

subscribers, licenses or circuits on December 31, 1994, will be used to calculate the fee payment. We have selected the last date of the calendar year because many of these entities file reports with us as of that date. Others calculate their subscriber numbers as of that date for internal purposes. Therefore, calculation of the regulatory fee as of that date will facilitate both an entity's computation of its fee payment and our verification that the correct fee payment has been submitted.⁴⁴

C. Ordering Clauses

144. Accordingly, it is ordered that the rule changes as specified below are adopted.

145. It is further ordered that the rule changes made herein will become effective 90 days after publication in the **Federal Register**. This action is taken pursuant to Sections 4(i), 4(j), 9, and 303(r) of the Communications Act of 1934 as amended, 47 U.S.C. §§ 154(1) and 154(j) and 159 and 303(r).

146. It is further ordered that the petition for reconsideration filed by MCI Telecommunications Inc. is denied.

FEDERAL COMMUNICATIONS COMMISSION

William F. Caton
William F. Caton
Acting Secretary

⁴⁴ Cable systems should calculate their FY 1995 regulatory fees using the subscriber data to be submitted to the Commission in their 1994 Annual Report of Cable Television Systems (FCC Form 325). Accordingly, their number of subscribers will not necessarily be based on December 31, 1994, but rather on "a typical day in the last full week" of December 1994. (See FCC Form 325 Instructions).

Appendix A

Regulatory Flexibility Analysis

Need and Purpose for This Action

This Report and Order adopts a Schedule of Regulatory Fees in order to collect \$116,400,000, the amount that Congress has required the Commission to recover through regulatory fees for FY 1995. The Report and Order seeks to ease the burden of compliance with the fee requirement by increasing estimated payment units, where appropriate, and by revising methodologies for assessing fees to better assure that fee payments are reasonably related to the benefits that regulatees derive from the Commission's regulation. The Commission has also reduced the threshold payment amounts for eligibility for installment payments.

Summary of Comments

America's Carriers Telecommunications Association (ACTA) argues that proposals set forth in the Notice of Proposed Rulemaking would adversely impact on resale carriers, contending that the proposed fee would double the fee for interstate exchange carriers, including resellers and other carriers newly subject to the fee. Further, ACTA contends that resale carriers would be subject to a "double fee payment" because resellers would pay the fee directly and also be charged the fee by facilities-based carriers from whom they obtain facilities and services.

Proposals Adopted

In response to comments by numerous parties, the Commission rejected the methodologies for assessing fees for interstate carriers set forth in the Notice of Proposed Rulemaking. Instead, the Commission has adopted a methodology for assessing fees based upon a carrier's gross interstate communications revenues, similar to the method that the Commission adopted for calculating carrier contributions to the fund for the Telecommunications Relay Services (TRS). The Commission found that the TRS methodology provides an efficient and equitable mechanism for assessing fees. Carriers subject to the fee would not be unduly burdened because they already report the information needed to calculate the fee to the National Exchange Carriers Association (NECA), the administrator of the TRS fund. Moreover, the Commission has eliminated the "double fee payment" of concern to ACTA by permitting resale carriers to subtract from their reported gross revenues any payments made for facilities and services to facilities-based carriers.

FY 1995 SCHEDULE OF REGULATORY FEES

Fee Category	Annual Regulatory Fee
WIRELESS RADIO	
Land Mobile (per license) (220-222 Mhz, above 470 Mhz, Base Station and SMRS) (47 CFR Part 90)	6
Microwave (per license) (47 CFR Part 94)	6
Interactive Video Data Service (per license) (47 CFR Part 95)	6
Marine (Ship) (per station) (47 CFR Part 80)	3
Marine (Coast) (per license) (47 CFR Part 87)	3
General Mobile Radio Service (per license) (47 CFR Part 95)	3
Land Mobile (per license) (all stations not covered above)	3
Aviation (Aircraft) (per station) (47 CFR Part 87)	3
Aviation (Ground) (per license) (47 CFR Part 87)	3
Amateur Vanity Call Signs (per call sign) (47 CFR Part 97)	3
Cellular (per unit) (47 CFR Part 22)	.15
Public Mobile Radio (per unit) (47 CFR Part 22)	.15
Public Mobile One-Way Paging (per unit) (47 CFR Part 22)	.02
MASS MEDIA	
AM Radio (47 CFR Part 73)	
Class A	1,120
Class B	620

Fee Category Mass Media (continued)	Annual Regulatory Fee
Class C	250
Class D	310
Construction Permits	125
FM Radio (47 CFR Part 73)	
Classes C, C1, C2, B	1,120
Classes A, B1, C3	745
Construction Permits	620
TV (47 CFR Part 73) VHF Commercial	
Markets 1-10	22,420
Markets 11-25	19,925
Markets 26-50	14,950
Markets 51-100	9,975
Remaining Markets	6,225
Construction Permits	4,975
TV (47 CFR Part 73) UHF Commercial	
Markets 1-10	17,925
Markets 11-25	15,950
Markets 26-50	11,950
Markets 51-100	7,975
Remaining Markets	4,975
Construction Permits	3,975
Satellite Television Stations (All Markets)	620
Construction Permits - Satellite Television Stations	225
Low Power TV, TV/FM Translators & Boosters (47 CFR Part 74)	170
Broadcast Auxiliary (47 CFR Part 74)	30
Multipoint Distribution Service (per call sign) (47 CFR Part 21)	140

CABLE TELEVISION	Annual Regulatory Fee
Cable Antenna Relay Service (47 CFR Part 78)	290
Cable Television Systems (per subscriber) (47 CFR Part 76)	.49
COMMON CARRIER	
Inter-Exchange Carrier (per revenue dollar)	.00088
Local Exchange Carrier (per revenue dollar)	.00088
Competitive Access Provider (per revenue dollar)	.00088
Operator Service Provider/Pay Telephone Operators (per revenue dollar)	.00088
Resellers (per revenue dollar)	.00088
Other Interstate Providers (per revenue dollar)	.00088
Domestic Public Fixed (per call sign) (47 CFR Part 21)	140
INTERNATIONAL	
Earth Stations (47 CFR Part 25)	
VSATs/Equivalent C-Band/Mobile Earth Stations (per authorization or registration)	330
Transmit/Receive and Transmit Only Earth Stations (per authorization or registration)	330
Space Stations (per operational station in geosynchronous orbit) (47 CFR Part 25)	75,000
International Circuits (per active 64KB circuit)	4
International Public Fixed (per call sign) (47 CFR Part 23)	200
International (HF) Broadcast (47 CFR Part 73)	250

HOW FULL TIME EQUIVALENTS (FTEs) AND FEE CATEGORY COST ALLOCATIONS WERE CALCULATED

(1) FTE allocations represent how the Commission anticipates FTEs will actually be spent during the course of the fiscal year.⁴⁵ Many factors influence how FTEs are actually employed during the year, including varying rates of attrition, speed of hiring new and replacement staff, the use of part time or temporary employees in lieu of permanent staff, changing Commission priorities, and reorganizations and other activities requiring a reallocation or reassignment of staff. The FTE allocations used in the fee development process were updated as of December 1994 to reflect a number of personnel reassignments made incident to recent reorganizations within the Commission. The impact on the fee development process by the reorganizations is negligible since they have not significantly changed the type of work the reassigned staff is performing.⁴⁶

(2) Only the Commission's enforcement, policy and rulemaking, international, and user information activities are covered by the regulatory fee program.⁴⁷ Of the Commission's total ceiling of 2,271 FTEs, 846 FTEs are directly assigned to the agency's primary operating bureaus to perform enforcement, policy and rulemaking, international, and user information activities. An additional 560 FTEs have been identified by agency officials as supporting these feeable activities.⁴⁸ The results of our FTE allocations are as follows:

<u>Fee Category</u>	<u>Direct FTEs</u>	<u>Support FTEs</u>	<u>Total FTEs</u>
Mass Media	152	101	253
Common Carrier	415	274	689
Private Radio	62	41	103
Cable Services	<u>217</u>	<u>144</u>	<u>361</u>
Total	846	704	1406

(3) The total of the costs to be offset by regulatory fees in FY 1995 is \$116,400,000. Each fee category (e.g., cable services) was allocated its share of regulatory fee activity costs based upon the ratio of its FTEs to the total number of FTEs allocated to all regulatory fee categories. The results of this allocation of costs are shown below:

<u>Fee Category</u>	<u>FTEs</u>	<u>Regulatory Fee Percentage⁴⁹</u>	<u>Cost Allocation (in millions)</u>
Mass Media	253	18.0	\$21.0
Common Carrier	689	49.0	57.0
Private Radio	103	7.3	8.5
Cable Services	<u>361</u>	<u>25.7</u>	<u>29.9</u>
Total	1406	100.0	\$116.4

It should be noted that FTE allocations are year-end estimates and thus represent projected work time of existing staff as well as new and replacement staff yet to be hired. The Office of Management and Budget (OMB) has established a ceiling of 2,271 FTEs for the Commission for FY 1995.

The Commission has chosen to retain, for fee determination purposes, the fee classifications (i.e., Private Radio, Common Carrier, Cable Services and Mass Media) contained in 47 U.S.C. Section 159. Although we believe that we have authority to change the classifications to align them more closely with our current organizational structure, we wanted to prevent any adverse impacts to the schedule brought about solely by such a classification change.

⁴⁵ The regulatory fee program encompasses a total of 1,406 FTEs or 61.9% of the agency's total FTEs. The agency's Authorization of Service, Legal Services and Executive Direction Activities cover an additional 865 FTEs. See Section III (A) for a discussion of how FTEs were estimated. Authorization of Service regulatory costs are recovered pursuant to Section 8 of the Communications Act.

⁴⁶ These support activities include a proportionate share of field operations, engineering and technology and certain general program support staff FTEs.

⁴⁹ These percentages represent the FTEs associated with regulatory fees only. As a percent of all FCC FTEs, the regulatory fee FTEs make up the following percentages: Mass Media (11.1%), Common Carrier (30.3%), Private Radio (4.5%) and Cable Services (15.9%).

DEVELOPMENT OF PRIVATE RADIO SERVICES REGULATORY FEES

Activity Cost Allocation: The Private Radio Activity was allocated 7.3% (103 FTEs) of the total 1,406 FTEs associated with all regulatory fee activities.⁵⁰ The same percentage (7.3%) was applied to total regulatory fee activity costs (\$116.4 million times 7.3% = \$8.5 million).

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

Projected Revenue Using FY 1994 Fee Amounts & Revised FY 1995 Payment Volumes: Projected revenue for FY 1995 for Private Radio Activities using FY 1994 fee amounts was calculated by multiplying the FY 1995 payment volume in each fee category by the FY 1994 fee amounts. The resulting revenues in these categories totaled approximately \$21.7 million. This is the amount of revenue we would collect in this category if we did not change any fee amounts from FY 1994.

Pro-Rata Application of FY 1995 Revenue Requirement: Because projected revenues using FY 1994 fee amounts would have resulted in excess collections of \$13.2 million (\$21.7 million minus \$8.5 million), Private Radio fees for FY 1995 needed to be multiplied by 39% (\$8.5 million divided by \$21.7 million = 39%)⁵¹ so that revenue would better approximate the \$8.5 million cost allocation for this Activity. Table #1 below shows revenue requirements that were computed for each fee category within the Private Radio Activity.

Calculation of Fee: We divided each of the individual revenue requirements shown in the chart below by the applicable license term and then divided that result by the FY 1995 projected payment volume to determine the new fee requirement for each fee category within the Private Radio Activity.

CATEGORY	REVENUE REQUIREMENT	DIVIDED BY LICENSE TERM (Yrs)	DIVIDED BY PAYMENT VOLUME	EQUALS NEW FEE ⁵²
Land Mobile (220-222 MHz, 470 MHz and above, unless otherwise noted)	\$396,390	5	13,213	6
Microwave	193,200	5	6,440	6
IVDS	43,500	5	1,450	6
Marine (Ship)	5,070,420	10	169,014	3
GMRS	41,775	5	2,785	3
Land Mobile (Other)	1,396,275	5	93,085	3
Aviation (Aircraft)	1,130,430	10	37,681	3
Marine (Coast)	41,955	5	2,797	3
Aviation (Ground)	39,900	5	2,660	3
Amateur Vanity Call Signs	840,000	10	28,000	3
Total	\$8,500,000			

Table #1

⁵⁰ Represents 4.5% of all FCC FTEs.

⁵¹ Actual percentage is 39.2368026%

⁵² Fees are rounded to the nearest dollar. On subsequent tables the fees have been rounded pursuant to the requirements of 47 U.S.C. § 159.

DEVELOPMENT OF MASS MEDIA SERVICES REGULATORY FEES

Activity Cost Allocation: The Mass Media Activity was allocated 18.0% (253 FTEs) of the total 1,406 FTEs associated with all regulatory fee activities.⁵³ The same percentage (18.0%) was applied to total regulatory fee activity costs (\$116.4 million times 18.0% = \$21.0 million).

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

Projected Revenue Using FY 1994 Fee Amounts & Revised FY 1995 Payment Volumes: Projected revenue for FY 1995 for Mass Media Activities using FY 1994 fee amounts was calculated by multiplying the FY 1995 payment volume in each fee category by the FY 1994 fee amounts. The resulting total revenue in these categories totaled approximately \$16.9 million. This is the amount of revenue we would collect in this category if we did not change any fee amounts from FY 1994.

Pro-Rata Application of FY 1995 Revenue Requirement: Because projected revenues using FY 1994 fee amounts would have resulted in collections of \$4.1 million less than required (\$21.0 million minus \$16.9 million), Mass Media fees for FY 1995 needed to be adjusted upward by 24.6% (\$4.1 million divided by \$16.9 million = 24.6%)⁵⁴ so that revenue would better approximate the \$21.0 million cost allocation for this Activity. Table #2 below shows revenue requirements that were computed for each fee category within the Mass Media Activity.

Calculation of Fee: We divided each of the individual revenue requirements shown in the chart below by the FY 1995 projected payment volume to determine the new fee requirement for each fee category within the Mass Media Activity.

Category	REVENUE REQUIREMENT	DIVIDED BY PAYMENT VOLUME	Equals New Fee
AM Radio (Class A)	\$86,240	77	1,120
AM Radio (Class B)	1,060,820	1,711	620
AM Radio (Class C)	258,250	1,033	250
AM Radio (Class D)	657,200	2,120	310
AM Radio (Construction Permit)	9,875	79	125
FM Radio (Classes C,C1,C2,B)	2,778,720	2,481	1,125
FM Radio (Classes A,B1,C3)	1,926,570	2,586	745
FM Radio (Construction Permit)	435,860	703	620
VHF TV (Mkt 1-10)	964,060	43	22,420
VHF TV (Mkt 11-25)	1,135,725	57	19,925
VHF TV (Mkt 26-50)	1,166,100	78	14,950
VHF TV (Mkt 51-100)	1,007,475	101	9,975
VHF TV (Remaining Mkts)	1,045,800	168	6,225
VHF TV (Construction Permit)	54,725	11	4,975
UHF TV (Mkt 1-10)	1,541,550	86	17,925

⁵³ Represents 11.1% of all FCC FTEs.

⁵⁴ Actual percentage is 24.5691982%.

Category	REVENUE REQUIREMENT	DIVIDED BY PAYMENT VOLUME	Equals New Fee
UHF TV (Mkt 11-25)	1,164,350	73	15,950
UHF TV (Mkt 26-50)	1,087,450	91	11,950
UHF TV (Mkt 51-100)	1,084,600	136	7,975
UHF TV (Remaining Mkts)	731,325	147	4,975
UHF TV (Construction Permit)	576,375	145	3,975
Auxiliaries	900,000	30,000	30
LPTV/FM & TV Translators & Boosters	1,210,400	7,120	170
Int'l Short Wave	4,750	19	250
TV Satellite (Any Mkt) ⁵⁵	68,200	110	620
TV Satellite (Construction Permit) ⁵⁶	1,125	5	225
Multipoint Distribution Service ⁵⁷			140
Total	\$21,000,000		

Table #2

⁵⁵ The FY 1994 legislated fee schedule did not distinguish between full service television stations and satellite television stations. Although the Congress did not pass final legislation to assess satellite stations a reduced fee, the House of Representatives did pass legislation establishing a \$500 fee for satellite stations in FY 1994. While not legally binding, we used the \$500 fee proposed by the House as a "simulated" FY 1994 fee in order to calculate a FY 1995 fee for satellite stations.

⁵⁶ Unlike other fees proposed for FY 1995, the TV satellite station construction permit fee of \$225 was determined by taking the average fee for UHF & VHF television stations and relating it to the average UHF/VHF construction permit fee. Using these relationships for satellite television stations results in a computed fee of \$225 (rounded to the nearest \$5) for satellite television station construction permits.

⁵⁷ The fee for single-channel and multi-channel Multipoint Distribution Service (MDS & MMDS) was developed as part of the Domestic Public Fixed Radio Service, a common carrier service. The payment units are included in the total volume for the Domestic Public Fixed Radio Service included in Appendix C. Regulation of the MDS and MMDS services has been transferred to the Mass Media Bureau.

DEVELOPMENT OF CABLE SERVICES REGULATORY FEES

Activity Cost Allocation: The Cable Services Activity was allocated 25.7% (361 FTEs) of the total 1,406 FTEs associated with all regulatory fee activities.⁵⁵ The same percentage (25.7%) was applied to total regulatory fee activity costs (\$116.4 million times 25.7% = \$29.9 million).

Revision of Payment Unit Volumes: Payment volume estimates (units of payment) were updated for FY 1995. See Table #3 below.

Projected Revenue Using FY 1994 Fee Amounts & Revised FY 1995 Payment Volumes: Projected revenue for FY 1995 for Cable Services Activities using FY 1994 fee amounts was calculated by multiplying the FY 1995 payment volume in each fee category by the FY 1994 fee amounts. The resulting total revenue in these categories totaled approximately \$22.7 million. This is the amount of revenue we would collect in this category if we did not change any fee amounts from FY 1994.

Pro-Rata Application of FY 1995 Revenue Requirement: Because projected revenues using FY 1994 fee amounts would have resulted in collections of \$7.2 million less than required (\$22.7 million minus \$29.9 million), proposed Cable Services fees for FY 1995 needed to be adjusted upward by 32.0% (\$7.2 million divided by \$22.7 million = 32.0%)⁵⁶ so that revenue would better approximate the \$29.9 million cost allocation for this Activity. Table #3 below shows revenue requirements that were computed for each fee category within the Cable Services Activity.

Calculation of Fee: We divided each of the individual revenue requirements shown in the chart below by the FY 1995 projected payment volume to determine the new fee requirement for each fee category within the Cable Services Activity.

CATEGORY	REVENUE REQUIREMENT	DIVIDED BY PAYMENT VOLUME	EQUALS NEW FEE
CARS	\$603,780	2,082	290
Cable Television Systems	29,400,000	60,000,000	.49
Total	\$29,900,000		

Table #3

⁵⁵ Represents 15.9% of all FCC FTEs.

⁵⁶ Actual percentage is 31.9619879%.

DEVELOPMENT OF COMMON CARRIER SERVICES REGULATORY FEES

Activity Cost Allocation: The Common Carrier Activity was allocated 49.0% (689 FTEs) of the total 1,406 FTEs associated with all regulatory fee activities.⁶⁰ The same percentage (49.0%) was applied to total regulatory fee activity costs (\$116.4 million times 49.0% = \$57.0 million).

Revision of Payment Unit Volumes: Payment volume estimates (units of payment) were updated for FY 1995. See Table #4 below.

Projected Revenue Using FY 1994 Fee Amounts & Revised FY 1995 Payment Volumes: Projected revenue for FY 1995 for Common Carrier Activities using FY 1994 fee amounts was calculated by multiplying the FY 1995 payment volume in each fee category by the FY 1994 fee amounts. The resulting total revenue in these categories totaled approximately \$28.4 million. This is the amount of revenue we would collect in this category if we did not change any fee amounts from FY 1994.

Pro-Rata Application of FY 1995 Revenue Requirement: Because projected revenues using FY 1994 fee amounts would have resulted in collections of \$28.6 million less than required (\$57.0 million minus \$28.4 million), Common Carrier fees for FY 1995 needed to be adjusted upward by 100.5% (\$28.6 million divided by \$28.4 million = 100.5%)⁶¹ so that revenue would better approximate the \$57.0 million cost allocation for this Activity. Table #4 below shows revenue requirements that were computed for each fee category within the Common Carrier Activity.

Calculation of Fee: We divided each of the individual revenue requirements shown in the chart below by the FY 1995 projected payment volume to determine the new fee requirement for each fee category within the Common Carrier Activity:

Category	REVENUE REQUIREMENT	DIVIDED BY PAYMENT VOLUME	EQUALS NEW FEE
Domestic Public Fixed Radio	\$1,960,000	14,000	140
Cellular/Public Mobile Radio	3,510,000	23,400,000	.15
Public Mobile One-Way Paging	392,000	19,600,000	.02
International Public Fixed Radio	4,000	20	200
Earth Stations (VSATs/Mob. Eq./Tr. & T/R)	1,114,740	3,378	330
Space Stations	2,925,000	39	75,000
IXC, LEC, CAPS, Other Providers	46,310,880	52,626,000,000	.00088
International Circuits	500,000	125,000	4
Total	\$57,000,000		

Table #4

⁶⁰ Represents 30.3% of all FCC FTEs.

⁶¹ Actual percentage is 100.4512615%.

Appendix H

FY 1995 Guidelines for Regulatory Fee Categories

1. The guidelines below provide an explanation of regulatory fee categories established by the Schedule of Regulatory Fees in Section 9 (g) of the Communications Act, 47 U.S.C. § 159(g) as modified in the instant Memorandum Opinion and Order. Where regulatory fee categories need interpretations or clarification, we have relied on the legislative history of Section 9, our own experience in establishing and regulating the Schedule of Regulatory Fees for Fiscal Year (FY) 1994 and the services subject to the fee schedule, and the comments of the parties in our proceeding to adopt fees for FY 1995. The categories and amounts set out in the schedule have been modified to reflect changes in the Commission's appropriation, our costs of providing the regulatory services to be recovered by the fee program, additions and changes in the services subject to the fee requirement and the benefits derived from the Commission's regulatory activities. The schedule may be similarly modified or adjusted in future years to reflect changes in the Commission's budget and in the services regulated by the Commission. See 47 U.S.C. § 159(b)(2), (3).

1. Private Radio Services

2. The Private Radio Services are regulated by the Wireless Telecommunications Bureau. Two levels of statutory fees were established -- exclusive use services and shared use services. Thus, licensees who generally receive a higher quality communication channel due to exclusive or lightly shared frequency assignments, will pay a higher fee than those who share marginal quality assignments. This dichotomy is consistent with the directive of section 9 that the regulatory fees reflect the benefits provided to the licensees. See 47 U.S.C. § 159(b)(1)(A). In addition, because of the generally small amount of the fees assessed against Private Radio Service licensees, applicants for new licenses and reinstatements and for renewal of existing licenses are required to pay a regulatory fee covering the entire license term, with only a percentage of all licensees paying a regulatory fee in any one year. Applications for modification or assignment of existing authorizations do not require the payment of regulatory fees. The expiration date of those authorizations will reflect only the unexpired term of the underlying license rather than a new license term.

3. There have been no changes from FY 1994 in the rules for calculating and paying regulatory fees in the Private Radio Services.

a. Exclusive Use Services

4. Land Mobile Services: Regulatees in this category include those authorized under Part 90 of the Commission's Rules to provide limited access Wireless Radio service that allows high quality voice or digital communications between vehicles or to fixed stations to further the business activities of the licensee. These services, using the 220-222 MHz band and frequencies at 470 MHz and above, may be offered on a private carrier basis in the Specialized Mobile Radio Services (SMRS).

5. For FY 1995, Land Mobile licensees will pay a \$6 annual regulatory fee per license, payable for an entire five or ten year license term at the time of application for a new, renewal or reinstatement license.⁶² The total regulatory fee due is either \$30 for a license with a five year term or \$60 for a license with a 10 year term.

6. Microwave Services: Set forth in the FY 1995 fee schedule within the Wireless Radio Service category, these services include private microwave systems and private carrier systems authorized under Part 94 of the Commission's Rules to provide telecommunications services between fixed points on a high quality channel of communications. Microwave systems are often used to relay data and to control railroad, pipeline and utility equipment. For FY 1995, Microwave licensees will pay a \$6 annual regulatory fee per license, payable for an entire five year license term at the time of application for a new, reinstatement or renewal license. The total regulatory fee due is \$30 for the five year license term.

7. Interactive Video Data Service (IVDS): As set forth in the FY 1995 fee schedule within the Wireless Radio Service category, IVDS is a two-way point-to-multi-point radio service allocated high quality channels of communications and authorized under Part 95 of the Commission's Rules. IVDS provides information, products and services, and also the capability to obtain responses from subscribers in a specific service area. IVDS is offered on a private carrier basis. For FY 1995, IVDS licensees will pay a \$6 annual regulatory fee per license, payable for an entire five year license term at the time of application for a new, reinstatement or renewal license. The total regulatory fee due is \$30 for the five year term of the license.

b. Shared Use Services

8. Marine (Ship) Service: This service is a shipboard radio service authorized under Part 80 of the Commission's Rules to provide telecommunications between watercraft or between watercraft and shore-based stations. Radio installations are

⁶² Although this fee category includes licenses with ten year terms, the estimated volume of ten year license applications in FY 1995 is less than one tenth of one percent and, therefore, is statistically insignificant.

required by domestic and international law for large passenger or cargo vessels. Radio equipment may be voluntarily installed on smaller vessels, such as recreational boats. For FY 1995, Marine (Ship) Station licensees will pay a \$3 annual regulatory fee per station, payable for an entire ten year license term at the time of application for a new, reinstatement or renewal license. The total regulatory fee due is \$30 for the ten year license term.

9. Marine (Coast) Service: This service, set forth in the FY 1995 Schedule of Regulatory Fees within the Wireless Radio Service category, includes land-based stations in the maritime services, authorized under Part 80 of the Commission's Rules, to provide communications services to ships and other watercraft in coastal and inland waterways. For FY 1995, licensees will pay a \$3 annual regulatory fee per call sign, payable for the entire five year license term at the time of application for a new, reinstatement or renewal license. The total regulatory fee due is \$15 per call sign for the five year license term.

10. Private Land Mobile (Other) Services: These services, set forth in the FY 1995 Schedule of Regulatory Fees within the Wireless Radio Service category, include Land Mobile Radio Services operating under Parts 90 and 95 of the Commission's Rules. Services in this category provide one or two way communications between vehicles, persons or to fixed stations on a shared basis and include radiolocation services, private carrier paging services, industrial radio services and land transportation radio services. For FY 1995, licensees of services in this category will pay a \$3 annual regulatory fee per call sign, payable for an entire five year license term at the time of application for a new, reinstatement or renewal license. The total regulatory fee due is \$15 for the five year license term. There are no changes to the rules for calculating and submitting regulatory fee payments by Private Land Mobile Service licensees.

11. Aviation (Aircraft) Service: These services, set forth in the FY 1995 Schedule of Regulatory Fees within the Wireless Radio Service category, include stations authorized to provide communications between aircraft and from aircraft to ground stations and includes frequencies used to communicate with air traffic control facilities pursuant to Part 87 of the Commission's Rules. For FY 1995, licensees of Aviation (Aircraft) Stations will pay a \$3 annual regulatory fee per station, payable for the entire ten year license term at the time of application for a new, reinstatement or renewal license. The total regulatory fee due is \$30 per station for the ten year license term.

12. Aviation (Ground) Service: This service, set forth in the FY 1995 Schedule of Regulatory Fees within the Wireless Radio Service category, includes stations authorized to provide ground-based communications to aircraft for weather or landing information, or for logistical support pursuant to Part 87 of the Commission's Rules. For FY 1995, licensees of Aviation (Ground) Stations will pay a \$3 annual regulatory fee per license, payable for the entire

five year license term at the time of application for a new, reinstatement or renewal license. The total regulatory fee is \$15 per call sign for the five year license term.

13. General Mobile Radio Service (GMRS): These services, set forth in the FY 1995 Schedule of Regulatory Fees within the Wireless Radio Service category, include Land Mobile Radio licensees providing personal and limited business communications between vehicles or to fixed stations for short-range, two-way communications pursuant to Part 95 of the Commission's Rules. For FY 1995, GMRS licensees will pay a \$3 annual regulatory fee per license, payable for an entire five year license term at the time of application for a new, reinstatement or renewal license. The total regulatory fee due is \$15 per license for the five year license term.

c. Amateur Radio Vanity Call-Signs

14. Amateur Vanity Call-Signs: As set forth forth in the FY 1995 Schedule of Regulatory Fees within the Wireless Radio Service category, the fee covers voluntary requests for specific call-signs in the Amateur Radio Service authorized under part 97 of the Commission's Rules. For FY 1995, applicants for Amateur Vanity Call-Signs will pay a \$3 annual regulatory fee per call-sign, payable for an entire ten year license term at the time of application for a vanity call sign. The total regulatory fee due would be \$30 per license for the ten year license term.⁶³

2. Mass Media Bureau

15. The regulatory fees for the Mass Media fee category apply to broadcast licensees and permittees. Noncommercial Educational Broadcasters are exempt from the fees.

a. Commercial AM and FM Radio

16. These categories include licensed Commercial AM (Classes A, B, C, and D) and FM (Classes A, B, B1, C, C1, C2, and C3) Radio Stations operating under Part 73 of the Commission's Rules. The regulatory fees for AM and FM Stations for FY 1995 are as follows:

AM Radio	
Class A	\$1,120
Class B	620
Class C	250
Class D	310

⁶³ Section 9(h) exempts "amateur radio operator licenses under Part 97 of the Commission's rules (47 C.F.R. Part 97)" from the requirement. However, Section 9(g)'s fee schedule explicitly includes "Amateur vanity call signs" as a category subject to the payment of a regulatory fee.

FM Radio	
Classes C, C1, C2, B	\$1,120
Classes A, B1, C3	745

b. Construction Permits - Commercial AM Radio

17. This category includes holders of permits to construct new Commercial AM Stations. For FY 1995 permittees will pay a fee \$125 for each permit held. Upon issuance of an operating license, this fee would no longer be applicable and licensees would be required to pay the applicable fee for the designated class of the station.

c. Construction Permits - Commercial FM Radio.

18. This category includes holders of permits to construct new Commercial FM Stations. For FY 1995 permittees will pay a fee of \$620 for each permit held. Upon issuance of an operating license, this fee would no longer be applicable. Instead, licensees would pay a regulatory fee based upon the designated class of the station. There are no changes in the rules for calculating and submitting regulatory fees by FM construction permittees.

d. Commercial Television Stations.

19. This category includes licensed Commercial VHF and UHF Television Stations covered under Part 73 of the Commission's Rules, except commonly owned Television Satellite Stations, addressed separately below. The fees for each category of station are as follows:

VHF Markets 1-10	\$22,420
VHF Markets 11-25	19,925
VHF Markets 26-50	14,950
VHF Markets 51-100	9,975
VHF Remaining Markets	6,225
UHF Markets 1-10	\$17,925
UHF Markets 11-25	15,950
UHF Markets 26-50	11,950
UHF Markets 51-100	7,975
UHF Remaining Markets	4,975

e. Commercial Television Satellite Stations

20. Commonly owned Television Satellite Stations in any market (authorized pursuant to Note 5 of Section 73.3555 of the Commission's Rules) that retransmit programming of the primary station are assessed a fee of \$620 annually. Only those stations designated as Television Satellite Stations in the 1994 edition of the Television and Cable Factbook are eligible to submit the fee

applicable to Television Satellite Stations. All other television licensees are subject to the regulatory fee payment required for their class of station and market.

f. Construction Permits - Commercial VHF Television Stations

21. This category includes holders of permits to construct new Commercial VHF Television Stations. For FY 1995 VHF permittees will pay an annual regulatory fee of \$4,975. Upon issuance of an operating license, this fee would no longer be applicable. Instead, licensees would pay a fee based upon the designated market of the station.

g. Construction permits - Commercial UHF Television Stations

22. This category includes holders of permits to construct new UHF Television Stations. For FY 1995 UHF Television permittees will pay an annual regulatory fee of \$3,975. Upon issuance of an operating license, this fee would no longer be applicable. Instead, licensees would pay a fee based upon the designated market of the station.

h. Construction Permits - Satellite Television Stations

23. The fee for UHF and VHF Television Satellite Station construction permits for FY 1995 is \$225. An individual regulatory fee payment is to be made for each Television Satellite Station construction permit held.

i. Low Power Television, FM Translator and Booster Stations, TV Translator and Booster Stations.

24. This category includes Low Power UHF/VHF Television stations operating under Part 74 of the Commission's Rules with a transmitter power output limited to 0.01 kw for a UHF facility and, generally, 1 kw for a VHF facility. Low Power Television (LPTV) stations may retransmit the programs and signals of a TV Broadcast Station, originate programming, and/or operate as a subscription service. This category also includes translators and boosters operating under Part 74 which rebroadcast the signals of full service stations on a frequency different from the parent station (translators) or on the same frequency (boosters). We have amended the fee schedule to include FM Translator and Booster stations in this fee service because we believe these facilities were inadvertently omitted from the statutory fee schedule and we are unaware of any reason not to establish a fee for these services. We have also received requests for waivers of the regulatory fees from operators of community based Translators. These Translators are generally not affiliated with commercial broadcasters, they are nonprofit, non-profitable, or only marginally profitable, serve small rural communities, and are supported financially by the residents of the communities served. We are aware of the difficulties these Translators have in paying even minimal regulatory fees, and we will address those concerns

in the ruling on reconsideration of the FY 1994 Order. The stations in this category are secondary to full service stations in terms of frequency priority. For FY 1995, licensees in this category will pay a regulatory fee of \$170 for each license held.

j. Broadcast Auxiliary Stations.

25. This category includes 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. Auxiliary Stations are generally associated with a particular television or radio broadcast station or cable television system. For FY 1995 licensees of Commercial Auxiliary Stations will pay a \$30 annual regulatory fee on a per call sign basis.

k. International HF Broadcast (Short Wave)

26. This category covers International Broadcast Stations licensed under Part 73 of the Commission's Rules to operate on frequencies in the 5,950 khz to 26,100 Khz range to provide service to the general public in foreign countries. The fees for International HF Broadcast Stations are set forth in the International Service category in the FY 1995 fee schedule. For FY 1995 International HF Broadcast Stations will pay an annual regulatory fee of \$250 per station license.

3. Cable Services

a. Cable Television Systems

27. This category includes operators of Cable Television Systems, providing or distributing programming or other services to subscribers under Part 76 of the Commission's Rules. For FY 1995 Cable Systems will pay a regulatory fee of \$.49 per subscriber.⁶⁴

28. Payments for Cable Systems are to be made on a per subscriber by community unit basis as of December 31, 1994, as reported on each Cable Systems's 1994 Annual Report of Cable Systems (FCC Form 325). Cable Systems should determine their subscriber numbers by calculating the number of single family dwellings, the number of individual households in multiple dwelling units, e.g., apartments, condominiums, mobile home parks, etc., paying at the basic subscriber rate, the number of bulk rate customers and the number of courtesy or fee customers. In order to determine the number of bulk rate subscribers, a system should divide its bulk rate charge by the annual subscription rate for individual households. See FY 1994 Order, Appendix B at para. 31.

⁶⁴ Cable systems are to pay their regulatory fees on a per subscriber basis rather than per 1,000 subscribers as set forth in the statutory fee schedule. See FY 1994 Order at para. 100.

b. Cable Antenna Relay Service

29. This category includes Cable Antenna Relay Service (CARS) stations 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 a Cable Television System. For FY 1995, licensees will pay an annual regulatory fee of \$290 per CARS license.

4. Common Carrier Services

a. Mobile Services

30. Public Mobile/Cellular Radio Services: These services are included within the FY 1995 Schedule of Regulatory Fees in the Wireless Radio Service category. They include common carriers and others (e.g., cellular radio licensees) offering, under Parts 22 and 24 of the Commission's Rules, a wide variety of land-based or air-to-ground mobile telephone, paging or data transmission services to the public. Licensees include those using radio to provide telephone services at fixed locations, such as Basic Exchange Telecommunications Radio Services, Rural Radio and Offshore Radio.

31. For FY 1995, each licensee in the Public Mobile/Cellular Radio Services will pay an annual regulatory fee for each mobile or cellular unit (mobile or cellular call sign or telephone number), including paging units, assigned to its customers, including resellers of its services. For FY 1995, the regulatory fee is \$.15 per unit.

32. Public Mobile One-Way Paging Services: These services are included within the FY 1995 Schedule of Regulatory Fees in the Wireless Radio Service category. They include common carriers offering, under Parts 22 of the Commission's Rules, one-way paging services to the public.

33. For FY 1995, each licensee in the Public Mobile One-Way Paging Services will pay an annual regulatory fee for each paging unit, assigned to its customers, including resellers of its services. For FY 1995, the regulatory fee of \$.02 per unit.

b. Fixed Radio Services

34. Domestic Public Fixed Radio Service: This category includes licensees in the Point-to-Point Microwave Radio Service, Local Television Transmission Radio Service, Digital Electronic Message Service, Multipoint Distribution Service (MDS), and Multichannel Multipoint Distribution Service (MMDS), authorized under Part 21 of the Commission's Rules to use microwave frequencies for video and data distribution within the United States. For FY 1995, Domestic Public Fixed Radio Service licensees pay a \$140 annual

regulatory fee per call sign, payable on a specified date to be announced by the Commission.

35. International Public Fixed Radio Service: This fee category includes common carriers authorized under Part 23 of the Commission's Rules to provide radio communications between the United States and a foreign point via microwave or HF troposcatter systems, other than satellites and satellite earth stations, but not including service between the United States and Mexico and the United States and Canada using frequencies above 72 MHz. For FY 1995, International Public Fixed Radio Service licensees will pay a \$200 annual regulatory fee per call sign, payable on a specified date to be announced by the Commission.

c. VSATs and Equivalent C-Band Stations/Mobile Satellite Earth Stations.

36. VSATs and Equivalent C-Band Stations: This fee category includes VSAT Earth Stations and equivalent C-Band Earth Stations and antennas and earth station systems comprised of very small aperture terminals operating in the 12 and 14 GHz bands and providing a variety of communications services to other stations in the network. VSAT systems consist of a network of technically-identical small Fixed-Satellite Earth Stations which often include a larger hub station. VSAT Earth Stations and C-Band Equivalent Earth Stations are authorized pursuant to Part 25 of the Commission's Rules. Mobile Satellite Earth Stations, operating pursuant to Part 25 of the Commission's Rules under blanket licenses for mobile antennas (transceivers), 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 1995, licensees of VSATs and Mobile Satellite Earth Stations will pay an annual regulatory fee of \$330 per authorization or registration.

d. Fixed Satellite Earth Stations

37. Transmit/Receive and Transmit Only Earth Stations. This category includes fixed-satellite transmit/receive and transmit only earth station antennas, authorized or registered under Part 25 of the Commission's Rules, operated by private and public carriers to provide telephone, television, data, and other forms of communications. The proposed fees for this fee category are set forth in the FY 1995 fee schedule in the International Service category. Included in this category are telemetry, tracking, and control (TT&C) earth stations and earth station uplinks.

38. For FY 1995 licensees of transmit/receive and transmit only earth stations will pay a fee of \$330 per authorization or registration.

39. Receive only earth stations. For FY 1995 there is no regulatory fee for receive-only earth stations.

e. Space Stations (Geosynchronous)

40. Geosynchronous Space Stations set forth in the FY 1995 Schedule of regulatory Fees within the International Service category, are domestic and international satellites positioned in orbit to remain approximately fixed relative to the earth. They are authorized under Part 25 of the Commission's Rules to provide communications between satellites and earth stations on a common carrier and/or private carrier basis. For FY 1995, entities authorized to operate Geosynchronous Space Stations in accordance with section 25.120(d) will be assessed an annual regulatory fee of \$75,000 per operational station in orbit. Payment is required for any Geosynchronous Satellite that has been launched and tested and is authorized to provide service.

f. International Bearer Circuits

41. Regulatory fees for International Bearer Circuits are set forth in the International Service category in the FY 1995 fee schedule. The proposed fee is to be paid by the facilities-based common carrier activating the circuit in any transmission facility for the provision of service to an end user or resale carrier. Payment of the fee for bearer circuits by private submarine cable operators is required for circuits sold on an indefeasible right of use (IRU) basis or leased to any customer other than an international common carrier authorized by the Commission to provide U.S. international common carrier services. Compare FY 1994 Order at 5367. The fee is based upon active 64 Kbps circuits, or equivalent circuits. Under this formulation, 64 Kbps circuits or their equivalent will be assessed a fee. Equivalent circuits include the 64 Kbps circuit equivalent of larger bit stream circuits. For example, the 64 Kbps circuit equivalent of a 2.048 Mbps circuit is 30 64 Kbps circuits. Analog circuits such as 3 and 4 KHz circuits used for international service are also included as 64 Kbps circuits. However, circuits derived from 64 Kbps circuits by the use of digital circuit multiplication systems are not equivalent 64 Kbps circuits. Such circuits are not subject to fees. Only the 64 Kbps circuit from which they have been derived will be subject to payment of a fee. For FY 1995, the regulatory fee is \$4.00 for each active 64 Kbps circuit or equivalent. For analog television channels we will assess fees as follows:

Analog Television Channel Size in MHz Circuits	No. of equivalent 64 Kbps
36.....	630
24.....	288
18.....	240

g. Inter-exchange and Local Exchange Carriers, Competitive Access Providers, Pay Telephone Providers, and other non-mobile providers of interstate service.

42. We have revised the Schedule of Regulatory Fees for carriers to include not only IXCs, LECs and CAPs, but also domestic and international carriers that provide operator services, WATS, 800, 900, telex, telegraph, video, other switched, interstate access, special access, and alternative access services either by using their own facilities or by reselling facilities and services of other carriers or telephone carrier holding companies, and companies other than traditional local telephone companies that provide interstate access services to long distance carriers and other customers.

43. These common carriers, including resellers, must submit fee payments based upon their proportionate share of gross interstate revenues using the methodology that we have adopted for calculating contributions to the TRS fund. See Telecommunications Relay Services, 8 FCC Rcd 5300 (1993). In order to avoid imposing any double payment burden on resellers, we will permit carriers to subtract from their gross interstate revenues as reported to NECA in connection with their TRS contribution, any payments made to underlying carriers for telecommunications facilities or services, including payments for interstate access service. For FY 1995, carriers will multiply their gross revenue figure by the 0.00088 to determine the appropriate fee for this category of service and may reduce this amount by the total amount of their payments to underlying carriers for telecommunications facilities or services.

44. The FY 1995 revenue requirement for this category is \$46,310,880. For FY 1995, carriers will multiply their gross revenue figure by 0.00088 to determine the appropriate fee for this category of service and may reduce this amount by the total amount of their payments to underlying carriers for telecommunications facilities or services.

Description of FCC Activities

Executive Direction and Support: Overall policy direction, program development and executive direction as provided by the Chairman and staff, Commissioners and their staffs and by the Managing Director. Also includes support services such as management planning, budgeting and financial management, personnel resource management, information resources management and ADP operations, security, and administrative and office services. Includes the activities of the Office of Legislative Affairs and the Office of the Inspector General. These costs are not recoverable through regulatory fees.

Legal Services: Legal review and support services including matters of administrative law, litigation and adjudication. Includes the Office of General Counsel, Office of Administrative Law Judges and the Review Board. These costs are not recoverable through regulatory fees.

Authorization of Service: The authorization or licensing of radio stations, telecommunications equipment and radio operators. Also includes the authorization of common carrier services and facilities. These costs are not recoverable through regulatory fees.

Policy and Rule Making: Formal inquiries, rule making proceedings to establish or amend the Commission's rules and regulations, action on petitions for rule making and requests for rule interpretations or waivers; economic studies and analyses; spectrum planning, modeling, propagation-interference analyses and allocation; and development of equipment standards. Also includes policy and rule making associated with FCC participation in international organizations, conferences and negotiations. These costs are recoverable through regulatory fees.

Enforcement: Enforcement of the Commission's rules, regulations and authorizations, including investigations, inspections, compliance monitoring and sanctions of all types. Also includes the receipt and disposition of formal and informal complaints regarding common carrier rates and services, the review and acceptance/rejection of carrier tariffs, and the review, prescription and audit of carrier accounting practices. These costs are recoverable through regulatory fees.

International: The preparation for and participation in international, regional and bilateral conferences, meetings and negotiations; and administration of Commission responsibilities under international radio regulations and other treaties, conventions and agreements. Also includes activities associated with international frequency coordination and notification. These costs are recoverable through regulatory fees.

Public Information Services: The publication and dissemination of Commission decisions and actions, and related activities; public reference and library services; the duplication and dissemination of Commission records and databases; the receipt and disposition of public inquiries; consumer, small business and public assistance; and public affairs and media relations. These costs are recoverable through regulatory fees.

Appendix J

Comments were filed:

Dudman Communications Corp.
Sandra R. Swanson
Bruce Hood
KGRR-FM 97.3
Sierra Cascade Communications
Coleman Broadcasting Company
WTIM et. al.
Aircraft Owners and Pilots Association
Personal Communications Industries Association
Fant Broadcasting Company
Grove Cable Co.
United States Coast Guard
AllNet Communication Services, Inc.
MobileMedia Communications
KVPA
Sovereign Broadcasting, Inc.
KVRW-FM
Northern Broadcasting, Inc.
PanAmSat Corporation
Competitive Telecommunications Association
LDDS Communications, Inc.
Ameritech
Cablevision Industries Corp.
Montana Broadcasters Association
Century Cellunet, Inc.
GTE Services Corp.
Maine Association of Broadcasters
James P. Wagner
Livingston Radio Company
Associated Press
Frontier Cellular Holding, Inc.
Sprint Corporation
De La Hunt Broadcasting
Cable Telecommunications Association
Columbia Communications Corp.
Hertz Technologies, Inc.
National Cable Television Association, Inc.
KUSK, Inc.
Duhamel Broadcasting Enterprises
Southwestern Bell, Inc.
EDS Corp.
Wireless Cable Association International, Inc.
MCI Telecommunications Corporation
MFS Communications Company, Inc.
AllTell Mobile Communications
America's Carriers Telecommunications Association
Mid-State Television, Inc.
Whithers Broadcasting Company of Texas, Et.al.
National Association of Broadcasters
American Public Communications Council