the identity and fee amount for most radio common carriers to the extent possible. However, where the Commission does not have information on hand to verify a regulatory fee multiplier (e.g., number of subscribers), we intend to rely on the good faith representations made on a regulatee's fee remittance form. We also intend to perform random audits to determine whether individual regulatees have reported the correct multiplier. Additionally, we request comment with respect to how well the specific regulatory fee multipliers set forth in the statutory schedule are "reasonably related to the benefits provided" to regulatees.⁶⁷ Commenters should propose specific alternatives, which we may either recommend to Congress as technical amendments to the statutory schedule or incorporate into our own schedule of regulatory fees.

a. Mobile Services

79. Cellular and Public Mobile Licensees. Under Part 22 of our rules, common carriers are authorized to offer land-based or air-to-ground mobile telephone or paging services to the public. In addition to cellular telephone service, these services include those using radio to provide telephone services at fixed locations, such as Basic Exchange Telecommunications Radio Services, Rural Radio and Offshore Radio. For FY 1994, each common carrier licensee authorized under Part 22 will be assessed

⁶⁶See Appendix C, Table 2.

⁶⁷See 47 U.S.C. § 159(b)(1)(A).

an annual regulatory fee of \$60.00 per 1000 subscribers or any portion thereof.

80. Personal Communications Services. Licensed personal communications services ("PCS") will consist of a wide variety of commercial or private mobile communications services, including advanced paging, microcellular telephone communications, portable facsimile and other video and data transmission services. See generally, First Report and Order, Gen. Docket No. 90-314 and ET Docket No. 92-100, 8 FCC Rcd 7162, (1993), on recon., FCC 94-30 (released March 4, 1994) (narrowband PCS); Second Report and Order, Gen. Docket No. 90-314, 8 FCC Rcd 7700 (1993) recon. pending (broadband PCS). The statutory Schedule of Regulatory Fees enacted in the 1993 Budget Act established an annual fee of \$60.00 per 1000 subscribers for PCS licensees. At the same time, the 1993 Budget Act recognized that PCS licenses have not yet been issued. In particular, Congress directed the Commission to conclude its PCS rulemaking proceedings (Gen. Docket No. 90-314 and ET Docket No. 92-100) by February 6, 1994, and to commence the PCS licensing process by May 7, 1994." In addition, our new PCS service rules provide licensees five years to meet minimum construction requirements. Accordingly, since it is unlikely that any PCS licensee will have a significant number of subscribers in the immediate future, we tentatively conclude that no regulatory fees will be collected from PCS licensees during the 1994 fiscal year. We intend to begin assessing and collecting regulatory fees for PCS in the 1995 fiscal year.

b. Space Stations

81. Space Stations in Geosynchronous Orbit. Domestic and international satellites, positioned in orbit to remain approximately fixed relative to the earth, are authorized to provide communications between satellites and earth stations on a common carrier and/or private carrier basis. For FY 1994, entities authorized to operate these space stations will be assessed an annual regulatory fee of \$65,000.00 for each operational station in geosynchronous orbit during the fiscal year.

82. Space Stations in Low-Earth Orbit. Domestic and international non-geostationary satellites, positioned in a low-earth orbit ("LEO"), may be authorized to transmit to satellites and fixed or mobile earth stations. These services include the new non-voice, non-geostationary mobile-satellite service in bands below 1 GHz, see Report and Order, CC Docket No. 92-76, 8 FCC Rcd 8450 (1993), and mobile satellite systems in bands above 1 GHz, see Notice of Proposed Rulemaking, CC Docket No. 92-166,

"Section 6002(d)(2), 1993 Budget Act.

FCC 94-11 (released February 18, 1994). Entities authorized to operate LEO systems will be assessed an annual regulatory fee of \$90,000.00 for each such system. We note that the Commission's new rules for systems operating below 1 GHz do not define how many space stations in low-earth orbit would constitute a "system." See Report and Order, CC Docket No. 92-76, 8 FCC Rcd at 8451. Although no LEO systems are currently operational, for purposes of assessing regulatory fees, we propose to require a LEO operator to begin paying annual regulatory fees in the fiscal year in which they launch the first satellite in their system even though all the space stations specified in its application or instrument of authorization have not become operational. We request comment on this proposal. While it appears unlikely that a LEO system will be launched in the 1994 fiscal year," should a LEO system be launched during that period, we tentatively propose to collect a regulatory fee for such launched systems and request comment on whether the entire annual fee amount should be required or if the fee should be assessed on a pro-rata basis.

c. Public Fixed Radio Services

83. Domestic Public Fixed Services. Licensees in the Domestic Public Fixed Services are authorized to use microwave frequencies for video and data distribution communications within the United States. These services, authorized under Part 21 of the Rules, include the Point-to-Point Microwave Radio Service, Local Television Transmission Radio Service, Multipoint Distribution Service (single-channel and multichannel) and Digital Electronic Message Service. For FY 1994, these licensees will be assessed an annual regulatory fee of \$55.00 per call sign.

84. International Public Fixed Service. Licensees in the International Public Fixed Service are authorized as common carriers to provide radio communications between the United States and a foreign point via microwave, HF, troposcatter systems (other than satellites and satellite earth stations). This does not include service between the United States and Mexico and the United States and Canada using frequencies above 72 MHz. See 47 C.F.R. Part 23. For FY 1994, these licensees will be assessed an annual regulatory fee of \$110.00 per call-sign.

d. Earth Stations

85. VSAT and Equivalent C-Band Antennas. Earth station systems comprising very small aperture terminals make up authorized networks operating in the 12 and 14 GHz bands and provide a variety of communications services to other stations in the

"See Report and Order, at ¶ 18 (a permittee must begin construction of its first two satellites of its system within one year of grant of its construction permit).

network. Each system, authorized pursuant to blanket licensing procedures in Part 25 of the Rules, consists of a network of technically-identical small fixed-satellite earth stations which often includes a larger hub station. For FY 1994, entities holding VSAT authorizations will be assessed an annual regulatory fee of \$6.00 per 100 antennas. Entities with less than 100 antennas will be subject to a minimum \$6.00 fee.

86. Mobile Satellite Earth Stations. Under Part 25 of the Rules, mobile satellite service providers operate under blanket licenses for mobile antennas (transceivers), which are smaller than one meter and provide voice or data communications, including position location information, for mobile platforms such as cars, buses or trucks. For FY 1994, licensees will be assessed an annual regulatory fee of \$6.00 per 100 antennas. Entities with less than 100 antennas will be subject to a minimum \$6.00 fee.

87. Earth Station Antennas Less Than 9 Meters. Persons authorized or registered under Part 25 to operate fixed-satellite earth station antennas that are less than 9 meters in diameter are private and public carriers that provide telephone, television, data, and other forms of communications. This category includes antennas used to transmit and receive, transmit only, or receive only. Also included in this category are telemetry, tracking and control (TT&C) earth stations. For FY 1994, we will assess an annual regulatory fee of \$6.00 per 100 antennas. Entities with less than 100 antennas will be subject to a minimum \$6.00 fee.

88. Earth Station Antennas 9 Meters or Greater. This category covers fixed-satellite earth station antennas authorized under Part 25 that are equal to or greater than 9 meters in diameter. These earth stations are operated by private carriers and common carriers to provide telephone, television, data, and other forms of communications. Included in this category are telemetry, tracking, and control (TT&C) earth stations equal to or greater than 9 meters in diameter. For FY 1994, persons authorized to operate transmit/receive and transmit-only antennas will be assessed an annual regulatory fee of \$85.00 per meter; receive-only antennas will be assessed a regulatory fee of \$55.00 per meter.

e. Interexchange and Local Exchange Carriers

89. For FY 1994, interexchange carriers (long distance telephone companies) ("IXCs") will be assessed an annual regulatory fee of \$60.00 per 1,000 presubscribed access lines. Similarly, local exchange carriers (local telephone operating companies) ("LECs") will be assessed an annual regulatory fee of \$60.00 per 1,000 access lines. As noted above, for IXCs, we have identified regulatory fee payment amounts greater than \$500,000.00 as large.

For LEC holding companies, we have identified \$700,000.00 as a large amount. Thus, we propose to permit IXC's whose annual regulatory fee exceed \$500,000.00 and LEC holding companies whose fee payments exceed \$700,000 to make installment payments. A relatively small number of companies will incur annual fees in excess of these amounts compared with many other entities who are subject to much lower fees.⁴⁰ Specifically, we have estimated that the average fee for all interexchange carriers will be approximately \$20,000. However, the top three carriers will be paying from \$530,000 to \$6 million dollars per year in regulatory fees. The estimated average fee for only the top 20 local exchange carriers is approximately \$417,000. We have tentatively chosen as a logical cut-off point \$700,000 because only a few carriers will pay this above-average fee and the vast majority of carriers will pay a fee that is significantly below the top 20 average fee. In fiscal year 1994, large fees may be paid in two installments. Given the higher annual operating revenues of these types of companies, we also believe that the proposed amounts for "large" fees are appropriate in this context.

f. Competitive Access Providers

90. Competitive access providers ("CAPs") are companies, other than the traditional local telephone companies, that provide interstate access services to long distance carriers and other companies. For FY 1994, each CAP will be assessed an annual regulatory fee of \$60.00 per 1,000 subscribers.

g. International Bearer Circuits

91. This regulatory fee category covers active 64 kilobit (KB) circuits, or equivalent bearer circuits between the United States and other countries or overseas points including Canada and Mexico provided by private or common carrier submarine cable, satellite, terrestrial cable, microwave, over-the-horizon radio system, or any other transmission system, activated by international facilities-based common carriers for the provision of international telecommunications services. This category also includes 64 KB circuits, or equivalent bearer circuits, of owners of private submarine cable systems licensed by the Commission which have been placed in service for any use between the United States and other countries or overseas points. For FY 1994, we will assess an annual regulatory fee of \$220.00 per 100 active 64 KB circuits or equivalent. We request comment on whether, based on our analysis of other "large" categories, these fees will be large. Since we do not anticipate that these fees will be large, we propose not to allow installment payments.

⁴⁰See Appendix C, Tables 3 and 4.

G. Conforming and Clarifying Amendments to Application Fee Rules

92. In addition to the new rules for regulatory fees, we are proposing to revise several sections of our rules governing the payment and collection of fees associated with applications and other filings. As noted above, these fees are assessed and collected pursuant to section 8 of the Communications Act and are separate and apart from the regulatory fees authorized under section 9. However, as noted above, where appropriate, our section 8 and section 9 fee collection procedures will be integrated. For the most part, the proposed modifications related to our filing fees are ministerial in nature to conform our application fee and regulatory fee regulations or will clarify existing fee payment requirements.

93. Fees for Resubmitted Applications. First, we propose to amend section 1.1107(d) of the rules, which governs fee payments relating to applications and other filings when resubmitted in the appropriate timeframe following a staff request for additional or corrected information. Ordinarily, no additional fee payment is required for resubmitted applications and other filings. However, the rules do require a supplemental fee payment whenever the revised information causes a change in the category of the filing with the result that a higher fee payment is now due under the fee schedule. Our rules provide that the additional fee payment, i.e., the difference between the fee initially submitted and the correct fee payment now due, must be submitted with the revised application or other filing.

94. In order to clarify our rule governing those procedures applicable when an additional fee is due, we propose to amend section 1.1107(d) to require persons submitting revised applications and other filings to submit any fee payment balance due when the revised application or other filing is submitted. Such applications and fees must be filed at the lockbox bank. In the event that the staff discovers, within 30 days after the resubmission, that the additional fee payment was not submitted, the application or other filing will be dismissed as deficient and the previously submitted section 8 fee payment will be retained under this proposal. A new fee payment (covering the entire amount) will be required with any future filing of the application or other filing. However, if the staff discovers the fee payment deficiency more than thirty days subsequent to the resubmission, the application or other filing will be retained but a 25 percent late fee will be assessed on the deficient amount even if the Commission has completed its action on the application or other filing involved.

95. Stale Checks. The Commission's correspondent bank for fee collections will not process a personal or business check dated

more than six months prior to its submission. Therefore, we propose to revise section 1.1108(a) of the rules to make clear that these "stale" checks will not be accepted as fee payments. Under this revision, and consistent with the Uniform Commercial Code, we will not accept any instrument of payment dated more than six months prior to the date of its filing with the lockbox bank, and we will return to the filer any application or other filing submitted with a stale payment instrument.

96. Receipts. Next, with regard to receipts requested for application fee payments, the Commission's practice is to furnish receipts only upon specific requests of the submitter rather than to provide receipts automatically for all fee payments received. We propose to clarify these procedures by amending section 1.1108 of the rules. In order to obtain a receipt for a fee payment, we propose to require that the application and fee package include a copy of the first page of the application or other filing, 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 fee payment package. The staff will date-stamp the copy immediately and provide it 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 envelop of sufficient size to contain the date stamped copy of the application. We do not intend to provide receipts for regulatory fee payments.

97. Electronic Payment. In addition, pursuant to our proposal above regarding the submission of regulatory fee payments by electronic means, we propose to amend sections 1.1107 and 1.1108 of the rules to allow the payment of application and other filing fees by electronic means. Although such a system for electronic payment is not yet in place, we believe that it is appropriate in this proceeding, and in conjunction with the development of our pilot project, to propose changing these rules at this time and to seek comment on one particular aspect of this payment method as it specifically applies to applications and other filings. Specifically, we are concerned about matching electronically paid fees with submitted hard-copy applications." If a party chooses to pay its application filing fee electronically, we believe that it should follow existing procedures for filing its application at the lockbox bank. However, in lieu of the current payment methods, the party will indicate on its remittance advice (FCC Form 159 or the underlying application form with fee information incorporated therein) that payment is being sent to the bank electronically. We tentatively conclude that in such situations the electronic payment must be made on or before the day the

"We note that some parts of the Commission are currently experimenting with electronic filing of applications.

application is filed. Upon receipt of an application, the bank will confirm that a fee payment has been received electronically. If the electronic payment is not received on the filing date, the application or request would be returned without processing. We believe these procedures are necessary to ensure the most efficient processing of electronic fee payments (when authorized) and applications or other filings. Finally, during the pilot phase of our electronic payment program, regulatees will be required to obtain our authorization before making electronic fee payments.

98. One-Check/One-Application Rule. We propose to modify our rules to allow the use of a single payment instrument or method to cover multiple applications for the same or different applicants, so long as all the applications are filed at the same time at the same lockbox. Any applicant desiring to pay for multiple regulatory/application filings in the same lockbox with a single payment instrument, or when paying by credit card, must also complete FCC Form 159, FCC Remittance Advice. Each item must be listed separately on the form with its own Payment Type Code. If another space is needed for multiple filings, the applicant must use FCC Form 159-S, FCC Supplemental Remittance Advice."

99. Payment by Cashier's Check Required. Section 1.1108(d)(1)(i) of the Commission's Rules provides that payment of fees by cashier's check may be required when a person or organization has, on two or more occasions, made payment with a payment instrument on which the Commission does not receive final payment and such failure is not excused by bank error. 47 C.F.R. § 1.1108(d)(1)(i); see also id. § 1.1110(a). Under these circumstances, the Commission will send a letter detailing the terms and conditions of future payments, including a requirement that no form of payment, other than a cashier's check is acceptable. Despite this apparently strict response to "bounced" checks and other insufficient payment instruments, we continue to receive numerous checks that are not drawn on sufficient funds for payment. To ensure that payment instruments will result in a final payment being made to the Commission, we believe that our cashier's check safeguard should be strengthened. Accordingly, we propose that, when a person or organization has, on a single occasion, submitted a payment instrument on which final payment

" All non-private radio section 9 regulatory fee payors must use FCC Form 159/159S when submitting single or multiple regulatory fees. Under current application fee rules, applicants are required to submit one check and one application. However, effective April 1, 1994, applicants will also be allowed to pay for multiple filings in the same lockbox with a single payment instrument. These applicants must also use FCC Form 159/159S for multiple filings.

is not received (and not excused by bank error), we will immediately notify the party that future fee payments must be made by cashier's check. If, subsequent to such notice, payment is not made by a cashier's check, that party's other payment instrument will not be accepted and its application or other filing will be returned.

100. Filing Locations For Petitions, Waivers and Deferrals.

Finally, we will be making a few ministerial changes to the rules. Specifically, we will revise sections 1.1109(a)(3) and 1.1115 to clarify that any petition for reconsideration, application for review, and any petition for waiver or deferral of a fee payment, accompanied by an application or regulatory fee payment, must be submitted to the lockbox bank. If no fee payment is required and the matter is within the scope of the fee rules, the petition or application for review should be filed with the Secretary and clearly marked to the attention of the Managing Director. Petitions for deferral or waiver for which no fee payment is required should also be directed to the attention of the Managing Director.

III. Procedural Matters

A. Comment Period and Procedures

101. Pursuant to applicable procedures set forth in sections 1.415 and 1.419 of the Commission's Rules, interested parties may file comments on or before April 7, 1994, and reply comments on or before April 18, 1994. All relevant and timely comments will be considered by the Commission before final action is taken in this proceeding. To file formally in this proceeding, participants must file an original and four copies of all comments, reply comments, and supporting material. If participants want each Commissioner to receive a personal copy of their comments, an original plus nine copies must be filed. Comments and reply comments should be sent to the Office of the Secretary, Federal Communications Commission, Washington, D.C. 20554. Comments and reply comments will be available for public inspection during regular business hours in the FCC Reference Center (Room 239) of the Federal Communications Commission, 1919 M Street, N.W., Washington, D.C. 20554.

B. Ex Parte Rules

102. This is a non-restricted notice and comment rulemaking proceeding. Ex parte presentations are permitted, except during the Sunshine Agenda period, provided they are disclosed pursuant to the Commission's rules. See 47 C.F.R. §§ 1.1202, 1.1203 and 1.1206(a).

C. Initial Regulatory Flexibility Analysis

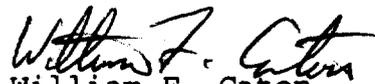
103. As required by section 603 of the Regulatory Flexibility Act (Pub. L. No. 96-354, 94 Stat. 1164, 5 U.S.C. § 601 et seq. (1981)), the Commission has prepared an Initial Regulatory Flexibility Analysis (IRFA) of the expected impact on small entities of the proposals suggested in this document. The IRFA is set forth in Appendix B. Written public comments are requested on the IRFA. These comments must be filed in accordance with the same filing deadlines as comments on the rest of this Notice, but they must have a separate and distinct heading, designating them as responses to the Initial Regulatory Flexibility Analysis. The Secretary shall send a copy of this Notice, including the IRFA, to the Chief Counsel for Advocacy of the Small Business Administration in accordance with paragraph 603(a) of the Regulatory Flexibility Act.

D. Authority and Further Information

104. Authority for this proceeding is contained in sections 4(i) and (j), 8, 9, and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i) and (j), 158, 159, and 303(r).

105. Further information about this proceeding may be obtained by contacting H. Walker Feaster, Associate Managing Director -- Program Analysis, at 202-632-0923.

FEDERAL COMMUNICATIONS COMMISSION


William F. Caton
Acting Secretary

APPENDICES

APPENDIX A

STATUTORY SCHEDULE OF REGULATORY FEES

<u>Bureau/Category</u>	<u>Annual Regulatory Fee</u>
Private Radio Bureau	
Exclusive use services (per license)	
Land Mobile (above 470 MHz, Base Station and SMRS) (47 C.F.R. Part 90)	\$16
Microwave (47 C.F.R. Part 94)	16
Interactive Video Data Service (47 C.F.R. Part 16)	16
Shared use services (per license unless otherwise noted)	7
Amateur vanity call-signs	7
Mass Media Bureau (per license)	
AM radio (47 C.F.R. Part 73)	
Class D Daytime	250
Class A Fulltime	900
Class B Fulltime	500
Class C Fulltime	200
Construction permits	100
FM radio (47 C.F.R. Part 73)	
Classes C, C1, C2, B	900
Classes A, B1, C3	600
Construction permits	500
TV (47 C.F.R. Part 73)	
VHF Commercial	
Markets 1 thru 10	18,000
Markets 11 thru 25	16,000
Markets 26 thru 50	12,000
Markets 51 thru 100	8,000
Remaining Markets	5,000
Construction permits	4,000
UHF Commercial	
Markets 1 thru 10	14,400
Markets 11 thru 25	12,800
Markets 26 thru 50	9,600
Markets 51 thru 100	6,400
Remaining Markets	4,000
Construction permits	3,200
Low Power TV, TV Translator, and TV Booster (47 C.F.R. Part 74)	135
Broadcast Auxiliary (47 C.F.R. Part 74)	25
International (HF) Broadcast (47 C.F.R. Part 73)	200
Cable Antenna Relay Service (47 C.F.R. Part 78)	220
Cable Television System (per 1,000 subscribers) (47 C.F.R. Part 76)	370

Common Carrier Bureau

Radio Facilities

Cellular Radio (per 1,000 subscribers) (47 C.F.R. Part 22)	60
Personal Communications (per 1,000 subscribers) (47 C.F.R.)	60
Space Station (per operational station in geosynchronous orbit) (47 C.F.R. Part 25)	65,000
Space Station (per system in low-earth orbit) (47 C.F.R. Part 25)	90,000
Public Mobile (per 1,000 subscribers) (47 C.F.R. Part 22)	60
Domestic Public Fixed (per call sign) (47 C.F.R. Part 21)	55
International Public Fixed (per call sign) (47 C.F.R. Part 23)	110
Earth Stations (47 C.F.R. Part 25)	
VSAT and equivalent C-Band antennas (per 100 antennas)	6
Mobile satellite earth stations (per 100 antennas)	6
Earth station antennas	
Less than 9 meters (per 100 antennas)	6
9 Meters or more	
Transmit/Receive and Transmit Only (per meter)	85
Receive only (per meter)	55
Carriers	
Inter-Exchange Carrier (per 1,000 presubscribed access lines)	60
Local Exchange Carrier (per 1,000 access lines)	60
Competitive access provider (per 1,000 subscribers)	60
International circuits (per 100 active 64KB circuit or equivalent)	220

APPENDIX B

Initial Regulatory Flexibility Analysis

Reason for Action

This rulemaking proceeding is initiated to obtain comment regarding the Commission's proposed implementation of newly enacted Section 9 of the Communications Act in which Congress directed the Commission to establish rules for the collection of regulatory fees.

Objectives

The Commission seeks to implement the collection of regulatory fees, as contained in Schedule of Regulatory Fees, in the most efficient manner possible and without undue burden to the public.

Legal Basis

The proposed action is authorized under sections (4)(i) and (j), 8, 9, and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i) and (j), 158, 159, and 303(r).

Reporting, Recordkeeping and other Compliance Requirements.

The Commission is developing an FCC Remittance Advice Form (FCC Form 159) for submission to the Commission with single regulatory fee payments and an FCC Supplemental Remittance Advice Form (FCC Form 159S) for submission with multiple regulatory fee payments.

Federal Rules that Overlap, Duplicate or Conflict with Proposed Rule.

None.

Description, Potential Impact, and Number of Small Entities Involved.

The proposed implementation of the collection of regulatory fees will affect permittees, licensees and other regulatees in the cable, common carrier, mass media and private radio services. After evaluating the comments in this proceeding, the Commission will further examine the impact of any rule changes on small entities and set forth our findings in the Final Regulatory Flexibility Analysis.

Any Significant Alternatives Minimizing the Impact on Small Entities Consistent with the Stated Objectives.

The Notice solicits comments on a variety of alternatives.

APPENDIX C

VHF Commercial (Top 100 Markets)						Top 25/Bottom 50				
	Annual Fee	Payors	%	Total Fee	%	Payors	%	Total Fee	%	Ave. Fee
Markets 1 thru 10	\$18,000	44	14.29%	\$792,000	21.71%					
Markets 11 thru 25	\$16,000	58	18.83%	\$928,000	25.44%	102	33.12%	\$1,720,000	47.15%	\$16,863
Markets 26 thru 50	\$12,000	70	22.73%	\$840,000	23.03%					
Markets 51 thru 100	\$8,000	136	44.16%	\$1,088,000	29.82%	206	66.88%	\$1,928,000	52.85%	\$9,359
TOTALS		308	100.00%	\$3,648,000	100.00%	308	100%	\$3,648,000	100%	\$11,844
UHF Commercial (Top 100 Markets)						Top 25/Bottom 50				
	Annual Fee	Payors	%	Total Fee	%	Payors	%	Total Fee	%	Ave. Fee
Markets 1 thru 10	\$14,400	82	20.45%	\$1,180,800	29.43%					
Markets 11 thru 25	\$12,800	73	18.20%	\$934,400	23.29%	155	38.65%	\$2,115,200	52.71%	\$13,646
Markets 26 thru 50	\$9,600	101	25.19%	\$969,600	24.16%					
Markets 51 thru 100	\$6,400	145	36.16%	\$928,000	23.13%	246	61.35%	\$1,897,600	47.29%	\$7,714
TOTALS		401	100.00%	\$4,012,800	100.00%	401	100%	\$4,012,800	100%	\$10,007
VHF Commercial						Top 25 vs. The Rest				
	Annual Fee	Payors	%	Total Fee	%	Payors	%	Total Fee	%	Ave. Fee
Markets 1 thru 10	\$18,000	44	7.99%	\$792,000	16.29%					
Markets 11 thru 25	\$16,000	58	10.53%	\$928,000	19.08%	102	18.51%	\$1,720,000	35.37%	\$16,863
Markets 26 thru 50	\$12,000	70	12.70%	\$840,000	17.27%					
Markets 51 thru 100	\$8,000	136	24.68%	\$1,088,000	22.37%					
Remaining Markets	\$5,000	243	44.10%	\$1,215,000	24.98%	449	81.49%	\$3,143,000	64.63%	\$7,000
TOTALS		551	100.00%	\$4,863,000	100.00%	551	100%	\$4,863,000	100%	\$8,826
UHF Commercial						Top 25 vs. The Rest				
	Annual Fee	Payors	%	Total Fee	%	Payors	%	Total Fee	%	Ave. Fee
Markets 1 thru 10	\$14,400	82	14.62%	\$1,180,800	25.38%					
Markets 11 thru 25	\$12,800	73	13.01%	\$934,400	20.08%	155	27.63%	\$2,115,200	45.46%	\$13,646
Markets 26 thru 50	\$9,600	101	18.00%	\$969,600	20.84%					
Markets 51 thru 100	\$6,400	145	25.85%	\$928,000	19.94%					
Remaining Markets	\$4,000	160	28.52%	\$640,000	13.76%	406	72.37%	\$2,537,600	54.54%	\$6,250
TOTALS		561	100.00%	\$4,652,800	100.00%	561	100%	\$4,652,800	100%	\$8,294

Note: Number of Payors equals number of commercial stations in Arbitron ADI according to TV and Cable Fact Book (Warren Publishing 1993 Edition) at A-1.

TABLE 1 -- Estimated Television Regulatory Fees

APPENDIX C (continued)

U.S. Cable Systems by Subscriber Size (As of November 1, 1992)			Annual Fee = \$370 per 1,000 subscribers					
Size by Subscribers	Systems	%	Total Subs.	%	Ave. Subs	Total Fees	%	Ave. Fee/System
50,000 and over	221	1.994%	21,538,463	40.353%	97,459	\$7,969,231	37.577%	\$36,060
20,000 - 49,999	417	3.763%	12,834,441	24.046%	30,778	\$4,748,743	22.391%	\$11,388
10,000 - 19,999	507	4.575%	7,204,259	13.497%	14,210	\$2,665,576	12.569%	\$5,258
5,000 - 9,999	642	5.793%	4,544,524	8.514%	7,079	\$1,681,474	7.929%	\$2,619
3,500 - 4,999	406	3.663%	1,703,013	3.191%	4,195	\$630,115	2.971%	\$1,552
1,000 - 3,499	1,896	17.107%	3,616,097	6.775%	1,907	\$1,337,956	6.309%	\$706
500 - 999	1,421	12.821%	1,017,620	1.907%	716	\$525,770	2.479%	\$370
250 - 499	1,500	13.534%	536,734	1.006%	358	\$555,000	2.617%	\$370
249 and under	2,957	26.681%	380,323	0.713%	129	\$1,094,090	5.159%	\$370
Not Available	1,116	10.069%	n/a	n/a	n/a	n/a	n/a	n/a
TOTALS	11,083	100.000%	53,375,474	100.000%	4,816	\$21,207,955	100.000%	\$1,914
Size by Subscribers	Systems	%	Total Subs.	%	Ave. Subs	Total Fees	%	Ave. Fee/System
Under 50,000	10,862	98.006%	31,837,011	59.647%	2,931	\$11,779,694	55.544%	\$1,084
20,000 and over	638	5.757%	34,372,904	64.398%	53,876	\$12,717,974	59.968%	\$19,934
1,000 - 19,999	3,451	31.138%	17,067,893	31.977%	4,946	\$6,315,120	29.777%	\$1,830
Under 1000	5,878	53.036%	1,934,677	3.625%	329	\$2,174,860	10.255%	\$370

Source: TV & Cable Fact Book (Cable Volume) (Warren Publishing 1993 Edition) at F-3.

TABLE 2 -- Estimated Cable Television Regulatory Fees

APPENDIX C (continued)

Inter-Exchange Carriers Presubscribed Lines (As of December 1992)				
Carrier	Thousands of Lines	Fee per 1000 lines	Total Fee	%
AT&T	101,204	\$60	\$6,072,240	72.95%
MCI	20,167	\$60	\$1,210,020	14.54%
Sprint	8,856	\$60	\$531,360	6.38%
Others	8,496	\$60	\$509,760	6.12%
Totals	138,723		\$8,323,380	100.00%
Other Inter-exchange Carriers				
Number	Total Lines (1000's)	Average Lines (1000's)	Fee per 1000 Lines	Average Fee
411	8,496	20.67	\$60	\$1,240
Average Fee for 414 Carriers: \$20,105				
Source: Long Distance Market Shares, Second Quarter, 1993, Table 4 (Industry Anal. Div. Sept. 1993).				

**TABLE 3 -- Estimated Inter-Exchange
Carrier Regulatory Fees**

APPENDIX C (continued)

Top 20 Local Exchange Carriers by Access Lines
 Annual Fee = \$60.00 per 1,000 access lines
 (As of December 31, 1992)

Telephone Company	Access Lines	Annual Fee	% of Top 20
Bell Atlantic Corp.	18,181,000	\$1,090,860	13.08%
Bell South Corp.	18,109,834	\$1,086,590	13.03%
Ameritech Corp.	17,001,000	\$1,020,060	12.24%
GTE Corp.	16,191,000	\$971,460	11.65%
NYNEX	15,699,088	\$941,945	11.30%
Pacific Telesis Group	14,551,000	\$873,060	10.47%
US West Communications	13,344,975	\$800,699	9.60%
Southwestern Bell Corp.	12,603,033	\$756,182	9.07%
Sprint Corp.	4,241,443	\$254,487	3.05%
Southern New England Telephone	1,902,100	\$114,126	1.37%
Cantel Corp.	1,606,409	\$96,385	1.16%
ALLTEL Corp.	1,301,981	\$78,119	0.94%
Puerto Rico Telephone Corp.	963,932	\$57,836	0.69%
Rochester Telephone Corp.	895,971	\$53,758	0.64%
Cincinnati Bell Telephone Co.	815,286	\$48,917	0.59%
Century Telephone Enterprises,	397,308	\$23,838	0.29%
PTI Communications, Inc.	379,339	\$22,762	0.27%
Telephone & Data Systems, Inc.	321,708	\$19,302	0.23%
Lincoln Telephone & Telegraph	243,039	\$14,582	0.17%
C-TEC Corp.	203,844	\$12,231	0.15%
Totals for Top 20	138,953,294	\$8,337,198	100.00%
Average Fee for Top 20		\$416.860	
LECs with Fees over \$500,000	125,680,930	\$7,540,856	90.45%

Source: Holding Company Report (U.S. Telephone Assoc. 1993)

TABLE 4 -- Estimated Local Exchange Carrier Regulatory Fees