

qualify for Commercial Base prices, and at least one of the following:

a. Have cumulative volumes of Priority Mail Return Service, First-Class Package Return Service, or Ground Return Service exceeding a combined total of 50,000 return pieces in the previous calendar year.

b. Have cumulative returns and outbound Commercial Plus cubic volume exceeding a combined total of 50,000 pieces returned in approved packaging in the previous calendar year.

c. Have cumulative returns and outbound volume exceeding a combined total of 50,000 pieces in the previous calendar year.

d. Have a signed Commercial Plus returns customer commitment agreement with USPS.

e. Have a signed Commercial Plus Critical Mail commitment agreement with USPS.

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Following the expiration of the comment period, the Postal Service will publish its responses to any adverse comments in a subsequent **Federal Register** notice, together with its determination whether to confirm the interim rule as published, or modify the rule in response to the comments received.

Stanley F. Mires,

Attorney, Federal Requirements.

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FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 1

[MD Docket No. 14-92; MD Docket No. 13-140; MD Docket No. 12-201; FCC 14-129]

Assessment and Collection of Regulatory Fees for Fiscal Year 2014

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: In this document the Commission revises its Schedule of Regulatory Fees to recover an amount of \$339,844,000 that Congress has required the Commission to collect for fiscal year 2014. Section 9 of the Communications Act of 1934, as amended, provides for the annual assessment and collection of regulatory fees for annual “Mandatory Adjustments” and “Permitted Amendments” to the Schedule of Regulatory Fees.

DATES: Effective September 11, 2014. To avoid penalties and interest, regulatory

fees should be paid by the due date of September 23, 2014.

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

SUPPLEMENTARY INFORMATION: This is a summary of the Commission’s Report and Order (R&O), FCC 14-129, MD Docket No. 14-92; MD Docket No. 13-140; MD Docket No. 12-201, adopted on August 29, 2014 and released on August 29, 2014.

I. Procedural Matters

A. Final Paperwork Reduction Act of 1995 Analysis

1. This *Report and Order* does not contain any new or modified information collection requirements subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. In addition, therefore, it does not contain any new or modified information collection burden for small business concerns with fewer than 25 employees, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, see 44 U.S.C. 3506 (c) (4).

B. Congressional Review Act Analysis

2. The Commission will send a copy of this *Report and Order* to Congress and the Government Accountability Office pursuant to the Congressional Review Act, see 5 U.S.C 801(a)(1)(A).¹

C. Final Regulatory Flexibility Analysis

3. As required by the Regulatory Flexibility Act of 1980 (“RFA”),² the Commission has prepared a Final Regulatory Flexibility Analysis (“FRFA”) relating to this *Report and Order*. The FRFA is set forth in the section entitled Final Regulatory Flexibility Analysis.

II. Introduction and Executive Summary

4. This Report and Order concludes the rulemaking proceeding initiated to collect \$339,844,000 in regulatory fees for Fiscal Year (FY) 2014, pursuant to Section 9 of the Communications Act of 1934, as amended (the Act or Communications Act).³ These

¹ See 5 U.S.C. 801(a)(1)(A). The Congressional Review Act is contained in Title II, 251, of the CWAAA; see Public Law 104-121, Title II, 251, 110 Stat. 868.

² See 5 U.S.C. 603. The RFA, see 5 U.S.C. 601-612, has been amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (“SBREFA”), Public Law 104-121, Title II, 110 Stat. 847 (1996). The SBREFA was enacted as Title II of the Contract With America Advancement Act of 1996 (“CWAAA”).

³ Section 9 regulatory fees are mandated by Congress and collected to recover the regulatory costs associated with the Commission’s enforcement, policy and rulemaking, user

regulatory fees are due in September 2014. This Report and Order also adopts several proposals from our June 13, 2014 Notice of Proposed Rulemaking and Second Further Notice of Proposed Rulemaking (*FY 2014 NPRM*).⁴ Specifically the proposals adopted are: (1) Ending the exemption of AM expanded band licenses from regulatory fees; (2) revising the apportionment between International Bureau licensees to reduce the proportion paid by the submarine cable/terrestrial and satellite bearer circuits by approximately five percent; (3) increasing the regulatory fees paid by earth station licensees by approximately 7.5 percent to more accurately reflect the regulation and oversight of this industry; (4) increasing our annual de minimis threshold from under \$10 to \$500; (5) eliminating several regulatory fee categories (218-219 MHz, broadcast auxiliaries, and satellite television construction permits) from regulatory fee requirements; and adopting a regulatory fee for each toll free number managed by a Responsible Organization. The increase in the annual de minimis threshold, the elimination of three regulatory fee categories, and the new toll free category will be effective in FY 2015, following the required notification of Congress. The other provisions adopted in this Report and Order will be in effect for FY 2014 upon publication of a summary of this Report and Order in the **Federal Register** and are reflected in the fee schedule attached as Appendix C.

III. Background

5. The Commission is required by Congress to assess regulatory fees each year in an amount that can reasonably be expected to equal the amount of its appropriation.⁵ The Commission calculates the fees by first determining the full-time equivalent (FTE)⁶ number of employees performing the regulatory activities specified in section 9(a), “adjusted to take into account factors

information, and international activities. 47 U.S.C. 159(a). In FY 2013, the Commission was also required to collect \$339,844,000 in regulatory fees. The final collection amount was \$10.9 million over this total, which the Commission deposited in the U.S. Treasury. The year-to-date accumulated total is \$81.9 million.

⁴ *Assessment and Collection of Regulatory Fees for Fiscal Year 2014*, Notice of Proposed Rulemaking, Second Further Notice of Proposed Rulemaking, and Order, MD Docket Nos. 14-92, 13-140, and 12-201, 79 FR 37982 (July 3, 2014) (2014) (*FY 2014 NPRM*).

⁵ 47 U.S.C. 159(b)(1)(B).

⁶ One FTE, a “Full Time Equivalent” or “Full Time Employee,” is a unit of measure equal to the work performed annually by a full time person (working a 40 hour workweek for a full year) assigned to the particular job, and subject to agency personnel staffing limitations established by the U.S. Office of Management and Budget.

that are reasonably related to the benefits provided to the payer of the fee by the Commission's activities. . . ."⁷ Regulatory fees must also cover the costs the Commission incurs in regulating entities that are statutorily exempt from paying regulatory fees,⁸ entities whose regulatory fees are waived,⁹ and entities that provide nonregulated services.¹⁰ To calculate regulatory fees, the Commission allocates the total amount to be collected among the various regulatory fee categories. This allocation is based on the number of FTEs assigned to work in each regulatory fee category. FTEs are categorized as "direct" if they are performing regulatory activities in one of the "core" bureaus, *i.e.*, the Wireless Telecommunications Bureau, Media Bureau, Wireline Competition Bureau, and part of the International Bureau. All other FTEs are considered "indirect."¹¹ The total FTEs for each fee category is calculated by counting the number of direct FTEs in the core bureau that regulates that category, plus a proportional allocation of indirect FTEs. Each regulatee within a fee category pays its proportionate share based on an objective measure, *e.g.*, revenues, or number of subscribers or licenses.¹²

6. Section 9 of the Act requires the Commission to make certain changes to the regulatory fee schedule "if the Commission determines that the schedule requires amendment to comply with the requirements" of

section 9(b)(1)(A).¹³ The Commission is required, by rule, to revise regulatory fees by proportionate increases or decreases to reflect changes in the amount appropriated for the performance of its regulatory activities.¹⁴ The Commission must add, delete, or reclassify services in the fee schedule to reflect additions, deletions, or changes in the nature of its services "as a consequence of Commission rulemaking proceedings or changes in law." These "permitted amendments" require Congressional notification¹⁵ before they may take effect and any resulting changes in fees are not subject to judicial review.¹⁶

7. The Commission will continue our efforts to examine areas where it can improve the regulatory fee process to better reflect changes in the industry and at the Commission, and this *Report and Order* is another step in this process. The Commission began this regulatory fee reform analysis in the *FY 2008 Further Notice*.¹⁷ Regulatory fees cannot be precisely calibrated to the actual costs of the regulatory activities; however, there may be areas in which the regulatory fee process can be improved and revised.¹⁸ In that proceeding, the Commission sought comment on several issues, *e.g.*, updating FTE allocations;¹⁹ ITTA's proposal to add wireless providers to the Interstate Telecommunications Service Providers (ITSP) category, which includes interexchange carriers (IXCs), incumbent local exchange carriers (LECs), toll resellers, and other IXC service providers regulated by the Wireline Competition Bureau;²⁰ adding a category for Internet Protocol TV (IPTV);²¹ and adopting a per-subscriber fee for direct broadcast satellite (DBS).²² In its 2012 report on the Commission's regulatory fee program the Government Accountability Office (GAO) encouraged

the Commission to update the FTE allocations to better align regulatory fees with regulatory costs.²³ In the *FY 2012 NPRM*²⁴ and the *FY 2013 NPRM*²⁵ the Commission also sought comment on revising the FTE allocations; and in the *FY 2013 Report and Order* the Commission adopted an updated FTE allocations that more accurately reflects the number of FTEs working on regulation and oversight of the regulatees in the various fee categories;²⁶ the Commission also combined the UHF and VHF television stations into one regulatory fee category,²⁷ and created a fee category to include IPTV.²⁸

8. In our *FY 2014 NPRM*, the Commission sought comment on proposed regulatory fees and on whether AM expanded band radio stations should remain exempt from regulatory fees. In addition, the Commission also sought comment on additional reform measures including: (1) Reallocating some of the FTEs from the Enforcement Bureau, the Consumer & Governmental Affairs Bureau, and the Office of Engineering and Technology, as direct FTEs for regulatory fee purposes; (2) reapportioning the fee allocations between groups of International Bureau regulatees; (3) periodically updating FTE allocations; (4) applying a cap on any regulatory fee increases for FY 2014; (5) improving access to information through our Web site; (6) establishing a higher de minimis threshold; (7) eliminating certain regulatory fee categories; (8) combining ITSP and wireless voice services into one fee category; (9) adding DBS operators to the cable television and IPTV category; (10) creating a new regulatory fee category for non-U.S. licensed space stations, or, alternatively, reallocating some FTEs assigned to work on non-U.S. licensed space station issues as indirect for regulatory fee purposes; and (11) adding a new regulatory fee category for toll free numbers. Some of these issues had been raised in earlier regulatory fee

⁷ 47 U.S.C. 159(b)(1)(A). When section 9 was adopted, the total FTEs were to be calculated based on the number of FTEs in the Private Radio Bureau, Mass Media Bureau, and Common Carrier Bureau. (The names of these bureaus were subsequently changed.) Satellites and submarine cable were regulated through the Common Carrier Bureau before the International Bureau was created.

⁸ *Assessment and Collection of Regulatory Fees for Fiscal Year 2004*, Report and Order, 69 FR 41030, para 11 (July 7, 2004) (2004) (*FY 2004 Report and Order*). For example, governmental and nonprofit entities are exempt from regulatory fees under section 9(h) of the Act. 47 U.S.C. 159(h); 47 CFR 1.1162.

⁹ 47 CFR 1.1166.

¹⁰ *E.g.*, broadband services, non-U.S.-licensed space stations.

¹¹ The indirect FTEs are the employees from the International Bureau (in part), Enforcement Bureau, Consumer & Governmental Affairs Bureau, Public Safety & Homeland Security Bureau, Chairman and Commissioners' offices, Office of the Managing Director, Office of General Counsel, Office of the Inspector General, Office of Communications Business Opportunities, Office of Engineering and Technology, Office of Legislative Affairs, Office of Strategic Planning and Policy Analysis, Office of Workplace Diversity, Office of Media Relations, and Office of Administrative Law Judges, totaling 1,044 FTEs.

¹² For a fuller description of this process, see *Assessment and Collection of Regulatory Fees for Fiscal Year 2012*, Notice of Proposed Rulemaking, 77 FR 29275 (May 7, 2012) (2012) (*FY 2012 NPRM*).

¹³ 47 U.S.C. 159(b)(1)(A).

¹⁴ 47 U.S.C. 159(b)(2) (Mandatory Amendments).

¹⁵ 47 U.S.C. 159(b)(4)(B).

¹⁶ 47 U.S.C. 159(b)(3).

¹⁷ See *Assessment and Collection of Regulatory Fees for Fiscal Year 2008*, MD Docket No. 08-65, Report and Order and Further Notice of Proposed Rulemaking, 73 FR 50285 (August 26, 2008) (2008) (*FY 2008 Further Notice*).

¹⁸ *FY 2008 Further Notice*, 73 FR 50285 at 50287, para. 5-6.

¹⁹ *Id.*, 73 FR 50285 at 50288-50289, para. 10, 18, 19.

²⁰ *Id.*, 73 FR 50285 at 50289, para. 19.

²¹ *Id.*, 73 FR 50285 at 50288-50289, para. 24.

²² *Id.*, 73 FR 50285 at 50290, para. 26. Although these proposals were not adopted at that time; we later adopted a new methodology for assessing regulatory fees for the submarine cable industry. See *Assessment and Collection of Regulatory Fees for Fiscal Year 2008*, Second Report and Order, 74 FR 22104 (May 12, 2009) (*Submarine Cable Order*).

²³ See GAO, Federal Communications Commission, "Regulatory Fee Process Needs to be Updated," Aug. 2012, GAO-12-686 (GAO Report).

²⁴ *FY 2012 NPRM*, 77 FR 29275.

²⁵ *Assessment and Collection of Regulatory Fees for Fiscal Year 2013*, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, MD Docket Nos. 13-140, 12-201, and 08-65, 78 FR 34612 (June 10, 2013) (2013) (*FY 2013 NPRM*).

²⁶ *Assessment and Collection of Regulatory Fees for Fiscal Year 2013*, MD Docket No. 08-65, Report and Order, 78 FR 52433 (August 23, 2013) (2013) (*FY 2013 Report and Order*).

²⁷ *FY 2013 Report and Order*, 78 FR 52433 at 52443 paras. 32-34.

²⁸ *Id.*, 78 FR 52433 at 52443-52444 paras. 35-36.

proceedings and other issues were discussed for the first time as part of our reform process. The Commission received 19 comments (some of which are joint comments) and six reply comments. Appendix A is a list of the commenters in this proceeding.

IV. Discussion

A. AM Expanded Band Radio Stations

9. Licensees operating a standard band AM station (540–1600 kHz) linked to an AM expanded band station (1605–1705 kHz) are subject to regulatory fees for the standard band station only.²⁹ The Commission decided not to require section 9 regulatory fee payments for AM expanded band stations to encourage the movement to the expanded band and reduce interference in the standard band.³⁰ In doing so, the Commission determined that at some future point it might impose section 9 regulatory fee requirements for AM expanded band stations.³¹ In the *FY 2008 FNPRM*, the Commission stated that “[t]here is no compelling reason to permanently exempt AM expanded band licensees from paying regulatory fees. As a general matter, it would be appropriate to treat the AM expanded band and the AM standard band similarly for regulatory fee purposes.”³² In the *FY 2014 NPRM*, the Commission proposed adopting a section 9 regulatory fee obligation for all AM expanded band radio stations.³³

10. A number of AM expanded band broadcasters have chosen to operate exclusively in the expanded band; at least two opted to retain their standard band licenses. As a result, the Commission finds that there is no longer a reason to provide this regulatory fee exemption to AM broadcasters.³⁴ Broadcasters who have retained both their standard and expanded band licenses should not continue to be exempt from paying regulatory fees because the exemption’s original purpose of encouraging AM

broadcasters to move to the expanded band and reduce interference in the standard band has been achieved. Therefore, the Commission adopts the proposal in the *FY 2014 NPRM* by discontinuing the exemption. Broadcasters who are operating in the AM expanded band will pay regulatory fees on the same basis as AM standard band licensees beginning in FY 2014.

B. Reallocations Within Fee Categories

1. Submarine Cable

11. Submarine cable systems³⁵ transport data, as well as voice services, for international carriers, Internet providers, wholesale operators, corporate customers, and governments. The submarine cable industry is subject to minimal regulation and oversight from the Commission after the initial licensing process.³⁶ After a submarine cable system is licensed, the regulatory activity is primarily limited to preparing Circuit Status Reports³⁷ and filing of quarterly reports by licensees affiliated with a carrier with market power in destination market of the submarine cable.³⁸

12. Previously, commenters proposed that the regulatory fees among International Bureau licensees should be adjusted to reflect this minimal oversight³⁹ and the Commission sought comment on this issue in the *FY 2014 NPRM*.⁴⁰ The Commission tentatively concluded in the *FY 2014 NPRM* that it should revise the apportionment between satellite services (space station and earth station regulatory fee categories) and the submarine cable operators/terrestrial and satellite circuits (submarine cable/bearer circuits) to more accurately reflect the amount of oversight and regulation for these industries.⁴¹ The satellite services

pay 59 percent of the total regulatory fees allocated to International Bureau licensees and submarine cable pays 41 percent of this total. Submarine cable is subject to minimal regulation and oversight after being licensed, and therefore, the current allocation of 41 percent of regulatory fees is excessive for this industry.

13. For instance, in response to the *FY 2014 NPRM*, NASCA, representing several submarine cable operators (with 29 of the 41 active systems landing in the United States) emphasized that the Commission engages in limited enforcement activity, policy and rulemaking actions, user information services, and international activities regarding submarine cable operators.⁴² NASCA also observes that most of the Commission’s work related to submarine cable is limited to licensing, processing applications, and reviewing proposed transactions.⁴³

14. We agree that the combined revenue requirement for submarine cable is currently too high compared to the revenue requirement for the satellite and earth station operators.⁴⁴ Specifically, the current regulatory fee assessment for the submarine cable category does not fairly take into account the Commission’s minimal oversight and regulation of the industry, as demonstrated by NASCA. We therefore reduce the regulatory fee apportionment for submarine cable to more accurately reflect the amount of regulation and oversight for this industry. In doing so, we find a five percent decrease in regulatory fee obligations is appropriate at this time. This decrease reflects that although only two FTEs in the International Bureau work on submarine cable issues, a total of 47.5 indirect FTEs devote time to both submarine cable and other regulatees of the International Bureau.⁴⁵ A five percent decrease, is therefore appropriate because it reflects both the direct work on submarine cable issues and the indirect FTEs that devote their time to International Bureau regulatees as a whole. As discussed below, this approximately five percent decrease in regulatory fees for submarine cable results in a change in the allocation percentage between Submarine Cable and Bearer Circuit issues (41 percent of International regulatory fees), and Satellite and Earth Station issues (59 percent of International regulatory fees)

Commission did not propose any change to this allocation in the *FY 2014 NPRM*.

²⁹ NASCA Comments at 5–7.

³⁰ NASCA Comments at 7.

³¹ NASCA Comments at 10–12.

³² *FY 2013 Report and Order*, 78 FR 52433.

²⁹ See *Assessment and Collection of Regulatory Fees for Fiscal Year 2005* and *Assessment and Collection of Regulatory Fees for Fiscal Year 2004*, MD Docket Nos. 05–59 and 04–73, Report and Order and Order on Reconsideration, 70 FR 41967 at 41971, para. 24 (2005) (*FY 2005 Report and Order*).

³⁰ *FY 2005 Report and Order*, 70 FR 41967 at 41971, para. 25.

³¹ *Id.*

³² See *FY 2008 FNPRM*, 73 FR 50201 at 50203, paras. 11–13.

³³ *FY 2014 NPRM*, 79 FR 37982 at 37986 at para. 25.

³⁴ Commenters addressing this issue support assessing regulatory fees on the AM expanded band licensees. See T. Cowan Comments at 1. We did not receive any comments objecting to discontinuation of the exemption.

³⁵ Submarine cable systems are undersea cables between land-based stations carrying data and voice services.

³⁶ *FY 2014 NPRM*, 79 FR 37982 at 37988 at para. 34.

³⁷ See *Reporting Requirements for U.S. Providers of International Telecommunications Services; Amendment of Part 43 of the Commission’s Rules*, IB Docket No. 04–112, Second Report and Order, 28 FCC Rcd 575, 601–08, paras. 89–108 (2013), *recon. pending*.

³⁸ See 47 CFR 1.767(l).

³⁹ See, e.g., NASCA Comments at 8–9 (filed June 19, 2013); Telstra Comments at 2 (filed June 19, 2013); ICC Reply Comments at 2 (filed June 19, 2013).

⁴⁰ *FY 2014 NPRM*, 79 FR 37982 at 37988 at para. 34.

⁴¹ The revenue allocation between submarine cable operators and common carrier terrestrial and satellite circuits is 87.6 percent/12.4 percent and was adopted in the *Submarine Cable Order*. See *Assessment and Collection of Regulatory Fees for Fiscal Year 2008*, Second Report and Order, 74 FR 22104 (2009) (*Submarine Cable Order*). The

to 35.72 percent and 64.28 percent, respectively. We will revisit the issue of submarine cable systems in future regulatory fee proceedings to determine if additional adjustment is warranted.

2. Earth Stations

15. An earth station transmits or receives messages from a satellite. In the *FY 2014 NPRM*, the Commission recognized that oversight and regulation of the satellite industry by International Bureau FTEs involves legal, technical, and policy issues pertaining to both space station and earth station operations and is therefore interdependent to some degree.⁴⁶ We also recognized in the *FY 2014 NPRM*, that our activities concerning the satellite industry also involve issues related to non-U.S. licensed space stations that access the U.S. market but do not pay regulatory fees.⁴⁷ In light of this, we sought comment on whether we should increase the earth station regulatory fee allocation in order to reflect more appropriately the number of FTEs devoted to the regulation and oversight of the earth station portion of the satellite industry.⁴⁸ Commenters suggest that if the Commission needs a specific mechanism to account for International Bureau FTEs working on market access requests from non-U.S.-licensed satellites, the Commission should do so by increasing the earth station regulatory fee.⁴⁹ EchoStar and DISH observe that earth station licensees' regulatory fees may not reflect the regulatory cost associated with these systems for regulatory fee purposes. These commenters also note that space stations pay an unreasonably high portion of the regulatory fees for this allocation.⁵⁰ Commenters also suggest the current allocation between space and earth station operators does not reflect the significant streamlining of space station regulation that has occurred.⁵¹ We agree with commenters and adjust the regulatory fees for earth stations to reflect the relative oversight and regulation of space stations and earth stations. Accordingly, as discussed

above, we revise the allocation of the submarine cable/bearer circuit fee categories from 41 percent of all international regulatory fees to approximately 36 percent of all international regulatory fees. This reduction in the allocation of submarine cable/bearer circuit fee categories results in an increase in the satellite/earth station allocation percentage from 59 percent to approximately 64 percent. This five percent change in allocation results in a larger projected revenue collection for satellite and earth stations. To collect this additional revenue for FY 2014 we will increase earth stations regulatory fees by 7.5 percent from their FY 2013 rates and we will collect the remaining revenue from the satellite fee categories.

C. Improving the Regulatory Fee Process

16. As noted earlier, this Report and Order is our latest step in reforming our regulatory fee process. In the *FY 2013 Report and Order*, the Commission committed to additional regulatory fee reform, stating:

Various other issues relevant to revising our regulatory fee program were also raised in either the *FY 2013 NPRM* or in comments submitted in response to it. Because we require further information to best determine what action to take on these complex issues, we will consolidate them for consideration in a *Second Further Notice of Proposed Rulemaking* that we will issue shortly. We recognize that these are complex issues and that resolving them will be difficult. Nevertheless, we intend to conclusively readjust regulatory fees within three years.⁵²

17. We adopted significant reforms in the *FY 2013 Report and Order* and we continued to seek comment on additional reforms in the *FY 2014 NPRM* and in the *Further Notice* included in this order. In the *FY 2014 NPRM* we sought comment on how often we should engage in an in-depth review of our regulatory fee methodology in a way that balances the need for stability to enable regulatees in various industry sectors to budget for regulatory fees against the need to reflect the changing work of the Commission FTEs.⁵³ Commenters agree that we should update our FTE allocations at regular intervals, such as annually, to avoid assessing regulatory fees based on outdated information.⁵⁴

18. We conclude that it is appropriate to update the FTE count annually. We agree with commenters and the GAO that regular updates are appropriate in

order to calculate regulatory fees more accurately. We also find it appropriate to perform these updates annually because doing so will ensure use of the most current FTE counts in regulatory fee calculations, while imposing little administrative burden on the Commission. We will begin this process beginning in FY 2015.

19. Commenters also suggest that we conclude our regulatory fee proceedings earlier in the year;⁵⁵ however, it is not feasible to do so because our fee calculations (unit estimates) are generally updated based on industry submissions with filing deadlines between April and June, and this data is crucial in determining an accurate fee rate prior to release of the regulatory fee notice of proposed rulemaking.⁵⁶ Given these deadlines, which are set for additional purposes beyond regulatory fees and the time needed to comply with rulemaking requirements, it is not currently feasible to conduct and conclude the regulatory fee process earlier in the year.

20. Concerning revising allocations, the Commission believes it would be appropriate to seek comment on any such revisions every two years, or as needed. Whereas updating the FTEs can be accomplished at minimal cost to the Commission, revising the allocations is a more complex process requiring in-depth analysis and public comment. Moreover, revising the allocations annually could create regulatory uncertainty based on changes stemming from small variations in annual workload rather than a longer lasting change. Therefore, given the need for regulatory certainty and the time needed for the Commission to conduct the appropriate rulemaking proceedings, the Commission concludes that a biennial process for revising allocations is preferable to an annual one.

D. Revising the De Minimis Threshold

21. Currently, a regulatee is exempt from paying regulatory fees if the sum total of all of its liabilities for all categories of regulatory fees for the fiscal year is less than \$10.⁵⁷ Because

⁴⁶ *FY 2014 NPRM*, 79 FR 37982 at 37988 at para. 35. Some of these FTEs work on earth station issues that pertain to non-U.S.-licensed space stations.

⁴⁷ *Id.*, 79 FR 37982 at 37988 at para. 35.

⁴⁸ *Id.*, 79 FR 37982 at 37988 at para. 35.

⁴⁹ Satellite Parties Comments at 8–10 (“assessing these costs as part of earth station regulatory fees may be a better (albeit imperfect) method of capturing these costs”).

⁵⁰ See, e.g., EchoStar and DISH Comments at 5.

⁵¹ See, e.g., SIA Comments at 5. See also *Comprehensive Review of Licensing and Operating Rules for Satellite Services*, Report and Order, 28 FCC Rcd 12403 at 1205, n.2 (2013) (providing an exhaustive list of streamlined actions with respect to satellite services).

⁵² *FY 2013 Report and Order*, 78 FR 52433.

⁵³ *FY 2014 NPRM*, 79 FR 37982.

⁵⁴ CTIA Comments at 2; ITTA Comments at 12–13; USTelecom Reply Comments at 2–4 (arguing that we should update the FTE count annually).

⁵⁵ ITTA Comments at 14; USTelecom Reply Comments at 2–3.

⁵⁶ E.g., revenue information is provided in the FCC Form 499–A, due April 1 each year, and Media Bureau licensees file data in June and July. In addition, the Circuit Status Report, which contains bearer circuit and submarine cable information, is filed with the International Bureau by March 31 each year. After the International Bureau staff analyzes this information and requests supporting data, the final data is usually provided to the Managing Director in June.

⁵⁷ The Commission's *Process Reform Report*, 29 FCC Rcd 1338 (2014), also seeks comment on this issue.

this \$10 annual threshold is too low to benefit most small entities, in the *FY 2014 NPRM* the Commission proposed to increase the de minimis threshold to \$100, \$500, or \$1,000 to provide more relief to smaller entities and improve the cost effectiveness of the Commission's collection of regulatory fees.⁵⁸

22. ACA contends, and the Commission agrees, that our previous de minimis threshold of \$10 was too low to benefit the smaller licensees and provide cost effectiveness to our fee collection process.⁵⁹ ACA asserts that extending relief from regulatory fees to very small operators would have a de minimis impact on our regulatory fee collections⁶⁰ but may contribute to the difference between staying in business or shuttering the system for the operators and small and rural communities they serve.⁶¹ NAB also asserts that a higher de minimis threshold would permit stations in small markets to devote more resources towards improved programming and signal quality.⁶²

23. AT&T suggests that in setting the de minimis threshold the Commission select a "fee amount just north of the point at which it costs the Commission more to assess and recover the fee than the fee actually brings in."⁶³ This suggestion is reasonable and, as discussed below, the Commission adopts this suggestion today. In addition, the Commission also takes into account the significant non-financial benefits that justify an increased threshold. Smaller entities are at greater risk of missing regulatory fee deadlines because of their limited budgets and resources. Nonpayment for these small entities then often results in the escalation of administrative and financial burdens, as these small entities must devote more resources to navigate through the late payment recovery process. In addition, many of these entities are subject to little Commission oversight and regulation which serves to further exacerbate this inequity. Therefore, the Commission finds the current \$10 threshold unnecessarily burdens small entities, and raising it to \$500 will provide financial relief to

these entities, in addition to reducing the administrative burden on the Commission. This higher threshold reflects the estimated costs of collecting an unpaid, minimal regulatory fee, at least \$350 in direct costs,⁶⁴ and the benefits to these entities of a higher de minimis threshold. In addition, setting the threshold at \$500 is unlikely to reduce fee collections to an amount below the full amount of the Commission's annual appropriation. Contrary to the assertion of ACA, which argues the de minimis threshold should be cable operators serving 1000 or fewer subscribers, or NAB, which argues for a \$750 or \$1,000 de minimis threshold, the Commission believes setting the de minimis threshold at \$500 is the proper balance to ensure relief for smaller entities against the need for sufficient collection of regulatory fees consistent with the Commission's responsibilities. In particular, the Commission finds a de minimis threshold higher than \$500 may result in insufficient fees collected for the fiscal year. The Commission will continue to monitor the de minimis issue and, in the future, will consider whether to further increase the threshold, adopt a threshold based on the number of cable and IPTV subscribers as suggested by ACA, or revise the threshold on some other basis.

24. The de minimis threshold the Commission adopts today applies only to filers of annual regulatory fees (not multi-year filings). This de minimis exemption from the payment of regulatory fees applies to the sum of all annual regulatory fee obligations that a regulatee has for all applicable fee categories; not to individual payments for each category separately. So that all licensees have the same opportunity to include all of their licenses towards the \$500 de minimis exemption, the Commission will raise the de minimis threshold to \$500 beginning October 1, 2014, the first day of fiscal year 2015. For example, in FY 2015, a regulatee will be exempt from paying regulatory fees if the sum total of all annual regulatory fee obligations between October 1, 2014 and September 30, 2015 is \$500 or less. This includes the sum total of all annual regulatory fees (but not multi-year wireless fees). The de minimis status is not a permanent exemption from regulatory fees. Rather, each regulatee will need to reevaluate

annually to determine whether its total liability for annual regulatory fees falls at or below the threshold given any changes that the Commission may make in its regulatory fees from year to year.

E. Eliminating Certain Regulatory Fee Categories

25. In the *FY 2014 NPRM*, the Commission sought comment on whether to exclude certain categories, such as amateur radio vanity call signs⁶⁵ (\$21.60 for a 10-year license) and general mobile radio service (GMRS)⁶⁶ (\$25 for a five-year license), from regulatory fees.⁶⁷ The Commission also sought comment on eliminating other regulatory fee categories, such as Satellite TV, Satellite TV Construction Permits, Broadcast Auxiliaries,⁶⁸ LPTV/Class A Television and FM Translators/Boosters, and CMRS Messaging (Paging) from regulatory fees. The Commission sought comment on the benefits of discontinuing such collections because these fee categories account for a relatively small portion of annual regulatory fees. The fees for single licenses in many of these regulatory fee categories are below the de minimis threshold adopted above. However, the de minimis threshold is an annual threshold and licensees that pay regulatory fees on multiple licenses during the fiscal year may exceed this de minimis threshold by the end of the fiscal year.

⁵⁸ Amateur stations are normally assigned the next available call sign, based on the licensee's geographic region and license status, i.e., a sequential call sign. 47 CFR 97.17(d). The licensee can request a specific unassigned but assignable call sign, known as a vanity call sign. 47 CFR 97.19.

⁵⁹ GMRS is a land-mobile radio service available for short-distance two-way communications to facilitate the activities of a licensee and his or her immediate family members. See 47 CFR 95.1. The Commission initially proposed eliminating regulatory fees for GMRS in the *FY 2008 Further Notice*. See *FY 2008 Further Notice*, 73 FR 50285 at 50290–50291 at para. 337.

⁶⁰ CTIA opposes this proposal because the exclusion of some categories would shift the burden to other categories. See CTIA Comments at 12–13. These fee categories, however, account for a very small portion of annual regulatory fees. R. Knowles suggests that we eliminate the application fee instead of the regulatory fee. R. Knowles Comments at 4–7. In Reply Comments, however, Mr. Knowles recommends that the Commission eliminate the GMRS regulatory fee. See R. Knowles Reply Comments at 1–5. As noted below, the Commission will not eliminate the GMRS regulatory fee because the Commission does not yet have an adequate record to support it.

⁶¹ Broadcast Auxiliary stations are used for relaying broadcast aural and television signals. They can be used to relay signals from the studio to the transmitter, or between two points, such as a main studio and an auxiliary studio. The Broadcast Auxiliary services also include mobile TV pickups and remote pickup stations which relay signals from a remote location, back to the studio.

⁵⁸ *FY 2014 NPRM*, 79 FR 37982.

⁵⁹ ACA Comments at 9–13.

⁶⁰ For example, figures from our FY 2013 regulatory fee collections show that increasing the de minimis threshold to \$500 would have decreased the amount collected from cable licensees by only .125% and making the same change for ITSPs would have decreased collections for that fee category by only .04%.

⁶¹ ACA Comments at 12.

⁶² NAB Comments at 2.

⁶³ AT&T Comments at 3. See also CTIA Comments at 12.

⁶⁴ The Commission estimates that the cost of researching, creating, and sending a bill to a non-payer bill, and completing all follow-up discussion and correspondence, totals more than \$350. This sum does not include overhead or the more difficult to quantify administrative costs of administering the regulatory fee program generally.

26. Most commenters addressing this issue agree with our proposal.⁶⁹ Commenters contend that the Commission should eliminate CMRS Messaging,⁷⁰ aviation ground licensees,⁷¹ and certain broadcast categories,⁷² because there is not intensive Commission oversight or regulation of these industry sectors. At this time, the Commission is not eliminating these categories or GMRS, Satellite TV, LPTV/Class A Television and FM Translators/Boosters, and amateur radio Vanity Call Signs because, based on examination, there is not enough support to determine whether the cost of recovery and burden on small entities outweighs the collected revenue; or whether eliminating the fee would adversely affect the licensing process. The Commission will reevaluate this issue in the future to determine if other fee categories should be eliminated.

27. The Commission therefore concludes that 218–219 MHz licenses,⁷³ broadcast auxiliaries, and satellite television construction permits be eliminated from the regulatory fee schedule, beginning in FY 2015. Entities holding 218–219 MHz licenses pay an annual fee consisting of a regulatory fee and an annual license renewal fee. The Commission will eliminate the regulatory fee component of this three multi-year wireless fee category beginning in FY 2015. Parties that already have such licenses, however, must continue to pay the annual renewal fee and will not be eligible for a refund of any previously paid licensing fees. In the past several years,

the Commission has received very few applications, if any, for 218–219 MHz licenses, which has prompted us to eliminate this fee category. The Commission will eliminate annual regulatory fees for satellite television construction permits, beginning in FY 2015 because the Commission has not received any new applications or payments of regulatory fees for this fee category in many years. The Commission has also decided to eliminate the broadcast auxiliary fee category beginning in FY 2015 because the Commission spends more resources in monitoring and collecting these very small fees (\$10 in FY 2013) than it collects. After these fees are eliminated, licensees will no longer be burdened administratively and financially to identify each of their call signs and to submit payment. Finally, eliminating this fee category benefits the Commission because it will no longer have to devote resources to associate each of the 27,000 call signs with the primary station of ownership.

F. New Regulatory Fee Categories—Toll Free Numbers

28. Toll free numbers allow callers to reach the called party without being charged for the call; instead the charge for the call is paid by the called party (the toll free subscriber).⁷⁴ Toll free numbers, as defined in section 52.101(f) of our rules,⁷⁵ are not currently subject to regulatory fees. Historically, the Commission has not assessed regulatory fees on toll free numbers under the rationale that the entities controlling the numbers, wireline and wireless carriers, were paying regulatory fees based on either revenues or subscribers.⁷⁶ In the *FY 2014 NPRM*,⁷⁷ the Commission recognized this may no longer be a realistic assumption as there appear to be many toll free numbers controlled or managed by entities, Responsible Organizations or RespOrgs,⁷⁸ that in some cases are not carriers. In the *FY*

2014 *NPRM* the Commission sought comment on whether it should assess regulatory fees on RespOrgs, for each toll free number managed by a RespOrg.⁷⁹

29. The Commission finds that it has the legal authority and responsibility to assess regulatory fees on toll free numbers⁸⁰ and therefore adopt a new fee category for toll free numbers in this proceeding.⁸¹ The Commission has exclusive jurisdiction over “those portions of the North American Numbering Plan that pertain to the United States.”⁸² Commission FTEs, primarily in the Wireline Competition Bureau and the Enforcement Bureau, devote work to toll free numbering issues and activities including enforcement activities,⁸³ rulemakings, and other policy making proceedings.⁸⁴ Because the Commission is required to devote its FTEs to toll number regulation, it is appropriate under section 9 of the Act to recover the associated costs.⁸⁵ Exercising our authority under section 9 to assess regulatory fees on toll free numbers also advances a fundamental purpose of section 251(e)(1) of the Act, to ensure the efficient, fair, and orderly allocation of toll free numbers.⁸⁶ The Commission is empowered to ensure that toll free numbers, a valuable national public resource, are allocated in an equitable and orderly manner that serves the public interest.⁸⁷

30. Based on our evaluation, the FTEs involved in toll free issues are primarily from the Wireline Competition

⁶⁹ See, e.g., K. Harrison Comments at 2; NAB Comments at 2; R. Knowles Reply Comments at 1–5.

⁷⁰ CMA Comments at 3–5.

⁷¹ ASRI Comments at 6.

⁷² T. Cowan Comments at 1 (suggesting that the Commission also eliminate regulatory fees for Broadcast Auxiliaries and Translators); NAB Comments at 2 (suggesting the Commission eliminate regulatory fees for Broadcast Auxiliaries, Low Power TV/Class A Television, and TV/FM Translators and Boosters. The Commission is eliminating the broadcast auxiliaries fee category, but not translators and boosters or low power TV/Class A television, at this time because translators and boosters are still an integral part of radio and television operations, whereas broadcast auxiliaries only carry the signal forward. As a result, compared to broadcast auxiliaries, the fee revenue derived from translators and boosters is approximately six times greater (\$1.57 million versus .26 million), which the Commission would still need to recoup. However, in instances in which a regulatee has one translator/booster license, it would be exempt from regulatory fees because it would meet the de minimis threshold.

⁷³ The 218–219 MHz Service (formerly known as the Interactive Video and Data Service (or IVDS)) is in the 218–219 MHz spectrum range. The 218–219 MHz Service spectrum is suitable for providing fixed or mobile services.

⁷⁴ 47 U.S.C. 52.101(e), (f).

⁷⁵ Toll free numbers are telephone numbers for which the toll charges for completed calls are paid by the toll free subscriber. See 47 CFR 52.101(f). These are 800, 888, 877, 866, 855, or 844 numbers. SMS/800 (or the 800 Service Management System) is a centralized system that performs toll free number management. For a list of RespOrgs on the SMS/800 Web site, see <http://www.sms800.com/Controls/NAC/Serviceprovider.aspx>.

⁷⁶ See generally, *Universal Service Contribution Methodology*, Further Notice of Proposed Rulemaking, 27 FCC Rcd 5357, 5463–64, para. 306 (2012).

⁷⁷ *FY 2014 NPRM*, 79 FR 37982 at 37992, para. 57.

⁷⁸ A RespOrg is a company that manages toll free telephone numbers for subscribers. They use the SMS/800 data base to verify the availability of specific numbers and to reserve the numbers for subscribers. See 47 CFR 52.101(b).

⁷⁹ In the *FY 2014 Further Notice* we asked commenters whether we should assess regulatory fees on working, assigned, and reserved toll free numbers if we should assess regulatory fees for toll free numbers that are in the “transit” status, or any other status as defined in section 52.103 of the Commission’s rules. *FY 2014 NPRM*, 79 FR 37982 at 37992, para. 57.

⁸⁰ *Toll Free Access Codes*, Second Report and Order and Further Notice of Proposed Rulemaking, 12 FCC Rcd 11162, 11178–79, para. 22 (1997) (*Toll Free Second Report and Order*) (Sections 201(b) and 251(e) of the Act “empower the Commission to ensure that toll free numbers * * * are allocated in an equitable and orderly manner that serves the public interest.”)

⁸¹ We will seek comment on the fee rate in our annual regulatory fee notice of proposed rulemaking next year.

⁸² 47 U.S.C. 251(e)(1).

⁸³ See, e.g., *Richard Jackowitz, IT Connect, Inc.*, Notice of Apparent Liability for Forfeiture, 29 FCC Rcd 3318 (2014); *Richard Jackowitz, IT Connect, Inc.*, Notice of Apparent Liability for Forfeiture, 28 FCC Rcd 6692 (2013); *Telseven, LLC, et al.*, Notice of Apparent Liability for Forfeiture, 27 FCC Rcd 15558 (2013).

⁸⁴ See, e.g., *Toll Free Second Report and Order*, 12 FCC Rcd 11162 (1997).

⁸⁵ 47 U.S.C. 159(a)(1).

⁸⁶ See *Toll Free Second Report and Order*, 12 FCC Rcd at 11176, para. 18.

⁸⁷ *Id.*, 12 FCC Rcd at 11178–79, para. 22.

Bureau.⁸⁸ Accordingly, a regulatory fee assessed on toll free numbers reduces the ITSP regulatory fee total; for example, if the total revenue requirement for toll free numbers had been four million dollars this year,⁸⁹ expected ITSP revenues would need only be \$127,369,000 instead of \$131,369,000 and the ITSP rate would need only be 0.00333 instead of 0.00343. The Commission, therefore, will assess regulatory fees on RespOrgs, for each toll free number managed by a RespOrg.⁹⁰ However, the Commission wishes to clarify that the regulatory fee, assessed on RespOrgs, for toll free numbers is limited to toll free numbers that are accessible within the United States.⁹¹

31. Parties requested greater clarity and outreach to promote awareness of why this new fee category may be needed, especially for RespOrgs that the commenters allege are not generally accustomed to being regulated or paying regulatory fees.⁹² Consistent with past efforts by Commission staff to seek and obtain greater input concerning regulatory fee reform, the Commission will engage and conduct outreach to promote awareness of this new category and to promote discussion with interested parties.⁹³ There will be sufficient time for such activities because this change will not take effect until FY 2015. It is a “permitted amendment” as defined in section 9(b)(3) of the Act, which, pursuant to section 9(b)(4)(B), must be submitted to Congress at least 90 days before it becomes effective.⁹⁴ Therefore, because

⁸⁸ See, e.g., *Toll Free Service Access Codes, Petition to Change the Composition of SMS/800, Inc.*, CC Docket No. 95–155, WC Docket No. 12–260, Order, 28 FCC Rcd 15328 (2013); Enforcement Bureau staff also work on toll free issues.

⁸⁹ See *FY 2014 NPRM*, 79 FR 37982 at 37992 at para. 57 (estimating based on assessment of one cent per month per managed toll free number by a RespOrg).

⁹⁰ In the *FY 2014 NPRM* the Commission asked commenters whether it should assess regulatory fees on working, assigned, and reserved toll free numbers and whether it should assess regulatory fees for toll free numbers that are in the “transit” status, or any other status as defined in section 52.103 of the Commission’s rules. *FY 2014 NPRM*, 79 FR 37982 at 37992 at para. 57. Toll free numbers in any such status are included in this category.

⁹¹ See, e.g., Bell Canada Comments at 2. Other commenters support this new category. See, e.g., ITTA Comments at 13. One commenter, however, contends that it would be confusing to impose regulatory fees on a RespOrg that is not a carrier. See Bandwidth.com Reply Comments at 2. USTelecom argues that the Commission needs to clarify our proposal to impose regulatory fees on toll free numbers. USTelecom Reply Comments at 5.

⁹² See Bandwidth Reply Comments at 2.

⁹³ See *FY 2014 NPRM*, 79 FR 37982 at 37992 at para. 57.

⁹⁴ 47 U.S.C. 159(b)(3).

the Commission will not have sufficient time to provide 90 days’ notice before September 30, 2014, this change will not be implemented until FY 2015.

G. Additional Regulatory Fee Reform

32. In the *FY 2014 NPRM* the Commission sought comment on ways to further improve our regulatory fee process to make it less burdensome for all entities, specifically smaller entities.⁹⁵ The Commission notes that it is currently seeking comment on Commission-wide “Process Reform,”⁹⁶ and it plans to adopt reforms to the regulatory fee process in conjunction with the Process Reform initiative. In particular, the Managing Director has placed regulatory fee waiver decisions on the Commission’s Web site so that they are accessible to the public.⁹⁷ Although the decisions are specifically applicable only to the parties involved, these letters can be helpful in providing guidance to all waiver applicants regarding the requirements of our rules. The Managing Director has also initiated a complete review of the Commission’s regulatory fee Web page with the objective of improving access to other regulatory fee payment information. The Managing Director is directed to provide details on other improvements in a subsequent public notice.

H. Other Issues

33. One of the significant measures adopted in the FY 2013 regulatory fee reform process was updating the FTE allocations and allocating a portion of the International Bureau FTEs as indirect FTEs.⁹⁸ The Commission reallocated some FTEs from the International Bureau as indirect FTEs because the work those FTEs perform is for the Commission as a whole, rather than for a particular group of regulatees.⁹⁹ In the *FY 2014 NPRM*, the Commission sought comment on additional FTE reallocations. The Commission recognizes that reallocating FTEs from a core bureau as indirect, or from a non-core bureau as direct, could better align regulatory fees with the costs of regulation. In this Report and

⁹⁵ *FY 2014 NPRM*, 79 FR 37982 at 37989 at para. 41.

⁹⁶ *Process Reform Report*, 29 FCC Rcd 1338 (2014).

⁹⁷ These are in our electronic comment filing system (ECFS), under proceeding “86–285.”

⁹⁸ *FY 2013 Report and Order*, 78 FR 52433 at 52437 at para. 15–17.

⁹⁹ The Commission notes that even with that FTE reallocation, a significant number of International Bureau FTEs work on matters involving non-U.S.-licensed space stations serving the United States. The Commission is also considering reallocating those FTEs as indirect but does not adopt such a rule here because it needs to develop the record further before making a decision.

Order the Commission does not adopt further FTE reallocations. Rather, as discussed below, additional information and examination is needed to better understand, at a more granular level, the number of FTEs performing work related to the various types of regulatees throughout the communications industry. In particular, the work of the Wireline Competition Bureau, Wireless Telecommunications Bureau, and Media Bureau has, in many cases, converged over time and their regulation of various types of regulatees involves similar issues and generates common Commission costs.¹⁰⁰ In addition, the Commission has seen an increase in the number of wireless subscribers and a decrease in wireline (switched access lines and interconnected Voice over Internet Protocol (VoIP), together) subscribers.¹⁰¹ From June 2011 to June 2014 wireless subscribers have increased from 298 million to 335 million, while the total wireline access lines (switched access lines and VoIP subscriptions, together) have decreased from 146 million to 135 million.¹⁰² Fewer wireline customers over time may result in disproportionately higher regulatory fees for the ITSP industry. Also, a growth in segments of the industry that do not pay regulatory fees can also increase the regulatory fee burden on the remaining industries. For these reasons, Commission staff will continue their analysis of these issues and will seek further comment on reallocation proposals in future regulatory proceedings.

34. In the *FY 2014 NPRM*, the Commission specifically sought comment on a proposal from SIA to reallocate FTEs from the Enforcement Bureau and the Consumer & Governmental Affairs Bureau to other bureaus.¹⁰³ SIA contends that the FTEs in these two non-core bureaus are focused on certain regulatees or licensees and therefore should not be allocated proportionally to all the core bureaus as indirect FTEs but should be allocated directly to the Wireline, Media, and Wireless bureaus.¹⁰⁴ For

¹⁰⁰ *FY 2013 NPRM*, 78 FR 34612 at 34616–34617 at para. 24.

¹⁰¹ See “Local Telephone Competition: Status as of June 30, 2013,” Industry Analysis and Technology Division, Wireline Competition Bureau, June 2014 (Local Telephone Competition Report) at 2, Figure 1.

¹⁰² Local Telephone Competition Report at 2, Figure 1. A decrease in total wireline access lines could eventually result in a higher rate for the ITSP category if the same number of FTEs are assigned to this category.

¹⁰³ *FY 2014 NPRM*, 79 FR 37982 at 37987 at para. 28–30.

¹⁰⁴ This proposal is supported by several commenters. See, e.g., Echostar and DISH

example, the FTEs in the regional and field offices of the Enforcement Bureau primarily investigate issues involving wireless and broadcast licensees; however, this division has one FTE responsible for satellite interference issues, and may also be involved in wireline issues in the course of disaster relief efforts. As a whole, the Enforcement Bureau¹⁰⁵ and the Consumer & Governmental Affairs Bureau FTEs devote a small portion of their time to international bureau licensee issues. For that reason, the Commission finds that the record does not support reallocating these indirect Enforcement Bureau and Consumer & Governmental Affairs Bureau FTEs to the Wireline, Enforcement, and Wireless Bureaus at this time.¹⁰⁶

35. The Commission also sought comment on reallocating the FTEs from the Commission's Office of Engineering and Technology.¹⁰⁷ This office is primarily involved in work related to spectrum issues. For example, the office advises the Commission on technical and engineering matters, develops and administers Commission decisions regarding spectrum allocations, develops technical rules for the operation of unlicensed radio devices, authorizes the marketing of radio frequency devices as compliant with Commission technical rules, grants experimental radio licenses, and is the agency's liaison to the National Telecommunications and Information Administration. After reviewing the record, the Commission is not persuaded that reallocation of these indirect FTEs as direct FTEs to certain bureaus is appropriate at this time; however, the Commission will continue to develop the record for possible implementation in the future.¹⁰⁸

36. As a result, the various reallocation proposals discussed in the *FY 2014 NPRM* regarding the Enforcement Bureau, the Consumer & Governmental Affairs Bureau, and the Office of Engineering and Technology require further review. The Commission intends to conduct a more in-depth,

fact-based examination of the work of the FTEs in these bureaus and offices and the regulatees benefited by their work. Such analysis will be incorporated into any future notice of proposed rulemaking concerning regulatory fee allocations in order to determine whether reallocation is appropriate.

37. The Commission also notes that other proposals discussed in the *FY 2014 NPRM*, e.g., a per subscriber charge for DBS,¹⁰⁹ adding a fee category for non-U.S.-licensed space stations,¹¹⁰ and combining the ITSP category with wireless,¹¹¹ are not adopted in this report and order. The Commission declines to adopt these proposals at this time due to the complexities of these proposals raised by commenters in the record. For example, ITTA's proposal to combine wireless and wireline voice services would require a methodology to synthesize two different regulatory fee structures for two different industries. Adopting a fee category for non-U.S.-licensed space stations raises significant issues regarding our authority to assess such a fee as well as the policy implications if other countries decided to follow our example.¹¹² The Commission recognizes that there may be merit to more fundamental reform in the regulatory fee process as outlined in these proposals. Additional time, however, is needed to provide an opportunity to more closely examine and consider these proposals and the record in future fiscal year regulatory fee proceedings.¹¹³

38. As a final matter, in the *FY 2014 NPRM*, the Commission sought comment on capping increases at 7.5 percent, or a higher cap, "for any category resulting solely from the reallocations of FTEs or our reform measures;" however, the Commission did not adopt any such measures that

¹⁰⁹This issue is supported by some commenters, (see, e.g., ACA Comments at 3-9; ITTA Comments at 11-12; NCTA Comments at 3-6; NCTA & ACA Reply Comments at 3-11), and is opposed by the DBS and satellite industry, (see, e.g., DIRECTV and DISH Comments at 1-18; SIA Comments at 6-8).

¹¹⁰This issue, proposed by Intelsat, (see Intelsat Comments at 3-8 and Intelsat Reply Comments at 1-8) is opposed by the rest of the satellite industry. See, e.g., EchoStar and DISH Comments at 6-9; Satellite Parties Comments at 3-8; Satellite Parties Reply Comments at 1-7.

¹¹¹The ITTA proposal, discussed in ITTA Comments at 5-11, is generally opposed by commenters, see, e.g., AT&T Comments at 4-5 (observing that "although both wireline and wireless services involve voice telecommunications services, they remain strikingly different services."); CTIA Comments at 3-9.

¹¹²These issues are discussed in greater detail in the *FY 2013 NPRM*, 78 FR 34612.

¹¹³In the attached Further Notice of Proposed Rulemaking the Commission seeks comment on the issue of a per subscriber regulatory fee for DBS.

would result in an increase of over 7.5 percent. The Commission recognizes that the fees in some categories may increase for FY 2014 due to a decrease in the number of units in that particular category. These changes in the number of units in each category can occur each year without any Commission action. As compared with FY 2013, very few fee categories will experience large fee rate increases in FY 2014, and these increases do not result from the reform measures that the Commission has adopted here. Therefore, a formal cap is not adopted in this proceeding. The Commission notes that commenters did not support this proposal, as set forth in the *FY 2014 NPRM*. For example, AT&T opposes adopting a cap for FY 2014 unless the Commission can show that an uncapped increase in regulatory fees would have a severe impact on the economic wellbeing of licensees and that the increase was not due to the Commission's efforts to address a long-standing imbalance.¹¹⁴

V. Procedural Matters

A. New for Fiscal Year 2014

1. Payments by Check Will No Longer Be Accepted for Payment of Annual Regulatory Fees

39. Pursuant to an Office of Management and Budget (OMB) directive,¹¹⁵ the Commission is moving towards a paperless environment, extending to disbursement and collection of select federal government payments and receipts.¹¹⁶ The initiative to reduce paper and curtail check payments for regulatory fees is expected to produce cost savings, reduce errors, and improve efficiencies across government. Accordingly, the Commission will no longer accept checks (including cashier's checks and money orders) and the accompanying hardcopy forms (e.g., Forms 159, 159-B, 159-E, 159-W) for the payment of regulatory fees. This new paperless procedure will require that all payments be made by online ACH payment, online credit card, or wire transfer. Any other form of payment (e.g., checks, cashier's checks, or money orders) will be rejected. For payments by wire, a Form 159-E should still be transmitted via fax so that the Commission can

¹¹⁴AT&T Comments at 3-4. EchoStar and DISH suggested using the rate of inflation instead of 7.5 percent. EchoStar and DISH Comments at 6.

¹¹⁵Office of Management and Budget (OMB) Memorandum M-10-06, Open Government Directive, Dec. 8, 2009; see also <http://www.whitehouse.gov/the-press-office/2011/06/13/executive-order-13576-delivering-efficient-effective-and-accountable-gov>.

¹¹⁶See U.S. Department of the Treasury, Open Government Plan 2.1, Sept. 2012.

Comments at 3-4; NASCA Comments at 12-13; SIA Comments at 2-4.

¹⁰⁵See, e.g., *Intelsat License, LLC*, Notice of Apparent Liability for Forfeiture, 28 FCC Rcd 17183 (2013).

¹⁰⁶Several commenters argue that the Commission should not take this action at this time. See, e.g., AT&T Comments at 1-2; CTIA Comments at 10-12; NAB Comments at 3; USTelecom Reply Comments at 5.

¹⁰⁷*FY 2014 NPRM*, 79 FR 37982 at 37987-37988 at para. 32. This proposal is supported by several commenters. See, e.g., EchoStar and DISH Comments at 4.

¹⁰⁸NAB agrees that the Commission should adopt a comprehensive holistic method for reallocation. NAB Comments at 3-5.

associate the wire payment with the correct regulatory fee information. This change will affect all payments of regulatory fees.¹¹⁷

B. Assessment Notifications

1. Commercial Mobile Radio Service (CMRS) Cellular and Mobile Services Assessments

40. For regulatory fee collection in FY 2014, the Commission will continue to follow our current procedures for conveying CMRS subscriber counts to providers, except that in FY 2014 and thereafter, the Commission will no longer mail out the initial CMRS assessment letters to providers. The Commission will compile data from the Numbering Resource Utilization Forecast (NRUF) report that is based on "assigned" telephone number (subscriber) counts that have been adjusted for porting to net Type 0 ports ("in" and "out").¹¹⁸ This information of telephone numbers (subscriber count) will be posted on the Commission's electronic filing and payment system (Fee Filer) along with the carrier's Operating Company Numbers (OCNs).

41. A carrier wishing to revise its telephone number (subscriber) count can do so by accessing Fee Filer and follow the prompts to revise their telephone number counts. Any revisions to the telephone number counts should be accompanied by an explanation or supporting documentation.¹¹⁹ The Commission will then review the revised count and supporting documentation and either approve or disapprove the submission in Fee Filer. If the submission is disapproved, the Commission will contact the provider to afford the provider an opportunity to discuss its revised subscriber count and/or provide additional supporting documentation. If a response is not received from the provider, or the Commission does not reverse its initial disapproval of the provider's revised count submission, the fee payment must be based on the number of subscribers listed initially in Fee Filer. Once the timeframe for revision has passed, the telephone number counts are final and are the basis upon which CMRS regulatory fees are to be paid. Providers

¹¹⁷ Payors should note that this change will mean that to the extent certain entities have to date paid both regulatory fees and application fees at the same time via paper check, they will no longer be able to do so as the regulatory fees payment via paper check will no longer be accepted.

¹¹⁸ See *FY 2005 Report and Order*, 70 FR 41967.

¹¹⁹ In the supporting documentation, the provider will need to state a reason for the change, such as a purchase or sale of a subsidiary, the date of the transaction, and any other pertinent information that will help to justify a reason for the change.

can view their final telephone counts online in Fee Filer. A final CMRS assessment letter will not be mailed out.

42. Because some carriers do not file the NRUF report, they may not see their telephone number counts in Fee Filer. In these instances, the carriers should compute their fee payment using the standard methodology that is currently in place for CMRS Wireless services (i.e., compute their telephone number counts as of December 31, 2013), and submit their fee payment accordingly. Whether a carrier reviews their telephone number counts in Fee Filer or not, the Commission reserves the right to audit the number of telephone numbers for which regulatory fees are paid. In the event that the Commission determines that the number of telephone numbers that are paid is inaccurate, the Commission will bill the carrier for the difference between what was paid and what should have been paid.

C. Payment of Regulatory Fees

1. Lock Box Bank

43. All lock box payments to the Commission for FY 2014 will be processed by U.S. Bank, St. Louis, Missouri, and payable to the FCC. During the fee season for collecting FY 2014 regulatory fees, regulatees can pay their fees by credit card through Pay.gov,¹²⁰ ACH, debit card,¹²¹ or by wire transfer. Additional payment instructions are posted at <http://transition.fcc.gov/fees/regfees.html>.

2. Receiving Bank for Wire Payments

44. The receiving bank for all wire payments is the Federal Reserve Bank, New York, New York (TREAS NYC). When making a wire transfer, regulatees must fax a copy of their Fee Filer

¹²⁰ In accordance with U.S. Treasury Financial Manual Announcement No. A-2012-02, the U.S. Treasury will reject credit card transactions greater than \$49,999.99 from a single credit card in a single day. This includes online transactions conducted via Pay.gov, transactions conducted via other channels, and direct-over-the-counter transactions made at a U.S. Government facility. Individual credit card transactions larger than the \$49,999.99 limit may not be split into multiple transactions using the same credit card, whether or not the split transactions are assigned to multiple days. Splitting a transaction violates card network and Financial Management Service (FMS) rules. However, credit card transactions exceeding the daily limit may be split between two or more *different* credit cards. Other alternatives for transactions exceeding the \$49,999.99 credit card limit include payment by electronic debit from your bank account, and wire transfer.

¹²¹ In accordance with U.S. Treasury Financial Manual Announcement No. A-2012-02, the maximum dollar-value limit for debit card transactions will be eliminated. It should also be noted that only Visa and MasterCard branded debit cards are accepted by Pay.gov.

generated Form 159-E to U.S. Bank, St. Louis, Missouri at (314) 418-4232 at least one hour before initiating the wire transfer (but on the same business day) so as not to delay crediting their account. Regulatees should discuss arrangements (including bank closing schedules) with their bankers several days before they plan to make the wire transfer to allow sufficient time for the transfer to be initiated and completed before the deadline. Complete instructions for making wire payments are posted at <http://transition.fcc.gov/fees/wiretran.html>.

3. De Minimis Regulatory Fees

45. Regulatees whose total FY 2014 regulatory fee liability, including all categories of fees for which payment is due, is less than \$10 are exempted from payment of FY 2014 regulatory fees. The new \$500 de minimis threshold that is adopted here will be effective for payment of FY 2015 regulatory fees.

4. Standard Fee Calculations and Payment Dates

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

- **Media Services:** Regulatory fees must be paid for initial construction permits that were granted on or before October 1, 2013 for AM/FM radio stations, VHF/UHF full service television stations, and satellite television stations. Regulatory fees must be paid for all broadcast facility licenses granted on or before October 1, 2013. In instances where a permit or license is transferred or assigned after October 1, 2013, responsibility for payment rests with the holder of the permit or license as of the fee due date.

- **Wireline (Common Carrier) Services:** Regulatory fees must be paid for authorizations that were granted on or before October 1, 2013. In instances where a permit or license is transferred or assigned after October 1, 2013, responsibility for payment rests with the holder of the permit or license as of the fee due date. Audio bridging service providers are included in this category.¹²²

- **Wireless Services:** CMRS cellular, mobile, and messaging services (fees based on number of subscribers or telephone number count): Regulatory fees must be paid for authorizations that were granted on or before October 1, 2013. The number of subscribers, units, or telephone numbers on December 31,

¹²² Audio bridging services are toll teleconferencing services.

2013 will be used as the basis from which to calculate the fee payment. In instances where a permit or license is transferred or assigned after October 1, 2013, responsibility for payment rests with the holder of the permit or license as of the fee due date.

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

- *Multichannel Video Programming Distributor Services (cable television operators and CARS licensees):* Regulatory fees must be paid for the number of basic cable television subscribers as of December 31, 2013.¹²³ Regulatory fees also must be paid for CARS licenses that were granted on or before October 1, 2013. In instances where a permit or license is transferred or assigned after October 1, 2013, responsibility for payment rests with the holder of the permit or license as of the fee due date.

- *International Services: Regulatory fees* must be paid for (1) earth stations and (2) geostationary orbit space stations and non-geostationary orbit satellite systems that were licensed and operational on or before October 1, 2013. In instances where a permit or license is transferred or assigned after October 1, 2013, responsibility for payment rests with the holder of the permit or license as of the fee due date.

- *International Services: Submarine Cable Systems:* Regulatory fees for submarine cable systems are to be paid on a per cable landing license basis based on circuit capacity as of December 31, 2013. In instances where a license is transferred or assigned after October 1, 2013, responsibility for payment rests with the holder of the license as of the

fee due date. For regulatory fee purposes, the allocation in FY 2014 will remain at 87.6 percent for submarine cable and 12.4 percent for satellite/terrestrial facilities.

- *International Services: Terrestrial and Satellite Services:* Regulatory fees for International Bearer Circuits are to be paid by facilities-based common carriers that have active (used or leased) international bearer circuits as of December 31, 2013 in any terrestrial or satellite transmission facility for the provision of service to an end user or resale carrier. When calculating the number of such active circuits, the facilities-based common carriers must include circuits held by themselves or their affiliates. In addition, non-common carrier satellite operators must pay a fee for each circuit they and their affiliates hold and each circuit sold or leased to any customer, other than an international common carrier authorized by the Commission to provide U.S. international common carrier services. “Active circuits” for these purposes include backup and redundant circuits as of December 31, 2013. Whether circuits are used specifically for voice or data is not relevant for purposes of determining that they are active circuits. In instances where a permit or license is transferred or assigned after October 1, 2013, responsibility for payment rests with the holder of the permit or license as of the fee due date. For regulatory fee purposes, the allocation in FY 2014 will remain at 87.6 percent for submarine cable and 12.4 percent for satellite/terrestrial facilities.

D. Enforcement

47. To be considered timely, regulatory fee payments must be received and stamped at the lockbox bank by the payment due date for regulatory fees. Section 9(c) of the Act requires us to impose a late payment penalty of 25 percent of the unpaid amount to be assessed on the first day following the deadline for filing these fees.¹²⁴ Failure to pay regulatory fees and/or any late penalty will subject regulatees to sanctions, including those set forth in section 1.1910 of the Commission’s rules,¹²⁵ which generally requires the Commission to withhold action on “applications, including on a petition for reconsideration or any application for review of a fee determination, or requests for authorization by any entity found to be delinquent in its debt to the Commission” and in the Debt Collection

Improvement Act of 1996 (DCIA).¹²⁶ The Commission also assesses administrative processing charges on delinquent debts to recover additional costs incurred in processing and handling the debt pursuant to the DCIA and section 1.1940(d) of the Commission’s rules.¹²⁷ These administrative processing charges will be assessed on any delinquent regulatory fee, in addition to the 25 percent late charge penalty. In the case of partial payments (underpayments) of regulatory fees, the payor will be given credit for the amount paid, but if it is later determined that the fee paid is incorrect or not timely paid, then the 25 percent late charge penalty (and other charges and/or sanctions, as appropriate) will be assessed on the portion that is not paid in a timely manner.

48. Pursuant to the “red light rule,” we will withhold action on any applications or other requests for benefits filed by anyone who is delinquent in any non-tax debts owed to the Commission (including regulatory fees) and will ultimately dismiss those applications or other requests if payment of the delinquent debt or other satisfactory arrangement for payment is not made.¹²⁸ Failure to pay regulatory fees can also result in the initiation of a proceeding to revoke any and all authorizations held by the entity responsible for paying the delinquent fee(s).¹²⁹

E. Effective Date

49. Providing a 30-day period after **Federal Register** publication before this *Report and Order* becomes effective as required by 5 U.S.C. 553(d) will not allow sufficient time for the Commission to collect the FY 2014 fees before FY 2014 ends on September 30, 2014. For this reason, pursuant to 5 U.S.C. 553(d)(3), the Commission finds there is good cause to waive the requirements of section 553(d), and this *Report and Order* will become effective upon publication in the **Federal Register**. Because payments of the regulatory fees will not actually be due until the middle of September, persons

¹²³ Cable television system operators should compute their number of basic subscribers as follows: Number of single family dwellings + number of individual households in multiple dwelling unit (apartments, condominiums, mobile home parks, etc.) paying at the basic subscriber rate + bulk rate customers + courtesy and free service. Note: Bulk-Rate Customers = Total annual bulk-rate charge divided by basic annual subscription rate for individual households. Operators may base their count on “a typical day in the last full week” of December 2013, rather than on a count as of December 31, 2013.

¹²⁴ 47 U.S.C. 159(c).

¹²⁵ *See* 47 CFR 1.1910.

¹²⁶ Delinquent debt owed to the Commission triggers the “red light rule,” which places a hold on the processing of pending applications, fee offsets, and pending disbursement payments. 47 CFR 1.1910, 1.1911, 1.1912. In 2004, the Commission adopted rules implementing the requirements of the DCIA. *See Amendment of Parts 0 and 1 of the Commission’s Rules*, MD Docket No. 02–339, Report and Order, 19 FCC Rcd 6540 (2004); 47 CFR part 1, Subpart O, Collection of Claims Owed the United States.

¹²⁷ 47 CFR 1.1940(d).

¹²⁸ *See* 47 CFR 1.1161(c), 1.1164(f)(5), and 1.1910.

¹²⁹ 47 U.S.C. 159.

affected by this Report and Order will still have a reasonable period in which to make their payments and thereby

comply with the rules established herein.

VI. Additional Tables

TABLE A

Commenter	Abbreviation
List of Commenters—Initial Comments	
American Cable Association	ACA.
AT&T Services, Inc	AT&T.
Aviation Spectrum Resources, Inc	ASRI.
Bell Canada	Bell Canada.
Terry Cowan	T. Cowan.
Critical Messaging Association	CMA.
DirecTV, LLC	DirecTV.
CTIA—The Wireless Association®	CTIA.
DirecTV, LLC and DISH Network L.L.C	DirecTV and DISH.
EchoStar Satellite Operating Company and Hughes Network Systems, LLC and DISH Network L.L.C	EchoStar and DISH.
G. Kris Harrison	K. Harrison.
Intelsat License LLC	Intelsat.
ITTA—the Voice of Midsized Communications Companies, the Eastern Rural Telecom Association, and Windstream Corporation.	ITTA.
P. Randall Knowles	R. Knowles.
National Association of Broadcasters	NAB.
National Cable & Telecommunications Association	NCTA.
North American Submarine Cable Association	NASCA.
Satellite Industry Association	SIA.
SES Americom, Inc., Inmarsat, Inc., and Telesat Canada	Satellite Parties.
List of Commenters—Reply Comments	
Bandwidth.com, Inc	Bandwidth.com.
Intelsat License LLC	Intelsat.
P. Randall Knowles	R. Knowles.
National Cable & Telecommunications Association and American Cable Association	NCTA and ACA.
SES Americom, Inc., Inmarsat, Inc., and Telesat Canada	Satellite Parties.
United States Telecom Association	USTelecom.

TABLE B—CALCULATION OF FY 2014 REVENUE REQUIREMENTS AND PRO-RATA FEES

[The first ten regulatory fee categories listed below are collected by the Commission in advance to cover the term of the license and are submitted at the time the application is filed.]

Fee category	FY 2014 payment units	Years	FY 2013 revenue estimate	Pro-rated FY 2014 revenue requirement	Computed uncapped FY 2014 regulatory fee	Rounded FY 2014 regulatory fee	Expected FY 2014 revenue
PLMRS (Exclusive Use)	1,700	10	560,000	595,000	35	35	595,000
PLMRS (Shared use)	30,000	10	2,250,000	3,000,000	10	10	3,000,000
Microwave	17,000	10	2,640,000	2,550,000	15	15	2,550,000
218–219 MHz (Formerly IVDS)	5	10	3,750	4,000	82	80	4,000
Marine (Ship)	5,200	10	655,000	780,000	17	15	780,000
GMRS	8,900	5	197,500	222,500	7	5	222,500
Aviation (Aircraft)	4,200	10	290,000	420,000	10	10	420,000
Marine (Coast)	300	10	156,750	165,000	55	55	165,000
Aviation (Ground)	510	10	135,000	153,000	30	30	153,000
Amateur Vanity Call Signs	11,500	10	230,230	246,100	2.14	2.14	246,100
AM Class A ^{4a}	67	1	286,000	274,700	4,105	4,100	274,700
AM Class B ^{4b}	1,481	1	3,435,250	3,410,900	2,308	2,300	3,410,900
AM Class C ^{4c}	832	1	1,201,500	1,212,750	1,385	1,375	1,212,750
AM Class D ^{4d}	1,522	1	3,862,500	4,033,300	2,661	2,650	4,033,300
FM Classes A, B1 & C3 ^{4e}	3,107	1	8,379,375	8,466,575	2,731	2,725	8,466,575
FM Classes B, C, C0, C1 & C2 ^{4f}	3,139	1	10,597,500	10,437,175	3,316	3,325	10,437,175
AM Construction Permits	30	1	30,090	17,700	590	590	17,700
FM Construction Permits ¹	185	1	142,500	138,750	750	750	138,750
Satellite TV	127	1	190,625	196,850	1,545	1,550	196,850
Satellite TV Construction Permit	3	1	2,880	3,900	1,308	1,025	3,900
Digital TV Markets 1–10	138	1	6,235,725	6,161,700	44,661	44,650	6,161,700
Digital TV Markets 11–25	138	1	5,636,875	5,809,800	42,102	42,100	5,809,800
Digital TV Markets 26–50	182	1	4,965,225	4,909,450	26,964	26,975	4,909,450

TABLE B—CALCULATION OF FY 2014 REVENUE REQUIREMENTS AND PRO-RATA FEES—Continued

[The first ten regulatory fee categories listed below are collected by the Commission in advance to cover the term of the license and are submitted at the time the application is filed.]

Fee category	FY 2014 payment units	Years	FY 2013 revenue estimate	Pro-rated FY 2014 revenue requirement	Computed uncapped FY 2014 regulatory fee	Rounded FY 2014 regulatory fee	Expected FY 2014 revenue
Digital TV Markets 51–100	290	1	4,645,275	4,524,000	15,604	15,600	4,524,000
Digital TV Remaining Markets	380	1	1,769,975	1,805,000	4,751	4,750	1,805,000
Digital TV Construction Permits ¹	5	1	20,950	23,750	4,750	4,750	23,750
Broadcast Auxiliaries	25,800	1	254,000	258,000	12	10	258,000
LPTV/Translators/Boosters/ Class A TV	3,830	1	1,527,250	1,570,300	410	410	1,570,300
CARS Stations	325	1	165,750	196,625	604	605	196,625
Cable TV Systems, including IPTV	65,400,000	1	61,200,000	64,746,000	.993	.99	64,746,000
Interstate Telecommunication Service Providers	\$38,300,000,000	1	135,330,000	131,369,000	0.003425	0.00343	131,369,000
CMRS Mobile Services (Cel- lular/Public Mobile)	335,000,000	1	58,680,000	60,300,000	0.179	0.18	60,300,000
CMRS Messag. Services	2,900,000	1	240,000	232,000	0.0800	0.080	232,000
BRS ²	900	1	469,200	643,500	715	715	643,500
LMDS	190	1	86,700	135,850	715	715	135,850
Per 64 kbps Int'l Bearer Cir- cuits ^{6a} Terrestrial (Common) & Satellite (Common & Non- Common)	4,484,000	1	1,032,277	932,351	.2079	.21	941,640
Submarine Cable Providers (see chart in Appendix C) ^{3,6b}	40.19	1	8,530,139	6,586,607	163,897	163,900	6,586,731
Earth Stations ^{6c}	3,400	1	935,000	1,003,000	303	295	1,003,000
Space Stations (Geostationary)	94	1	12,101,700	11,505,600	122,402	122,400	11,505,600
Space Stations (Non-Geo- stationary)	6	1	899,250	797,100	132,850	132,850	797,100
***** Total Estimated Revenue to be Collected			339,965,741	339,837,833			339,847,246
***** Total Revenue Require- ment			339,844,000	339,844,000			339,844,000
Difference			121,741	(6,167)			3,246

Notes on Appendix B

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

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

³ The chart at the end of Appendix C lists the submarine cable bearer circuit regulatory fees (common and non-common carrier basis) that resulted from the adoption of the FY 2008 Further Notice, 24 FCC Rcd 6388 and the Submarine Cable Order, 24 FCC Rcd 4208.

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

⁵ As a continuation of our regulatory fee reform for the submarine cable and bearer circuit fee categories, the allocation percentage for these two categories, in relation to the satellite (GSO and NGSO) and earth station fee categories, was reduced by approximately 5 per cent. This allocation reduction of 5 per cent resulted in an increase in the allocation for the satellite and earth station fee categories. However, only the earth station fee rate increased from its FY 2013 fee amount.

TABLE C—FY 2014 SCHEDULE OF REGULATORY FEES

[The first eleven regulatory fee categories listed below are collected by the Commission in advance to cover the term of the license and are submitted at the time the application is filed.]

Fee category	Annual regulatory fee (U.S. \$'s)
PLMRS (per license) (Exclusive Use) (47 CFR part 90)	35
Microwave (per license) (47 CFR part 101)	15
218–219 MHz (Formerly Interactive Video Data Service) (per license) (47 CFR part 95)	80
Marine (Ship) (per station) (47 CFR part 80)	15
Marine (Coast) (per license) (47 CFR part 80)	55
General Mobile Radio Service (per license) (47 CFR part 95)	5
Rural Radio (47 CFR part 22) (previously listed under the Land Mobile category)	10
PLMRS (Shared Use) (per license) (47 CFR part 90)	10

TABLE C—FY 2014 SCHEDULE OF REGULATORY FEES—Continued

[The first eleven regulatory fee categories listed below are collected by the Commission in advance to cover the term of the license and are submitted at the time the application is filed.]

Fee category	Annual regulatory fee (U.S. \$'s)
Aviation (Aircraft) (per station) (47 CFR part 87)	10
Aviation (Ground) (per license) (47 CFR part 87)	30
Amateur Vanity Call Signs (per call sign) (47 CFR part 97)	2.14
CMRS Mobile/Cellular Services (per unit) (47 CFR parts 20, 22, 24, 27, 80 and 90)	.18
CMRS Messaging Services (per unit) (47 CFR parts 20, 22, 24 and 90)	.08
Broadband Radio Service (formerly MMDS/MDS) (per license) (47 CFR part 27)	715
Local Multipoint Distribution Service (per call sign) (47 CFR, part 101)	715
AM Radio Construction Permits	590
FM Radio Construction Permits	750
Digital TV (47 CFR part 73) VHF and UHF Commercial:	
Markets 1–10	44,650
Markets 11–25	42,100
Markets 26–50	26,975
Markets 51–100	15,600
Remaining Markets	4,750
Construction Permits	4,750
Satellite Television Stations (All Markets)	1,550
Construction Permits—Satellite Television Stations	1,300
Low Power TV, Class A TV, TV/FM Translators & Boosters (47 CFR part 74)	410
Broadcast Auxiliaries (47 CFR part 74)	10
CARS (47 CFR part 78)	605
Cable Television Systems (per subscriber) (47 CFR part 76), Including IPTV	.99
Interstate Telecommunication Service Providers (per revenue dollar)	.00343
Earth Stations (47 CFR part 25)	295
Space Stations (per operational station in geostationary orbit) (47 CFR part 25) also includes DBS Service (per operational station) (47 CFR part 100)	122,400
Space Stations (per operational system in non-geostationary orbit) (47 CFR part 25)	132,850
International Bearer Circuits—Terrestrial/Satellites (per 64KB circuit)	.21
International Bearer Circuits—Submarine Cable	See Table Below

TABLE C (CONTINUED)—FY 2014 SCHEDULE OF REGULATORY FEES: MAINTAIN ALLOCATION

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

FY 2014 SCHEDULE OF REGULATORY FEES—INTERNATIONAL BEARER CIRCUITS—SUBMARINE CABLE

Submarine cable systems (capacity as of December 31, 2013)	Fee amount	Address
<2.5 Gbps	\$10,250	FCC, International, P.O. Box 979084, St. Louis, MO 63197–9000.
2.5 Gbps or greater, but less than 5 Gbps	20,500	FCC, International, P.O. Box 979084, St. Louis, MO 63197–9000.
5 Gbps or greater, but less than 10 Gbps	40,975	FCC, International, P.O. Box 979084, St. Louis, MO 63197–9000.
10 Gbps or greater, but less than 20 Gbps.	81,950	FCC, International, P.O. Box 979084, St. Louis, MO 63197–9000.
20 Gbps or greater	163,900	FCC, International, P.O. Box 979084, St. Louis, MO 63197–9000.

Table D

Sources of Payment Unit Estimates for FY 2014

In order to calculate individual service fees for FY 2014, we adjusted FY

2013 payment units for each service to more accurately reflect expected FY 2014 payment liabilities. We obtained our updated estimates through a variety of means. For example, we used Commission licensee data bases, actual

prior year payment records and industry and trade association projections when available. The databases we consulted include our Universal Licensing System (ULS), International Bureau Filing System (IBFS), Consolidated Database

System (CDBS) and Cable Operations and Licensing System (COALS), as well as reports generated within the Commission such as the Wireline Competition Bureau's *Trends in Telephone Service* and the Wireless Telecommunications Bureau's *Numbering Resource Utilization Forecast*.

We sought verification for these estimates from multiple sources and, in all cases; we compared FY 2014

estimates with actual FY 2013 payment units to ensure that our revised estimates were reasonable. Where appropriate, we adjusted and/or rounded our final estimates to take into consideration the fact that certain variables that impact on the number of payment units cannot yet be estimated with sufficient accuracy. These include an unknown number of waivers and/or exemptions that may occur in FY 2014 and the fact that, in many services, the

number of actual licensees or station operators fluctuates from time to time due to economic, technical, or other reasons. When we note, for example, that our estimated FY 2014 payment units are based on FY 2013 actual payment units, it does not necessarily mean that our FY 2014 projection is exactly the same number as in FY 2013. We have either rounded the FY 2014 number or adjusted it slightly to account for these variables.

Fee category	Sources of payment unit estimates
Land Mobile (All), Microwave, 218–219 MHz, Marine (Ship & Coast), Aviation (Aircraft & Ground), GMRS, Amateur Vanity Call Signs, Domestic Public Fixed.	Based on Wireless Telecommunications Bureau (“WTB”) projections of new applications and renewals taking into consideration existing Commission licensee data bases. Aviation (Aircraft) and Marine (Ship) estimates have been adjusted to take into consideration the licensing of portions of these services on a voluntary basis.
CMRS Cellular/Mobile Services	Based on WTB projection reports, and FY 13 payment data.
CMRS Messaging Services	Based on WTB reports, and FY 13 payment data.
AM/FM Radio Stations	Based on CDBS data, adjusted for exemptions, and actual FY 2013 payment units.
Digital TV Stations (Combined VHF/UHF units).	Based on CDBS data, adjusted for exemptions, and actual FY 2013 payment units.
AM/FM/TV Construction Permits	Based on CDBS data, adjusted for exemptions, and actual FY 2013 payment units.
LPTV, Translators and Boosters, Class A Television.	Based on CDBS data, adjusted for exemptions, and actual FY 2013 payment units.
Broadcast Auxiliaries	Based on actual FY 2013 payment units.
BRS (formerly MDS/MMDS)	Based on WTB reports and actual FY 2013 payment units.
LMDS	Based on WTB reports and actual FY 2013 payment units.
Cable Television Relay Service (“CARS”) Stations.	Based on data from Media Bureau's COALS database and actual FY 2013 payment units.
Cable Television System Subscribers, Including IPTV Subscribers.	Based on publicly available data sources for estimated subscriber counts and actual FY 2013 payment units.
Interstate Telecommunication Service Providers.	Based on FCC Form 499–Q data for the four quarters of calendar year 2013, the Wireline Competition Bureau projected the amount of calendar year 2013 revenue that will be reported on 2014 FCC Form 499–A worksheets in April, 2014.
Earth Stations	Based on International Bureau (“IB”) licensing data and actual FY 2013 payment units.
Space Stations (GSOs & NGSOs)	Based on IB data reports and actual FY 2013 payment units.
International Bearer Circuits	Based on IB reports and submissions by licensees, adjusted as necessary.
Submarine Cable Licenses	Based on IB license information.

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

AM Stations

For stations with nondirectional daytime antennas, the theoretical radiation was used at all azimuths. For stations with directional daytime antennas, specific information on each day tower, including field ratio, phase, spacing, and orientation was retrieved, as well as the theoretical pattern root-mean-square of the radiation in all directions in the horizontal plane (RMS) figure (milliVolt per meter (mV/m) @1 km) for the antenna system. The standard, or augmented standard if pertinent, horizontal plane radiation pattern was calculated using techniques and methods specified in sections 73.150 and 73.152 of the Commission's rules. Radiation values were calculated for each of 360 radials around the

transmitter site. Next, estimated soil conductivity data was retrieved from a database representing the information in FCC Figure R3. Using the calculated horizontal radiation values, and the retrieved soil conductivity data, the distance to the principal community (5 mV/m) contour was predicted for each of the 360 radials. The resulting distance to principal community contours were used to form a geographical polygon. Population counting was accomplished by determining which 2010 block centroids were contained in the polygon. (A block centroid is the center point of a small area containing population as computed by the U.S. Census Bureau.) The sum of the population figures for all enclosed blocks represents the total population for the predicted principal community coverage area.

FM Stations

The greater of the horizontal or vertical effective radiated power (ERP) (kW) and respective height above

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

for the predicted principal community coverage area.

TABLE F—REVISED FTE (AS OF 9/30/12) ALLOCATIONS FY 2013 SCHEDULE OF REGULATORY FEES (FEE RATES CAPPED AT 7.5%)

[The first eleven regulatory fee categories listed below are collected by the Commission in advance to cover the term of the license and are submitted at the time the application is filed.]

Fee category	Annual regulatory fee (U.S. \$'s)
PLMRS (per license) (Exclusive Use) (47 CFR part 90)	40
Microwave (per license) (47 CFR part 101)	20
218–219 MHz (Formerly Interactive Video Data Service) (per license) (47 CFR part 95)	75
Marine (Ship) (per station) (47 CFR part 80)	10
Marine (Coast) (per license) (47 CFR part 80)	55
General Mobile Radio Service (per license) (47 CFR part 95)	5
Rural Radio (47 CFR part 22) (previously listed under the Land Mobile category)	15
PLMRS (Shared Use) (per license) (47 CFR part 90)	15
Aviation (Aircraft) (per station) (47 CFR part 87)	10
Aviation (Ground) (per license) (47 CFR part 87)	15
Amateur Vanity Call Signs (per call sign) (47 CFR part 97)	1.61
CMRS Mobile/Cellular Services (per unit) (47 CFR parts 20, 22, 24, 27, 80 and 90)	.18
CMRS Messaging Services (per unit) (47 CFR parts 20, 22, 24 and 90)	.08
Broadband Radio Service (formerly MMDS/MDS) (per license) (47 CFR part 27)	510
Local Multipoint Distribution Service (per call sign) (47 CFR, part 101)	510
AM Radio Construction Permits	590
FM Radio Construction Permits	750
TV (47 CFR part 73) VHF Commercial:	
Markets 1–10	86,075
Markets 11–25	78,975
Markets 26–50	42,775
Markets 51–100	22,475
Remaining Markets	6,250
Construction Permits	6,250
TV (47 CFR part 73) UHF Commercial:	
Markets 1–10	38,000
Markets 11–25	35,050
Markets 26–50	23,550
Markets 51–100	13,700
Remaining Markets	3,675
Construction Permits	3,675
Satellite Television Stations (All Markets)	1,525
Construction Permits—Satellite Television Stations	960
Low Power TV, Class A TV, TV/FM Translators & Boosters (47 CFR part 74)	410
Broadcast Auxiliaries (47 CFR part 74)	10
CARS (47 CFR part 78)	510
Cable Television Systems (per subscriber) (47 CFR part 76)	1.02
Interstate Telecommunication Service Providers (per revenue dollar)	.00347
Earth Stations (47 CFR part 25)	275
Space Stations (per operational station in geostationary orbit) (47 CFR part 25) also includes DBS Service (per operational station)	139,100
Space Stations (per operational system in non-geostationary orbit) (47 CFR part 25)	149,875
International Bearer Circuits—Terrestrial/Satellites (per 64KB circuit)	.27
International Bearer Circuits—Submarine Cable	See Table Below

TABLE F (CONTINUED)—FY 2013 SCHEDULE OF REGULATORY FEES

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

FY 2013 SCHEDULE OF REGULATORY FEES: FEE RATE INCREASES CAPPED AT 7.5%—INTERNATIONAL BEARER CIRCUITS—SUBMARINE CABLE

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

VII. Regulatory Flexibility Analysis

Final Regulatory Flexibility Analysis

1. As required by the Regulatory Flexibility Act of 1980, as amended (RFA),¹³⁰ an Initial Regulatory Flexibility Analysis (IRFA) was included in the *FY 2014 NPRM*. The Commission sought written public comment on the proposals in the *FY 2014 NPRM*, including comment on the IRFA. This Final Regulatory Flexibility Analysis (FRFA) conforms to the IRFA.¹³¹

A. Need for, and Objectives of, the Report and Order

2. In this Report and Order, we conclude the Assessment and Collection of Regulatory Fees for Fiscal Year (FY) 2014 proceeding to collect \$339,844,000 in regulatory fees for FY 2014, pursuant to Section 9 of the Communications Act.¹³² These regulatory fees will be due in September 2014. Under section 9 of the Communications Act, regulatory fees are mandated by Congress and collected to recover the regulatory costs associated with the Commission’s enforcement, policy and rulemaking, user information, and international activities in an amount that can reasonably be expected to equal the amount of the Commission’s annual appropriation.¹³³

3. In our *FY 2014 NPRM*, we sought comment on proposed regulatory fees and on whether AM expanded band radio stations should remain exempt from regulatory fees. In addition, we sought comment on additional reform measures including: (1) Reallocating some of the FTEs from the Enforcement Bureau, the Consumer & Governmental Affairs Bureau, and the Office of Engineering and Technology, as direct FTEs for regulatory fee purposes; (2) reapportioning the fee allocations

between groups of International Bureau regulatees; (3) periodically updating FTE allocations; (4) applying a cap on any regulatory fee increases for FY 2014; (5) improving access to information through our Web site; (6) establishing a higher de minimis amount; (7) eliminating certain regulatory fee categories; (8) combining ITSP and wireless voice services into one fee category; (9) adding DBS operators to the cable television and IPTV category; (10) creating a new regulatory fee category for non-U.S. licensed space stations, or, alternatively, reallocating some FTEs assigned to work on non-U.S. licensed space station issues as indirect for regulatory fee purposes; and (11) adding a new regulatory fee category for toll free numbers. Some of these issues had been raised in earlier regulatory fee proceedings and other issues were discussed for the first time as part of our reform process.

4. The Report and Order adopts some of the proposals from the *FY 2014 NPRM*. Specifically, in addition to adopting the proposed new regulatory fee rates, the Commission (1) removes the exemption on regulatory fees from AM expanded band licenses; (2) revises the apportionment between the submarine cable/terrestrial and satellite bearer circuits and the satellite/earth stations by approximately five percent to reduce the proportion paid by the submarine cable/terrestrial and satellite bearer circuits; (3) increases the allocation paid by earth stations and satellites by approximately 7.5 percent to more accurately reflect the regulation and oversight of this industry; (4) increases the de minimis threshold from \$10 to \$500 (to go into effect for FY 2015); (5) eliminates several regulatory fee categories (218–219 MHz, broadcast auxiliaries, and satellite television construction permits) from regulatory fee requirements (to go into effect for FY 2015); and (6) adopts a new toll free number regulatory fee category (to go into effect for FY 2015).

B. Summary of the Significant Issues Raised by the Public Comments in Response to the IRFA

5. None.

C. Description and Estimate of the Number of Small Entities to Which the Rules Will Apply

6. The RFA directs agencies to provide a description of, and where feasible, an estimate of the number of small entities that may be affected by the proposed rules and policies, if adopted.¹³⁴ The RFA generally defines the term “small entity” as having the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction.”¹³⁵ In addition, the term “small business” has the same meaning as the term “small business concern” under the Small Business Act.¹³⁶ A “small business concern” is one which: (1) Is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA.¹³⁷ Nationwide, there are a total of approximately 27.9 million small businesses, according to the SBA.¹³⁸

8. *Wired Telecommunications Carriers*. The SBA has developed a small business size standard for Wired Telecommunications Carriers, which consists of all such companies having 1,500 or fewer employees. Census data for 2007 shows that there were 31,996 establishments that operated that year. Of those 31,996, 1,818 operated with more than 100 employees, and 30,178

¹³⁴ 5 U.S.C. 603(b)(3).

¹³⁵ 5 U.S.C. 601(6).

¹³⁶ 5 U.S.C. 601(3) (incorporating by reference the definition of “small-business concern” in the Small Business Act, 15 U.S.C. 632). Pursuant to 5 U.S.C. 601(3), the statutory definition of a small business applies “unless an agency, after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the *Federal Register*.”

¹³⁷ 15 U.S.C. 632.

¹³⁸ See SBA, Office of Advocacy, “Frequently Asked Questions,” http://www.sba.gov/sites/default/files/FAQ_Sept_2012.pdf.

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

¹³¹ 5 U.S.C. 604.

¹³² 47 U.S.C. 159(a).

¹³³ 47 U.S.C. 159(a).

operated with fewer than 100 employees.¹³⁹ Thus, under this size standard, the majority of firms can be considered small.

9. *Local Exchange Carriers (LECs)*. Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to local exchange services. The closest applicable size standard under SBA rules is for Wired Telecommunications Carriers. Under that size standard, such a business is small if it has 1,500 or fewer employees.¹⁴⁰ According to Commission data, census data for 2007 shows that there were 31,996 establishments that operated that year. Of those 31,996, 1,818 operated with more than 100 employees, and 30,178 operated with fewer than 100 employees.¹⁴¹ The Commission estimates that most providers of local exchange service are small entities that may be affected by the rules and policies adopted.

10. *Incumbent LECs*. Neither the Commission nor the SBA has developed a small business size standard specifically for incumbent local exchange services. The closest applicable size standard under SBA rules is for the category Wired Telecommunications Carriers. Under that size standard, such a business is small if it has 1,500 or fewer employees.¹⁴² According to Commission data, 1,307 carriers reported that they were incumbent local exchange service providers.¹⁴³ Of these 1,307 carriers, an estimated 1,006 have 1,500 or fewer employees and 301 have more than 1,500 employees.¹⁴⁴ Consequently, the Commission estimates that most providers of incumbent local exchange service are small businesses that may be affected by the rules and policies adopted.

11. *Competitive Local Exchange Carriers (Competitive LECs), Competitive Access Providers (CAPs), Shared-Tenant Service Providers, and Other Local Service Providers*. Neither the Commission nor the SBA has developed a small business size standard specifically for these service providers. The appropriate size standard under SBA rules is for the category Wired Telecommunications Carriers. Under that size standard, such a

business is small if it has 1,500 or fewer employees.¹⁴⁵ According to Commission data, 1,442 carriers reported that they were engaged in the provision of either competitive local exchange services or competitive access provider services.¹⁴⁶ Of these 1,442 carriers, an estimated 1,256 have 1,500 or fewer employees and 186 have more than 1,500 employees.¹⁴⁷ In addition, 17 carriers have reported that they are Shared-Tenant Service Providers, and all 17 are estimated to have 1,500 or fewer employees.¹⁴⁸ In addition, 72 carriers have reported that they are Other Local Service Providers.¹⁴⁹ Of the 72, seventy have 1,500 or fewer employees and two have more than 1,500 employees.¹⁵⁰ Consequently, the Commission estimates that most providers of competitive local exchange service, competitive access providers, Shared-Tenant Service Providers, and Other Local Service Providers are small entities that may be affected by rules adopted.

12. *Interexchange Carriers (IXCs)*. Neither the Commission nor the SBA has developed a small business size standard specifically applicable to interexchange services. The applicable size standard under SBA rules is for the Wired Telecommunications Carriers. Under that size standard, such a business is small if it has 1,500 or fewer employees.¹⁵¹ According to Commission data, 359 companies reported that their primary telecommunications service activity was the provision of interexchange services.¹⁵² Of these 359 companies, an estimated 317 have 1,500 or fewer employees and 42 have more than 1,500 employees.¹⁵³ Consequently, the Commission estimates that the majority of interexchange service providers are small entities that may be affected by rules adopted.

13. *Prepaid Calling Card Providers*. Neither the Commission nor the SBA has developed a small business size standard specifically for prepaid calling card providers. The appropriate size standard under SBA rules is for the category Telecommunications Resellers. Under that size standard, such a business is small if it has 1,500 or fewer employees.¹⁵⁴ Census data for 2007 show that 1,716 establishments

provided resale services during that year. Of that number, 1,674 operated with fewer than 99 employees and 42 operated with more than 100 employees.¹⁵⁵ Thus under this category and the associated small business size standard, the majority of these prepaid calling card providers can be considered small entities. According to Commission data, 193 carriers have reported that they are engaged in the provision of prepaid calling cards.¹⁵⁶ Of these, all 193 have 1,500 or fewer employees and none have more than 1,500 employees.¹⁵⁷ Consequently, the Commission estimates that the majority of prepaid calling card providers are small entities that may be affected by rules adopted.

14. *Local Resellers*. The SBA has developed a small business size standard for the category of Telecommunications Resellers. Under that size standard, such a business is small if it has 1,500 or fewer employees.¹⁵⁸ Census data for 2007 show that 1,716 establishments provided resale services during that year. Of that number, 1,674 operated with fewer than 99 employees and 42 operated with more than 100 employees.¹⁵⁹ Under this category and the associated small business size standard, the majority of these local resellers can be considered small entities. According to Commission data, 213 carriers have reported that they are engaged in the provision of local resale services.¹⁶⁰ Of these, an estimated 211 have 1,500 or fewer employees and two have more than 1,500 employees.¹⁶¹ Consequently, the Commission estimates that the majority of local resellers are small entities that may be affected by rules adopted.

15. *Toll Resellers*. The SBA has developed a small business size standard for the category of Telecommunications Resellers. Under that size standard, such a business is small if it has 1,500 or fewer employees.¹⁶² Census data for 2007 show that 1,716 establishments provided resale services during that year. Of that number, 1,674 operated with fewer than 99 employees and 42

¹⁵⁵ http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ECN_2007_US_51SSZ2&prodType=table.

¹⁵⁶ See *Trends in Telephone Service*, at Table 5.3.

¹⁵⁷ *Id.*

¹⁵⁸ 13 CFR 121.201, NAICS code 517911.

¹⁵⁹ http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ECN_2007_US_51SSZ2&prodType=table.

¹⁶⁰ See *Trends in Telephone Service*, at tbl. 5.3.

¹⁶¹ *Id.*

¹⁶² 13 CFR 121.201, NAICS code 517911.

¹³⁹ See *id.*

¹⁴⁰ 13 CFR 121.201, NAICS code 517110.

¹⁴¹ See *id.*

¹⁴² 13 CFR 121.201, NAICS code 517110.

¹⁴³ See *Trends in Telephone Service*, Federal Communications Commission, Wireline Competition Bureau, Industry Analysis and Technology Division at Table 5.3 (Sept. 2010) (*Trends in Telephone Service*).

¹⁴⁴ *Id.*

¹⁴⁵ 13 CFR 121.201, NAICS code 517110.

¹⁴⁶ See *Trends in Telephone Service*, at Table 5.3.

¹⁴⁷ *Id.*

¹⁴⁸ *Id.*

¹⁴⁹ *Id.*

¹⁵⁰ *Id.*

¹⁵¹ 13 CFR 121.201, NAICS code 517110.

¹⁵² See *Trends in Telephone Service*, at Table 5.3.

¹⁵³ *Id.*

¹⁵⁴ 13 CFR 121.201, NAICS code 517911.

operated with more than 100 employees.¹⁶³ Thus, under this category and the associated small business size standard, the majority of these resellers can be considered small entities. According to Commission data, 881 carriers have reported that they are engaged in the provision of toll resale services.¹⁶⁴ Of these, an estimated 857 have 1,500 or fewer employees and 24 have more than 1,500 employees.¹⁶⁵ Consequently, the Commission estimates that the majority of toll resellers are small entities that may be affected by the rules adopted herein.

16. *Other Toll Carriers.* Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to Other Toll Carriers. This category includes toll carriers that do not fall within the categories of interexchange carriers, operator service providers, prepaid calling card providers, satellite service carriers, or toll resellers. The closest applicable size standard under SBA rules is for Wired Telecommunications Carriers. Under that size standard, such a business is small if it has 1,500 or fewer employees.¹⁶⁶ Census data for 2007 shows that there were 31,996 establishments that operated that year. Of those 31,996, 1,818 operated with more than 100 employees, and 30,178 operated with fewer than 100 employees.¹⁶⁷ Thus, under this category and the associated small business size standard, the majority of Other Toll Carriers can be considered small. According to Commission data, 284 companies reported that their primary telecommunications service activity was the provision of other toll carriage.¹⁶⁸ Of these, an estimated 279 have 1,500 or fewer employees and five have more than 1,500 employees.¹⁶⁹ Consequently, the Commission estimates that most Other Toll Carriers are small entities that may be affected by the rules and policies adopted.

17. *Wireless Telecommunications Carriers (except Satellite).* Since 2007, the SBA has recognized wireless firms within this new, broad, economic census category.¹⁷⁰ Prior to that time, such firms were within the now-superseded categories of Paging and Cellular and Other Wireless

Telecommunications.¹⁷¹ Under the present and prior categories, the SBA has deemed a wireless business to be small if it has 1,500 or fewer employees.¹⁷² For this category, census data for 2007 show that there were 11,163 establishments that operated for the entire year.¹⁷³ Of this total, 10,791 establishments had employment of 999 or fewer employees and 372 had employment of 1000 employees or more.¹⁷⁴ Thus, under this category and the associated small business size standard, the Commission estimates that the majority of wireless telecommunications carriers (except satellite) are small entities that may be affected by our action.

18. Similarly, according to Commission data, 413 carriers reported that they were engaged in the provision of wireless telephony, including cellular service, Personal Communications Service (PCS), and Specialized Mobile Radio (SMR) Telephony services.¹⁷⁵ Of these, an estimated 261 have 1,500 or fewer employees and 152 have more than 1,500 employees.¹⁷⁶ Consequently, the Commission estimates that approximately half or more of these firms can be considered small. Thus, using available data, we estimate that the majority of wireless firms can be considered small.

19. *Cable Television and other Program Distribution.* Since 2007, these services have been defined within the broad economic census category of Wired Telecommunications Carriers; that category is defined as follows: “This industry comprises establishments primarily engaged in operating and/or providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired telecommunications networks.

Transmission facilities may be based on a single technology or a combination of technologies.”¹⁷⁷ The SBA has developed a small business size standard for this category, which is: All such firms having 1,500 or fewer employees.¹⁷⁸ Census data for 2007 shows that there were 31,996 establishments that operated that year. Of those 31,996, 1,818 had more than 100 employees, and 30,178 operated with fewer than 100 employees. Thus under this size standard, the majority of firms offering cable and other program distribution services can be considered small and may be affected by rules adopted.

20. *Cable Companies and Systems.* The Commission has developed its own small business size standards, for the purpose of cable rate regulation. Under the Commission’s rules, a “small cable company” is one serving 400,000 or fewer subscribers, nationwide.¹⁷⁹ Industry data indicate that, of 1,076 cable operators nationwide, all but eleven are small under this size standard.¹⁸⁰ In addition, under the Commission’s rules, a “small system” is a cable system serving 15,000 or fewer subscribers.¹⁸¹ Industry data indicate that, of 6,635 systems nationwide, 5,802 systems have under 10,000 subscribers, and an additional 302 systems have 10,000–19,999 subscribers.¹⁸² Thus, under this second size standard, most cable systems are small and may be affected by rules adopted.

21. *All Other Telecommunications.* The Census Bureau defines this industry as including “establishments primarily engaged in providing specialized telecommunications services, such as satellite tracking, communications telemetry, and radar station operation.

¹⁷⁷ U.S. Census Bureau, 2007 NAICS Definitions, “517110 Wired Telecommunications Carriers” (partial definition), available at <http://www.census.gov/cgi-bin/sssd/naics/naicsrch?code=517110&search=2007%20NAICS%20Search>.

¹⁷⁸ 13 CFR 121.201, NAICS code 517110.

¹⁷⁹ See 47 CFR 76.901(e). The Commission determined that this size standard equates approximately to a size standard of \$100 million or less in annual revenues. See *Implementation of Sections of the 1992 Cable Television Consumer Protection and Competition Act: Rate Regulation*, MM Docket Nos. 92–266, 93–215, Sixth Report and Order and Eleventh Order on Reconsideration, 10 FCC Rcd 7393, 7408, para. 28 (1995).

¹⁸⁰ These data are derived from R.R. Bowker, *Broadcasting & Cable Yearbook 2006*, “Top 25 Cable/Satellite Operators,” pages A–8 & C–2 (data current as of June 30, 2005); Warren Communications News, *Television & Cable Factbook 2006*, “Ownership of Cable Systems in the United States,” pages D–1805 to D–1857.

¹⁸¹ See 47 CFR 76.901(c).

¹⁸² Warren Communications News, *Television & Cable Factbook 2006*, “U.S. Cable Systems by Subscriber Size,” page F–2 (data current as of Oct. 2007). The data do not include 851 systems for which classifying data were not available.

¹⁷¹ U.S. Census Bureau, 2002 NAICS Definitions, “517211 Paging,” available at <http://www.census.gov/cgi-bin/sssd/naics/naicsrch?code=517211&search=2002%20NAICS%20Search>; U.S. Census Bureau, 2002 NAICS Definitions, “517212 Cellular and Other Wireless Telecommunications,” available at <http://www.census.gov/cgi-bin/sssd/naics/naicsrch?code=517212&search=2002%20NAICS%20Search>.

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

¹⁷³ U.S. Census Bureau, Subject Series: Information, Table 5, “Establishment and Firm Size: Employment Size of Firms for the United States: 2007 NAICS Code 517210” (issued Nov. 2010).

¹⁷⁴ *Id.* Available census data do not provide a more precise estimate of the number of firms that have employment of 1,500 or fewer employees; the largest category provided is for firms with “100 employees or more.”

¹⁷⁵ *Trends in Telephone Service*, at Table 5.3.

¹⁷⁶ *Id.*

¹⁶³ http://factfinder2.census.gov/faces/tables/services/jsf/pages/productview.xhtml?pid=ECN_2007_US_51SSSZ2&prodType=table.

¹⁶⁴ *Trends in Telephone Service*, at Table 5.3.

¹⁶⁵ *Id.*

¹⁶⁶ 13 CFR 121.201, NAICS code 517110.

¹⁶⁷ *Id.*

¹⁶⁸ *Trends in Telephone Service*, at Table 5.3.

¹⁶⁹ *Id.*

¹⁷⁰ 13 CFR 121.201, NAICS code 517210.

This industry also includes establishments primarily engaged in providing satellite terminal stations and associated facilities connected with one or more terrestrial systems and capable of transmitting telecommunications to, and receiving telecommunications from, satellite systems. Establishments providing Internet services or Voice over Internet Protocol (VoIP) services via client-supplied telecommunications connections are also included in this industry.¹⁸³ The SBA has developed a small business size standard for this category; that size standard is \$30.0 million or less in average annual receipts.¹⁸⁴ According to Census Bureau data for 2007, there were 2,623 firms in this category that operated for the entire year.¹⁸⁵ Of these, 2,478 establishments had annual receipts of under \$10 million and 145 establishments had annual receipts of \$10 million or more.¹⁸⁶ Consequently, we estimate that the majority of these firms are small entities that may be affected by our action. In addition, some small businesses whose primary line of business does not involve provision of communications services hold FCC licenses or other authorizations for purposes incidental to their primary business. We do not have a reliable estimate of how many of these entities are small businesses.

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

22. This Report and Order does not adopt any new reporting, recordkeeping, or other compliance requirements.

E. Steps Taken To Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered

23. The RFA requires an agency to describe any significant alternatives that it has considered in reaching its

approach, which may include the following four alternatives, among others: (1) The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance or reporting requirements under the rule for small entities; (3) the use of performance, rather than design, standards; and (4) an exemption from coverage of the rule, or any part thereof, for small entities.¹⁸⁷

24. This Report and Order does not adopt any new reporting requirements. Therefore no adverse economic impact on small entities will be sustained based on reporting requirements. There may be a regulatory fee increase on small entities, in some cases and in some industries, but if so it would be specifically in furtherance of the reform measures. We are mitigating fee increases to small entities, and other entities, by, for example, raising the de minimis threshold from \$10 to \$500 and eliminating several regulatory fee categories (218–219 MHz, broadcast auxiliaries, and satellite television construction permits) from regulatory fee requirements. In keeping with the requirements of the Regulatory Flexibility Act, we have considered certain alternative means of mitigating the effects of fee increases to a particular industry segment. In addition, the Commission’s rules provide a process by which regulatory fee payors may seek waivers or other relief on the basis of financial hardship. 47 CFR 1.1166.

F. Federal Rules That May Duplicate, Overlap, or Conflict

26. None.

VIII. Ordering Clauses

50. Accordingly, *it is ordered* that, pursuant to Sections 4(i) and (j), 9, and

303(r) of the Communications Act of 1934, as amended, 47 U.S.C. 154(i), 154(j), 159, and 303(r), this Report and Order and Further Notice of Proposed Rulemaking is hereby adopted.

51. *It is further ordered* that, as provided in paragraph 54, this Report and Order shall be effective September 11, 2014.

52. *It is further ordered* that the Commission’s Consumer and Governmental Affairs Bureau, Reference Information Center, shall send a copy of this Report and Order, including the Final Regulatory Flexibility Analysis in Appendix F, to the Chief Counsel for Advocacy of the U.S. Small Business Administration.

List of Subjects in 47 CFR Part 1

Administrative practice and procedure.
Federal Communications Commission.

Marlene H. Dortch,
Secretary.

Rule Changes

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

PART 1—PRACTICE AND PROCEDURE

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

Authority: 15 U.S.C. 79 *et seq.*; 47 U.S.C. 151, 154(i), 154(j), 155, 157, 225, 303(r), 309, and 310. Cable Landing License Act of 1921, 47 U.S.C. 35–39, and the Middle Class Tax Relief and Job Creation Act of 2012, Pub. L. 112–96.

■ 2. Section 1.1152 is revised to read as follows:

§ 1.1152 Schedule of annual regulatory fees and filing locations for wireless radio services.

Exclusive use services (per license)	Fee amount ¹	Address
1. Land Mobile (Above 470 MHz and 220 MHz Local, Base Station & SMRS)		
(47 CFR part 90):		
(a) New, Renew/Mod (FCC 601 & 159).	\$35.00	FCC, P.O. Box 979097, St. Louis, MO 63197–9000.
(b) New, Renew/Mod (Electronic Filing) (FCC 601 & 159).	35.00	FCC, P.O. Box 979097, St. Louis, MO 63197–9000.
(c) Renewal Only (FCC 601 & 159) ..	35.00	FCC, P.O. Box 979097, St. Louis, MO 63197–9000.
(d) Renewal Only (Electronic Filing) (FCC 601 & 159).	35.00	FCC, P.O. Box 979097, St. Louis, MO 63197–9000.

¹⁸³ U.S. Census Bureau, “2007 NAICS Definitions: 517919 All Other Telecommunications,” available at <http://www.census.gov/cgi-bin/sssd/naics/naicsrchr?code=517919&search=2007%20NAICS%20Search>.

¹⁸⁴ 13 CFR 121.201, NAICS code 517919.

¹⁸⁵ U.S. Census Bureau, 2007 Economic Census, Subject Series: Information, Table 4, “Establishment and Firm Size: Receipts Size of Firms for the United

States: 2007 NAICS Code 517919” (issued Nov. 2010).

¹⁸⁶ *Id.*

¹⁸⁷ 5 U.S.C. 603(c)(1)–(c)(4).

Exclusive use services (per license)	Fee amount ¹	Address
220 MHz Nationwide		
a) New, Renew/Mod (FCC 601 & 159)	35.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(b) New, Renew/Mod (Electronic Filing) (FCC 601 & 159).	35.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(c) Renewal Only (FCC 601 & 159)	35.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(d) Renewal Only (Electronic Filing) (FCC 601 & 159).	35.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
2. Microwave (47 CFR Pt. 101) (Private)		
(a) New, Renew/Mod (FCC 601 & 159) ...	15.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(b) New, Renew/Mod (Electronic Filing) (FCC 601 & 159).	15.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(c) Renewal Only (FCC 601 & 159)	15.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(d) Renewal Only (Electronic Filing) (FCC 601 & 159).	15.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
3. 218-219 MHz Service		
(a) New, Renew/Mod (FCC 601 & 159) ...	80.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(b) New, Renew/Mod (Electronic Filing) (FCC 601 & 159).	80.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(c) Renewal Only (FCC 601 & 159)	80.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(d) Renewal Only (Electronic Filing) (FCC 601 & 159).	80.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
4. Shared Use Services		
Land Mobile (Frequencies Below 470 MHz—except 220 MHz):		
(a) New, Renew/Mod (FCC 601 & 159).	10.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(b) New, Renew/Mod (Electronic Filing) (FCC 601 & 159).	10.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(c) Renewal Only (FCC 601 & 159) ..	10.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(d) Renewal Only (Electronic Filing) (FCC 601 & 159).	10.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
General Mobile Radio Service		
(a) New, Renew/Mod (FCC 605 & 159).	5.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(b) New, Renew/Mod (Electronic Filing) (FCC 605 & 159).	5.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(c) Renewal Only (FCC 605 & 159) ..	5.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(d) Renewal Only (Electronic Filing) (FCC 605 & 159).	5.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
Rural Radio (Part 22)		
(a) New, Additional Facility, Major Renew/Mod (Electronic Filing) (FCC 601 & 159).	10.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(b) Renewal, Minor Renew/Mod (Electronic Filing) (FCC 601 & 159).	10.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
Marine Coast:		
(a) New Renewal/Mod (FCC 601 & 159).	55.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(b) New, Renewal/Mod (Electronic Filing) (FCC 601 & 159).	55.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(c) Renewal Only (FCC 601 & 159) ..	55.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(d) Renewal Only (Electronic Filing) (FCC 601 & 159).	55.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
Aviation Ground:		
(a) New, Renewal/Mod (FCC 601 & 159).	30.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(b) New, Renewal/Mod (Electronic Filing) (FCC 601 & 159).	30.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(c) Renewal Only (FCC 601 & 159) ..	30.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(d) Renewal Only (Electronic Only) (FCC 601 & 159).	30.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
Marine Ship:		
(a) New, Renewal/Mod (FCC 605 & 159).	15.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(b) New, Renewal/Mod (Electronic Filing) (FCC 605 & 159).	15.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.

Exclusive use services (per license)	Fee amount ¹	Address
(c) Renewal Only (FCC 605 & 159) ..	15.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(d) Renewal Only (Electronic Filing) (FCC 605 & 159).	15.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
Aviation Aircraft:		
(a) New, Renew/Mod (FCC 605 & 159).	10.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(b) New, Renew/Mod (Electronic Filing) (FCC 605 & 159).	10.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(c) Renewal Only (FCC 605 & 159) ..	10.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(d) Renewal Only (Electronic Filing) (FCC 605 & 159).	10.00	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
5. Amateur Vanity Call Signs:		
(a) Initial or Renew (FCC 605 & 159)	2.14	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
(b) Initial or Renew (Electronic Filing) (FCC 605 & 159).	2.14	FCC, P.O. Box 979097, St. Louis, MO 63197-9000.
6. CMRS Cellular/Mobile Services (per unit) (FCC 159)	² .18	FCC, P.O. Box 979084, St. Louis, MO 63197-9000.
7. CMRS Messaging Services (per unit) (FCC 159).	³ .08	FCC, P.O. Box 979084, St. Louis, MO 63197-9000.
8. Broadband Radio Service (formerly MMDS and MDS).	715	FCC, P.O. Box 979084, St. Louis, MO 63197-9000.
9. Local Multipoint Distribution Service	715	FCC, P.O. Box 979084, St. Louis, MO 63197-9000.

¹ Note that "small fees" are collected in advance for the entire license term. Therefore, the annual fee amount shown in this table that is a small fee (categories 1 through 5) must be multiplied by the 5- or 10-year license term, as appropriate, to arrive at the total amount of regulatory fees owed. Also, application fees may apply as detailed in § 1.1102 of this chapter.

² These are standard fees that are to be paid in accordance with § 1.1157(b) of this chapter.

³ These are standard fees that are to be paid in accordance with § 1.1157(b) of this chapter.

■ 3. Section 1.1153 is revised to read as follows:

§ 1.1153 Schedule of annual regulatory fees and filing locations for mass media services.

Radio [AM and FM] (47 CFR part 73)	Fee amount	Address
1. <i>AM Class A:</i>		
<=25,000 population	\$775	FCC, Radio, P.O. Box 979084, St. Louis, MO 63197-9000.
25,001-75,000 population	1,550	
75,001-150,000 population	2,325	
150,001-500,000 population	3,475	
500,001-1,200,000 population	5,025	
1,200,001-3,000,000 population	7,750	
>3,000,000 population	9,300	
2. <i>AM Class B:</i>		
<=25,000 population	645	FCC, Radio, P.O. Box 979084, St. Louis, MO, 63197-9000.
25,001-75,000 population	1,300	
75,001-150,000 population	1,625	
150,001-500,000 population	2,750	
500,001-1,200,000 population	4,225	
1,200,001-3,000,000 population	6,500	
>3,000,000 population	7,800	
3. <i>AM Class C:</i>		
<=25,000 population	590	FCC, Radio, P.O. Box 979084, St. Louis, MO, 63197-9000.
25,001-75,000 population	900	
75,001-150,000 population	1,200	
150,001-500,000 population	1,800	
500,001-1,200,000 population	3,000	
1,200,001-3,000,000 population	4,500	
>3,000,000 population	5,700	
4. <i>AM Class D:</i>		
<=25,000 population	670	FCC, Radio, P.O. Box 979084, St. Louis, MO, 63197-9000.
25,001-75,000 population	1,000	
75,001-150,000 population	1,675	
150,001-500,000 population	2,025	
500,001-1,200,000 population	3,375	
1,200,001-3,000,000 population	5,400	
>3,000,000 population	6,750	
5. AM Construction Permit	590	FCC, Radio, P.O. Box 979084, St. Louis, MO, 63197-9000.
6. <i>FM Classes A, B1 and C3:</i>		
<=25,000 population	750	FCC, Radio, P.O. Box 979084, St. Louis, MO, 63197-9000.
25,001-75,000 population	1,500	
75,001-150,000 population	2,050	
150,001-500,000 population	3,175	
500,001-1,200,000 population	5,050	

Radio [AM and FM] (47 CFR part 73)	Fee amount	Address
1,200,001–3,000,000 population	8,250	
>3,000,000 population	10,500	
7. FM Classes B, C, C0, C1 and C2:		
<=25,000 population	925	FCC, Radio, P.O. Box 979084, St. Louis, MO, 63197–9000.
25,001–75,000 population	1,625	
75,001–150,000 population	3,000	
150,001–500,000 population	3,925	
500,001–1,200,000 population	5,775	
1,200,001–3,000,000 population	9,250	
>3,000,000 population	12,025	
8. FM Construction Permits	750	FCC, Radio, P.O. Box 979084, St. Louis, MO, 63197–9000.
TV (47 CFR, part 73)		
Digital TV (UHF and VHF Commercial Stations):		
1. Markets 1 thru 10	44,650	FCC, TV Branch, P.O. Box 979084, St. Louis, MO, 63197–9000.
2. Markets 11 thru 25	42,100	
3. Markets 26 thru 50	26,975	
4. Markets 51 thru 100	15,600	
5. Remaining Markets	4,750	
6. Construction Permits	4,750	
Satellite UHF/VHF Commercial:		
1. All Markets	1,550	FCC Satellite TV, P.O. Box 979084, St. Louis, MO 63197–9000.
2. Construction Permits	1,300	
Low Power TV, Class A TV, TV/FM Translator, & TV/FM Booster (47 CFR part 74).	410	FCC, Low Power, P.O. Box 979084, St. Louis, MO 63197–9000.
Broadcast Auxiliary	10	FCC, Auxiliary, P.O. Box 979084, St. Louis, MO 63197–9000.

■ 4. Section 1.1154 is revised to read as follows:

§ 1.1154 Schedule of annual regulatory charges and filing locations for common carrier services.

Radio facilities	Fee amount	Address
1. Microwave (Domestic Public Fixed) (Electronic Filing) (FCC Form 601 & 159).	\$15.00	FCC, P.O. Box 979097, St. Louis, MO 63197–9000.
Carriers:		
1. Interstate Telephone Service Providers (per interstate and international end-user revenues (see FCC Form 499–A).	.00343	FCC, Carriers, P.O. Box 979084, St. Louis, MO 63197–9000.

■ 5. Section 1.1155 is revised to read as follows:

§ 1.1155 Schedule of regulatory fees and filing locations for cable television services.

	Fee amount	Address
1. Cable Television Relay Service	\$605	FCC, Cable, P.O. Box 979084, St. Louis, MO 63197–9000.
2. Cable TV System, Including IPTV (per subscriber).	0.99	

■ 6. Section 1.1156 is revised to read as follows:

§ 1.1156 Schedule of regulatory fees and filing locations for international services.

(a) The following schedule applies for the listed services:

Fee category	Fee amount	Address
Space Stations (Geostationary Orbit)	\$122,400	FCC, International, P.O. Box 979084, St. Louis, MO 63197–9000.
Space Stations (Non-Geostationary Orbit)	132,850	FCC, International, P.O. Box 979084, St. Louis, MO 63197–9000.
Earth Stations: Transmit/Receive & Transmit only (per authorization or registration).	295	FCC, International, P.O. Box 979084, St. Louis, MO 63197–9000.

(b) *International Terrestrial and Satellite*. Regulatory fees for International Bearer Circuits are to be paid by facilities-based common carriers that have active (used or leased) international bearer circuits as of December 31 of the prior year in any terrestrial or satellite transmission facility for the provision of service to an end user or resale carrier, which

includes active circuits to themselves or to their affiliates. In addition, non-common carrier satellite operators must pay a fee for each circuit sold or leased to any customer, including themselves or their affiliates, other than an international common carrier authorized by the Commission to provide U.S. international common carrier services. "Active circuits" for

these purposes include backup and redundant circuits. In addition, whether circuits are used specifically for voice or data is not relevant in determining that they are active circuits.

The fee amount, per active 64 KB circuit or equivalent will be determined for each fiscal year.

International terrestrial and satellite (capacity as of December 31, 2013)	Fee amount	Address
Terrestrial Common Carrier, Satellite Common Carrier, Satellite Non-Common Carrier.	\$0.21 per 64 KB Circuit	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000.

(c) *Submarine cable*: Regulatory fees for submarine cable systems will be paid annually, per cable landing license,

for all submarine cable systems operating as of December 31 of the prior

year. The fee amount will be determined by the Commission for each fiscal year.

Submarine cable systems (capacity as of Dec. 31, 2013)	Fee amount	Address
< 2.5 Gbps	\$10,250	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000.
2.5 Gbps or greater, but less than 5 Gbps	20,500	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000.
5 Gbps or greater, but less than 10 Gbps	40,975	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000.
10 Gbps or greater, but less than 20 Gbps	81,950	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000.
20 Gbps or greater	163,900	FCC, International, P.O. Box 979084, St. Louis, MO 63197-9000.

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