



Federal Communications Commission
Washington, D.C. 20554

May 8, 2018

DA 18-471

SMALL ENTITY COMPLIANCE GUIDE

Assessment and Collection of Regulatory Fees for Fiscal Year 2017

FCC 17-111

MD Docket No. 17-134

Released: September 5, 2017

This Guide is prepared in accordance with the requirements of Section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996. It is intended to help small entities—small businesses, small organizations (non-profits), and small governmental jurisdictions—comply with the revised rules adopted in the above-referenced Federal Communications Commission (FCC or Commission) rulemaking dockets. This Guide is not intended to replace or supersede these rules, but to facilitate compliance with the rules. Although we have attempted to cover all parts of the rules that might be especially important to small entities, the coverage may not be exhaustive. This Guide cannot anticipate all situations in which the rules apply. Furthermore, the Commission retains the discretion to adopt case-by-case approaches, where appropriate, that may differ from this Guide. Any decision regarding a particular small entity will be based on the statute and any relevant rules.

In any civil or administrative action against a small entity for a violation of rules, the content of the Small Entity Compliance Guide may be considered as evidence of the reasonableness or appropriateness of proposed fines, penalties or damages. Interested parties are free to file comments regarding this Guide and the appropriateness of its application to a particular situation. The FCC will then consider whether the recommendations or interpretations in the Guide are appropriate in that situation. The FCC may decide to revise this Guide without public notice to reflect changes in the FCC's approach to implementing a rule, or it may clarify or update the text of the Guide. Direct your comments and recommendations, or calls for further assistance, to the FCC's Consumer Center:

1-888-CALL-FCC (1-888-225-5322)

TTY: 1-888-TELL-FCC (1-888-835-5322)

Videophone: 1-844-4-FCC-ASL (1-844-432-2275)

Fax: 1-866-418-0232

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I. OBJECTIVES OF THE PROCEEDING

This Report and Order (MD Docket No. 17-134), adopted on September 1, 2017, and released on September 5, 2017, established a schedule of regulatory fees to collect \$356,710,992 for fiscal year (FY) 2017, pursuant to section 9 of the Communications Act of 1934, as amended (Communications Act or Act) and the Commission's FY 2017 Appropriation.¹ The schedule of regulatory fees for FY 2017 are listed in Appendix C of the *Report and Order*. These FY 2017 regulatory fees were due on September 26, 2017, and were based on the proposals in the *FY 2017 NPRM*,² considered in light of the comments received and Commission analysis.

In addition to assessing and collecting FY 2017 regulatory fees, the *Report and Order* also: 1) re-allocated 38 Wireline FTEs that worked on Universal Service Fund issues as indirect FTEs for the calculation of regulatory fees because they impacted several Bureaus and not just the Wireline Bureau; 2) re-allocated 4 FTEs from the Wireline Bureau to the Wireless Telecommunications Bureau (for the calculation of regulatory fees) because these 4 Wireline FTEs worked on numbering issues primarily impacting the wireless industry; 3) increased the Direct Broadcast Satellite (DBS) fee rate to 38 cents per subscriber to bring that rate closer to the cable television/IPTV regulatory fee rate; 4) provided some regulatory fee relief to AM and FM broadcast stations in the lowest two fee tiers because radio stations in these tiers are experiencing severe financial competition; 5) adopted a methodology change in the International Bearer Circuit fee category to include non-common carrier circuits as well as common carrier circuits in the assessment of regulatory fees; and 6) increased the Commission's de minimis threshold from \$500 to \$1,000.³

In this *Report and Order* (MD Docket No. 17-134), the Commission adopted rules that directly impacted small businesses. First, the Commission increased its de minimis threshold from \$500 to \$1,000. Fee categories with a higher number of small business regulatees which should benefit from this change include low power television, FM translators, small cable, paging, cell phone, and small land-line telephone services. Second, as the fee rate for DBS increased, the cable fee rate decreased for cable operators, particularly small to medium-sized cable companies. Third, as a response to comments and reply comments that the Commission received, the Commission reduced the regulatory fee for AM and FM radio stations in the lowest two tiers. This amounted to a savings of approximately \$75 to \$150 for each radio station.

The decisions made in this *Report and Order* have permitted the Commission to collect its regulatory fees to offset 100% of its budget, as required by statute. Through this *Report and Order*, the Commission sought to assess regulatory fees in a fair and efficient manner within a three-week window in September 2017, taking into consideration that not all regulatees are in the same financial position.

¹ 47 U.S.C. § 159. Consolidated Appropriations Act, 2017, Division E – Financial Services and General Government Appropriations Act, 2017, Title V – Independent Agencies, Public Law 115-31 (May 5, 2017), available at <https://www.congress.gov/bill/115th-congress/house-bill/244/text>.

² *Assessment and Collection of Regulatory Fees for Fiscal Year 2017*, Notice of Proposed Rulemaking, 32 FCC Rcd 4526 (2017) (*FY 2017 NPRM*).

³ If the total regulatory fee obligation is \$1,000 or less, the regulatee is exempt from having to pay regulatory fees.

II. COMPLIANCE REQUIREMENTS

Annual Regulatory Fees for Wireless Radio Services (47 CFR § 1.1152)

Section 1.1152 of the Commission's rules is revised to reflect FY 2017 annual regulatory fee rate changes effective September 22, 2017 for the following wireless fee categories:

Land Mobile (Exclusive, Above 470 MHz and 220 MHz Local)	47 CFR, Part 90	\$25.00
Land Mobile (220 MHz Nationwide)	47 CFR, Part 90	\$25.00
Microwave	47 CFR, Part 101	\$25.00
Land Mobile (Shared Use, Below 470 MHz – Except 220 MHz)	47 CFR, Part 90	\$10.00
Rural Radio	47 CFR, Part 22	\$10.00
Marine Coast	47 CFR, Part 80	\$40.00
Aviation Ground	47 CFR, Part 87	\$20.00
Marine Ship	47 CFR, Part 80	\$15.00
Aviation Aircraft	47 CFR, Part 87	\$10.00
CMRS Cellular/Mobile Services (parts, 20, 22, 24, 27, 80, & 90)	47 CFR	\$0.21/unit
CMRS Messaging Services (parts 20, 22, 24, & 90)	47 CFR	\$0.08/unit
Broadband Radio Services (part 27)	47 CFR, Part 27	\$800.00
Local Multipoint Distribution Service (part 101)	47 CFR, Part 101	\$800.00

Annual Regulatory Fees for Mass Media Services (47 CFR § 1.1153)

Section 1.1153 of the Commission's rules is revised to reflect FY 2017 annual regulatory fee rate changes effective September 22, 2017 for the following mass media categories. These fee rates are listed in Appendix C of the FY 2017 Regulatory Fees *Report and Order*.

AM and FM Radio Station Fee Categories for all Levels of Population (47 CFR, part 73)

UHF and VHF Television Stations for all DMA Markets (47 CFR, part 73)

Satellite (UHF and VHF) Television (all Markets) (47 CFR, part 73)

Low Power TV, Class A TV, TV/FM Translators & Boosters (47 CFR, part 74)

Annual Regulatory Fees for Common Carrier Services (47 CFR § 1.1154)

Section 1.1154 of the Commission's rules is revised to reflect FY 2017 annual regulatory fee rate changes effective September 22, 2017 for the following common carrier services:

Radio Facilities	Microwave (Domestic Public Fixed)	\$25.00 (per year for 10 years)
Carriers	Interstate Telecommunications Service Providers	\$.00302 per revenue dollar
	Toll Free Number Fee (47 CFR Sect. 52.101 (f))	\$.12 per Toll Free Number

Annual Regulatory Fees for Cable Television Services (47 CFR § 1.1155)

Section 1.1155 of the Commission's rules is revised to reflect FY 2017 annual regulatory fee rate changes effective September 22, 2017 for the following cable television services:

Cable Television Relay Services (CARS) (47 CFR, part 78)	\$935
Cable Television System, including IPTV (47 CFR, part 76)	\$.95 per subscriber
Direct Broadcast Satellite (DBS) (Section 602 (13) of the Act)	\$.38 per subscriber

Annual Regulatory Fees for International Services (47 CFR § 1.1156)

Section 1.1156 of the Commission's rules is revised to reflect FY 2017 annual regulatory fee rate changes effective September 22, 2017 for the following international services:

Space Stations (Geostationary Orbit) (47 CFR, part 25) (also includes DBS Service (47 CFR, part 100))	\$140,925
Space Stations (Non-Geostationary Orbit) (47 CFR, part 25)	\$135,350
Earth Stations (47 CFR, part 25)	\$360
International Terrestrial and Satellite Bearer Circuits	\$.03 per KB circuit
Submarine Cable Systems	See Appendix C of Rulemaking

III. RECORDKEEPING AND REPORTING REQUIREMENTS

The Commission's actions in the *Report and Order* did not create any new recordkeeping or reporting requirements.

IV. IMPLEMENTATION DATE

IT IS FURTHER ORDERED that this Report and Order **SHALL BE EFFECTIVE** upon publication in the *Federal Register*.

The FY 2017 Regulatory Fees *Report and Order* was published in the *Federal Register* on September 22, 2017.

V. INTERNET LINKS

A copy of the *FY 2017 Regulatory Fees Report and Order and Further Notice of Proposed Rulemaking* is available at:

<https://www.fcc.gov/document/fy-2017-regulatory-fees-report-order-and-further-notice>

Regulatory Fee Fact Sheets and their respective websites are available at <http://www.fcc.gov/regfees> to help licensees with their regulatory fee obligations.

A copy of the *Federal Register* Summary of the *FY 2017 Regulatory Fees Report and Order* is available at:

<https://www.gpo.gov/fdsys/pkg/FR-2017-09-22/pdf/2017-19386.pdf>