

Information under this Protective Order violate any of its terms, it shall immediately convey that fact to the Commission and to the Submitting Party. Further, should such violation consist of improper disclosure of Confidential Information, the violating party shall take all necessary steps to remedy the improper disclosure. The Commission retains its full authority to fashion appropriate sanctions for violations of this Protective Order, including but not limited to denial of further access to Confidential Information in this proceeding.

14. Within two weeks after final resolution of this proceeding (which includes any administrative or judicial appeals), Authorized Representatives of Reviewing Parties shall destroy all Confidential Information as well as all copies and derivative materials made, and shall certify that no material whatsoever derived from such Confidential Information has been retained by any person having access thereto, except that counsel to a Reviewing Party may retain two copies of pleadings submitted on behalf of the Reviewing Party.

15. Disclosure of Confidential Information as provided herein shall not be deemed a waiver by the Submitting Party of any privilege or entitlement to confidential treatment of such Confidential Information. Reviewing Parties, by viewing these materials: (a) agree not to assert any such waiver; (b) agree not to use information derived from any confidential materials to seek disclosure in any other proceeding; and (c) agree that accidental disclosure of privileged information shall not be deemed a waiver of the privilege.

16. The entry of this Protective Order is without prejudice to the rights of the Submitting Party to apply for additional or different protection where it is deemed necessary or to the rights of Reviewing Parties to request further or renewed disclosure of Confidential Information. Moreover, it in no way precludes the Commission from disclosing any Confidential Information where it determines the public interest so requires.

17. This Protective Order is issued pursuant to Section 4(i) of the Communications Act as amended, 47 U.S.C. § 154(i) and 47 CFR § 0.457(d).

18. As used in this Order, the term "Commission" shall also include any arm of the Commission acting pursuant to delegated authority.

Declaration

[Cite Proceeding]

I, _____, hereby declare under penalty of perjury that I have read the foregoing Protective Order that has been entered by the Commission in this proceeding, and that I agree that I will be bound by its terms pertaining to the treatment of Confidential Information submitted by parties to this proceeding. I understand that the Confidential Information shall not be disclosed to anyone except in accordance with the terms of the Protective Order and shall be used only for purposes of the proceedings in this matter. I acknowledge that a violation of the Protective Order is a violation of an order of the Federal Communications Commission.

(signed) _____
 (printed name) _____
 (title) _____
 (affiliation) _____
 (address) _____

 (phone) _____
 (date) _____

[FR Doc. 96-9240 Filed 4-12-96; 8:45 am]

BILLING CODE 6712-01-P

47 CFR Chapter I

[MD Docket No. 96-84; FCC 96-153]

Assessment and Collection of Regulatory Fees For Fiscal Year 1996

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: The Commission is proposing to revise its Schedule of Regulatory Fees in order to recover the amount of regulatory fees that Congress has required it to collect for fiscal year 1996. Section 9 of the Communications Act of 1934, as amended, provides for the annual assessment and collection of regulatory fees. For fiscal year 1996 sections 9(b) (2) and (3) provide for annual "Mandatory Adjustments" and "Permitted Amendments" to the Schedule of Regulatory Fees. The proposed revisions will further the National Performance Review goals of reinventing Government by requiring beneficiaries of Commission services to pay for such services.

DATES: Comments must be filed on or before April 29, 1996 and reply comments must be filed on or before May 9, 1996.

ADDRESSES: Federal Communications Commission, 1919 M Street, NW., Washington, DC 20554.

FOR FURTHER INFORMATION CONTACT: Peter W. Herrick, Office of Managing Director at (202) 418-0443, or Terry D. Johnson, Office of Managing Director at (202) 418-0445.

SUPPLEMENTARY INFORMATION:

Adopted: April 5, 1996.

Released: April 9, 1996.

By the Commission.

Table of Contents

Topic/Paragraph Numbers

I. Introduction 1-4

II. Background 5-7

III. Discussion 8-60

A. Overall Methodology and Format—8-10

B. Adjustment of Payment Units—11

C. Recalculation of Fees—12

D. Cost Accounting System—13-17

E. Other Proposed Changes—18-51

1. Commercial Mobile Radio Service—19
 2. Commercial AM/FM Radio—20-21
 3. Commercial AM/FM/TV Construction Permits—22-26
 4. Commercial VHF/UHF Television Stations—27
 5. Auxiliary Broadcast Stations—28-33
 6. Interstate Telephone Service Providers—34
 7. Earth Stations—35
 8. Wireless Cable—36-38
 9. Direct Broadcast Satellite (DBS) Service—39-42
 10. Intelsat & Inmarsat Signatory—43-47
 11. Low Earth Orbit (LEO) Satellite Systems—48-49
 12. Minimum Fee Payment Liability—50-51
- F. Procedures for Payment of Regulatory Fees—52-59
1. Annual Payments of Standard Fees—53
 2. Installment Payments for Large Fees—54-55
 3. Advance Payments of Small Fees—56
 4. Minimum Fee Payment Liability—57
 5. Standard Fee Calculations and Payment Dates—58-59
- G. Schedule of Regulatory Fees—60
- IV. Procedural Matters—61-69
- A. Comment Period and Procedures—61
 - B. *Ex Parte* Rules—62
 - C. Initial Regulatory Flexibility Analysis—63
 - D. Paperwork Reduction Act Compliance—64-67
 - E. Authority and Further Information—68-69
- Appendix A—Initial Regulatory Flexibility Analysis
- Appendix B—Sources of Payment Unit Estimates for FY 1996
- Appendix C—Calculation of Pro-Rata Adjustments
- Appendix D—FY 1996 Schedule of Regulatory Fees
- Appendix E—Comparison Between FY 1995 and FY 1996 Regulatory Fees
- Appendix F—FY 1996 Guidelines for Regulatory Fee Categories
- I. Introduction
1. By this *Notice of Proposed Rulemaking*, the Commission commences a proceeding to revise its Schedule of Regulatory Fees in order to recover the amount of regulatory fees that Congress, pursuant to Section 9(a) of the Communications Act, has required it to collect for Fiscal Year (FY) 1996. *See* 47 U.S.C. § 159 (a).
 2. For FY 1996, Congress has required that we collect \$116,400,000 through regulatory fees in order to recover the costs of our enforcement, policy and rulemaking, international and user information activities for FY 1996. P.L. 104-99 and 47 U.S.C. § 159(a)(2). This is the same amount that Congress designated for recovery through regulatory fees for FY 1995. *See Assessment and Collection of Regulatory Fees for Fiscal Year 1995*, FCC 95-227, released June 19, 1995, 60 FR 34004 (June 29, 1995). The current

Schedule of Regulatory Fees is set forth in sections 1.1152 through 1.1156 of the Commission's rules. 47 CFR §§ 1.1152–1.1156.

3. Because the amount that Congress requires that we recover for FY 1996 is the same amount as we were required to recover for FY 1995, we are not proposing to revise the Schedule of Fees to collect more or less in *total* fees.

However, we are proposing adjustments to the Schedule and associated payment procedures to reflect changes in the estimated number of payment units associated with services subject to a fee and to incorporate certain public interest considerations. See 47 U.S.C. 159 (b).

4. Finally, we propose to amend the Schedule in order to assess regulatory fees upon licensees and/or regulatees of services not now subject to payment of a fee, to simplify and streamline the Schedule and to clarify and/or revise certain payment procedures. 47 U.S.C. § 159(b)(3).

II. Background

5. Section 9(a) of the Communications Act of 1934, as amended, authorizes the Commission to assess and collect annual regulatory fees to recover the costs, as determined annually by Congress, that it incurs in carrying out enforcement, policy and rulemaking, international, and user information activities. 47 U.S.C. 159(a). In our *FY 1994 Fee Order*, 59 FR 30984 (June 16, 1994), we adopted the Schedule of Regulatory Fees that Congress established and we prescribed rules to govern payment of the fees, as required by Congress. 47 U.S.C. § 159(b), (f)(1). Subsequently, in our *FY 1995 Fee Order*, we modified the Schedule to increase by approximately 93 percent the revenue generated by these fees in accordance with the amount Congress required us to collect in FY 1995 over FY 1994. 60 FR 34004 (June 29, 1995). Also, in the *FY 1995 Fee Order*, we amended certain rules governing our regulatory fee program based upon our experience administering the program in FY 1994. See 47 CFR §§ 1.1151 *et seq.*

6. As noted above, for FY 1994 we adopted the Schedule of Regulatory Fees established in Section 9(g) of the Act. For fiscal years after FY 1994, however, Sections 9(b) (2) and (3), respectively, provide for "Mandatory Adjustments" and "Permitted Amendments" to the Schedule of Regulatory Fees. 47 U.S.C. § 159(b)(2), (b)(3). Section 9(b)(2), entitled "Mandatory Adjustments", requires that we revise the Schedule of Regulatory Fees whenever Congress changes the

amount that we are to recover through regulatory fees. 47 U.S.C. § 159(b)(2).

7. Section 9(b)(3), entitled "Permitted Amendments", requires that we determine annually whether adjustments of the fees are warranted based upon criteria established in 47 U.S.C. 159(b)(3). Also, pursuant to Section 9(b)(3), we are to adjust the fees to take into account factors that are reasonably related to the payor of the fee and factors that are in the public interest. In making these amendments, we are to "add, delete, or reclassify services in the Schedule to reflect additions, deletions or changes in the nature of its services." 47 U.S.C. § 159(b)(3). Section 9(i) requires that we develop accounting systems necessary to making permitted amendments. 47 U.S.C. § 159(i). Finally, we are required to notify Congress of any permitted amendments 90 days before those amendments go into effect. 47 U.S.C. § 159(b)(4)(B).

III. Discussion

A. Overall Methodology and Format

8. As noted above, Congress has required the recovery of \$116,400,000 for FY 1996 through the collection of regulatory fees, representing the costs applicable to our enforcement, policy and rulemaking, international, and user information activities. 47 U.S.C. 159(a).

9. Our approach to developing a FY 1996 fee schedule required that we first adjust our estimates of payment units so that we could determine how much revenue we would collect even if we did not change any individual fee amounts. We then compared the total estimated revenue that we would collect at the existing fee rates to the \$116.4 million that we are required to collect in FY 1996 and pro-rated the difference among all the existing fee categories. We then intended to compare these projected revenues with cost data gathered from our new cost accounting system and to make whatever adjustments were deemed necessary to ensure that costs generally equated to revenues in each fee category. As discussed elsewhere in this *NPRM*, this particular step was not performed due to implementation problems associated with our new cost accounting system. A substitute mechanism was, however, put in place to provide assurances that estimated costs and revenues were reasonable.

10. We next considered various proposals made by Commission Bureaus and Offices for additions, deletions or other adjustments to the fees and to our collection procedures. The results of these actions were factored into our

final schedule. That schedule is contained in Appendix D. Finally, we incorporated, as Appendix F, proposed Guidance which provides detailed descriptions of each fee category, information on who is responsible for paying each fee and other critical information designed to assist potential fee payers in determining the extent of fee liability, if any, in FY 1996, assuming that our proposed fees set forth in Appendix D are ultimately adopted.¹ The steps which we followed in the development of our FY 1996 regulatory fee proposals are discussed in more detail in the following paragraphs.

B. Adjustment of Payment Units

11. In order to calculate individual service fees for FY 1996, we first adjusted the estimated payment units for each service because, in many services, payment units have changed substantially since last year. We obtained our estimates through a variety of means. For example, we used Commission licensee data bases, actual prior year payment records and industry and trade group projections, when available. We tried to verify these estimates from multiple sources to ensure that our estimates were reasonable. Appendix B provides a summary of how these revised payment units were determined for each fee category.

C. Recalculation of Fees

12. We next multiplied the revised payment units for FY 1996 by the FY 1995 fee amounts in each fee category to determine how much revenue the Commission would collect in FY 1996 if it made no changes to the existing Schedule of Regulatory Fees. Next, we adjusted these revenue requirements for each fee category on a proportional basis, consistent with Section 9(b)(2) of the Act, to insure that we would collect only the \$116.4 million prescribed by Congress. Then we recalculated the individual fee amounts required to collect the adjusted amount in each service and rounded each fee amount as provided by Section 9(b)(2). Appendix C provides detailed calculations showing how these revised fee amounts were determined.

D. Cost Accounting System

13. On October 1, 1995, the Commission established a cost accounting system which was designed, in part, to assist in the development of

¹ We also will incorporate a similar Appendix in the *Report and Order* concluding this rulemaking. That Appendix will contain updated information concerning any changes made to the proposed fees adopted by the *Report and Order*.

our regulatory fees, specifically to help determine whether and to what extent additional revisions to the Schedule of Regulatory Fees might be required. See 47 U.S.C. §§ 159(i). Our objective in establishing the cost accounting system was to provide us with data that we could use, in combination with other information, to ensure that fees closely reflected our actual costs of regulation.

14. We had intended to compare extrapolated data from the cost accounting system with the adjusted revenue requirements described above in order to help assure that the adjusted fees we developed for each service were reasonably related to the regulatory costs of each service. It was our intention to propose further adjustments to the fees in instances where the variance between the estimated costs of each service and its estimated revenues appeared appropriate.

15. While there would be inherent deficiencies to any cost accounting system relative to meeting the requirements of the Act, we nonetheless believed that we would have enough useful information from our new cost accounting system to warrant consideration of such data in formulating our proposed FY 1996 fees. Unfortunately, several factors have prevented us from relying on data derived from the cost accounting system for the development of FY 1996 regulatory fees.

16. First, immediately following implementation of our cost accounting system, it was discovered that the system contained a significant amount of erroneous data due to technical complications encountered during the start-up of the system. Although this data was later corrected, the delay in obtaining useful output from the system has prevented a thorough analysis of the data. Additionally, the lengthy government shutdown and subsequent weather emergency in Washington, D.C. prevented the accumulation of critical cost data for several weeks. Consequently, we lack the confidence that we originally anticipated we would have relative to FY 1996 cost data and, therefore, will not utilize such data in the development of our proposed FY 1996 Regulatory Fee Schedule.

17. However, because our overall costs incident to the activities described in Section 9(a)(1) of the Act remain unchanged from FY 1995, we are satisfied that our revenue estimates for FY 1996 generally reflect the relative costs applicable to our regulatory activities. As a result, many individual fees remain unchanged from last fiscal year.

E. Other Proposed Changes

18. We examined the results of our calculations made in Paragraph 12 to determine if further adjustments of the fees and/or changes to payment procedures were warranted based upon the public interest and other criteria established in 47 U.S.C. 159(b)(3). As a result of this review, we have proposed the following:

1. Commercial Mobile Radio Service (CMRS)

19. The Commercial Mobile Radio Service (CMRS) includes various services authorized to provide interconnected mobile radio services for profit to the public, or to such classes of eligible users as to be effectively available to a substantial portion of the public. CMRS includes certain licensees which formerly were licensed as part of the Private Radio Services (e.g., Specialized Mobile Radio Services and Private Paging), others formerly licensed as part of the Common Carrier Radio Services (e.g., Public Mobile Services and Cellular Radio Service) and one new service, the Personal Communications Service (PCS)². While specific rules pertaining to each covered service remain in separate Parts 22, 80 and 90 of the Commission's rules; general rules governing CMRS are contained in Part 20 of the rules. See 47 CFR Parts 20, 22, 80 and 90. We are proposing to replace the Public Mobile/Cellular Radio regulatory fee category with a CMRS Mobile Services category and replace the Public Mobile One-Way Paging fee category with a CMRS One-Way Paging Services category for regulatory fee collection purposes. CMRS Mobile Services will include: qualifying Business Radio Services, 220–222 MHz Land Mobile Systems, Specialized Mobile Radio Services (Part 90); Public Coast Stations (Part 80); Public Mobile Radio, Cellular, 800 MHz Air-Ground Radiotelephone, and Offshore Radio Services (Part 22). We propose that licensees in the CMRS Mobile Services pay annual regulatory fees on a per mobile or cellular unit (mobile or cellular call sign or telephone number), or on a per unit (two-way pager) basis. We propose that CMRS One-Way Paging Services licensees pay annual regulatory fees on a per unit (pager) basis. See Appendix F, Paragraphs 14–16.

² Although PCS is a CMRS service, we are not proposing that PCS licensees pay a regulatory fee for FY 1996 because the service is, at most, in the very early start-up phase with few subscribers on the date (December 31, 1995) established for determining liability for such a fee and, therefore, it is premature to assess a fee.

2. Commercial AM/FM Radio

20. In our FY 1995 *NPRM*, we considered an alternative methodology for assessing regulatory fees for Commercial AM and FM radio licensees based on market rankings. This methodology, based on markets, was ultimately rejected as incomplete and insufficiently accurate for fee determination. Other possible alternatives to using the existing class designations to differentiate various types of stations and take into consideration ability to pay were also eliminated due to a lack of vital data necessary for establishing and verifying these fees. We were particularly interested in a proposal which would associate population density and service area contours with license data. Unfortunately, this proposal appears to not be cost effective because it would require a significant expenditure of funds to develop the required database and additional funds to provide the results to our licensees to use for fee payment purposes.

21. In our FY 1995 *Order*, we invited commenters to propose viable alternatives to using designated class of station as the fee qualifier in our FY 1996 *NPRM*. See *FY 1995 Report and Order* released June 19, 1995, Paragraph 54. We reiterate our invitation in this *NPRM*. In the absence of a viable alternative, however, we are proposing to continue to base the fees for AM and FM broadcast stations on station class for FY 1996. See Appendix F, Paragraph 18.

3. Commercial AM/FM/TV Construction Permits

22. These categories of fees apply to holders of permits to construct new commercial AM, FM, UHF and VHF Television stations covered under Part 73 of the Commission's rules. Construction permit (CP) fees are based on the type of commercial broadcasting service (i.e., AM, FM or TV) for which the station is being constructed.

23. Because of the small number of construction permits relative to overall stations and the modest amount of revenue collected from these licensees, we considered elimination of construction permits as a separate fee category with the costs attributed to regulation of construction permits to be subsumed in the overall costs for regulation of broadcast stations. This approach would simplify the fee schedule and provide "one stop" fee payment by reducing or eliminating the need for a broadcaster, in certain instances, to submit multiple payments (e.g., when an existing broadcaster is

also the holder of a construction permit). More generally, it would eliminate the fee on stations that are not yet operational and producing income.

24. To recoup revenues lost by the elimination of the construction permit fee, we would aggregate the revenue requirements associated with construction permits and distribute this revenue requirement on a pro rata basis to the primary station fee categories for AM/FM/TV commercial broadcast stations. New, slightly higher, primary station fees would result from this methodology.

25. In reviewing this issue, we determined that subsuming the fee for construction permits under the primary station fees is inherently inequitable since it would result in currently operating broadcast stations subsidizing stations under construction, some of which would eventually provide direct competition to the existing stations. Additionally, the impact on the FM Radio Service is particularly apparent. In this service, the impact of a large number of pending construction permits combined with the relatively high construction permit fee (compared to construction permit fees in the AM and TV services) produces a situation where significant costs would have to be absorbed by a limited number of operational commercial FM stations, resulting in a much greater impact on these broadcasters.

26. Based on these factors, we propose to retain separate fee categories for construction permits for AM/FM/TV commercial broadcast stations in FY 1996. We do, however, welcome comments on this issue. See Appendix F, Paragraphs 19, 20, 23-25.

4. Commercial VHF/UHF Television Stations

27. In our FY 1995 *Order*, we specified that VHF and UHF television fees be determined in accordance with the station market rankings published by Warren Publishing in the 1994 Edition of the *Television and Cable Factbook (No. 62)*. This ranking was based on Areas of Dominant Influence (ADIs) as determined by the Arbitron Rating Co. ("Arbitron"). Arbitron has now ceased publication of ADI market areas. However, the A.C. Nielsen Co. ("Nielsen") has published Designated Market Areas (DMAs) which approximate the same coverage areas as the Arbitron ADIs. The Nielsen DMAs also have the advantage of including stations in Alaska and Hawaii which Arbitron did not. Finally, the 1995 Edition of the *Television and Cable Factbook (No. 63)* has replaced the Arbitron ADI listing with the Nielsen

DMA listing. In view of the above considerations, we propose for FY 1996 to require television licensees to use Nielsen DMA rankings to determine the appropriate regulatory fee. See Appendix F, Paragraph 21.

5. Auxiliary Broadcast Stations

28. This fee category includes licensees of Remote Pickup Stations, Aural Broadcast Auxiliary Stations, Television Broadcast Auxiliary Stations, and Low Power Auxiliary Stations, authorized under Part 74 of the Commission's Rules. These stations are generally associated with a particular television or radio broadcast station or cable television system.

29. In an effort to simplify the FY 1996 Fee Schedule, we examined the feasibility and equity of combining auxiliary broadcast station fees with the primary fees paid by broadcast station licensees and cable television operators. Combining these fees appeared to be an efficient approach due to the modest auxiliary fee relative to the fees assessed on broadcast stations and cable television systems.

30. Calculating a new fee encompassing both the auxiliary fee and station fee is relatively simple. We would add the auxiliary service revenue requirement to the AM/FM/TV and cable television revenue requirements on a pro-rata basis and then recompute each AM/FM/TV and cable television fee. This would result in slightly higher fees for each of these entities, but would also reduce the number of individual fee payments required from many of these payors.

31. Although a single consolidated fee has certain advantages, we identified some significant problems with using this approach. One problem is that the number of auxiliary stations per parent station varies greatly, with some broadcast stations or cable systems having none of these licenses while others have more than a dozen. Also, it appears that no more than ten percent of current regulatees own and operate auxiliary facilities. Moreover, since applications for auxiliary stations currently do not identify the parent station, nor does the Commission maintain records providing this information, it is impossible to determine the actual number of auxiliaries by license category (AM/FM/TV, cable).

32. Finally, we determined that this proposal would likely result in serious inequities since the larger commercial broadcast stations and cable systems in the most profitable markets are most likely to utilize multiple auxiliary stations. While a consolidated fee would

have little impact on them, it would result in smaller, less profitable stations subsidizing part of the larger stations' operating costs.

33. For these reasons, we propose to retain Auxiliary Broadcast Station fees as a separate category in FY 1996. We would, however, welcome any suggestions on alternative methods for assessing these fees. See Appendix F, Paragraph 27.

6. Interstate Telephone Service Providers

34. For FY 1995, all interstate telephone service providers were assessed regulatory fees based on a percentage of their adjusted gross revenue as computed from revenue data reported to the Telecommunications Relay Service (TRS) Fund. Our FY 1995 Schedule of Regulatory Fees listed each type of interstate telephone service provider separately (e.g., Inter-exchange Carriers, Local Exchange Carriers, Competitive Access Providers, Operator Services Providers) causing some inadvertent confusion for payees. Because we are proposing once again that all interstate telephone service providers compute their fee based on the same adjusted gross revenue method, we are proposing to consolidate Inter-Exchange Carriers, Local Exchange Carriers, Competitive Access Providers, Operator Service Providers/Pay Telephone Operators, Resellers, and Other Interstate Providers into a single fee category labeled "Interstate Telephone Service Providers." Details concerning who must pay interstate telephone service provider fees can be found in Appendix F, Paragraph 32.

7. Earth Stations

35. For FY 1995, all earth stations were assessed the same fee based on the number of authorizations or registrations. Our FY 1995 Schedule of Fees listed each type of earth station separately, causing some inadvertent confusion for payees. Because we are proposing that all earth stations (except receive only earth stations for which we propose to not assess a regulatory fee) continue to pay the same fee based on the number of authorizations or registrations, we are proposing to simplify the structure of the Schedule by combining VSATs/Equivalent C-Band/Mobile, Transmit/Receive, and Transmit Only Earth Stations into a single fee category labeled "Earth Stations." Further details concerning earth station fees may be found in Appendix F, Paragraphs 33-34.

8. Wireless Cable

36. Multi-Channel Multipoint Distribution Service Stations (MMDS; a.k.a. "Wireless Cable."), along with Multipoint Distribution Service Stations (MDS), are authorized under Part 21 of the Commission's Rules to use microwave frequencies for video and data distribution. These services were included in the Domestic Public Fixed Radio Service category in the FY 1995 Regulatory Fee Schedule.

37. When operated as a Multichannel Video Programming Distribution service (MVPD), MMDS licensees compete directly with cable television and with other MVPDs. Current industry estimates indicate that Wireless Cable has 800,000 subscribers or 1.19% of the MVPD market.

38. We propose to assess regulatory fees on MMDS licensees based on an individual call sign. We seek comment on this proposal. See Appendix F, Paragraph 28.

9. Direct Broadcast Satellite (DBS) Service

39. The Direct Broadcast Satellite (DBS) Service offers a wide range of programming options to its subscribers distributed via geosynchronous satellite. DBS service is expanding rapidly with total viewership currently estimated at 1,500,000 subscribers.

40. For FY 1995, we decided not to assess a fee for the DBS service because our resources devoted to regulation of DBS, other than those involving application processing, were negligible and because DBS operators then served few subscribers. See *FY 1995 Report and Order*, Paragraph 15. For FY 1996, however, we are proposing to assess a fee upon licensees in the DBS service since the service is operational, serving numerous subscribers and, therefore, subject to the regulatory activities (additional resources devoted to policy and rulemaking, enforcement and public information) whose costs are recovered by assessment of a regulatory fee.

41. We propose to assess DBS licensees the fee applicable to all geosynchronous satellite licensees and, therefore, to include DBS for regulatory fee purposes in the Space Station fee category. In developing our proposed DBS fee, we considered assessing DBS licensees a per subscriber fee rather than including them within the geosynchronous satellite fee category. We currently assess per subscriber fees in several fee categories, including a per subscriber fee for cable television systems. However, we propose that DBS satellites be included in the

geosynchronous satellite category. Despite the fact that DBS is a subscriber-based service, costs attributable to regulating DBS operators are more similar to those attributable to regulation of other geosynchronous space stations. Regulatory responsibilities related to space stations focus on policy and rulemaking activities, and are unrelated to the number of end users of satellite services. Moreover, DBS rules do not impose additional regulatory requirements on video service providers that are specifically related to the individual subscriber. Thus, the number of subscribers to a DBS service does not significantly affect the regulatory costs arising from DBS services. By contrast, cable service providers are subject to rate regulation, customer service standards, and certain programming obligations. In addition, a subscriber-based formula would penalize DBS licensees who win more subscribers with less space station capacity (and hence lower regulatory costs). Moreover, because DBS licensees are not restricted to the provision of video programming, but rather may provide various non-video services, we concluded that a facility-based fee would ensure that each DBS licensee contributed equitably to the cost of DBS regulation without the need to impose possibly burdensome and overly intrusive reporting requirements necessary to gather information identifying the services offered by individual DBS operators.

42. In light of the factors discussed above, we propose to assess fees on these licensees on a per station basis. See Appendix F, Paragraph 35.

10. Intelsat & Inmarsat Signatory

43. For FY 1995, we determined that Comsat was not subject to payment of a geosynchronous satellite regulatory fee for its Intelsat and Inmarsat satellites because the legislative history of Section 9 states that regulatory fees should not be assessed upon space stations operated by international bodies. See *FY 1995 Report and Order*, Paragraph 110. Instead, we propose to explore other ways to recover our regulatory costs incurred due to Comsat's participation in the Intelsat and Inmarsat programs. Thus, we are proposing to assess a new fee to recover our costs of regulation of the U.S. Signatory to Intelsat and Inmarsat. We believe that the fee is appropriate in view of the unique role of the U.S. Signatory in Intelsat's and Inmarsat's structure and our unique regulatory role with respect to these entities.

44. We propose to establish the separate Signatory fee because our geosynchronous space station fee now recovers a significant amount of costs directly attributable to our resource burden related to conducting our oversight of the U.S. Signatory to these international operations.³ Currently, we are conducting several proceedings regarding the U.S. Signatories' authority to provide services via Intelsat and Inmarsat, the U.S. Signatories' authority to participate in the procurement or leasing of various Intelsat and Inmarsat space stations, and their authority to participate in certain Intelsat and Inmarsat-associated businesses. There also are proceedings pending before us related to whether the U.S. Signatory has conformed to applicable structural and financial separation rules. In addition, we actively participate on an ongoing basis with the Executive Branch in the oversight of the U.S. Signatories' representations of U.S. policy at the Intelsat and Inmarsat governing boards through the U.S. Government instructional process and participate directly in the Assembly of Parties meetings of the two intergovernmental organizations. Finally, we maintain public files of Intelsat and Inmarsat governing board and other organizational documents.

45. Because our regulation of the U.S. Signatories is substantially different from our regulatory activities related to satellite systems licensed by us, we are persuaded that the costs of our activities related to the signatories should be recovered directly from the U.S. Signatories rather than from space station licensees generally. Moreover, we do not believe that it is necessary or appropriate to base the Signatory fee on the number of space stations owned by the two intergovernmental satellite systems. Rather, we will formulate the Signatory fee pursuant to our cost of oversight of the Signatory's activities.

46. Our review of our signatory activities discloses that approximately 14.7% of the costs attributable to space station regulatory oversight (\$2,960,100), as determined in

³The U.S. Signatory to *Intelsat* is the Communications Satellite Corporation (COMSAT), the entity designated, pursuant to the Communications Satellite Act, as the sole operating entity to participate in the International Telecommunications Satellite Organization (Intelsat) in order to construct and operate the space segment of the global commercial telecommunications satellite system established under the Interim Agreement and Special Agreement signed by Governments on August 20, 1964. See 47 U.S.C. §301. Also, the U.S. Signatory to *Inmarsat* is Comsat, solely designated, pursuant to the Communications Satellite Act, to participate in the International Mobile Satellite Organization (Inmarsat).

Appendix C, is directly related to Intelsat and Inmarsat Signatory activities (5.25 FTEs⁴ out of a total of 35.7 direct FTEs). This means that approximately \$435,135 must be collected from the signatories to offset the regulatory costs attributed to them (\$2,960,100 × 14.7%). Dividing this revenue requirement by two (there are signatories to two separate organizations), yields a signatory fee of \$217,575 (rounded). Therefore, we are proposing to add a new regulatory fee of \$217,575 for each designation as a signatory. See Appendix F, Paragraph 37. Comment is requested on our proposal to charge a signatory fee and on the methodology for calculating such a fee.

47. Since the proposed Signatory fee will recover our costs attributable to our signatory oversight, we are also proposing, in conjunction with that proposal, to reduce the corresponding space station fee. The new space station fee is computed by reducing the revenue requirement for space stations calculated in Appendix C (\$2,960,100) by the \$435,150 to be collected from signatories and dividing the reduced space station revenue requirement (\$2,524,950) by the number of payment units (39 operational space stations). The result of these calculations is a new fee of \$64,750 (rounded) for each operational space station.⁵

11. Low Earth Orbit (LEO) Satellite Systems

48. The FY 1994 statutory regulatory fee schedule (see 47 U.S.C. 159(g)) proposed a \$90,000 regulatory fee for licensees in the Low Earth Orbit (LEO) Satellite service. However, the Commission found that there were no operational LEO systems on the effective date of the FY 1994 Schedule and suspended the fee for that year and again for FY 1995. See *FY 1995 Report and Order*, Paragraph 15. For FY 1996, however, there are licensed and operational LEO systems. Therefore, we propose to include a Low Earth Orbit Satellite System fee in the Schedule of Regulatory Fees.

49. In developing a LEO System regulatory fee for FY 1996, we propose to apportion the total revenue requirement for all space stations between LEO systems and geosynchronous space station licensees. In so doing, we also propose to preserve

the same relative relationship between the fees established by the Congress in Section 9(g) of the Act for geosynchronous space stations and LEO systems; i.e., an approximate 38.5% differential between the fee for LEO systems and the fee for geosynchronous space stations. 47 U.S.C. § 159(g). Reliance on this methodology will reduce the revenue which must be collected from space stations other than LEOs and the corresponding fees for space stations which had been calculated in Appendix C and subsequently adjusted in Paragraph 49. As a result of our calculations, we are proposing a new LEO system regulatory fee of \$87,725 and a new geosynchronous space station fee of \$63,500 for FY 1996.⁶ See Appendix F, Paragraphs 35–36.

12. Minimum Fee Payment Liability

50. In FY 1995 the Commission received several small fee payments that cost more to deposit and process than the actual amount collected. Such payments occur in fee categories where there is a per unit or per subscriber charge, such as the fee for cable television (per subscriber) or CMRS one-way paging (per unit).

51. Our collection and verification costs for small payments is considerably more than any revenue generated from

⁶The FY 1996 adjusted revenue requirement for all space stations has been determined to be \$2,524,950. See Paragraph 49. For FY 1996, there are two LEO systems and 37 geosynchronous space stations subject to fee payment. The formula for computing the new LEO and geosynchronous space station fees is as follows:

(a) We have assigned "L" to represent the proposed LEO system fee and "G" to represent the proposed geosynchronous space station fee. I.e.,
L = LEO System Fee
G = Geosynchronous Space Station Fee

(b) The relationship between the LEO fee and the geosynchronous fee may be expressed as:

$L = 1.385G$ (i.e., the LEO fee needs to be 38.5% higher than the corresponding geosynchronous space station fee).

(c) The total revenue to be collected from LEOs and geosynchronous space stations may be expressed as:

$2L + 37G = \$2,524,950$ (i.e., the two existing LEO systems and 37 geosynchronous stations together must account for \$2,524,950 in revenues).

(d) Substituting the value of "L" in (b) above into the formula in (c) above yields the following:

$$2(1.385G) + 37G = \$2,524,950$$

$$2.77G + 37G = \$2,524,950$$

$$39.77G = \$2,524,950$$

$$G = \$63,489$$

(e) Therefore, "G" (Geosynchronous space station fee) is \$63,500 (after rounding).

(f) Substituting the computed value of "G" in (d) above into the formula in (c) above yields the following:

$$2L + 37(63,500) = 2,524,950$$

$$2L + 2,349,500 = 2,524,950$$

$$2L = 175,450$$

$$L = 87,725$$

(g) Therefore, "L" (LEO fee) is \$87,725.

these collections. Thus, we are proposing for FY 1996 a minimum fee liability for payees of Commission regulatory fees. Our minimum fee liability policy would exempt fee payment for any licensee whose total fee liability was less than \$10. This exemption would apply only when the total fee due from an entity, including all categories of fees for which a payment is due by an entity, is less than \$10. To ensure that this exemption is utilized as envisioned, we are also proposing to continue to require that licensees complete and submit FCC Form 159, "FCC Remittance Advice" so that we may verify that a fee payment is not required of these entities.

F. Procedures for Payment of Regulatory Fees

52. Generally, we propose to retain the procedures that we have established for the payment of regulatory fees. Section 9(f) requires that we permit "payment by installments in the case of fees in large amounts, and in the case of small amounts, shall require the payment of the fee in advance for a number of years not to exceed the term of the license held by the payor." See 47 U.S.C. § 159(f)(1). Consistent with the section, we are again establishing three categories of fee payments, based upon the category of service for which the fee payment is due and the amount of the fee to be paid. The fee categories are (1) "Standard" fees, (2) "large" fees, and (3) "small" fees.

1. Annual Payments of Standard Fees

53. Standard fees are those regulatory fees that are payable in full on an annual basis. Payers of standard fees are not required to make advance payments for their full license term and are not eligible for installment payments. All standard fees are payable in full on the date we establish for payment of fees in their regulatory fee category. The payment dates for each regulatory fee category will be announced either in the *Report and Order* in this proceeding or by public notice in the Federal Register following the termination of the proceeding.

2. Installment Payments for Large Fees

54. In our FY 1995 *NPRM*, we proposed that regulatees in any category of service with a payment liability of \$12,000 or more would be eligible to make installment payments. Further, we proposed that eligibility for payment by installment would be based upon the amount of either a single regulatory fee payment or combination of fee payments by the same licensee or regulatee. However, in our *FY 1995*

⁴Full Time Equivalent (FTE) employment is the total number of regular straight-time hours (i.e., not including overtime or holiday hours) worked or to be worked by current and future employees divided by the number of compensable hours applicable to each fiscal year.

⁵This fee is further adjusted in Paragraph 51.

Order, we declined to adopt our installment payment proposals because, as a practical matter, there would be insufficient time following the effective date of our FY 1995 Schedule of Fees to permit a meaningful implementation of an installment payment program.

55. For FY 1996, while we are mindful that time constraints may preclude an opportunity for installment payments, we will once more propose that regulatees in any category of service with a payment liability of \$12,000 or more be eligible to make installment payments and that eligibility for payment by installment be based upon the amount of either a single regulatory fee payment or combination of fee payments by the same licensee or regulatee. Therefore, we propose that regulatees eligible to pay by installment payments may submit their required fee in two equal payments (on dates to be announced in the *Report and Order* terminating this proceeding or in the Federal Register following the proceeding's termination), or, in the alternative, may submit a single full payment on the date that their final installment payment is due.

3. Advance Payments of Small Fees

56. As we have in the past, we are proposing to treat regulatory fee payments by certain licensees as small fees subject to advance payments. Advance payments will be required from licensees of those services that we decided would be subject to advance payments in our *FY 1994 Order*.⁷ Payers of advance fees will submit the entire fee due for the full term of their licenses when filing their initial, renewal or reinstatement application. Regulatees subject to a payment of small fees shall pay the amount due for the current

⁷ Applicants for new, renewal and reinstatement licenses in the following services will be required to pay their regulatory fees in advance: Land Mobile Services, Microwave services, Interactive Video Data Services (IVDS), Marine (Ship) Service, Marine (Coast) Service, Private Land Mobile (Other) Services, Aviation (Aircraft) Service, Aviation (Ground) Service, General Mobile Radio Service (GMRS). In addition, applicants for Amateur Radio vanity call signs will be required to submit an advance payment.

fiscal year multiplied by the number of years in the term of their requested license. In the event that the required fee is adjusted following their payment of the fee, the payor would not be subject to the payment of a new fee until filing an application for renewal or reinstatement of the license. Thus, payment for the full license term would be made based upon the regulatory fee applicable at the time the application is filed. The Commission will announce by public notice in the Federal Register the effective date for the payment of small fees pursuant to the FY 1996 fee schedule.

4. Minimum Fee Payment Liability

57. As discussed above, regulatees whose total fee liability is less than ten dollars are exempted from fee payment in 1996. *See Paragraphs 54-55*. However, such regulatees must complete and submit FCC Form 159, "FCC Remittance Advice" so that we may verify that a fee payment is not due. The Commission will announce by public notice in the Federal Register the effective date for the submission of this fee form.

5. Standard Fee Calculations and Payment Dates

58. As noted, the time for payment of standard fees and any installment payments will be published in the Federal Register. For licensees, permittees and holders of other authorizations in the Common Carrier, Mass Media, and Cable Services, whose fees are not based on a subscriber, line or circuit count, fees should be submitted for any authorization held as of *October 1, 1995*. October 1 is the date to be used for establishing liability for payment of standard fees since it is the first day of the federal government's fiscal year.

59. In the case of regulatees whose fees are based upon a subscriber, line or circuit count, the number of a regulatees' subscribers, licenses or circuits on December 31, 1995, will be used to calculate the fee payment.⁸ We

⁸ Cable systems calculate their regulatory fees using subscriber data submitted to the Commission

have selected the last date of the calendar year because many of these entities file reports with us as of that date. Others calculate their subscriber numbers as of that date for internal purposes. Therefore, calculation of the regulatory fee as of that date will facilitate both an entity's computation of its fee payment and our verification that the correct fee payment has been submitted.

G. Schedule of Regulatory Fees

60. The Commission's proposed Schedule of Regulatory Fees for FY 1996 is contained in Appendix D of this NPRM.

IV. Procedural Matters

A. Comment Period and Procedures

61. Pursuant to the procedures set forth in sections 1.415 and 1.419 of the Commission's rules, interested parties may file comments on or before April 29, 1996, and reply comments on or before May 9, 1996. All relevant comments will be considered by the Commission before final action is taken in this proceeding. To file formally in this proceeding, participants must file an original and four copies of all comments, reply comments and supporting materials. If participants want each Commissioner to receive a personal copy of their comments, an original and nine copies must be filed. Comments and reply comments should be sent to the Office of the Secretary, Federal Communications Commission, Washington, D.C. 20554. Interested parties, who do not wish to formally participate in this proceeding, may file informal comments to the same address. Comments and reply comments will be available for public inspection during regular business hours in the FCC Reference Center (Room 239) of the Federal Communications Commission, 1919 M Street, N.W., Washington, D.C. 20554.

in their Annual Report of Cable Television Systems (FCC Form 325). Accordingly, the number of cable subscribers will not necessarily be based on account as of December 31, 1995, but rather on "a typical day in the last full week" of December 1995.

B. Ex Parte Rules

62. This is a non-restricted notice and comment rulemaking proceeding. *Ex parte* presentations are permitted, except during the Sunshine Agenda period, provided they are disclosed pursuant to the Commission's rules. See 47 CFR §§ 1.1202, 1.1203 and 1026(a).

C. Initial Regulatory Flexibility Analysis

63. As required by section 603 of the Regulatory Flexibility Act (Pub. L. No. 96-354, 94 Stat. 1165, 5 U.S.C. § 601 *et seq.* (1981), the Commission has prepared an Initial Regulatory Flexibility Analysis (IRFA) of the expected impact on small entities of the proposals suggested in this document. The IRFA is set forth in Appendix A. Written public comments are requested with respect to the IRFA. These comments must be filed in accordance with the same filing deadlines for comments on the rest of the *NPRM*, but they must have a separate and distinct heading, designating the comments as responses to the IRFA. The Secretary shall send a copy of this *NPRM*, including the IRFA, to the Chief Counsel for Advocacy of the Small Business Administration in accordance with section 603(a) of the Regulatory Flexibility Act.

D. Authority and Further Information

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

65. Further information about this proceeding may be obtained by contacting the Fees Hotline at (202) 418-0192.

Federal Communications Commission.
William F. Caton,
Acting Secretary.

Appendix A—Initial Regulatory Flexibility Analysis

Reason for Action

This rulemaking proceeding is initiated to obtain comment regarding the Commission's proposed amendment of its Schedule of Regulatory Fees in order to collect regulatory fees in the amount of \$116,400,000, the amount that Congress has required the Commission to recover through regulatory fees in Fiscal Year 1996.

Objectives

The Commission seeks to collect the necessary amount through its proposed revised regulatory fees, as contained in the attached Schedule of Regulatory Fees, in the most efficient manner possible and without undue burden to the public.

Legal Basis

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

Reporting, Recordkeeping and other Compliance Requirements

The Commission has developed FCC Form 159 and FCC Form 159C for submission with regulatory fee payments. Also, the Commission has adopted implementation rules governing the payment of regulatory fees. See 47 CFR § 1.1151 *et seq.*

Federal Rules that Overlap, Duplicate or Conflict with Proposed Rule

None.

Description, Potential Impact, and Number of Small Entities Involved

The proposed amendment of the Schedule of Regulatory Fees will affect permittees, licensees and other regulatees in the cable, common carrier, mass media, private radio and international services. After evaluating the comments in this proceeding, the

Commission will further examine the impact of any fee revisions or additions or rule changes on small entities and set forth our findings in the Final Regulatory Flexibility Analysis.

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

The Notice solicits comments on alternative methods of assessing the regulatory fees necessary to recover the \$116,400,000 in costs that Congress has required us to recover through regulatory fees in FY 1996.

Appendix B—Sources of Payment Unit Estimates for FY 1996

In order to calculate individual service fees for FY 1996, we adjusted FY 1995 payment units for each service to more accurately reflect expected FY 1996 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. We tried to obtain verification for these estimates from multiple sources and, in all cases, we compared FY 1996 estimates with actual FY 1995 payment units to ensure that our revised estimates were reasonable. Where it made sense, 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 yet cannot be estimated exactly. These include an unknown number of waivers and/or exemptions that may occur in FY 1996 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. Therefore, when we note, for example, that our estimated FY 1996 payment units are based on FY 1995 actual payment units, it does not necessarily mean that our FY 1996 projection is *exactly* the same number as FY 1995. It means that we have either rounded the FY 1995 number or adjusted it slightly to account for these variables.

Fee category	Sources of payment unit estimates
Land Mobile (All), Microwave, IVDS, 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 proposals to license portions of these services on a voluntary basis.
CMRS Mobile Services (incl. Cellular/Public Mobile Radio Services and Two Way Paging Services).	Based on actual FY 1995 payment units adjusted to take into consideration industry estimates of growth between FY 1995 and FY 1996 and Wireless Telecommunications Bureau projections of new applications and average number of mobile units associated with each application.
CMRS One Way Paging Services	Based on industry estimates of the number of pager units in operation.
AM/FM Radio Stations	Based on actual FY 1995 payment units.
UHF/VHF Television Stations	Based on actual FY 1995 payment units.
AM/FM/TV Construction Permits	Based on actual FY 1995 payment units.

Fee category	Sources of payment unit estimates
LPTV, Translators and Boosters	Based on actual FY 1995 payment units.
Auxiliaries	Based on actual FY 1995 payment units.
MDS/MMDS	Based on actual FY 1995 payment units.
Cable Antenna Relay System (CARS) .	Based on actual FY 1995 payment units.
Cable Television System Subscribers ..	Based on Cable Services Bureau and industry estimates of subscribership.
IXCs/LECs, CAPs, Other Service Providers.	Based on actual FY 1995 interstate revenues associated with contributions to the Telecommunications Relay System (TRS) Fund adjusted to take into consideration FY 1996 revenue growth in this industry as estimated by the Common Carrier Bureau.
Earth Stations	Based on actual FY 1995 payment units.
Space Stations & LEOs	Based on International Bureau licensee data bases.
International Bearer Circuits	Based on actual FY 1995 payment units.
International HF Broadcast Stations, International Public Fixed Radio Service.	Based on actual FY 1995 payment units.

BILLING CODE 6712-01-P

APPENDIX C—CALCULATION OF PRO-RATA ADJUSTMENTS

FY 1996 Regulatory Fees—Calculation of Pro-Rata Adjustments										Appendix C	
Fee Category	FY 1996 Payment Units	(times) FY 1995 Fee	(times) Lic. Term	(equals) Computed FY 1996 Revenue	Pro-Rated Revenue**	Recalculated Fee	Rounded Fee	New FY 1996 Revenue			
LM (>470 MHz-Base)	1,350	6	5	\$40,500	40,986	6	6	40,500			
Microwave	7,025	6	10	421,554	426,554	6	6	421,500			
TVDS	10	6	5	300	304	6	6	300			
Marine (Ship)	24,650	3	10	739,500	748,367	3	3	739,500			
GMRS	1,025	3	5	15,375	15,559	3	3	15,375			
LM (Other)	75,000	3	5	1,125,000	1,138,489	3	3	1,125,000			
Aviation (Aircraft)	12,050	3	10	361,500	365,834	3	3	361,500			
Marine (Coast)	1,800	3	5	27,000	27,524	3	3	27,000			
Aviation (Grnd)	1,700	3	5	25,500	25,806	3	3	25,500			
Amateur Vanity Call Signs	20,000	3	10	600,000	607,194	3	3	600,000			
AM Class A	110	1,120	1	123,200	124,677	1,133	1,125	123,750			
AM Class B	1,350	620	1	837,000	847,066	627	630	850,500			
AM Class C	1,080	250	1	270,000	273,237	253	255	275,400			
AM Class D	1,450	310	1	449,500	454,890	314	315	456,750			
AM Construction Permits	35	125	1	4,375	4,427	126	125	4,375			
FM Classes C,C1,C2,B	2,220	1,120	1	2,486,400	2,516,212	1,133	1,125	2,497,500			
FM Classes A,B1,C3	2,200	745	1	1,639,000	1,658,652	754	755	1,661,000			
FM Construction Permits	350	620	1	217,000	219,602	627	625	218,750			
TV Satellites	90	620	1	55,800	56,469	627	625	56,250			
VHF Markets 1-10	40	22,420	1	896,800	907,553	22,689	22,700	908,000			
VHF Markets 11-25	45	19,925	1	896,625	907,376	20,164	20,175	907,875			
VHF Markets 26-50	80	14,950	1	1,196,000	1,210,340	15,129	15,125	1,210,000			
VHF Remaining Markets	110	9,975	1	1,097,250	1,110,406	10,095	10,100	1,111,000			
VHF Construction Permits	200	6,225	1	1,245,000	1,259,928	6,300	6,300	1,260,000			
VHF Markets 1-10	10	4,975	1	49,750	50,347	5,035	5,025	50,250			
VHF Markets 11-25	65	17,925	1	1,165,125	1,179,095	18,140	18,150	1,179,750			
VHF Markets 26-50	60	15,950	1	957,000	968,474	16,141	16,150	969,000			
VHF Remaining Markets	65	11,950	1	776,750	786,063	12,093	12,100	786,500			
VHF Construction Permits	110	7,975	1	887,750	897,768	8,071	8,075	888,250			
VHF Remaining Markets	160	4,975	1	796,000	805,544	5,035	5,025	804,000			
VHF Construction Permits	60	3,975	1	238,500	241,360	4,023	4,025	241,500			
Auxiliaries	20,000	30	1	600,000	607,194	30	30	600,000			
Int'l HF Broadcast	4	250	1	1,000	1,012	253	255	1,020			
LPTV/Trans/Boosters	2,000	170	1	340,000	344,077	172	170	340,000			
Sat TV Construction Permit	5	225	1	1,125	1,138	228	230	1,150			
CARS	2,200	290	1	638,000	645,630	293	295	649,000			
Cable Systems	62,000,000	0.49	1	30,380,000	30,744,256	0.50	0.50	31,000,000			
IXC, LECs, CAPS, Others	56,467,000,000	0.00088	1	49,690,960	50,286,755	0.00089	0.00089	50,255,650			
CMRS Mobile Services (Cellular/Public Mobile)	34,200,000	0.15	1	5,130,000	5,191,509	0.15	0.15	5,130,000			
CMRS - One Way Paging	24,500,000	0.02	1	490,000	495,875	0.02	0.02	490,000			
Domestic Public Fixed	16,000	140	1	2,240,000	2,266,858	142	140	2,240,000			
MDS/MMDS	1,150	140	1	158,200	160,097	142	140	158,200			
International Circuits	228,000	4	1	912,000	922,935	4	4	912,000			
Int'l Public Fixed	15	200	1	3,000	3,036	202	200	2,000			
Earth Stations	5,700	330	1	1,881,000	1,903,553	334	335	1,909,500			
Space Stations (GeoSynth)	39	75,000	1	2,925,000	2,960,071	75,899	75,900	2,960,100			
***** Total Estimated Revenue Collected				\$115,020,785	\$116,399,884			\$116,466,175			
***** Total Revenue Requirement				\$116,400,000	\$116,400,000			\$116,400,000			
Difference				(\$1,379,215)				\$66,175			
** 1.01199 factor applied											

APPENDIX D—FY 1996 SCHEDULE OF REGULATORY FEES

Fee category	Annual regulatory fee
Land Mobile (per license) (220–222 Mhz, above 470 Mhz, Base Station and SMRS) (47 CFR Part 90)	6
Microwave (per license) (47 CFR Part 101)	6
Interactive Video Data Service (per license) (47 CFR Part 95)	6
Marine (Ship) (per station) (47 CFR Part 80)	3
Marine (Coast) (per license) (47 CFR Part 80)	3
General Mobile Radio Service (per license) (47 CFR Part 95)	3
Land Mobile (per license) (all stations not covered above)	3
Aviation (Aircraft) (per station) (47 CFR Part 87)	3
Aviation (Ground) (per license) (47 CFR Part 87)	3
Amateur Vanity Call Signs (per call sign) (47 CFR Part 97)	3
CMRS Mobile Services (per unit) (47 CFR Parts 20, 22, 80 and 90) .....	.15
CMRS One-Way Paging (per unit) (47 CFR Parts 20, 22 and 90) .....	.02
Domestic Public Fixed Radio (per call sign) (47 CFR Part 21)	140
AM Radio (47 CFR Part 73):	
Class A	1,125
Class B	630
Class C	255
Class D	315
Construction Permits	125
FM Radio (47 CFR Part 73):	
Classes C, C1, C2, B	1,125
Classes A, B1, C3	755
Construction Permits	625
TV (47 CFR Part 73) VHF Commercial:	
Markets 1–10	22,700
Markets 11–25	20,175
Markets 26–50	15,125
Markets 51–100	10,100
Remaining Markets	6,300
Construction Permits	5,025
TV (47 CFR Part 73) UHF Commercial:	
Markets 1–10	18,150
Markets 11–25	16,150
Markets 26–50	12,100
Markets 51–100	8,075
Remaining Markets	5,025
Construction Permits	4,025
Satellite Television Stations (All Markets)	625
Construction Permits—Satellite Television Stations	230
Low Power TV, TV/FM Translators & Boosters (47 CFR Part 74)	170
Broadcast Auxiliary (47 CFR Part 74)	30
Multipoint Distribution Service (per call sign) (47 CFR Part 21)	140
Cable Antenna Relay Service (47 CFR Part 78)	295
Cable Television Systems (per subscriber) (47 CFR Part 76) .....	.50
Interstate Telephone Service Providers (per revenue dollar) .....	.00089
Earth Stations (47 CFR Part 25)	335
Space Stations (per operational station in geosynchronous orbit) (47 CFR Part 25) also includes Direct Broadcast Satellite Service (per operational station) (47 CFR Part 100)	63,500
Low Earth Orbit Satellite (per operational system) (47 CFR Part 25)	87,725
INMARSAT/INTELSAT Signatory (per signatory)	217,575
International Circuits (per active 64KB circuit)	4
International Public Fixed (per call sign) (47 CFR Part 23)	200
International (HF) Broadcast (47 CFR Part 73)	255

APPENDIX E—COMPARISON BETWEEN FY 1995 AND FY 1996 REGULATORY FEES

Fee category	Annual regulatory fee FY 1995	Proposed annual regulatory fee FY 1996
Land Mobile (per license) (220–222 Mhz, above 470 Mhz, Base Station and SMRS) (47 CFR Part 90)	6	6
Microwave (per license) (47 CFR Part 101)	6	6
Interactive Video Data Service (per license) (47 CFR Part 95)	6	6
Marine (Ship) (per station) (47 CFR Part 80)	3	3
Marine (Coast) (per license) (47 CFR Part 80)	3	3
General Mobile Radio Service (per license) (47 CFR Part 95)	3	3
Land Mobile (per license) (all stations not covered above)	3	3
Aviation (Aircraft) (per station) (47 CFR Part 87)	3	3
Aviation (Ground) (per license) (47 CFR Part 87)	3	3
Amateur Vanity Call Signs (per call sign) (47 CFR Part 97)	3	3

APPENDIX E—COMPARISON BETWEEN FY 1995 AND FY 1996 REGULATORY FEES—Continued

Fee category	Annual regulatory fee FY 1995	Proposed annual regulatory fee FY 1996
CMRS Mobile Services (per unit) (47 CFR Parts 20, 22, 80 and 90) .....	.15	.15
CMRS One-Way Paging (per unit) (47 CFR Parts 20, 22, and 90) .....	.02	.02
Domestic Public Fixed Radio (per call sign) (47 CFR Part 21)	140	140
AM Radio (47 CFR Part 73):		
Class A	1,120	1,125
Class B	620	630
Class C	250	255
Class D	310	315
Construction Permits	125	125
FM Radio (47 CFR Part 73):		
Classes C, C1, C2, B	1,120	1,125
Classes A, B1, C3	745	755
Construction Permits	620	625
TV (47 CFR Part 73) VHF Commercial:		
Markets 1–10	22,420	22,700
Markets 11–25	19,925	20,175
Markets 26–50	14,950	15,125
Markets 51–100	9,975	10,100
Remaining Markets	6,225	6,300
Construction Permits	4,975	5,025
TV (47 CFR Part 73) UHF Commercial:		
Markets 1–10	17,925	18,150
Markets 11–25	15,950	16,150
Markets 26–50	11,950	12,100
Markets 51–100	7,975	8,075
Remaining Markets	4,975	5,025
Construction Permits	3,975	4,025
Satellite Television Stations (All Markets)	620	625
Construction Permits—Satellite Television Stations	225	230
Low Power TV, TV/FM Translators & Boosters (47 CFR Part 74)	170	170
Broadcast Auxiliary (47 CFR Part 74)	30	30
Multipoint Distribution Service (per call sign) (47 CFR Part 21)	140	140
Cable Antenna Relay Service (47 CFR Part 78)	290	295
Cable Television Systems (per subscriber) (47 CFR Part 76) .....	.49	.50
Interstate Telephone Service Providers (per revenue dollar) .....	.00088	.00089
Earth Stations (47 CFR Part 25)	330	335
Space Stations (per operational station in geosynchronous orbit) (47 CFR Part 25)	75,000	63,500
Also includes Direct Broadcast Satellite Service (per operational station) (47 CFR Part 100)	n/a	63,500
Earth Orbit Satellite (per operational system) (47 CFR Part 25)	n/a	87,725
INMARSAT/INTELSAT Signatory (per signatory)	n/a	217,575
International Circuits (per active 64KB circuit)	4	4
International Public Fixed (per call sign) (47 CFR Part 23)	200	200
International (HF) Broadcast (47 CFR Part 73)	250	255

Appendix F—FY 1996 Guidelines for Regulatory Fee Categories

1. The guidelines below provide an explanation of regulatory fee categories established by the Schedule of Regulatory Fees in Section 9(g) of the Communications Act, 47 U.S.C. 159(g) as modified in the instant *Notice of Proposed Rulemaking*. Where regulatory fee categories need interpretation or clarification, we have relied on the legislative history of Section 9, our own experience in establishing and regulating the Schedule of Regulatory Fees for Fiscal Years (FY) 1994 and 1995 and the services subject to the fee schedule, and the comments of the parties in our proceeding to adopt fees for FY 1995. The categories and amounts set out in the schedule have been modified to reflect changes in the number of payment units, additions and changes in the services subject to the fee requirement and the benefits derived from the Commission's regulatory activities, and to simplify the

structure of the schedule. The schedule may be similarly modified or adjusted in future years to reflect changes in the Commission's budget and in the services regulated by the Commission. See 47 U.S.C. 159(b) (2), (3).

2. *Exemptions.* Most licensees and other entities regulated by the Commission must pay regulatory fees in 1996. However, governments and nonprofit (exempt under Section 501 of the Internal Revenue Code) entities are exempt from paying regulatory fees and should not submit payment, but may be asked to submit a current IRS Determination Letter documenting its nonprofit status, a certification of governmental authority, or certification from a governmental entity attesting to its exempt status. The governmental exemption applies even where the government-owned or community-owned facility is in direct competition with commercial stations. Other specific exemptions are discussed below in association with a particular service category or group.

1. Private Wireless Radio Services

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

expiration date of those authorizations will reflect only the unexpired term of the underlying license rather than a new license term.

a. Exclusive Use Services

4. *Land Mobile Services:* Regulatees in this category include those authorized under Part 90 of the Commission's Rules to provide limited access Wireless Radio service that allows high quality voice or digital communications between vehicles or to fixed stations to further the business activities of the licensee. These services, using the 220–222 MHz band and frequencies at 470 MHz and above, may be offered on a private carrier basis in the Specialized Mobile Radio Services (SMRS).¹

For FY 1996, Land Mobile licensees will pay a \$6 annual regulatory fee per license, payable for an entire five or ten year license term at the time of application for a new, renewal or reinstatement license.² The total regulatory fee due is either \$30 for a license with a five year term or \$60 for a license with a 10 year term.

5. *Microwave Services:* These services include private microwave systems and private carrier systems authorized under Part 101 of the Commission's Rules to provide telecommunications services between fixed points on a high quality channel of communications. Microwave systems are often used to relay data and to control railroad, pipeline and utility equipment. For FY 1996, Microwave licensees will pay a \$6 annual regulatory fee per license, payable for an entire ten year license term at the time of application for a new, renewal or reinstatement license. The total regulatory fee due is \$60 for the ten year license term.

6. *Interactive Video Data Service (IVDS):* The IVDS is a two-way point-to-multi-point radio service allocated high quality channels of communications and authorized under Part 95 of the Commission's Rules. The IVDS provides information, products and services, and also the capability to obtain responses from subscribers in a specific service area. The IVDS is offered on a private carrier basis. For FY 1996, IVDS licensees will pay a \$6 annual regulatory fee per license, payable for an entire five year license term at the time of application for a new, renewal, or reinstatement license. The total regulatory fee due is \$30 for the five year term of the license.

b. Shared Use Services

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

and international law for large passenger or cargo vessels. Radio equipment may be voluntarily installed on smaller vessels, such as recreational boats. The recently enacted Telecommunications Act of 1996 gave the Commission the authority to license certain ship stations by rule rather than by individual license. Private boat operators sailing entirely within domestic U.S. waters and who are not otherwise required by treaty or agreement to carry a radio, may no longer be required to hold a marine license if the Commission enacts rules to that effect, and they will not be required to pay a regulatory fee. For FY 1996, parties required to be licensed and those choosing to be licensed for Marine (Ship) Stations will pay a \$3 annual regulatory fee per station, payable for an entire ten year license term at the time of application for a new, renewal or reinstatement license. The total regulatory fee due is \$30 for the ten year license term.

8. *Marine (Coast) Service:* This service includes land-based stations in the maritime services, authorized under Part 80 of the Commission's Rules, to provide communications services to ships and other watercraft in coastal and inland waterways. For FY 1996, licensees of Marine (Coast) Stations will pay a \$3 annual regulatory fee per call sign, payable for the entire five year license term at the time of application for a new, renewal or reinstatement license. The total regulatory fee due is \$15 per call sign for the five year license term.

9. *Private Land Mobile (Other) Services:* These services include Land Mobile Radio Services operating under Parts 90 and 95 of the Commission's Rules. Services in this category provide one or two way communications between vehicles, persons or to fixed stations on a shared basis and include radiolocation services, industrial radio services and land transportation radio services. For FY 1996, licensees of services in this category will pay a \$3 annual regulatory fee per call sign, payable for an entire five year license term at the time of application for a new, renewal or reinstatement license. The total regulatory fee due is \$15 for the five year license term.

10. *Aviation (Aircraft) Service:* These services include stations authorized to provide communications between aircraft and from aircraft to ground stations and includes frequencies used to communicate with air traffic control facilities pursuant to Part 87 of the Commission's Rules. The recently enacted Telecommunications Act of 1996 gave the Commission the authority to license certain aircraft radio stations by rule rather than by individual license. Private aircraft operators flying entirely within domestic U.S. airspace and who are not otherwise required by treaty or agreement to carry a radio, may no longer be required to hold an aircraft license if the Commission enacts rules to that effect, and they will not be required to pay a regulatory fee. For FY 1996, parties required to be licensed and those choosing to be licensed for Aviation (Aircraft) Stations will pay a \$3 annual regulatory fee per station, payable for the entire ten year license term at the time of application for a new, renewal or reinstatement license. The total regulatory fee

due is \$30 per station for the ten year license term.

11. *Aviation (Ground) Service:* This service includes stations authorized to provide ground-based communications to aircraft for weather or landing information, or for logistical support pursuant to Part 87 of the Commission's Rules. Certain ground-based stations which only serve itinerant traffic; i.e., possess no actual units on which to assess a fee, are exempt from payment of regulatory fees. For FY 1996, licensees of Aviation (Ground) Stations will pay a \$3 annual regulatory fee per license, payable for the entire five year license term at the time of application for a new, renewal or reinstatement license. The total regulatory fee is \$15 per call sign for the five year license term.

12. *General Mobile Radio Service (GMRS):* These services include Land Mobile Radio licensees providing personal and limited business communications between vehicles or to fixed stations for short-range, two-way communications pursuant to Part 95 of the Commission's Rules. For FY 1996, GMRS licensees will pay a \$3 annual regulatory fee per license, payable for an entire five year license term at the time of application for a new, renewal or reinstatement license. The total regulatory fee due is \$15 per license for the five year license term.

c. Amateur Radio Vanity Call Signs

13. *Amateur Vanity Call Signs:* This fee covers voluntary requests for specific call signs in the Amateur Radio Service authorized under part 97 of the Commission's Rules. For FY 1996, applicants for Amateur Vanity Call-Signs will pay a \$3 annual regulatory fee per call sign, payable for an entire ten year license term at the time of application for a vanity call sign. The total regulatory fee due would be \$30 per license for the ten year license term.³

d. Commercial Wireless Radio Services

14. *Commercial Mobile Radio Services (CMRS) Mobile Services:* The Commercial Mobile Radio Service (CMRS) is a new "umbrella" descriptive term attributed to various existing services authorized to provide interconnected mobile radio services for profit to the public, or to such classes of eligible users as to be effectively available to a substantial portion of the public. CMRS Mobile Services include certain licensees which formerly were licensed as part of the Private Radio Services (e.g., Specialized Mobile Radio Services) and others formerly licensed as part of the Common Carrier Radio Services (e.g., Public Mobile Services and Cellular Radio Service). While specific rules pertaining to each covered service remain in separate Parts 22, 80 and 90; general rules for CMRS are contained in Part 20. We have replaced the Public Mobile/Cellular Radio regulatory fee category with a CMRS Mobile Services category for regulatory fee collection purposes. CMRS Mobile Services will

¹ This category only applies to licensees of shared-use private 220–222 MHz and 470 MHz and above in the Specialized Mobile Radio (SMR) service who have elected not to change to the Commercial Mobile Radio Service (CMRS). Those who have elected to change to the CMRS are referred to paragraph 14 of this Appendix.

² Although this fee category includes licenses with ten year terms, the estimated volume of ten year license applications in FY 1996 is less than one tenth of one percent and, therefore, is statistically insignificant.

³ Section 9(h) exempts "amateur radio operator licenses under Part 97 of the Commission's rules (47 CFR Part 97)" from the requirement. However, Section 9(g)'s fee schedule explicitly includes "Amateur vanity call signs" as a category subject to the payment of a regulatory fee.

include: qualifying Business Radio Services, 220–222 MHz Land Mobile Systems, Specialized Mobile Radio Services (Part 90);⁴ Public Coast Stations (Part 80); Public Mobile Radio, Cellular, 800MHz Air-Ground Radiotelephone, and Offshore Radio Services (Part 22). Each licensee in this group will pay an annual regulatory fee for each mobile or cellular unit (mobile or cellular call sign or telephone number), including two-way paging units, assigned to its customers, including resellers of its services. For FY 1996, the regulatory fee is \$.15 per unit.

15. *Personal Communications Service (PCS)*: For FY 1996, the Personal Communications Service (PCS) covered by Part 24 of the rules is exempt from payment of regulatory fees.

16. *Commercial Mobile Radio Services (CMRS) One-Way Paging Services*: The Commercial Mobile Radio Service (CMRS) is a new "umbrella" descriptive term attributed to various existing services authorized to provide interconnected mobile radio services for profit to the public, or to such classes of eligible users as to be effectively available to a substantial portion of the public. CMRS One-Way Paging Services include certain licensees which formerly were licensed as part of the Private Radio Services (e.g., Private Paging) and others formerly licensed as part of the Common Carrier Radio Services (e.g., Public Mobile One-Way Paging). While specific rules pertaining to each covered service remain in separate Parts 22 and 90; general rules for CMRS are contained in Part 20. We have replaced the Public Mobile One-Way Paging regulatory fee category with a CMRS One-Way Paging Services category for regulatory fee collection purposes. Each licensee in the Public Mobile One-Way Paging Services will pay an annual regulatory fee for each paging unit, assigned to its customers, including resellers of its services. For FY 1996, the regulatory fee is \$.02 per unit.

2. Mass Media Services

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

a. Commercial AM and FM Radio

18. These categories include licensed Commercial AM (Classes A, B, C, and D) and FM (Classes A, B, B1, C, C1, C2, and C3) Radio Stations operating under Part 73 of the Commission's Rules.⁵ The regulatory fees for AM and FM Stations for FY 1996 are as follows:

AM Radio:	
Class A	\$1,125
Class B	630
Class C	255
Class D	315
FM Radio:	
Classes C, C1, C2, B	1,125
Classes A, B1, C3	755

b. Construction Permits—Commercial AM Radio

19. This category includes holders of permits to construct new Commercial AM Stations. For FY 1996, permittees will pay a fee of \$125 for each permit held. Upon issuance of an operating license, this fee would no longer be applicable and licensees would be required to pay the applicable fee for the designated class of the station.

c. Construction Permits—Commercial FM Radio

20. This category includes holders of permits to construct new Commercial FM Stations. For FY 1996, permittees will pay a fee of \$625 for each permit held. Upon issuance of an operating license, this fee would no longer be applicable. Instead, licensees would pay a regulatory fee based upon the designated class of the station.

d. Commercial Television Stations

21. This category includes licensed Commercial VHF and UHF Television Stations covered under Part 73 of the Commission's Rules, except commonly owned Television Satellite Stations, addressed separately below. Markets are Nielsen Designated Market Areas (DMA) as listed in the *Television & Cable Factbook*, Stations Volume No. 63, 1995 Edition, Warren Publishing, Inc. The fees for each category of station are as follows:

VHF Markets 1–10—	\$22,700
VHF Markets 11–25—	\$20,175
VHF Markets 26–50—	\$15,125
VHF Markets 51–100—	\$10,100
VHF Remaining Markets—	\$6,300
UHF Markets 1–10—	\$18,150
UHF Markets 11–25—	\$16,150
UHF Markets 26–50—	\$12,100
UHF Markets 51–100—	\$8,075
UHF Remaining Markets—	\$5,025

e. Commercial Television Satellite Stations

22. Commonly owned Television Satellite Stations in any market (authorized pursuant to Note 5 of Section 73.3555 of the Commission's Rules) that retransmit programming of the primary station are assessed a fee of \$625 annually. Only those stations designated as Television Satellite Stations in the 1995 Edition of the *Television and Cable Factbook* are eligible to submit the fee applicable to Television Satellite Stations. All other television licensees are subject to the regulatory fee payment required for their class of station and market.

f. Construction Permits—Commercial VHF Television Stations

23. This category includes holders of permits to construct new Commercial VHF Television Stations. For FY 1996, VHF permittees will pay an annual regulatory fee of \$5,025. Upon issuance of an operating license, this fee would no longer be

applicable. Instead, licensees would pay a fee based upon the designated market of the station.

g. Construction Permits—Commercial UHF Television Stations

24. This category includes holders of permits to construct new UHF Television Stations. For FY 1996, UHF Television permittees will pay an annual regulatory fee of \$4,025. Upon issuance of an operating license, this fee would no longer be applicable. Instead, licensees would pay a fee based upon the designated market of the station.

h. Construction Permits—Satellite Television Stations

25. The fee for UHF and VHF Television Satellite Station construction permits for FY 1996 is \$230. An individual regulatory fee payment is to be made for each Television Satellite Station construction permit held.

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

26. This category includes Low Power UHF/VHF Television stations operating under Part 74 of the Commission's Rules with a transmitter power output limited to 0.01 kw for a UHF facility and, generally, 1 kw for a VHF facility. Low Power Television (LPTV) stations may retransmit the programs and signals of a TV Broadcast Station, originate programming, and/or operate as a subscription service. This category also includes translators and boosters operating under Part 74 which rebroadcast the signals of full service stations on a frequency different from the parent station (translators) or on the same frequency (boosters). The stations in this category are secondary to full service stations in terms of frequency priority. We have also received requests for waivers of the regulatory fees from operators of community based Translators. These Translators are generally not affiliated with commercial broadcasters, they are nonprofit, non-profitable, or only marginally profitable, serve small rural communities, and are supported financially by the residents of the communities served. We are aware of the difficulties these Translators have in paying even minimal regulatory fees, and we have addressed those concerns in the ruling on reconsideration of the *FY 1994 Order*. Community based Translators are exempt from regulatory fees. For FY 1996, licensees in this category will pay a regulatory fee of \$170 for each license held.

j. Broadcast Auxiliary Stations

27. This category includes licensees of remote pickup stations, Aural Broadcast Auxiliary Stations, Television Broadcast Auxiliary Stations, and Low Power Auxiliary Stations, authorized under Part 74 of the Commission's Rules. Auxiliary Stations are generally associated with a particular television or radio broadcast station or cable television system. For FY 1996, licensees of Commercial Auxiliary Stations will pay a \$30 annual regulatory fee on a per call sign basis.

⁴This category does not include licensees of private shared-use 220 MHz and 470 MHz and above in the Specialized Mobile Radio (SMR) service who have elected to remain non-commercial. Those who have elected not to change to the Commercial Mobile Radio Service (CMRS) are referred to paragraph 4 of this Appendix.

⁵The Commission acknowledges that certain stations operating in Puerto Rico and Guam have been assigned a higher level station class than would be expected if the station were located on the mainland. Although this results in a higher regulatory fee, we believe that the increased interference protection associated with the higher station class is necessary and justifies the fee.

k. Multipoint Distribution Service

28. This category covers Multipoint Distribution Service (MDS), and Multichannel Multipoint Distribution Service (MMDS), authorized under Part 21 of the Commission's Rules to use microwave frequencies for video and data distribution within the United States. For FY 1996, MDS and MMDS stations will pay an annual regulatory fee of \$140 per call sign.

3. Cable Services

a. Cable Television Systems

29. This category includes operators of Cable Television Systems, providing or distributing programming or other services to subscribers under Part 76 of the Commission's Rules. For FY 1996 Cable Systems will pay a regulatory fee of \$.50 per subscriber.⁶ Payments for Cable Systems are to be made on a per subscriber by community unit basis as of December 31, 1995, as reported on each Cable Systems's 1995 Annual Report of Cable Systems (FCC Form 325). Cable Systems should determine their subscriber numbers by calculating the number of single family dwellings, the number of individual households in multiple dwelling units, e.g., apartments, condominiums, mobile home parks, etc., paying at the basic subscriber rate, the number of bulk rate customers and the number of courtesy or fee customers. In order to determine the number of bulk rate subscribers, a system should divide its bulk rate charge by the annual subscription rate for individual households. See FY 1994 Order, Appendix B at para. 31.

b. Cable Antenna Relay Service

30. This category includes Cable Antenna Relay Service (CARS) stations used to transmit television and related audio signals, signals of AM and FM Broadcast Stations and cablecasting from the point of reception to a terminal point from where the signals are distributed to the public by a Cable Television System. For FY 1996, licensees will pay an annual regulatory fee of \$295 per CARS license.

4. Common Carrier Services

a. Fixed Radio Services

31. *Domestic Public Fixed Radio Service:* This category includes licensees in the Point-to-Point Microwave Radio Service, Local Television Transmission Radio Service, Digital Electronic Message Service, authorized under Part 21 of the Commission's Rules to use microwave frequencies for video and data distribution within the United States. For FY 1996, Domestic Public Fixed Radio Service licensees pay a \$140 annual regulatory fee per call sign.

b. Interstate Telephone Service Providers

32. This category includes Inter-Exchange Carriers (IXCs), Local Exchange Carriers (LECs), Competitive Access Providers (CAPs),

⁶ Cable systems are to pay their regulatory fees on a per subscriber basis rather than per 1,000 subscribers as set forth in the statutory fee schedule. See FY 1994 Order at para. 100.

domestic and international carriers that provide operator services, Wide Area Telephone Service (WATS), 800, 900, telex, telegraph, video, other switched, interstate access, special access, and alternative access services either by using their own facilities or by reselling facilities and services of other carriers or telephone carrier holding companies, and companies other than traditional local telephone companies that provide interstate access services to long distance carriers and other customers. This category also includes pre-paid calling card providers. These common carriers, including resellers, must submit fee payments based upon their proportionate share of gross interstate revenues using the methodology that we have adopted for calculating contributions to the TRS fund. See *Telecommunications Relay Services*, 8 FCC Rcd 5300 (1993), 58 FR 39671 (July 26, 1993). In order to avoid imposing any double payment burden on resellers, we will permit carriers to subtract from their gross interstate revenues, as reported to NECA in connection with their TRS contribution, any payments made to underlying common carriers for telecommunications facilities and services, including payments for interstate access service, that are sold in the form of interstate service. For this purpose, resold telecommunications facilities and services are only intended to include payments that correspond to revenues that will be included by another carrier reporting interstate revenue. For FY 1996, carriers should multiply their adjusted gross revenue figure (gross revenue reduced by the total amount of their payments to underlying common carriers for telecommunications facilities or services) by the factor 0.00089 to determine the appropriate fee for this category of service. You may want to use the following worksheet to determine your fee payment:

	Total	Interstate
(1) Revenue reported in TRS Fund worksheets		
(2) Less: Access charges paid		
(3) Less: Other telecommunications facilities and services taken for resale		
(4) Adjusted revenues (1) minus (2) minus (3)		
(5) Fee factor	0.00089
(6) Fee due (4) times (5)		

5. International Services

a. Earth Stations

33. Very Small Aperture Terminal (VSAT) Earth Stations, equivalent C-Band Earth Stations and antennas, and earth station systems comprised of very small aperture terminals operate in the 12 and 14 GHz bands and provide a variety of communications services to other stations in the network. VSAT systems consist of a network of technically-identical small Fixed-Satellite Earth Stations which often include a larger hub station. VSAT Earth Stations and C-Band

Equivalent Earth Stations are authorized pursuant to Part 25 of the Commission's Rules. *Mobile Satellite Earth Stations*, operating pursuant to Part 25 of the Commission's Rules under blanket licenses for mobile antennas (transceivers), are smaller than one meter and provide voice or data communications, including position location information for mobile platforms such as cars, buses or trucks.⁷ *Fixed-Satellite Transmit/Receive and Transmit Only Earth Station antennas*, authorized or registered under Part 25 of the Commission's Rules, are operated by private and public carriers to provide telephone, television, data, and other forms of communications. Included in this category are telemetry, tracking, and control (TT&C) earth stations and earth station uplinks. For FY 1996, licensees of VSATs, Mobile Satellite Earth Stations, and Fixed-Satellite Transmit/Receive and Transmit Only Earth Stations will pay a fee of \$335 per authorization or registration as well as a separate fee of \$335 for each associated Hub Station.

34. *Receive only earth stations.* For FY 1996, there is no regulatory fee for receive-only earth stations.

b. Space Stations (Geosynchronous)

35. Geosynchronous Space Stations are domestic and international satellites positioned in orbit to remain approximately fixed relative to the earth. Most are authorized under Part 25 of the Commission's Rules to provide communications between satellites and earth stations on a common carrier and/or private carrier basis. In addition, this category includes Direct Broadcast Satellite (DBS) Service which includes space stations authorized under Part 100 of the Commission's rules to transmit or re-transmit signals for direct reception by the general public encompassing both individual and community reception. For FY 1996, entities authorized to operate geosynchronous space stations (including DBS satellites) will be assessed an annual regulatory fee of \$63,500 per operational station in orbit. Payment is required for any geosynchronous satellite that has been launched and tested and is authorized to provide service.

c. Low Earth Orbit Satellites (LEOs)

36. Low Earth Orbit Satellite Systems are space stations that orbit the earth in non-geosynchronous orbit. They are authorized under Part 25 of the Commission's rules to provide communications between satellites and earth stations on a common carrier and/or private carrier basis. For FY 1996, entities authorized to operate Low Earth Orbit Satellite Systems will be assessed an annual regulatory fee of \$87,725 per operational system in orbit. Payment is required for any LEO System that has one or more operational satellites.

⁷ Mobile earth stations are vehicle-based units capable of operation while the vehicle is in motion. In contrast, transportable units are moved to a fixed location and operate in a stationary (fixed) mode. Both are assessed the same regulatory fee for FY 1996.

d. Signatories

37. A *Signatory to INMARSAT* is an Administration or government, or the telecommunications entity designated as sole operating entity by an Administration or government, which participates in the International Mobile Satellite Organization (INMARSAT) in order to develop and operate a global maritime satellite telecommunication system which serves maritime commercial and safety needs of the United States and foreign countries. A *Signatory to INTELSAT* is an Administration or government, or the telecommunications entity designated as sole operating entity by an Administration or government, which participates in the International Telecommunications Satellite Organization (INTELSAT) in order to develop, construct, operate and maintain the space segment of the global commercial telecommunications satellite system established under the Interim Agreement and Special Agreement signed by Governments on August 20, 1964. For FY 1996, Signatories to INMARSAT and INTELSAT will be assessed an annual regulatory fee of \$217,575 in order to recover the cost of the Commission's regulatory activities associated with such entities.

e. International Bearer Circuits

38. Regulatory fees for International Bearer Circuits are to be paid by the facilities-based common carrier activating the circuit in any transmission facility for the provision of service to an end user or resale carrier. Payment of the fee for bearer circuits by private submarine cable operators is required for circuits sold on an indefeasible right of use (IRU) basis or leased to any customer other than an international common carrier authorized by the Commission to provide U.S. international common carrier services. *Compare FY 1994 Order at 5367.* The fee is based upon active 64 Kbps circuits, or equivalent circuits. Under this formulation, 64 Kbps circuits or their equivalent will be assessed a fee. Equivalent circuits include the 64 Kbps circuit equivalent of larger bit stream circuits. For example, the 64 Kbps circuit equivalent of a 2.048 Mbps circuit is 30 64 Kbps circuits. Analog circuits such as 3 and 4 KHz circuits used for international service are also included as 64 Kbps circuits. However, circuits derived from 64 Kbps circuits by the use of digital circuit multiplication systems are not equivalent 64 Kbps circuits. Such circuits are not subject to fees. Only the 64 Kbps circuit from which they have been derived will be subject to payment of a fee. For FY 1996, the regulatory fee is \$4.00 for each active 64 Kbps circuit or equivalent. For analog television channels we will assess fees as follows:

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

f. International Public Fixed

39. This fee category includes common carriers authorized under Part 23 of the Commission's Rules to provide radio communications between the United States and a foreign point via microwave or HF troposcatter systems, other than satellites and satellite earth stations, but not including service between the United States and Mexico and the United States and Canada using frequencies above 72 MHz. For FY 1996, International Public Fixed Radio Service licensees will pay a \$200 annual regulatory fee per call sign.

g. International (HF) Broadcast

40. This category covers International Broadcast Stations licensed under Part 73 of the Commission's Rules to operate on frequencies in the 5,950 khz to 26,100 Khz range to provide service to the general public in foreign countries. For FY 1996, International HF Broadcast Stations will pay an annual regulatory fee of \$255 per station license.

[FR Doc. 96-9192 Filed 4-12-96; 8:45 am]

BILLING CODE 6712-01-P

47 CFR Part 76

[CS Docket No. 96-60; FCC 96-122]

Cable Television Leased Commercial Access

AGENCY: Federal Communications Commission.

ACTION: Further Notice of Proposed Rulemaking.

SUMMARY: The Commission has adopted an Order on Reconsideration of the First Report and Order and Further Notice of Proposed Rulemaking regarding implementation of the leased commercial access provisions of the 1992 Cable Act. The Order on Reconsideration segment of this decision may be found elsewhere in this issue of the Federal Register. The Further Notice of Proposed Rulemaking ("Further Notice") segment invites comment on whether the Commission should amend its commercial leased access rules regarding maximum reasonable rates, part-time rates, preferential access, tier and channel placement, operators' obligation to open new leased access channels and bump existing non-leased access services, selection of leased access programmers, minority and educational programmers, procedures for resolution of disputes, and resale of leased access time. The Further Notice is intended to respond to certain petitions for reconsideration of the Commission's current leased access rules.

DATES: Comments are due on or before May 15, 1996, and reply comments are due on or before May 31, 1996. Written

comments by the public on the proposed and/or modified information collections are due May 15, 1996. Written comments must be submitted by the Office of Management and Budget ("OMB") on the proposed and/or modified information collections on or before June 14, 1996.

ADDRESSES: Office of Secretary, Federal Communications Commission, 1919 M Street, NW., Washington, DC 20554. In addition to filing comments with the Secretary, a copy of any comments on the information collections contained herein should be submitted to Dorothy Conway, Federal Communications Commission, Room 234, 1919 M Street, NW., Washington, DC 20554, or via the Internet to dconway@fcc.gov, and to Timothy Fain, OMB Desk Officer, 10236 NEOB, 725-17th Street, NW., Washington, DC 20503 or via the Internet to fain_t@al.eop.gov.

FOR FURTHER INFORMATION, CONTACT: Lynn Crakes, Cable Services Bureau, (202) 416-0800. For additional information concerning the information collections contained in this Further Notice, contact Dorothy Conway at (202) 418-0217, or via the Internet at dconway@fcc.gov.

SUPPLEMENTARY INFORMATION: This is a synopsis of the Commission's Further Notice of Proposed Rulemaking, CS Docket No. 96-60, adopted March 21, 1996, and released March 29, 1996. The full text of this decision is available for inspection and copying during normal business hours in the FCC Reference Center, Room 239, 1919 M Street, NW., Washington, DC 20554, and may be purchased from the Commission's copy contractor, International Transcription Services, Inc., (202) 857-3800, 1919 M Street, NW., Washington, DC 20554.

Synopsis of the Further Notice of Proposed Rulemaking

I. Maximum Rate Formula

1. The Commission believes that its goal in determining a maximum reasonable rate should be to promote the statutory objectives of competition and diversity in programming sources without financially burdening the operators, rather than to develop a price that will necessarily be lower or higher than rates derived under the current highest implicit fee formula. The Commission believes that, if the maximum rate for leased access is reasonable, the resulting demand for leased access channels will also be reasonable. It is in this context that the Commission is re-examining the highest implicit fee formula. The Commission believes that the highest implicit fee formula is likely to overcompensate