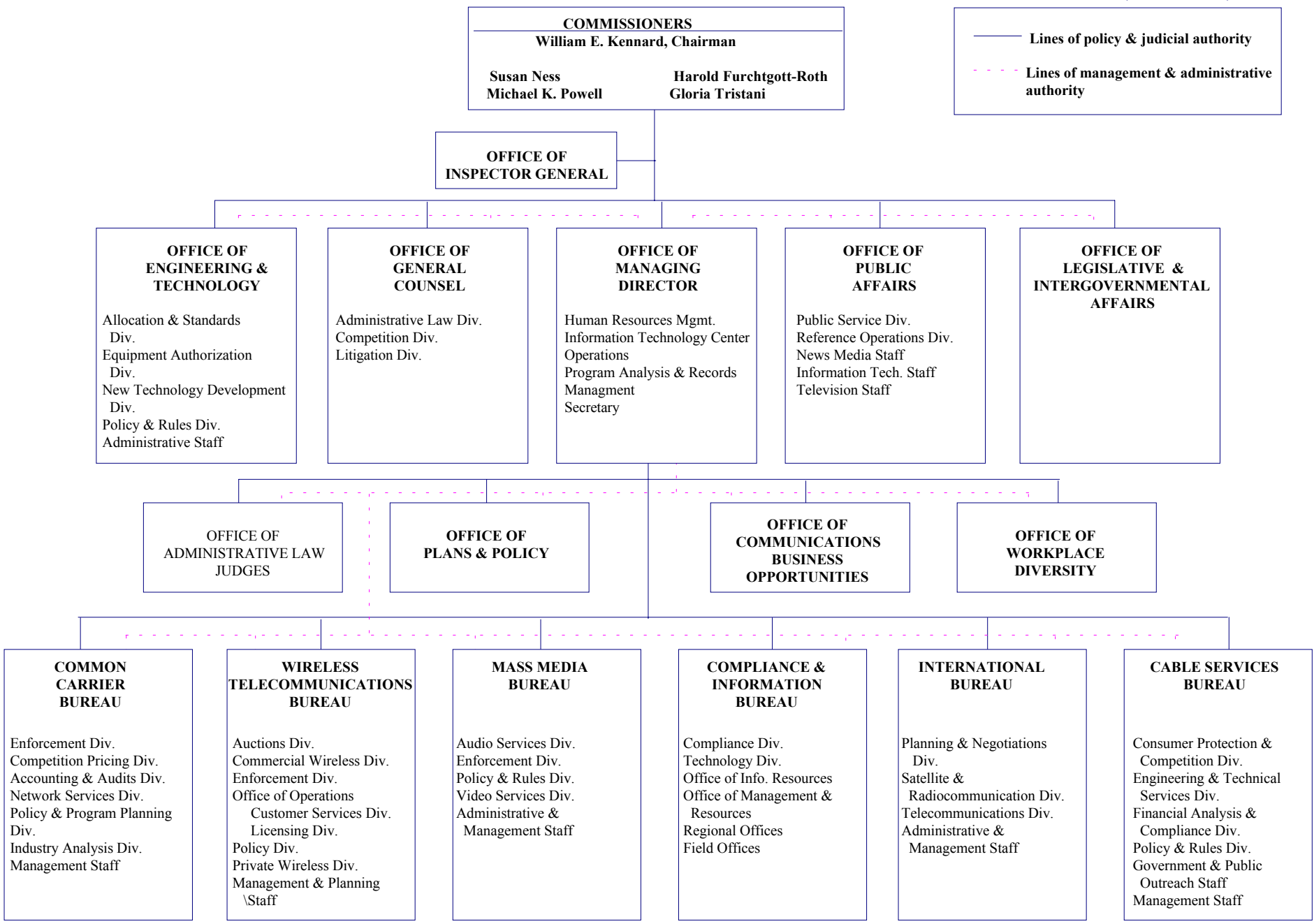


# FCC ORGANIZATIONAL STRUCTURE (5/99)



# FEES AT THE FEDERAL COMMUNICATIONS COMMISSION

## WHAT TYPES OF FEES DOES THE FCC COLLECT?



- **APPLICATION PROCESSING FEES (Section 8 Fees)**

- Authorized in Title III, Section 3001 of the Omnibus Budget Reconciliation Act of 1989, Section 8, revising 47 U.S.C. 158.
- Applicants are required to pay a fee when they submit a request/application for a license, authorization or approval from the FCC.
- Application fees are designed to recover the FCC Costs associated with processing applications. (example: earth station applications)
- Fee amounts and filing instructions for International Bureau services can be found in the International and Satellite Services Fee Filing Guide
  - Office of Public Affairs
  - FCC internet page (<http://www.fcc.gov/fees>)



- **REGULATORY FEES (Section 9 Fees)**

- Section 6003 (a) of the Omnibus Budget Reconciliation Act of 1993 added section 9 (a) of the Communications Act which authorized FCC to collect regulatory fees.
- Regulatory fees are paid annually.
- Regulatory fees are designed to recover costs associated with the FCC's regulatory activities.
- Information on regulatory fee amounts and schedules is located on the FCC internet page (<http://www.fcc.gov/fees/regfees.html>)

## FEES AND THE BREAKOUT OF THE FCC APPROPRIATION



- Each fiscal year, Congress and the President of the United States approves an budget for the FCC.



- The FCC is given an appropriation of funding with which to operate.



- In the appropriation, Congress directs the FCC to collect a specific number of dollars through the assessment of regulatory fees.
  - This amount has risen significantly over the last four years.
  - For FY 1999, 90% of the Commission's budget will be funded through the collection of regulatory fees.

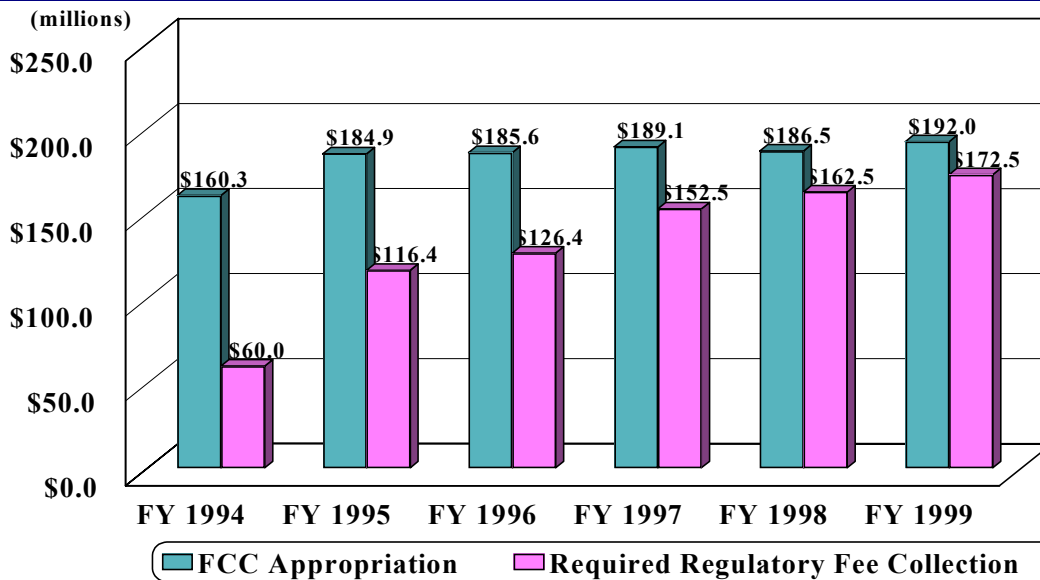


- The remainder of the FCC's appropriation comes from U.S. tax payors.
  - For FY 1998, U.S. tax payors contributed less than \$0.10 each toward FCC funding.



# FEES AT THE FEDERAL COMMUNICATIONS COMMISSION

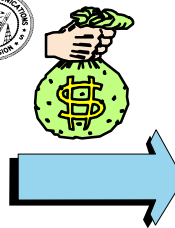
**CONGRESS DETERMINES THE \$ AMOUNT THE FCC MUST COLLECT THROUGH REGULATORY FEES IN OUR ANNUAL APPROPRIATION, RESULTING IN MANDATORY ADJUSTMENTS TO THE FEE SCHEDULE**



## WHERE DO THE FEES GO?

**Application Fees** are collected by the FCC, and deposited in the General Fund of the U.S. Treasury. These funds are then distributed by Congress to other programs and Agencies.

The FCC collects \$30 to \$40 million in application fees annually



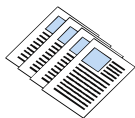
**Regulatory Fees** are collected at the end of each fiscal year by the FCC, and are considered an offsetting collection. They are deposited into an account at Treasury to offset the FCC's appropriation for that fiscal year.



## APPLICATION PROCESSING FEES

### APPLICATION FEES: OVERVIEW

- Section 8 of the Communications Act authorizes and directs the Commission to collect fees to recover the FCC Costs associated with processing applications. (example: earth station applications)



- Applicants are required to pay a fee when they submit a request/application for a license, authorization or approval from the FCC.



- The FCC is required by statute to review application fees every two years and adjust the fees to reflect changes in the Consumer Price Index.
  - Beyond this biannual adjustment, any additions, deletions or adjustments of the Application Fee Schedule must be made by Congress.



- Fee amounts and filing instructions for International Bureau services can be found in the International and Satellite Services Fee Filing Guide
  - This guide, as well as fee filing guides for all FCC service areas are available on the internet at [www.fcc.gov/fees/](http://www.fcc.gov/fees/)



## REGULATORY FEES

### WHAT ARE REGULATORY FEES?

- Section 9 (a) of the Communications Act authorizes and directs the Commission to collect annual Regulatory Fees to recover the annual costs of its activities in the following areas:

- Policy and Rulemaking



- Enforcement



- User Information



- International



# FEES AT THE FEDERAL COMMUNICATIONS COMMISSION

## WHO MUST PAY REGULATORY FEES? FY 1999 SCHEDULE OF REGULATORY FEES

Fee Category	Annual Regulatory Fee ( U.S. \$'s)
PMRS (per license) (Formerly Land Mobile - Exclusive Use at 220-222 MHz, above 470 MHz, Base Station and SMRS) (47 CFR part 90)	13
Microwave (per license) (47 CFR part 101)	13
Interactive Video Data Service (per license) (47 CFR part 95)	13
Marine (Ship) (per station) (47 CFR part 80)	7
Marine (Coast) (per license) (47 CFR part 80)	7
General Mobile Radio Service (per license) (47 CFR part 95)	7
Land Mobile (per license) (all stations not covered by PMRS and CMRS)	7
Aviation (Aircraft) (per station) (47 CFR part 87)	7
Aviation (Ground) (per license) (47 CFR part 87)	7
Amateur Vanity Call Signs (per call sign) (47 CFR part 97)	1.40
CMRS Mobile Services (per unit) (47 CFR parts 20, 22, 24, 80 and 90)	.32
CMRS Messaging Services (per unit) (47 CFR parts 20, 22 and 90)	.04
Multipoint Distribution Services (per call sign) (47 CFR part 21)	285
AM Radio Construction Permits	260
FM Radio Construction Permits	780
TV (47 CFR part 73) VHF Commercial	
Markets 1-10	41,225
Markets 11-25	34,325
Markets 26-50	23,475
Markets 51-100	13,150
Remaining Markets	3,400
Construction Permits	2,775
TV (47 CFR part 73) UHF Commercial	
Markets 1-10	15,550
Markets 11-25	11,775
Markets 26-50	7,300
Markets 51-100	4,350
Remaining Markets	1,175
Construction Permits	2,900
Satellite Television Stations (All Markets)	1,300
Construction Permits - Satellite Television Stations	460

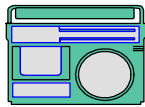
<b>Fee Category</b>	<b>Annual Regulatory Fee ( U.S. \$'s)</b>
<b>Low Power TV, TV/FM Translators &amp; Boosters (47 CFR part 74)</b>	<b>290</b>
<b>Broadcast Auxiliary (47 CFR part 74)</b>	<b>12</b>
<b>Cable Antenna Relay Service (47 CFR part 78)</b>	<b>55</b>
<b>Cable Television Systems (per subscriber) (47 CFR part 76)</b>	<b>.48</b>
<b>Interstate Telephone Service Providers (per revenue dollar)</b>	<b>.00121</b>
<b>Earth Stations (47 CFR part 25)</b>	<b>180</b>
<b>Space Stations (per operational system in non-geostationary orbit) (47 CFR part 25) Also includes includes Direct Broadcast Satellite Service (per operational station) (47 CFR part 25)</b>	<b>130,550</b>
<b>Space Stations (per operational system in non-geostationary orbit) (47 CFR part 25)</b>	<b>180,800</b>
<b>International Bearer Circuits (per active 64KB circuit)</b>	<b>7</b>
<b>International Public Fixed (per call sign) (47 CFR part 23)</b>	<b>410</b>
<b>International (HF) Broadcast (47 CFR part 73)</b>	<b>520</b>

# FEES AT THE FEDERAL COMMUNICATIONS COMMISSION

## WHO IS NOT REQUIRED TO PAY REGULATORY FEES ?



- **Government Entities**



- **Amateur Radio Operator Licensees**



- **Non-Profit Organizations**

Entities not in the above groups may also apply for a waiver, reduction or deferment of their regulatory fees. Request of this nature are submitted to the Office of the Managing Director. The Commission considers these requests in extraordinary and compelling circumstances, upon a showing that granting the request overrides the public interest in reimbursing the Commission for its regulatory costs.

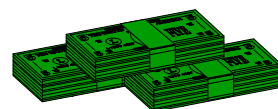
## HOW ARE FEES DERIVED?

**As stated in the statute, the fees shall be derived by:**

- **Determining the full-time equivalent number of employees performing the designated activities.**
  - enforcement, policy & rulemaking, international and user information



- **Adjusting to take into account factors that are reasonably related to the benefits provided the payor of the fee by the Commission's activities.**







## **ADJUSTMENTS TO THE FEE SCHEDULE**

The statute requires the FCC, in certain circumstances, to make adjustments or amendments to the regulatory fee schedule.

▶ **MANDATORY ADJUSTMENTS** (Section 9 (b) (2)):

- Regulatory fees must result in collections of amounts that can reasonably be expected to equal the amounts determined by Congress for any fiscal year.
  - Required collections have increased each year since FY 1994, resulting in overall increases in regulatory fee rates.
- These adjustments are not subject to judicial review.

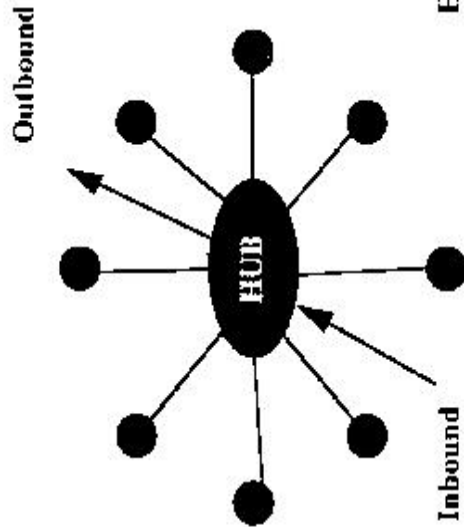
▶ **PERMITTED ADJUSTMENTS** (Section 9 (b) (3)):

- The FCC is required to add, delete or reclassify services in the regulatory fee schedule to reflect additions, deletions, or changes in the nature of its services as a consequence of Commission rulemaking proceedings or changes in law.
- These adjustments are not subject to judicial review.

*For more information on Fees at the Federal Communications Commission, visit us at our web site:*

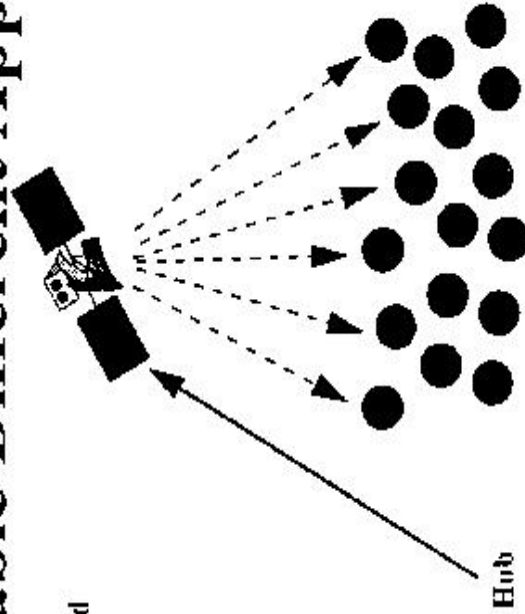
[www.fcc.gov](http://www.fcc.gov)

# Three Major VSAT System Configurations Enable Different Applications



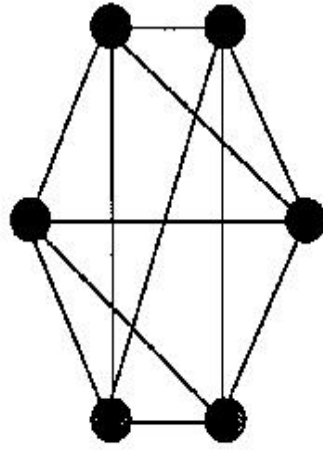
**Interactive VSAT**  
"one-to-one"

Major Applications	
■	Credit/debit authorization
■	Inventory control
■	Electronic Funds Transfer (EFT)
■	Interactive training



**Broadcast VSAT**  
"one-to-many"

Major Applications	
■	News distribution
■	Distance learning (one-way)
■	Stock exchange updates
■	Software downloads



**Full Mesh/DAMA**  
"any-to-any"

Major Applications	
■	Thin route voice
■	Rural telephony
■	Disaster recovery