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FEDERAL COMMUNICATIONS COMMISSION

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SCHEDULE OF FEES

Title 47—Telecommunication
CHAPTER I—FEDERAL
COMMUNICATIONS COMMISSION

[Docket No. 19658; FCC 75-32]

PART 1—PRACTICE AND PROCEDURE
PART 13—COMMERCIAL RADIO
OPERATORS

Fee Schedules

In the matter of amendment of Subpart G of Part 1 of the Commission's rules relating to the schedule of fees. Docket No. 19658.

Amendment of Part 13 of the Commission's rules relating to commercial radio operator licenses.

1. On August 7, 1974, the Commission adopted a further notice of proposed rule making in the above-entitled matter looking toward a general revision of the Commission's schedule of fees.¹ It was indicated at the time of adoption of the Commission's first schedule of fees that we would undertake a continuing review of the schedule.² The current proceeding is a reflection of that continuing review. A large number of comments, both formal and informal, have been received and fully considered.

2. The statutory basis for the establishment of a schedule of fees by the Commission is Title V of the Independent Offices Appropriation Act of 1952, 31 U.S.C. 483a (hereinafter referred to as Title V). That section provides:

It is the sense of the Congress that any work, service, publication, report, document, benefit, privilege, authority, use, franchise, license, permit, certificate, registration, or similar thing of value or utility performed, furnished, provided, granted, prepared, or issued by any Federal agency (including wholly owned Government corporations as defined in the Government Corporation Control Act of 1945) to or for any person (including groups, associations, organizations, partnerships, corporations or businesses), except those engaged in the transaction of official business of the Government, shall be self-sustaining to the full extent possible, and the head of each Federal agency is authorized by regulation (which, in the case of agencies in the executive branch, shall be as uniform as practicable and subject to such policies as the President may prescribe) to prescribe therefor such fee, charge, or price, if any, as he shall determine, in case none exists, or redetermine in case of any existing one, to be fair and equitable taking into consideration direct and indirect cost to the Government, value to the recipient, public policy or interest served, and other pertinent facts, and any amount so determined or redetermined shall be collected and paid into the Treasury as miscellaneous receipts * * *.

3. The Commission first adopted a schedule of fees in 1963. That schedule was limited in its scope and established nominal fees producing revenue that totalled approximately 25 percent of the Commission's current appropriations.³ In 1970 the Commission

adopted a new and comprehensive schedule intended to produce a fee revenue that would generally approximate the Commission's costs.⁴ *Fees Schedule*, 23 FCC 2d 880 (1970), 28 FCC 2d 139 (1971). However, on March 4, 1974, the Supreme Court handed down its decision in *National Cable Television Association, Inc. v. United States*, 415 U.S. 336 (1974), a case which had arisen out of a number of petitions for judicial review of the schedule of fees adopted by the Commission in 1970.⁵ While the case before the Supreme Court involved only the cable television annual fee, the decision raised certain basic questions with respect to the manner in which the Commission had computed the fees adopted in its 1970 schedule. Since Title V must of course be interpreted by the Commission in the future in light of the Supreme Court's construction of the statute, we issued the further notice of proposed rule making on August 7, 1974 which is the subject of this Report and Order. The notice reflected the remand of the case for further proceedings directed by the Supreme Court with respect to the cable television annual fee and, in addition, proposed other revisions in the schedule of fees in light of the Court's interpretation of the statute.

4. The Supreme Court in the *NCTA* decision remanded the matter for further proceedings consistent with its opinion after holding that since the Commission's activities benefit the public as well as the regulated industries, the Commission could not merely calculate the total cost of supervision and then contrive a formula that reimburses the Commission for that amount; the Congressional aim that franchisees pay some of the cost of necessary regulation, the Court stated, can be achieved within the framework of "value to the recipient" as contrasted with the public policy interest that is also served. Thus, the Court rejected the concept that the Commission's fees should approximate its budget, stating that the cable television annual fee should not include the agency's costs "for the protective services rendered the public by the Commission." Our Further Notice of Proposed Rule Making was designed to revise the schedule of fees in accordance with the Court's directive.

5. We note at the outset that numerous comments in this proceeding argued that the Court declared annual fees to be illegal *per se*. However, the Court's opinion does not support their contention. We also take note of the fact that the dissent expressly declared its dissatisfaction with the majority's failure so to hold. We therefore reject the contention

⁴ On February 26, 1974 the Commission adopted a further Report and Order establishing a new schedule of fees that was to have been effective May 1, 1974. See FCC News Report No. 9201, February 27, 1974. On March 7, 1974, this Report and Order was set aside. See FCC News Report No. 9233, March 8, 1974.

⁵ Petitions for review of the 1970 schedule were consolidated in the United States Court of Appeals for the Fifth Circuit which, in the case of *Clay Broadcasting v. United States*, 464 F. 2d 1313 (1972), affirmed the Commission's schedule of fees in all respects. Only the National Cable Television Association petitioned the Supreme Court to review the *Clay Broadcasting* decision.

that the statute withholds power to fashion fees payable on an annual basis.⁶

6. The further notice proposed a revised schedule of fees under which only the costs of those Commission activities that are specifically identified as benefiting identifiable recipients are included as costs to be recovered in the fee program. A fundamental ground upon which the Further Notice was based and upon which the schedule adopted herein is based is that the "value to the recipient" factor is reasonably related to a portion of the Commission's costs. When the *NCTA* decision is read together with Title V, a clearly reasonable interpretation that will result in a workable statute is to base the fees as a reflection of value to the recipients upon the cost of Commission activities that confer a benefit on identifiable recipients. The comments have uniformly failed to recognize this. The value to the recipient cannot practically be construed as an abstract concept unrelated to the other considerations set out in Title V. The Court's discussion in *NCTA* of the "protective services" the Commission renders the public as compared to the benefits it confers on individual recipients indicates, as does the statute itself, that the costs of providing those benefits constitute the base, and outer limit, for Commission fee recovery. Otherwise the Commission could base its fees on the "true" value to the recipient in an economic sense, and we suspect that no one would argue that the value to individuals of the hundreds of thousands of authorizations issued each year by the Commission does not exceed the Commission's total costs of operation manyfold. Thus, in attempting to revise our schedule of fees in a manner that will be consistent with Title V as construed by *NCTA*, we have identified those areas, primarily processing of applications and other authorizations, which provide a clear value to identifiable recipients. The costs of providing these benefits were set as the upper limit of fee recovery in each area and viewed as equivalent to the total value to all recipients of the specific services. However, rather than dividing the costs equally among all applicants e.g., for broadcast construction permits, which would seem unfair, or attempting to assess fees based on the Commission's actual costs of processing each individual application, which would be unreasonably difficult, if even possible, the value to the recipient concept has been used to establish reasonable fees that reflect the varying value to the myriad of different kinds and sizes of Commission applicants and licensees, whether it be a television station with a spot rate of \$3,000 or a radio station with a spot rate of \$5; a cable television system with 500 subscribers or 5,000 subscribers; an amateur radio station or a station providing service on a commercial basis in the 806-947 MHz band. It is simply unrealistic

⁶ See Order of Court of Claims in *Cannon Beach TV Co. Inc., et al. v. United States* (Case No. 82-74), November 15, 1974 at p. 2.

¹ FCC 74-879, 39 FR 30016 (August 19, 1974), 48 FCC 2d 402.

² See Docket No. 14507, FCC 63-414, 28 FR 4758; FCC 63-856, 28 FR 10911 (1963); 1 FCC 2d 1349 (1965).

³ FCC 63-414, 28 FR 4758 (1963); FCC 63-856, 28 FR 10911 (1963).

to suggest, as many comments have, that the value received from such Commission authorizations does not justify the fees.

7. Another basic point which has also been generally ignored and/or misunderstood by the comments, is that a Commission activity that benefits a recipient may be made subject to a fee even though the activity is performed to insure that the authorization received is exercised in a manner which serves the public interest. This point was emphasized in the further notice:

The Commission does not consider that either Title V or the NCTA decision establishes mutually exclusive categories of services, i.e., the Commission is not limited to charging fees for services which solely benefit the recipients of those services. Such a view would render Title V a nullity because the very basis for the establishment of the Commission was the protection of the public interest in wire and radio communication, and public interest considerations are thus an inherent part of all Commission activities. It is our view that the Commission is authorized to charge fees for those services that provide a value to identifiable recipients, which we have identified as activities associated with processing of applications that provide authorization for individuals, for example, to operate radio transmitters, or sell radio equipment, or collect common carrier charges. The fact that the general public may also benefit by Commission authorization of such activities, in that the activities may directly or indirectly provide a service to the public, does not limit the Commission's authority to charge a fee to the recipients of the services that will allow those services provided by the Commission to be operated on a self-sustaining basis as mandated in Title V.⁷

8. Numerous parties commented that the costs of all of the Executive Director's Office should be excluded from the fee collection base as not being directly attributable to application processing and related activities. However, there can be no doubt that the included portions of the Executive Director's Office do provide essential administrative support to the offices and bureaus engaged in the processing itself. As such, they are indirect costs of applications processing which should properly be included in the fee base.

9. Numerous parties objected to the inclusion of the cost of hearings in the fee base. It was frequently pointed out that hearings are required in order to determine whether a licensee is operating in the public interest or which of several competing applicants for a license could best serve the public interest, and it was claimed that the Commission's hearing role is as guardian of the public interest rather than as a provider of value to a recipient. Furthermore, it was argued that hearings are already very costly to Commission licensees and applicants, who should not have to bear the additional burden of the costs of protecting the public. As the Commission observed in the further notice, "the public interest factor is more clearly focused when a hearing is in-

volved."⁸ However, it has not been the Commission's view that either Title V or the NCTA decision establishes mutually exclusive categories of services, i.e., those that solely provide value to a recipient and those which solely benefit the public. Although the public interest may be more clearly focused, hearings are only one phase of the process the ultimate result of which is the granting of licenses or otherwise providing some value to an identifiable recipient. Whether it be in hearings or in non-hearing review of applications to see if specific standards are met by an applicant, all of the Commission's processing relates to a request for an authorization which is of direct value to the recipient. This cost, we believe, is recoverable through fees.

10. On March 29, 1974, the Commission suspended the collection of the cable television and broadcast annual fees in view of the substantial questions raised by the opinion of the Supreme Court in the NCTA case. However, it is clear that the Supreme Court did not declare annual fees illegal *per se*, and there appears to be no reason for not reassessing annual fees for the period in which the suspension order has been in effect. The fees will be determined using the same method employed to calculate the other fees adopted in this Report and Order, but with the budget for fiscal year 1973 as the cost base. The recalculated cable television annual fees for calendar years 1973 and 1974 are being computed in this manner. The cable annual fee for calendar year 1975 will be as set forth in the appendix. The broadcast annual recalculated fee will cover the period April 1, 1973-December 31, 1974. The fee for any part of the twelve month fee payment period occurring after December 31, 1974 will be the fee appearing in the appendix. These fees and their due date will be announced in a second Report and Order to be issued in the very near future.

BROADCAST SERVICES (§ 1.1103)

11. The schedule of fees applicable to Broadcast Bureau applications has been altered significantly as a result of consideration of the comments and a re-examination of the varying processing costs of different applications. It appears that in fact annual fees and assignment and transfer fees produce revenues somewhat higher than the cost of processing renewal applications and transfer applications respectively whereas the revenues from fees for applications for construction permits, major and minor changes and other similar applications are considerably less than the cost of processing these applications. In light of this, we concluded that it would be advisable to determine more precisely the cost of processing the various applications filed with the Bureau and the cost of hearings related to those applications so that fee revenues would more nearly approximate the costs of processing each category of application.

12. As explained in the further notice, the cost figures utilized in developing the fee schedule were those appearing in the Commission's fiscal year 1975 budget estimates submitted to Congress. These estimates are prepared primarily by activity rather than by Commission organizational unit. The word "activity" denotes discrete functions within the Commission such as broadcast and common carrier and includes costs allocated from the administrative law judges, Review Board, Office of Opinions and Review, the Data Automation Division and the Dockets Branch. Each activity is divided into sub-activities which further describe discrete functions within each activity. Of the seven Broadcast sub-activities, the Commission, in developing the further notice, determined that the costs of only two, application processing and related hearings, could be recovered by fees. Thus, in further refining the cost allocation, the primary task was to allocate the cost of the two sub-activities—application processing and hearings—among the three primary categories of applications—renewals, assignments and transfers and facilities applications (applications for construction permits, major and minor changes, etc.).

13. Using estimated costs for the various units of the Broadcast Bureau which process the applications, the percentage of the cost of processing each type of application to the whole bureau cost of application processing was determined. These percentages were applied to the application processing sub-activity costs to determine the cost of processing each type of application. Two per cent was subtracted from each of these figures to account for the cost of processing fee exempt applications. Using estimates of the number of broadcast applications which would be designated for hearing in fiscal 1975, the percentage of the cost of hearings for each type of application to the whole cost of hearings was determined. As with the application processing sub-activity, these percentages were applied to the costs of the hearings sub-activity to determine the cost of hearings for each type of application. Two per cent was subtracted from each figure to account for enforcement hearings.

14. The fee recoverable costs for processing and hearings for each category of application were added. The portion of the cost of the Executive Director's Office assigned to Broadcast activity was divided between the three categories of applications on the basis of the ratio of each to the total Broadcast fee recoverable costs. The cost of the Antenna Survey program attributable to the Broadcast Bureau was then added to the total for facilities applications. The resulting total fee recoverable costs were \$1,509,178 for renewal applications, \$908,272 for transfer applications and \$4,558,184 for facilities applications.

15. By utilizing the method described above we have determined more precisely the costs which are incurred in the processing of each category of application. The total fee recoverable cost for the entire Bureau activity utilizing this

⁷ 48 FCC 2d at 404.

⁸ *Id.* at 406.

method is approximately the same as the total fee recoverable cost appearing in the Further Notice.

16. The annual fee has been lowered from that proposed in the Further Notice in order to recover the \$1,509,178 cost of processing renewal applications. We find no basis for the contention in several of the comments that the annual fee does not conform to the value concept set forth in the *NCTA* decision. It should be clear that the broadcast annual license fee is imposed in lieu of a renewal application fee. In the 1970 Report and Order in Docket 18802, adopting the present schedule of fees, the Commission pointed out that "upon the effective date of the fee schedule, renewal fees for all broadcast applications will be abolished in favor of annual operating fees." We think there is no question that a fee based on license renewal is soundly rooted in the concept of value to the recipient. We do not agree with the argument in a number of comments that a renewal application fee would be more consistent with the *NCTA* decision. There is nothing in either *NCTA* or in *New England Power Co. v. Federal Power Commission*, 415 U.S. 345 (1974), which prohibits *per se* the use of annual fees. When it has been determined that certain Commission activities are of the type that provide valuable benefits to identifiable recipients, there may be a number of methods of assessing a fee. The selection among alternatives is within the Commission's discretion, and we have found nothing in the comments that raises any serious question as to the reasonableness of the selection of an annual fee as opposed to a renewal application fee for recovery of costs attributable to the renewal of operating authority every three years.

17. The assignment and transfer fee has also been lowered further to recover \$908,272, the cost of processing assignment and transfer applications. A number of comments raised questions as to both the general policy and the modification of assignment and transfer fees proposed in the further notice. There is no real question, as has been pointed out on numerous occasions, that the grant of an assignment or transfer application results in substantial benefits for the applicant. Moreover, the revised method of assessing the grant fee based on the gross revenue of the station involved clearly provides a reasonable and, we think, quite precise allocation of the fee among various types and sizes of applicants. Several parties also state that the collection of fees in assignment and transfer cases where there is an *inter vivos* gift will have an inhibiting effect on gifts to charitable institutions and would also complicate estate planning. However, assuming that any substantial effect could be demonstrated, we do not believe that its consideration is relevant here. As the Supreme Court made amply clear in the *NCTA* case, our function is not to levy a tax based upon considera-

tions of public policy, but rather to assess a fee to compensate for Commission work done which is of value to the recipient.

18. The various fees charged for the processing of applications by the Facilities Division have been raised so that fee revenues will more nearly approximate the costs of processing of those applications. As stated earlier this cost is \$4,558,184. The schedule adopted here is designed to recover approximately \$1,200,000. We believe that the various fees are reasonable and fully conform to Title V's mandate and the Supreme Court's decision in *NCTA*. Higher fees, although arguably warranted by the high cost of processing these types of applications, would not properly reflect the value to the recipient of our authorizations as the Supreme Court required. Therefore, we have concluded that we will not recover a large portion of the costs of processing facilities applications.

19. One party contends that the amount of some of the broadcast fees has an inhibiting effect on the Commission's regulatory actions, in that the Commission would hesitate to modify or fail to renew a license or to revoke a license, where the party affected could be said not to have had the opportunity to get the full benefit of the authorization for which the fee was paid. This concern is without foundation, and we note that no basis for it has been supplied.

ASSIGNMENT AND TRANSFER GRANT FEE

20. One of the comments suggests that the gross revenue approach is an improvement in the method of assessing grant fees because it gives a definiteness to the administration of the fee. However, that party also argues that the Commission has not disclosed its method of deriving the formulae used for arriving at different grant fees for different types of applications. We believe that the discussion in the further notice, 48 FCC 2d 409-11, as well as the internal Commission documents used in developing this portion of the schedule, which have been placed in the public docket, have given interested parties adequate and complete information as to the method by which the various formulae components were developed.

21. The rates (multipliers) that are contained in the formula represent the mathematical basis for computing the fee, using the underlying market value of the property in lieu of consideration, which was the base in the 1970 schedule. The use of the gross revenue method of computation of the grant fee in assignment and transfer cases meets the tests specified in *NCTA*, and it gives nearly complete administrative certainty as well as making it easy for the parties negotiating a transaction to compute the fee.

22. One of the parties suggests that the annual gross revenue figure, as reported on line 19 of FCC Form 324, should be reduced by the amount of line 15 of Form 324, *i.e.*, "All Broadcasting Revenues Other Than from Time Sales", because they say those "are not suffi-

ciently related to broadcasting functions to warrant their inclusion in the basis for computation of the Commission's grant fee * * *". The amount of revenues disclosed on line 15, while not a part of time sales, is one of the components of the revenues that determine the entire market value of the broadcast property. Moreover, it would be a rare case in which they were a significant portion of the total annual gross revenues. We believe that certainty obtained in using the total annual gross revenues justifies its use.

23. Several of the parties vigorously challenge the charging of fees for acquisitions of further ownership interests within the two-year period following the transaction that gave rise to the necessity for filing the assignment or transfer application. The challenge is that such a fee is unreasonable and arbitrary because there is no application to process, and all that is involved is record changing in the station's ownership file. As we clearly outlined in the further notice, the Commission based the recovery of such a fee on the ground that interests acquired within the two-year period prior to the "control-acquiring" transaction that gives rise to the necessity of filing an application, and within the two-year period thereafter, are parts of the entire transaction. That is, we utilized the "transactional" approach (48 FCC 2d 412-13). The fact that little or no work is involved in changing the ownership records for additional acquisitions of ownership interests within the specified period is not the determining factor. The Commission is of the opinion that these acquisitions in practically all cases are part of a plan to acquire more than just majority control of the licensee, and we cannot reasonably permit a step-by-step acquisition to be used to frustrate the normal fee collection. Since the acquisitions within the period are part of a process of acquisition a grant fee calculated upon the entire process is fair and reasonable.

24. A number of parties contend that the Commission should create an exemption from grant fees for assignment and transfer applications that are based on involuntary changes in legal ownership to an executor or administrator upon the death of a licensee, a partner, or principal stockholder. They argue that fees in such cases are an undue burden, and are inequitable. Under the present provisions of Note 5 to § 1.1111(a)(5), such Form 316 applications filed pursuant to § 1.541 are exempt from the payment of grant fees. Note 5 makes clear that grant fees are required only on Form 316 applications filed pursuant to § 1.540(b)(3) or (b)(6). Of course, as in all Form 316 applications, filing fees are required.

25. Two of the parties state that the grant fees to be charged in partnership cases where a "less than controlling" interest in the partnership is transferred are discriminatory because "less than controlling" interests in a corporate licensee can be transferred without pay-

* 23 F.C.C. 2d 891 (1970).

ment of grant fees. There is an apparent anomaly. However, the choice of business organization is of course voluntary and generally based upon other considerations. This choice has numerous "side effects," of which this is one. Because of the legal characteristics peculiar to a partnership, changes in its makeup result in the termination of the old entity and the creation of a new legal entity. Therefore, an application is required, work is done by the Commission and a benefit is conferred. A change in ownership of a corporation does not require the filing of an application if less than control is involved. The fact that an application is not required does not mean that no benefit may result from the change, but it does mean that there is no need to invoke the Commission's processes and that, accordingly, there is not the same basis for assessment of a fee as is the case with a partnership.

26. One party stresses the need for confidentiality (that was proposed in paragraph 27 of the further notice) of the gross revenue figures that are to be used in the computation of grant fees in assignment and transfer cases. Two specific steps are here outlined to carry out this objective. Section 0.457(d)(1)(1) will be modified by the addition of a Note to grant confidentiality; any correspondence with respect to the computation of the grant fee will be placed in the "confidential" portion of the license file.

INTERNATIONAL BROADCASTING

27. Far East Broadcasting Company, Inc., the licensee of Station KGEI, an international broadcast station, contends that there should be no fees charged. It urges that: (1) Such stations operate as tax-exempt, non-profit, noncommercial international educational organizations; and (2) An exemption "is dictated" by the United States Information and Educational Exchange Act of 1948 (the Smith-Mundt Act), 22 U.S.C. 1431 *et seq.*; and (3) The fee base has been improperly computed, with an improper imputation of value to the recipient in this case.

28. While the existing international broadcast stations may not now carry commercial material, they may do so, with certain limitations, under our rules, unlike noncommercial educational stations. Nothing in the Communications Act or the Commission's rules or policy prevent KGEI or other international broadcast stations from broadcasting institutional advertising. We believe it reasonable to assess a fee in accord with the authority we grant. Nor do we find that the Smith-Mundt Act dictates an exemption for international broadcasting. Far East urges that that Act contains a Congressional mandate for the expansion of private international broadcasting. However, the Act, as modified by the Reorganization Plan No. 8 of 1953, provides that the Director of the USIA shall reduce government information activities whenever corresponding private information dissemination is found to be adequate. There is nothing there to suggest that such private dissemination is to be

exempted from fee payments which are required of domestic counterparts of such stations that choose not to broadcast advertising matter.

29. KGEI claims that the "value to the recipient" in international broadcasting is at best nominal. We do not agree. An international broadcaster has been given the use of valuable spectrum space. He may choose to operate on a profit or non-profit basis, as he so desires. Within broad limitations, he may broadcast programs as he chooses. We see no basis for the requested exemption under either the Independent Offices Appropriation Act or NCTA.¹⁰

COMMON CARRIER (SECTION 1.1113)

30. Common Carrier respondents unanimously objected to the imposition of fees for tariff filings essentially on the grounds that tariff processing is strictly for the benefit of the using public. The argument is made that there is an essential fallacy in the Commission's analysis of section 203 of the Communications Act, since the purpose of the section is to protect the public against discrimination and unjust rates and the carriers do not benefit from enforcement of the tariff filing requirements. The Commission remains of the opinion that it is appropriate to charge tariff filing fees. The filing of tariffs is required before a carrier may lawfully obtain revenues for its services. Without such tariffs the carriers could not legally operate and would receive no revenues whatsoever from the public for interstate and foreign communication's services. In short, carriers must file tariffs to do business. A tariff filing involves a change in some aspect of a carrier's business, and it involves Commission consideration and workload. The processing of tariffs by the Commission provides value to the carrier just as does consideration of a broadcast or other application, even though the carrier need not await a "grant" to commence operation. It is not persuasive to argue that tariffs are filed in order that the public interest may be protected and that the Commission's inquiry concerning a tariff is to assure that the public is protected. This is, of course, true in part in this area as in other areas of Commission regulation. But it is not a dispositive contention because here as in other areas there is also the element of benefit conferred—in this case the right to render common carrier service to the public.

31. The consensus of those responding to the alternatives presented in the further notice is that the most practical method of assessing tariff fees would be to apply a fee to each tariff page. We agree that this method would be the easiest to administer by both the carriers and Commission alike, and we will prescribe a charge for each original or revised tariff page filed with the Commission. Transmittal letters accompanying tariff filings will be excluded but all tariff

¹⁰ See *Aeronautical Radio Inc. v. U.S.*, 335 F.2d 304, 311 (7th Cir. 1964), cert. den., 379 U.S. 965 (1965) holding that "value to the recipient" need not be a pecuniary value.

pages will be included regardless of whether requested or ordered by the Commission or voluntarily filed by the carriers. In recognition of the greater value to the larger carriers who generate proportionately greater interstate and foreign revenues from tariffs than do the carriers of lesser size, we are prescribing a sliding scale of fees based on overall operating revenues of each carrier.

32. We reject the argument made by most of the common carrier respondents that the sole purpose of a rate or tariff hearing is to permit the Commission to resolve questions affecting only the public interest, and that no costs associated with the hearing process should be included within fee recoverable costs for any service. While there is a large element of public benefit in the hearing process, the carriers, in our view, also receive substantial benefit from such proceedings. The Communications Act expressly gives the carriers the right to hearings before the Commission may prescribe rates, regulations, etc. against the carriers' will, and hearings provide opportunities for the carriers to be heard in support of rate or tariff proposals which present problems. Such hearings often result in Commission approval of increased rates or higher rate of return levels,¹¹ but the essential point is that they are a more formalized phase of the process of reviewing tariff, thus of the process of obtaining an authorization to serve the public. In all tariff and rate hearings proceedings, we are called upon to arrive at results that are just and reasonable not only from the standpoint of the public but also just and reasonable from the standpoint of the stockholders and the owners of the carriers. Accordingly, we conclude that reflection of hearing costs in fee recoverable costs for each activity is not inconsistent with the principles enunciated by the Supreme Court.

33. With respect to the objections raised against the imposition of fees for each mobile unit associated with a base station license in the domestic public land mobile service, we would point out that this fee treatment is strictly in accordance with the "value to the recipient" concept. Furthermore, it is consistent with the application of fees to each transmitter in other Commission radio services. We are not persuaded that the fees proposed are prohibitive or unduly burdensome for the five-year license period in the land mobile service.

34. We recognize the "non-profit" characteristics of cooperative telephone companies. However, the service they render is of economic benefit and is limited to members of the associations. In our view, the public benefit of these telephone companies cannot properly be equated with that of the public safety,

¹¹ To suggest, for example, that the public is the sole beneficiary of hearings such as Phase I of Docket 19129, wherein the Commission allowed AT&T to increase its rates to provide Bell a rate of return of 8½ percent rather than 7½ percent, is to urge a proposition that is obviously untenable.

health and welfare and educational entities traditionally exempt from the Commission's fees.

SECTION 214 FEES

35. AT&T suggests certain changes in the proposed fee schedule for domestic satellite channelizing applications, in view of the manner in which such facilities will be used in the domestic network. The presently proposed fee structure is essentially the same structure applied in the past to international satellite channelizing applications and, in AT&T's view, is inappropriate for domestic satellite channelizing applications, particularly the proposed grant fee for channels of communication at an earth station. The carrier recommends that the proposed fee schedule for satellite channelizing applications be confined to international applications and that domestic applications be treated the same as Section 214 landline, wire, cable or radio route applications, with airline mileage, instead of route mileage, used for straight line terrestrial distance between earth stations.

36. We believe AT&T's suggestion has merit. Inasmuch as domestic satellite circuits will be integrated into a terrestrial network and will often be used interchangeably with (or in competition with) terrestrial circuits, it would be appropriate to establish like fee schedules. Therefore, we have decided to apply the grant fee to both domestic satellite and terrestrial circuits on the basis of airline channel miles between terminal cities. We believe such consistency in applying fees will be consistent with most tariff offerings which base distance charges on airline miles.¹¹ Since we will be applying fees on an airline rather than route mile basis, we have adjusted upward the rate to compensate for the fewer miles that will be involved.¹² Also, we are setting a maximum grant fee based on a 2500 mile channel length so as not to overly burden very long domestic communications facilities (e.g., to Alaska, Hawaii and Puerto Rico). We are also making other minor adjustments to the Section 214 fee schedule for clarification purposes.

37. With respect to the determination of grant fees for Section 214 applications, we proposed to establish equivalency factors for transmission in the digital mode of 9.6 kb/s (for data) and 64 kb/s (for voice) equaling one 4 KHz analog channel (§ 1.1113, footnote 10). AT&T commented that 9.6 kb/s is a reasonable equivalent for data transmitted over a 4 KHz analog (voice) channel but that 64 kb/s of data or one voice channel could be transmitted over digital transmission facilities. Therefore, it recom-

mended that the last sentence of footnote 11 be modified to read: "When a digital mode is used for voice or data services, an equivalency of 64 kb/s to a 4 KHz channel will be used."

38. In considering this matter we recognize the difficulty in equating analog and digital channels since digital data is often connected to an analog format and transmitted over analog facilities while analog or voice signals are digitized and transmitted over digital facilities. In the former case 9.6 kb/s of data can usually be accommodated on a 4 kHz analog or voice channel, and in the latter case the voice signal requires 64 kb/s of capacity on a digital system. We further appreciate the fact that in many systems the use of a single channel may vary between voice and data, and that alternate analog and digital facilities may be interconnected. Therefore, we have decided that for ease of administration we should use only a single equivalency: 64 kb/s equaling a 4 kHz analog channel, and have modified the schedule accordingly.

SAFETY AND SPECIAL RADIO SERVICES (§ 1.1115)

39. Since the release of the further notice of proposed rule making in this proceeding in August 1974, the number of applications filed and expected to be filed in this Bureau has significantly increased resulting in a projected fee revenue substantially higher than that shown in the Further Notice. Therefore, we are on our own motion further lowering the fee to \$4.00 for most applications. This will result in fee revenues which more nearly approximate the expected costs of processing applications and granting authorizations.

40. In the land mobile services, all of the comments supported the new fee proposals. Four of the comments, however, took strong exception to the reasons for our decision to withdraw the proposal to charge an additional fee for authorizations with multiple mobile units, or ship or aircraft in plurality or fleet licenses. We said in the Further Notice that the original proposal to charge extra filing fees in these cases was not feasible because the fee recovered for each extra unit would be substantially below \$1 and the cost of paying and collecting the fees would be unduly burdensome for both the applicants and the Commission. Accordingly the unit fee is not being adopted and no useful purpose would be served by generally abandoning the principle of unit fees, as some of the comments suggest.

41. One comment, that of Telecommunications Council, expressed concern that a disproportionate share of the costs of operating certain Commission offices such as the Review Board and the Administrative Law Judges, was allocated to the Safety and Special Radio Services Bureau. We have allocated only those costs of those offices for the portion of their time spent on Safety and Special Radio Services Bureau authorization of services matters. Specifically, of the total number of man-years required to operate the offices of the Law Judges, Dockets

Division, Review Board and Office of Opinions and Review, we have allocated 5, 3, 2, and 3 man-years, respectively, or a total of 13 man-years to the Bureau's 128 man-years for authorization of services.

42. All but one of the comments pertaining to the Citizens Radio Service supported the proposed fee reduction. Most of the comments suggested that no fee be required for organizations providing a service to the public, e.g., REACT teams. However, these organizations receive the same intrinsic value from their radio license as other licensees, regardless of the services they provide to the general public. The one comment in opposition recommended higher fees, asserting that if the lower fee is adopted licenses might be granted to people who should never be licensed. Apart from the merits of that argument, it is clear that the Commission does not have authority under 31 U.S.C. 483a to use its fee schedule as a vehicle to advance such public policy objections. See *NCTA v. U.S.*, 415 U.S. at 340-41.

43. All comments on the fees for the Amateur Radio Service objected to any filing fees in that Service for routine authorizations, on the grounds that the service is by its very nature a public service and the licensee cannot use his station for pecuniary gain or business activity. We again find this argument, which has been repeatedly made by amateur operators, to be inadequate to support the requested relief. Amateur licensees, while they may engage in valuable public service activities, are primarily involved in the use of radio for their own personal interest. Each licensee clearly receives a valuable benefit from his license. Additionally several comments objected to the disparity between a \$6 fee for an amateur operator compared to a \$4 fee for commercial operator licenses. First, we would note that as discussed above, we are lowering the proposed fee to \$4.00. Further, the comments ignore the fact that the amateur fee covers the operator's license as well as the station license. The commercial license fee covers only the operator's license fee; the station fee is additional. We are on our own motion reducing the modification fee from the proposal of \$5 to \$3, a change which will have no significant impact on the overall recovery of Bureau costs.

44. In the Aviation Service none of the comments objected to the revised, lower fees. Several referred to and supported an earlier comment by the Aircraft Operators and Pilots Association in this proceeding that objected to any licensing fees by this Commission for aircraft stations or aircraft station operators, on the grounds that this licensing should be the function of the Federal Aviation Administration, and argued that no operator permit be required for aircraft stations. However, this is not the appropriate place to address those issues, which are in any event governed by the Congressional directive that we license the use of aircraft radio, and the Radio Regulations of the International Telecommunications Union. One comment

¹¹ Part 63 of the rules is in the process of being amended to require the specification of airline distance in all section 214 applications.

¹² By comparing airline miles and route miles of various section 214 applications, we estimate that airline mileage would generally be 25-30% less than the route mileage. Thus, the rate per channel mile would have to be adjusted upward about 35-40% to yield approximately the same fee revenue.

questioned whether we are properly computing the portion of our expenses which can lawfully be recovered through fees and, particularly, whether we should recover the costs of hearing or regulatory activities. We are attempting herein to recover our costs in granting authorizations, which may include hearings, but not the general costs of regulating the services. For example, we have included the costs of all our employees who are directly involved in the acceptance, processing and granting of applications, but we have excluded the costs of employees involved in rule writing, revocation proceedings, imposing monetary forfeitures for rule violations or carrying out administrative functions not directly involving authorization of services. Other personnel, who are involved in both regulating and authorizing services, have had an appropriate portion of their time allocated to the authorization of service, as shown on time sheets, or by job descriptions. That portion of their time is reflected in the costs we are recovering through the new fees. Concern was also expressed that too much of the costs of operating the Chicago Spectrum Management office may be allocated to the Safety and Special Radio Service, since that office also processes applications for other services. The present spectrum management licensing program at the Chicago office is devoted primarily to Safety and Special radio activities. Over 99 percent of the applications handled there are in the Safety and Special Radio Services. Consequently, we believe the number of applications relating to the work of other bureaus is too minimal to warrant further adjustments.

CABLE TELEVISION (§ 1.1116)

45. The further notice proposed a revised fee schedule for the Cable Television ("Cable") and Cable Television Relay ("CAR") Service which specified, (1) in the CAR Service, fees ranging from \$5 to \$20 for applications for construction permits and licenses, and modifications, reinstatements, assignments, and transfers of control and (2) in the Cable Service, an annual authorization fee equal to 13 cents per cable system subscriber. Each of the fees in the proposed revised schedule is slightly more than 40 percent of its counterpart in the previous schedule. The purpose and anticipated effect of that reduction is to yield an estimated return of \$1.16 million per year—approximately 45 percent of the anticipated FY 1975 cost of FCC Cable and CAR regulatory activity.

46. The fee was determined in the light of estimates of the number of applications that would be filed in each category during FY 1975 and the estimated total number of cable subscribers in the United States in calendar year 1974.¹⁴ The Commission has adopted a Cable and CAR Service fee schedule designed to yield

¹⁴ Annual authorization fee payments are based upon the number of cable subscribers in the calendar year immediately preceding the due date of the payment. See § 1.1102 of the Commission's rules.

only enough revenue to offset the costs attendant upon processing applications for CAR Service construction permits, licenses, etc., and Cable television certificates of compliance.

47. Some of the comments contend that, with the possible exception of CAR station licensing, no Commission fees should be levied against cable systems, since the whole purpose and effect of the Commission cable regulatory program is not benefit to cable operators but restriction of cable operators for the benefit of the general public (and, incidentally, broadcast television licensees). It is also suggested that no fees should be charged in connection with the processing or grant of a certificate of compliance, since (a) the certificate does not provide a cable operator with a benefit analogous to the three year loan of a portion of the radio spectrum which accrues to a broadcast station licensee, and (b) the certificate of compliance is not really a license in view of the fact that a prospective cable system operator must first obtain a franchise from a State or local governmental unit.

48. In considering this contention, we note the Supreme Court's statement that, "A fee * * * is incident to a voluntary act, e.g., a request that a public agency permit an applicant to practice law or medicine * * * The public agency performing those services normally may exact a fee for a grant which, presumably, bestows a benefit on the applicant, not shared by other members of society." *NCTA v. U.S.*, 415 U.S. at 340-341. We think the Court's reasoning is equally applicable to the Commission's regulation of cable television, which confers an authority—to carry broadcast signals—not conferred upon the public at large. The fact that the regulation attendant upon the grant of this benefit is designed to protect the public interest in its use should not obscure the presence of the very real benefit involved. Nor does the fact that the prospective cable operator must normally obtain another authorization from a State or local governmental unit affect the result. It is irrelevant to the benefit conferred by the Commission's process. It might also be noted in this connection that the Commission's rules prevent State and local authorities from imposing unduly high franchise fees upon cable television systems.

49. Some of the comments argue that no fees should be charged unless an application is granted since an applicant receives no benefit if the application is not granted. The application fees in both the Cable and CAR Services schedule are quite nominal (they range from \$5 to \$20). In the overwhelming percentage of cases, the application results in a grant of the license or other benefit sought (albeit only after detailed correspondence with the applicant in many cases to elicit from him amendments curing defects in his application). Thus in the overwhelming percentage of cases the fact that the charge is for the filing, rather than the grant, of an application has no practical effect, although it does facilitate the bookkeeping operations of the Commis-

sion. In any event, in those few cases where the application is not granted, the application fee is scant compensation for the work performed by the Commission in considering the application. We do not believe that it is improper to impose a nominal fee for this work even though no authorization may finally be granted.

50. It has also been argued that no annual authorization fee should be charged, since a cable operator is benefited by the authorization to operate a cable system only during the year in which the authorization is issued, and that no authorization fee, annual or otherwise, should be levied against cable systems that have obtained their authorizations to operate via temporary "grandfathering" (until 1977) pursuant to the revision of the cable rules in 1972.¹⁵ It is urged that since no application processing work by the Commission is involved in such authorizations, no fee should be exacted. We do not accede to this argument because the cable operator benefits from the authorization to operate conferred by our rules, whether or not he has filed an application for the particular year. Clearly, an authorization with an effective life of several years may be accompanied by a fee apportioned over that period. And, all systems operate under the authority of the Commission rules, including those "grandfathered" systems which need not file a formal application for a certificate of compliance until 1977. The Commission is providing the same benefit, and is doing work in connection with that benefit, whether or not it has received a formal application. We do not believe that the existence of a formal application is the touchstone of the right to impose a fee under Title V.¹⁶

51. In the area of cable television fees, as well as in other areas, it has been argued that the Commission's expenses resulting from hearings conducted in

¹⁵ A grandfathered system, operating temporarily pursuant to the general grant of authority to do so, must even within the period expiring March 31, 1977, submit a formal application if its franchise expires before that date or if it desires to add a television broadcast signal to its operations before that date. See § 76.11 (a) and (b) of the Commission's rules.

¹⁶ The Commission could, of course, in lieu of "grandfathering," have required all cable systems to file applications for certificates of compliance within 90 days of adoption of the 1972 rules. The Commission could also have ceremonialized the continuing authority of cable systems to carry broadcast signals by requiring a cable operator to annually apply for a one-year renewal of his authorization, thereby providing the document which some of the comments seem to feel is a prerequisite to imposition of a fee. However, neither Title V nor the Supreme Court's decision in *NCTA* require such formalities. The fact that the Commission has chosen a simpler method of regulation of cable television does not foreclose it from assessing fees for the valuable benefits that are nevertheless provided by the Commission activities. The practical result is the same, and cable operators equitably share the costs of providing the benefits which all of them receive, without regard to the essentially irrelevant consideration of whether any particular system files for a certificate in any particular year.

connection with certificate of compliance applications should not be treated as part of the cost-recoverable fee base, since such hearings are conducted to determine the public interest rather than to benefit cable operators. As discussed elsewhere, it is the Commission's position that since hearings are but one phase of the process by which value is provided to cable operators, their cost is properly included in the fee base. As for the fact, also urged upon us, that only a small percentage of certificate of compliance applications result in hearings, the Commission is well aware that processing and evaluation of some applications involves considerably greater Commission activity and expense than is involved in the treatment of other such applications. However, that fact provides no justification for treating the cost as if it were not related to the certification process, and the added increment to all fees is minimal.

52. In response to objections to the use of the number of subscribers as a measure of the annual authorization fee, the Commission remains of the opinion that the formula for determination of the annual authorization fee as set forth in the proposed revision of § 1.1116 provides the best practical means of assessing a fee reasonably related, in each case, to the benefit received by the cable operator from his receipt of the Commission's authorization to operate his cable system. Although monthly subscription rates do vary somewhat from one system to another, utilization of a system's subscriber count in determining the amount of the fee results in a fee reasonably related to earnings differences among systems.²⁷ At the same time, it is convenient for use by the Commission in verifying the correctness of the amount paid, and avoids the need for reference to cable system income data (net or gross) which should be respected as confidential in nature. It is apparent that the larger a cable operation is, the more its owners benefit from the cable system operating authority which they have received from the Commission. At the same time, the formula is designed to yield a total income not in excess of the total cost to the Commission of its activity in authorizing cable operations.

EQUIPMENT TESTING AND APPROVAL (§ 1.1120)

53. As a result of the fact that the cost allocation to the Equipment Testing and Approval area previously was performed primarily on an application processing basis, the general revision of the cost allocation explained above has had little impact in this area. Thus, there have been relatively few changes in the amounts of

²⁷ In this respect, the function of the subscriber count in determining the particular cable system's annual authorization fee payment is analogous to the function of the advertising rate card in determining a particular broadcast station's annual fee payment.

fees set out in the Appendix from the fees proposed in the original notice in this proceeding. The categories of fees for certification have been modified somewhat for simplicity and there have been some revisions in fees for type approval to reflect more accurately the relative costs of performing the tests on each type of equipment based on records of man-hours expended and test equipment utilized.

54. Several parties commented on the proposed schedule in this area. Two comments argued that certification of radio frequency devices provides no benefit to the manufacturer as its purpose is to prevent harmful interference which impacts upon the public at large. We note that the argument that the Commission's work is in the public interest has been made by broadcasters, cable television system operators, and common carriers. In response to the argument here, we would point out that manufacturers of radio frequency devices are prohibited from marketing such devices unless they have been certified.²⁸ Therefore, certification is the prerequisite to any sale by the manufacturer. There can be little question that the Commission's action in certifying equipment provides substantial value to the recipient.

55. One comment indicated that the higher filing fee and a lower grant fee is not as reasonable as a lower filing fee and higher grant fee because equipment may be withdrawn at any time prior to the grant. However, a substantial portion of the costs involved in application processing is incurred whether or not a grant is made; the relatively higher filing fee covers most, but not all of, the costs involved, whether or not the equipment is withdrawn or rejected. Similarly, in regard to the combined fee for certification and acceptance, which was questioned, the costs of processing are incurred whether the equipment passes or fails. It was argued that if equipment is rejected, payment of a fee for resubmittal is not in line with the *NCTA* ruling, for, although the Commission's costs have increased, the benefit to the manufacturer has not. The Commission is not required to provide *gratis* the service of reviewing and/or testing equipment any number of times until the manufacturer perfects it. It is incorrect to say that such a service would not benefit the manufacturer. Furthermore, as we noted in the Further Notice, it has been our experience that the vast majority of such applications are pursued successfully.

56. It has been questioned whether separate fees should be charged for the certification of receivers having the same chassis but different identification numbers. As our certification program does not include testing as a prerequisite to certification, there is relatively little reduction in cost in the processing of the application for certification of a given receiver simply because a receiver with the same chassis was previously certified. Furthermore, new value to the recipient

²⁸ See § 2.803 of the Commission's rules.

is furnished by each separate certification. Therefore, a lower fee is not warranted.

57. One comment pointed out the omission of the note in the certification subsection which provided: "No fee is required for certificates for use of industrial heating equipment on Form 724 in accordance with § 18.116 of the Commission's rules of this chapter." This provision was inadvertently deleted in the Further Notice, but is now included. Parties filing Forms 724 for equipment which has already received prototype certification are not required to remit any further fee.

58. In response to the comparison made by one comment between the Commission's fees and the lower estimate for equipment testing received from a private laboratory, we can only observe that Title V does not require that in structuring our fee schedule the criterion of the market price of analogous activities engaged in by private businesses be considered. Additionally, the standards used by a private firm may be significantly different from those prevailing in our laboratory.

EFFECTIVE DATE OF THE NEW SCHEDULE OF FEES

59. The new schedule of fees adopted herein and the related amendments to other sections of the Commission's rules will be effective as of March 1, 1975. Under the effective date of March 1, 1975, all applications received by the Commission on or after March 1, 1975, will be subject to the revised schedule of fees as set out below. Additionally all grants of authority made on or after March 1 will be subject to the new schedule regardless of when the application for such grant was filed.

60. Authority for the adoption of the amendments herein is contained in section 4(i) of the Communications Act of 1934, as amended, 47 U.S.C. 154(i), and Title V of the Independent Offices Appropriation Act of 1952, 31 U.S.C. 483a.

61. Accordingly, it is ordered, That effective March 1, 1975, Parts 1 and 13 of the Commission's rules and regulations are amended as set forth below.

Adopted: January 15, 1975.

Released: January 20, 1975.

(Secs. 4, 303, 48 Stat., as amended, 1066, 1082; 47 U.S.C. 154, 303)

FEDERAL COMMUNICATIONS
COMMISSION,²⁹

[SEAL] VINCENT J. MULLINS,
Secretary.

Parts 1 and 13 of Chapter I, Title 47 of the Code of Federal Regulations are amended to read as follows:

1. The Schedule of Fees Filed With the Commission, Subpart G of Part 1 is amended in the following respects:

In § 1.1102, the Note following paragraph (b) is deleted, paragraphs (d), (e),

²⁹ A statement of Chairman Wiley in which the other members of the Commission join is filed as part of the original document.

and (f) are revised, paragraph (j) is deleted.

In § 1.1103, paragraph (b) is revised and paragraph (c) is deleted.

Sections 1.1111 and 1.1113 are revised. In § 1.1115, paragraph (a) is revised and a subparagraph (c) (10) is added.

In § 1.1116, paragraphs (a) and (b) are revised and paragraph (c) is deleted.

Sections 1.1117 and 1.1120 are revised. The revised Subpart G of Part 1 reads as follows:

Subpart G—Schedule of Fees Filed With the Commission

GENERAL INFORMATION

- Sec.
- 1.1101 Authority.
- 1.1102 Payment of fees.
- 1.1103 Return or refund of fees.
- 1.1104 General exceptions.
- 1.1105 General rule (STA and waiver).
- 1.1111 Schedule of fees for Radio Broadcast Services.
- 1.1113 Schedule of fees for Common Carrier Services.
- 1.1115 Schedule of fees for the Safety and Special Radio Services.
- 1.1116 Schedule of fees for Cable Television and Cable Television Relay Services.
- 1.1117 Schedule of fees for commercial radio operator examinations and licensing.
- 1.1120 Schedule of fees for equipment type approval, type acceptance and certification.

AUTHORITY: Sec. 501, 65 Stat. 290; 31 U.S.C. 483a.

Subpart G—Schedule of Fees Filed With the Commission

GENERAL INFORMATION

§ 1.1101 Authority.

Authority for this subpart is contained in Title V of the Independent Offices Appropriation Act of 1952 (31 U.S.C. 483a) which provides that any service rendered by a Federal agency to or for any person shall be performed on a self-sustaining basis to the fullest extent possible. Title V further provides that the head of each Federal agency is authorized by regulation to prescribe such fees as he shall determine to be fair and equitable.

§ 1.1102 Payment of fees.

(a) *Filing fees.* Each application or other filing filed on or after August 1, 1970, for which a fee is prescribed in this subpart, must be accompanied by a remittance in the full amount of the filing fee. In no case will an application or other filing be accepted for filing or processed prior to payment of the full amount specified. Filings for which no remittance is received, or for which an insufficient amount is received, shall be returned to the applicant without processing. In the case of multiple applications for which a single check is drawn to cover all fees for the applications, there should be attached to the remittance an accounting sheet or notice stating what fees are covered by the check or money order.

(b) *Grant fees.* The applicant shall observe the instruction contained in the notice of grant concerning payment of grant fees. Grant fees shall be accom-

panied by a transmittal advice identifying the purpose of the check. The duplicate copy of the Commission's notice of grant, which will specify the amount of the fee, will suffice.

(c) All remittances should be accompanied by a letter, application, rate card, grant fee notice or other document to properly identify the purpose of the fee.

(d) Where a separate grant fee payment is prescribed in the various services, the fee will be payable within 45 days after grant by the Commission. In the broadcast services the grant fee in assignment and transfer cases must be transmitted by the new licensee immediately following consummation of the transfer or assignment. All grants, approvals, and authorizations issued by the Commission are made subject to payment and receipt of the applicable fee within the required period. Failure to make payment of the applicable fee to the Commission by the required date shall result in the grant, authorization or approval becoming null, void and ineffective after that date.

(e) *Broadcast Annual License fee.* The annual license fee prescribed for broadcast stations must be submitted each year on or before the anniversary date of the expiration date of the station's license. The licensee shall submit the amount of the annual fee together with the station's rate card for the preceding June 1, on which the annual fee is based. (See § 1.1111(a)(6).) Such fee shall be for the twelve-month period immediately preceding the anniversary date on which the fee is payable.

(1) A new station first becomes liable for the annual license fee at the time program test authority is granted. In the first year, the fee will cover the period from the date of grant of program test authority until the next payment (anniversary) date. (Example: If a station is in operation for seven full months prior to the next payment date, the annual license fee is seven-twelfths of the annual rate.)

(f) *Cable Television Annual Authorization fee.* The annual fee prescribed in § 1.1116(b) of this chapter for cable television systems must be submitted by April 1 of each year for the preceding calendar year. The fee will be based on the average number of subscribers as set out in § 1.1116(b).

(1) A new cable television system becomes liable for the annual authorization fee as of the date it begins to charge for service to 50 subscribers or more. In the first year of operation of the system, the fee will be computed based on the average of the number of subscribers being served on the last day of each calendar quarter of operation up to the end of the calendar year. (Example: If a cable system is in operation on the last day of three quarters prior to the end of the calendar year, the average of those three last-day figures is to be used in computing the fee required.) The fee will cover the number of full months of operation until the end of the calendar year. (Example: If a cable system is in

operation for seven full months prior to the end of the calendar year, the fee is seven-twelfths of the annual rate.)

(g) Applications and attached fees should be addressed to Federal Communications Commission, Washington, D.C. 20554, or to the appropriate FCC field office and should not be marked for the attention of any individual bureau or office. Fee payments should be in the form of a check or money order payable to the Federal Communications Commission. The Commission will not be responsible for cash sent through the mails. All fees collected will be paid into the U.S. Treasury as miscellaneous receipts in accordance with the provisions of Title V of the Independent Offices Appropriations Act of 1952 (31 U.S.C. 483a).

(h) Receipts will be furnished upon request in the case of payments made in person, but no receipts will be issued for payments sent through the mails.

(i) Except as provided in §§ 1.1103 and 1.1104, all application filing fees will be charged irrespective of the Commission's disposition of the application. Applications returned to applicants for additional information or corrections will not require an additional fee when resubmitted, unless the additional information results in a major change in the application; the resubmission will then be treated as a new application requiring a new filing fee.

§ 1.1103 Return or refund of fees.

(a) The full amount of any fee submitted will be returned or refunded, as appropriate, in the following instances:

(1) Where no fee is required for the application filed.

(2) Where the application is filed by an applicant who cannot fulfill a prescribed age requirement.

(3) Upon return of an application for renewal of an operator license which is received after expiration of the grace period.

(4) Where the applicant is precluded from obtaining a license by the provisions of section 303(1) or 310(a) of the Communications Act.

(5) Where circumstances beyond the control of the applicant, arising after the application is filed, would render a grant useless.

(6) When applications (accompanied by fees) are filed where not actually required by Safety and Special Radio Services rules (e.g. change of address, pro forma change of corporate name, etc.).

(7) When construction permit holders and licensees make nonsubstantive correction in license grants within a period of 60 days from the grant.

(b) Payment in excess of an applicable fee will be refunded only if the overpayment exceeds \$3.

§ 1.1104 General exceptions.

(a) No fee is required for an application filed for the sole purpose of amending an authorization or pending application (if a fee is otherwise required) so as to comply with new or additional requirements of the Commission's rules or the rules of another Federal Government

agency affecting the authorization or pending application; however, if the applicant also requests an additional modification or the renewal of his authorization, the appropriate modification or renewal fee must accompany the application. Fee exemptions arising out of this general exception will be announced to the public in the orders amending the rules or in other appropriate Commission notices.

(b) No fee is required for an application filed by an alien pursuant to a reciprocal radio licensing agreement.

(c) A receiver model certificated prior to August 1, 1970, and which will continue to be distributed after August 1, 1970, need not be recertificated and no filing or grant fee shall be required for continued distribution provided it will continue to be distributed under the same trade name and model number and with identical circuitry.

§ 1.1105 General rule (STA and waiver).

Except as otherwise provided no filing fee is required for any application or request for special temporary authority (STA) or waiver of brief duration or minor character in any service or for the grant of either an STA or a waiver of brief duration or minor character. Upon the grant of an application or request for either an STA or a waiver of an important character, the applicant will be notified to remit a fee in the following amount for the respective services:

Broadcast services.....	\$25
Common carrier services.....	25
Safety and special radio.....	5
Cable television services.....	25

§ 1.1111 Schedule of fees for Radio Broadcast Services.

(a) Except as provided in paragraph (b) of this section, the fees prescribed below are applicable to applications and operations in the Radio Broadcast Services:

(1) **Construction permits.** Application for construction permit for new station or for major changes in existing station:

	Filing fee	Grant fee
VHF—Top 50 markets ¹	\$10,000	\$67,500
UHF—Top 50 markets.....	2,500	22,500
VHF—Next 50 markets.....	4,000	27,000
UHF—Next 50 markets.....	1,000	9,000
VHF—Balance.....	2,000	18,500
UHF—Balance.....	500	4,500
FM—Class A.....	200	1,350
FM—Class B and C.....	400	2,700
AM—Day—50 kW.....	1,000	6,750
AM—Day—25 kW.....	800	5,400
AM—Day—10 kW.....	600	4,050
AM—Day—5 kW.....	400	2,700
AM—Day—1 kW.....	200	1,350
AM—Day—500 W.....	100	675
AM—Day—250 W.....	50	340
AM—Unlimited 50 kW.....	2,000	13,500
AM—Unlimited 25 kW.....	1,600	10,800
AM—Unlimited 10 kW.....	1,200	8,100
AM—Unlimited 5 kW.....	800	5,400
AM—Unlimited 1 kW.....	400	2,700
AM—Unlimited 500 W.....	200	1,350
AM—Unlimited 250 W.....	100	675
AM—Class IV.....	200	1,350

¹ The market size shall be determined by the ranking of the American Research Bureau, on the basis of prime time households (average quarter-hour audience during prime time, all home stations).

(2) **Other applications:** The following fees shall accompany each application:

	AM	FM	TV	Auxiliary ¹
Application for construction permit to replace expired permit, FCC Form 321 ¹	\$250	\$250	\$250	\$50
Application for modification other than major change, FCC Form 301.....	(²)	(²)	(²)	(²)
(A) Application to change antenna/transmitter site; or to increase antenna height; or to change antenna pattern.....	100	100	100
(B) All other FCC Form 301 applications.....	200	200	200
Application for change of call sign for broadcast station.....				
Application for authorization in Auxiliary Broadcast Services, FCC Form 313:				
(A) Application for modification of construction permit or license in Auxiliary Broadcast Services.....				50
(B) Application for construction permit for remote pickup mobile station.....				100
(C) Application for construction permit for inter-city relay; or for studio transmitter link; or for remote pickup base station.....				250
(D) All other Form 313 applications.....				100
Application for construction permit or license of auxiliary or alternate main transmitter.....	50	50	50	50
All other applications in the broadcast services.....	100	100	100	100

¹ With respect to applications for remote pickup broadcast stations authorized under Subpart D of Part 74 of this chapter, one fee will cover the base station (if any) and all the remote pickup mobile stations of a main station, provided the applications therefore are filed at the same time.

² The \$250 fee applies to construction permits for new stations or major change in existing stations. An application to replace a construction permit for a modification other than a major change must be accompanied by a fee of \$50 in all services.

³ One-half the filing fee for an application for construction permit for new station or major change in existing station, but not less than \$100.

(3) **Subscription Television.** Application for Subscription Television Authorizations:

Application filing fee..... \$700

(4) **International Broadcasting.** Construction Permits:

Filing fee..... 70

Grant fee..... 630

Filing Fee for Application for Seasonal Schedule:

Per transmitter-hour requested (for one day)..... 17

(5) **Assignments and transfers.** Application for assignment of license or transfer of control—Form 314, Form 315 and Form 316 applications. (Where more than one broadcast station license is involved, the total amount of fees prescribed for each license so involved will be paid in the manner set forth below.):

Sales or exchanges:

Application filing fee (forms 314 and 315).....	\$200.
Application filing fee (form 316).....	50.
Grant fee (to be paid immediately following consummation of the assignment or transfer):	
For AM stations, and joint assignment or transfer of AM-FM stations, with gross revenue of \$400,000 or less.....	0.9% of gross revenue.
For AM stations, and joint assignment or transfer of AM-FM stations, with gross revenue greater than \$400,000.....	\$3,600 plus 1.4% of gross revenue in excess of \$400,000.
For all FM stations.....	0.9% of gross revenue.
For television stations with gross revenue of \$800,000 or less.....	1% of gross revenue.
For television stations with gross revenue greater than \$800,000.....	\$8,000 plus 1.6% of gross revenue in excess of \$800,000.
In all other cases and/or when gross revenue is indeterminable (See Note 2).....	0.4% of consideration for assignment or transfer.

Gifts:

Application filing fees and grant fees for assignments or transfers resulting from gifts are the same as those for sales or exchanges above, with the exception that no grant fee will be assessed for an assignment or transfer by gift from a person to a spouse and/or lineal descendant.

NOTE 1: Gross revenue will be determined by taking the average of the annual gross revenue figures reported on line 19 of FCC Form 324 for the respective station(s) for the three years immediately preceding the date of the consummation of the transfer or assignment.

NOTE 2: In certain situations gross revenue figures are not available for assessment of a fee on that basis—for example, assignment or transfer of an AM or FM station individually from what had been a joint AM-FM operation; assignment or transfer of a broadcast station license in which gross revenue has been either nonexistent or so intermittent as to be an improper basis upon which to establish a grant fee; assignment or transfer of religious or other stations that do not report gross revenue. In those types of cases,

the grant fee will be assessed on the basis of consideration as indicated above.

NOTE 3: In the case of transfer of control, the transfer grant fee will be based on the percentage of interest acquired which resulted in the transfer of control (except for those situations described in Note 4 below in which additional acquisitions of interest may be subject to the grant fee). (Example: "A" acquires a 60% interest in an AM station with gross revenue of \$100,000. Assuming "A" holds no other interest in this station that was acquired in the preceding two years, the grant fee is \$540—\$100,000×0.9%×60%.)

NOTE 4: In the case of transfer of control in which the transferee holds previously acquired interest in the subject broadcast station license, the grant fee will be based on the acquisition which resulted in transfer of control and on interests acquired during

the two-year period immediately preceding the date of the contract for the transfer of control. In addition, a grant fee will also be assessed against any additional interest in the station acquired within two years following the date of the contract for transfer of control. Such grant fee for additional acquisitions within two years subsequent to transfer of control will be computed on the basis of the same gross revenue figures used in connection with the transfer of control application and such additional fee shall be submitted at the time the supplemental Ownership Report (FCC Form 323) is filed with the Commission pursuant to § 1.615(c) of this chapter. (Example: "A" acquires the following interests in an AM station with \$100,000 gross revenue: 1/1/71—10%, 1/1/72—10%; 1/1/73—20% 2/1/74 (contract date)—30%. The transfer grant fee is \$450—\$100,000 x 0.9% x 50%, with the 50% figure representing the interest that resulted in transfer of control plus interest acquired in the two years immediately preceding the date of contract for the transaction which resulted in transfer of control. If "A" were to acquire any additional interest in this station prior to 2/1/76, an additional grant fee would be incurred equivalent to the additional interest acquired times \$100,000 times 0.9%.

NOTE 5: Grant fees are required in the case of FCC Form 316 applications only in cases in which the application is filed pursuant to § 1.540 (b)(3) or (b)(6) of this chapter. In such cases, grant fees will be computed in the same manner as for FCC Form 315 applications.

(6) Annual License fee. Each broadcast station shall pay an annual license fee to the Commission based on the station's rate card as of June 1 of each year.¹

For AM & FM radio stations: The annual license fee will be a payment equal to 8.5 times the station's highest single "one-minute" spot announcement rate, but in no event shall the annual license fee for each AM and each FM station be less than \$25.

For television broadcast stations: The annual license fee will be a payment equal to 4.25 times the station's highest "30-second" spot announcement rate, but in no event shall the annual license fee be less than \$100.

(b) Fees are not required in the following instances:

(1) Applications filed by tax exempt organizations for operation of stations providing noncommercial educational broadcast services, whether or not such stations operate on frequencies allocated for noncommercial, educational use.

(2) Applications in the standard broadcast service requesting authority to determine power of non-directional standard broadcast stations by direct measurement.

(3) Applications for all FM or television translators and all FM or television translator relay stations.

(4) Applications by local government entities in connection with the licensing or operation of a noncommercial broadcast station.

(5) Applications for licenses to cover construction permits in the auxiliary broadcast services.

§ 1.1113 Schedule of fees for Common Carrier Services.

Applications filed for common carrier services shall be accompanied by the fees prescribed below:

¹ See § 1.1102(e) for explanation of manner of payment and computation of the broadcast annual license fee.

(A) DOMESTIC PUBLIC LAND MOBILE RADIO SERVICES¹

	Application fee
Application for initial construction permit or for relocation of a base station including authority for mobile units, blanket dispatch station authority, ² and standby transmitters without independent radiating systems ^{3,4} -----	\$150
If above includes authority for mobile units, blanket dispatch station authority or standby transmitters without independent radiating system add per mobile unit, dispatch station or standby transmitter-----	
Application for initial construction permit or for relocation of a dispatch station, ⁵ auxiliary test station, control station or repeater station ⁴ -----	6
Application for other than initial construction permit, modification of construction permit or license for base station, dispatch station, auxiliary test station, control station or repeater station at an existing station location-----	75
Application for modification of authorization to increase number of mobile units, blanket dispatch stations or standby transmitters without independent radiating systems—per unit or transmitter-----	30
Application for renewal of base station license-----	6
If above includes renewal authority for mobile units, blanket dispatch stations or standby transmitters without independent radiating systems, add per mobile unit, dispatch station or standby transmitter-----	
Application for renewal of license for dispatch station, auxiliary test station, control station or repeater station-----	3
Application for license, modification of license or renewal of license for individual mobile stations: ⁶	35
One mobile unit per application--	15
Each additional mobile unit per application-----	9
(See footnotes at end of tables.)	

(B) RURAL RADIO SERVICE

	Application Fee
Application for an initial construction permit or for relocation of central office, interoffice or relay facilities ⁴ -----	\$120
Application for other than initial construction permit, modification of construction permit or license for central office, interoffice or relay facilities ⁴ -----	45
Application for an initial construction permit or for relocation of rural subscriber facilities ⁴ -----	75
Application for other than initial construction permit modification of construction permit or license for rural subscriber facilities-----	45
Application for license for operation of stations at temporary-fixed locations--	20
Application for renewal of license of central office, interoffice or relay station-----	75
Application for renewal of license of rural subscriber station-----	15

(C) POINT-TO-POINT MICROWAVE RADIO SERVICES

	Application Fee
Applications for construction permit or for modification of construction per-	180

	Application Fee
mit to add or change point(s) of communication or to increase service to existing points of communication or for relocation of facilities ⁴ -----	\$120
Application for license for operation of a station at temporary-fixed locations-----	90
Application for other modifications of construction permit or modification of license ⁴ -----	30
Application for renewal of license-----	75

(See footnotes at end of tables.)

(d) LOCAL TELEVISION TRANSMISSION SERVICE

	Appli- cation Fee
Application for construction permit or for modification of construction permit to add or change point(s) of communication or to increase service to an existing station location or for relocation of facilities ⁴ -----	\$120
Application for license for operation of an STL station at temporary-fixed locations-----	90
Application for license for operation of a mobile television pickup station-----	90
Application for other modification of construction permit or modification of license ⁴ -----	30
Application for renewal of license-----	75
(See footnotes at end of tables.)	

(e) MULTIPOINT DISTRIBUTION SERVICE

	Appli- cation Fee
Application for initial construction permit or for modification involving relocation of station or addition or change of frequencies or increase in power----- ¹⁵	\$150
Application for other modification of construction permit or license---	30
Application for renewal of license---	75

(f) INTERNATIONAL FIXED PUBLIC RADIO-COMMUNICATION SERVICES

	Application Fee
International Fixed Public Station:	
Application for an initial construction permit for a new station or an additional transmitter(s) at an authorized station ⁴ -----	\$500
Application for construction permit for a replacement transmitter(s) at an authorized station (no fee will be charged for application for modification of license to delete transmitter(s) being replaced if the applications are filed simultaneously) ⁴ -----	105
Application for change of location of an authorized station-----	330
Application for modification of license-----	75
Application for renewal of license--	180
International Control Station:	
Application for an initial construction permit for a new station or an additional transmitter(s) at an authorized station ⁴ -----	300
Application for construction permit for a replacement transmitter(s) at an authorized station (no fee will be charged for application for modification of license to delete transmitter being replaced if the applications are filed simultaneously) ⁴ -----	180
Application for change of location of an authorized station-----	300

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Application Fee	Application Fee
Application for modification of li- cense ----- \$75	Application for assignment of an au- thorization or transfer of control (a separate fee is required for each call sign covered by the application) ----- \$35
Application for renewal of license... 90	All other common carrier radio appli- cations ----- 15
(See footnotes at end of tables.)	
(g) OTHER RADIO APPLICATIONS	

(h) SATELLITE COMMUNICATIONS SERVICES⁹

	Filing fee	Grant fee
Application for initial construction permit for commercial transmit/receive earth station. ⁴	\$120	1/2 of 1 percent of construction cost as set forth in the application, not to exceed \$15,000.
Application for initial construction permit for a commercial receive-only or transportable earth station. ⁴	60	Do.
Application for modification of construction permit or license or for construction permit for additional equipment at an existing commercial earth station. ⁴	60	1/2 of 1 percent of construction cost as set forth in the application.
Application for authority to operate a transportable earth station at a fixed site.	180	None.
Application for renewal of license for a commercial transmit/receive earth station.	60	\$3,000.
Application for renewal of license for a commercial receive-only earth station.	300	None.
Application for initial construction permit or modification of construction permit or license for an auxiliary station (boresight) to an earth station or for a telemetry, tracking and control station. ⁴	30	1/2 of 1 percent of construction cost as set forth in the application.
Application for initial construction permit per satellite. ⁴	150	\$3,000.
Application for authority to launch and operate satellites, per satellite.	150	1/2 of 1 percent of satellite construction cost as set forth in the application (due 45 days after successful launch and operation). ⁵
Application for renewal of an auxiliary station to an earth station or for a telemetry, tracking and control station.	180	None.
Application for assignment of a commercial transmit/receive earth station or satellite construction permit or license or transfer of control of a licensee or permittee, per earth station or satellite.	45	None.
Application for assignment of a commercial receive-only or transportable earth station construction permit or license or transfer of control of a licensee or permittee, per earth station.	45	None.
Application for communications common carrier for authorization to own stock in the Communications Satellite Corp.	45	None.
Any other application filed under the Communications Satellite Act or the Communications Act of 1934 in the Satellite Communications Services.	45	None.

(i) COMMON CARRIER NONRADIO APPLICATIONS

Section 214 application for construction or acquisition of landline domestic cable or waveguide. ¹⁰	60	\$3 per route mile.
Section 214 application to establish or supplement domestic facilities by installation or acquisition of carrier equipment on wire, cable, waveguide, or radio routes. ¹⁰	15	\$4.50 per 100 equivalent 4 kHz channel miles authorized. ^{11 12}
Section 214 application to lease channels from other carriers for domestic use. ¹⁰	15	\$3.50 per 100 equivalent 4 kHz channel miles authorized. ^{11 12}
Section 214 application to lease satellite transponder for domestic use (per transponder).	25	None.
Section 214 application for overseas cable construction.	600	\$30 per route mile (nautical).
Section 214 application to establish or supplement international facilities by installation or acquisition of carrier equipment on overseas cable or radio routes (except satellite) or to acquire such facilities on a capital basis other than ownership. ¹⁰	30	\$6 per 100 3 kHz channel miles authorized. ¹¹
Section 214 application to lease channels on overseas cable or radio routes (except satellites). ¹⁰	30	\$3.50 per 100 equivalent 3 kHz channel miles authorized. ¹¹
Section 214 application to lease circuits to interconnect international circuits:		
Circuits outside of the U.S.	15	None.
Circuits within the U.S. or territories.	15	\$3.50 per 100 equivalent 3 kHz channel miles authorized. ¹¹
Section 214 application to install carrier equipment to establish international channels of communication at an earth station.	60	1/2 of 1 percent of equipment and installation cost as set forth in application.
Section 214 application to establish and provide international channels of communication via satellite.	150	None.
Section 214 application to acquire satellite channels for international use.	30	\$12 per equivalent 4 kHz channel. ¹¹
Cable Landing License.	120	None.
Section 214 application to discontinue, reduce or impair service to the public: ¹³		
Telegraph offices and Public Coast stations.	15	Do.
All other.	60	Do.
Interlocking Directorate applications.	30	Do.
Section 221 applications.	30	Do.
Applications for certification for priority of leased intercity private line service in emergency situations.	45	Do.
All other common carrier nonradio applications.	15	Do.

Tariff Filings:	Annual Gross Revenue ¹⁴ of Issuing Carrier:	Filing fee	Grant fee
Each tariff page, original or revised, filed pursuant to Part 61 of the Commission's Rules.	Under \$1 million.....		\$50
	\$1 million to \$100 million.....		100
	\$100 million to \$1 billion.....		300
	\$1 billion to \$10 billion.....		500
	Over \$10 billion.....		700

¹ In this service each transmitter at a fixed location is a separate station notwithstanding the inclusion of more than one such station on a single authorization or under a single call sign.

² When included as part of base station applications, a request for blanket dispatch station authority made pursuant to the provisions of § 21.519(a) of this chapter does not require an individual application. A request for such dispatch station authority filed separately from a base station construction permit application requires an application for modification of license and an appropriate fee.

³ An application for a standby transmitter having its own independent radiating system requires the same fee as a base station application.

⁴ No additional fee will be charged for a single application for a license to cover a construction permit unless there is a modification or variation of outstanding authority involved. In that event the appropriate fee for modification is applicable.

⁵ This fee applies to any request for dispatch station authority not made pursuant to § 21.519(a) of this chapter.

⁶ The fee is not required for applications filed by governmental entities.

⁷ For applicants who propose to multiplex their radio systems and who make the supplementary showing required by sections 21.608 and 21.706 of this chapter in the lead application in lieu of filing a separate application under section 214 of the Act, an additional grant fee will be payable at the rate prescribed in the schedule for section 214 applications to extend or supplement facilities.

⁸ The filing fees specified in the schedule for satellite communications services do not apply to initial applications for domestic systems considered in conjunction with that of Western Union; Public Notice FCC 70-953. However, the grant fee will be applicable to any grant. All subsequent applications will be subject to the filing as well as the grant fees.

⁹ In the case of connecting circuits for international satellite circuits the mileage is computed as the distance from the U.S. terminal to the nearest earth station.

¹⁰ Projects undertaken pursuant to grant of continuing authority as prescribed in §§ 63.03(c) and 63.04(c) of this chapter are subject to the grant fee.

¹¹ Fees for other than 4 kHz or 3 kHz channels will be the appropriate multiple or fractions of the 4 kHz or 3 kHz channel fee. (No grant fee is required for a video and associated audio channels.) Where the transmission of voice or digital data will be accomplished in the digital mode, a 64 kb/s transmission channel is to be considered the equivalent of one 4 kHz analog channel for purposes of calculating the grant fee.

¹² Unless otherwise specified, the grant fees based on channel miles for Section 214 applications are calculated on the basis of airline mileage between terminal cities (up to a maximum of 2500 miles between cities). Where domestic satellite channels are to be established between several cities on a demand use basis (as opposed to a point to point basis), the grant fee is calculated on the basis of the arithmetic average of the distances between each of the cities being so interconnected. Where the channels being established are one-way (rather than two-way), one half the normal grant fee will apply.

¹³ For blanket applications filed pursuant to §§ 63.67 or 63.68 of this chapter, the grant fee shall apply to each individual main or branch office for which reduction of hours is authorized.

¹⁴ Total operating revenues as reported for the previous calendar year on Form M, Account 300, Line 42.

¹⁵ An additional grant fee of \$50 is applied for any application proposing transmitter power in excess of 10 watts.

applications filed by the Civil Air Patrol or its component units in the Safety and Special Radio Services.

(9) Applications for license for an aircraft station to operate with only an emergency locator transmitter.

(10) Amendments to applications for authorizations in the Safety and Special Radio Services if the amended application on an original filing would not have required a higher fee than that already paid for the application being amended. If a higher fee would have been required than that already paid, the applicant will be required to pay the difference upon filing the amendment. If the fee would have been lower, no refund will be made.

§ 1.1116 Schedule of fees for Cable Television and Cable Television Relay Services.

(a) Applications and petitions filed in the Cable Television and Cable Television Relay Services shall be accompanied by the fees prescribed below:

Application in the Cable Television Relay (CAR) Service:	
For a construction permit.....	\$20
For a license or renewal.....	5
For a modification of construction permit or of a license.....	5
For reinstatement of expired construction permit or license.....	5
For assignment of license or of construction permit, or for transfer of control.....	10
Application for certificate of compliance pursuant to § 76.11.....	15

NOTE 1: If multiple applications for certificates of compliance are simultaneously filed by cable television systems having a common headend and identical ownership but serving or proposing to serve more than one community, the full \$15 fee will be required for only one of the communities; a \$5 fee will be required for each of the other communities.

(b) An annual authorization fee shall be paid by each CATV system on or before April 1 of each year for the preceding calendar year. The fee for each system shall be equal to the number of its subscribers times 13 cents. The number of subscribers shall be determined by averaging the number of subscribers on the last day of each calendar quarter. (See § 1.1102(f).)

NOTE 2: Where a system offers bulk-rates to multiple-outlet subscribers, such as apartment house or motel operators, each bulk-rate contract is viewed as a number of subscriptions to be calculated by dividing the total annual charge for the bulk-rate contract by the system's basic annual subscription rate for an individual household. (Thus, for example, if a cable television system charges an apartment house operator \$1,000 a year for a bulk-rate contract and charges individual households a basic rate of \$50 per year, the bulk-rate contract is counted as 20 subscriptions (i.e. 1,000 ÷ 50 = 20.) Where a variety of "annual subscription rates" for individual households exists (e.g., \$50 per year, if paid in one sum, or \$60 per year, if paid on a per-month basis), the rate used in the subscriber formula shall be the lowest annual

§ 1.1115 Schedule of fees for the Safety and Special Radio Services.

(a) Except as provided in paragraph (c) of this section, the fees set forth in the schedule below shall accompany all formal applications for authorizations filed in the Safety and Special Radio Services:

Applications for all authorizations except as noted below.....	\$4
Ship license that includes interim authorization.....	10
Operational fixed station using frequencies above 952 MHz:	
Initial license, 5-year renewal and assignment of license.....	20
Yearly renewal for stations used in CATV systems.....	5
Stations using frequencies in the band 806-947 MHz and providing service on a commercial basis—per channel.....	200
Common carrier public coast stations:	
Initial license, renewal and assignment of license.....	75
Amateur service:	
Modification of license without renewal.....	3
Special call sign (in addition to other applicable fee).....	25

(b) Except as provided in paragraph (c) of this section, the fee set forth below shall accompany the following application or requests in the Safety and Special Radio Services:

Duplicate license.....	2
------------------------	---

(c) Fees are not required in the following instances:

(1) Applications filed in the Police, Fire, Forestry Conservation, Highway Maintenance, Local Government and State Guard Radio Services.

(2) Applications filed by governmental entities in any of the Safety and Special Radio Services.

(3) Applications filed by the following in the Special Emergency Radio Service: hospitals, disaster relief organizations, beach patrols, school buses, and non-profit ambulance operators and rescue organizations.

(4) Applications filed in the Disaster Communications Services.

(5) Applications for ship inspections pursuant to the Great Lakes Agreement, the Safety of Life at Sea Convention, and Parts II and III, Title III, of the Communications Act of 1934, as amended.

(6) Application for Novice Class license in the Amateur Radio Service, applications for amateur stations under military auspices, and applications filed in the Radio Amateur Civil Emergency Services (RACES).

(7) Operational Fixed Microwave applications filed for Closed Circuit Educational Television Service.

(8) Applications for Aeronautical Radionavigation Stations, Aeronautical Search and Rescue Stations, and any ap-

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rate which is offered to individual subscribers (\$50 here). Likewise, if the bulk-rate contract is on a monthly basis, it shall be divided by the lowest monthly rate which is offered. In the preceding example, a \$50 per year charge should be viewed as a charge of \$4.17 per month. It is not contemplated, however, that such calculations should be made with respect to extra payments for additional cable television outlets within the same individual household.

§ 1.1117 Schedule of fees for commercial radio operator examinations and licensing.

(a) Except as provided in paragraphs (b) and (c) of this section, applications for commercial radio operator examinations and licensing shall be accompanied by the fees prescribed below:

- (1) Applications for new operator license or permit:
 - First-class, second-class, or third-class, either radiotelephone or radiotelegraph ----- \$4
 - Provisional radiotelephone third-class operator certificate with broadcast endorsement, one-year term ----- 2
 - Restricted radiotelephone permit ----- 4
 - Restricted radiotelephone permit (alien), five-year term ----- 4
- (2) Application for endorsement of license or permit: ----- 4
- (3) Application for renewal of operator license or permit:
 - First-class, second-class, or third-class, either radiotelephone or radiotelegraph ----- 2
 - Restricted radiotelephone operator permit (alien) ----- 4
- (4) Application for replacement or duplicate license or permit ----- 2
- (5) Application for verification card (Form 758-F) ----- 2

(b) Whenever an applicant requests both an operator license or permit and an endorsement the required fee will be the fee prescribed for the license document involved only.

(c) No fee is required for applications for a replacement license or permit for a marriage-related change of name.

(d) When an application is filed for a new license or permit and the applicant fails to appear for the required examination within 18 months, the application will be null and void for failure to prosecute and no refund will be made.

(e) Operator authorizations are issued by the Commission subject to payment and receipt of the applicable fee pursuant to the requirements of § 1.1102 of this chapter. In the case of operator authorizations, when the Commission is unable to collect the prescribed fee by a specified date upon notification mailed to the applicant at his last known address, the authorization will become null, void and ineffective after that date.

§ 1.1120 Schedule of fees for equipment type approval, type acceptance and certification.

Type approval, type acceptance, certification or approval of subscription television systems shall require payment of fees as prescribed below:

(a) CERTIFICATION		Application fee	Item	Application fee
(1)	Application for certification of each receiver model: ¹		(3) Application for certification of equipment (other than receivers) operating under Part 15 ²	150
a.	Television broadcast receiver	\$250	(See footnotes at end of tables.)	
b.	FM broadcast receiver (with or without other reception capability)	150	(b) TYPE ACCEPTANCE	
c.	Combination TV/FM broadcast receiver (with or without other reception capability)	300	(1) Application for type acceptance for each equipment type ^{1,2,3,4}	\$200
d.	All other receivers	150	(2) Application for the addition of one or more rule parts to existing type acceptance for each equipment type as identified by manufacturer or trade name and type number	150
(2)	Application for certification of equipment operating under Part 18 ⁵ (N fee required for certification for use of industrial heating equipment on Form 724 in accordance with § 18.116 of the Commission's Rules)	150	(3) Approval of subscription television system	1500
			(See footnotes at end of tables.)	

(c) TYPE APPROVAL ⁶		Item ⁷	Filing fee ⁸	Grant fee ⁹
(1)	Applications for type approval of equipment requiring tests: ¹⁰			
a.	Part 73:			
	1. Broadcast modulation monitors—SCA or stereo		\$2,400	\$800
	2. Broadcast modulation monitors—other		1,200	400
	3. Broadcast antenna phase monitors		2,400	800
	4. Other broadcasting equipment		1,200	400
b.	Parts 81 and 83:			
	1. Ship transmitters, including lifeboat transmitters		1,200	400
	2. Radar		900	300
	3. Ship automatic alarms		3,000	1,000
	4. Ship automatic alarm keyers		750	250
	5. Other maritime devices		750	250
c.	Part 15:			
	1. Wireless microphones		450	150
	2. Auditory training transmitters (72-76 MHz)		1,200	400
	3. Class I TV devices:			
	If rated to operate on 1 or 2 channels		1,500	500
	If rated to operate on more than 2 channels, for each channel over 2		750	250
	4. Other Part 15 devices		450	150
d.	Part 18:			
	1. Medical diathermy and Subpart H equipment (13.56, 27.12, 40.68 MHz)		750	250
	2. Medical diathermy, microwave ovens and other Subpart H equipment (915 MHz and above)		900	300
	3. Ultrasonic		450	150
	4. Other Part 18 devices		750	250
(2)	Applications for type approval of equipment not requiring tests ¹¹		75	25
(3)	Applications for approval of modifications in existing type approved equipment:			
	a. Modifications which require retesting		(10)	(10)
	b. All other modifications		75	25
(4)	Correction of equipment deficiencies: Application for type approval where unit has been previously rejected for deficiency and is resubmitted for testing		(10)	(10)

¹ The receiver part of a transceiver or a unit which includes a transmitter and receiver shall be separately certificated. The application for receiver certification shall be filed simultaneously with, but under separate cover from, the application for type acceptance.

² In the case of an equipment in which one or more receivers and transmitters are packaged as an individual equipment and identified by a single type number, each receiver shall be separately certificated and each transmitter shall be separately type accepted. The application(s) for certification for each receiver shall be filed simultaneously with, but under separate cover from, the application(s) for type acceptance.

³ Application for certification or type acceptance of equipments which bear different identification will be considered separate applications, regardless of whether such equipment may be otherwise identical.

⁴ Fees for type acceptance are not required in the following cases:

(a) when a request for type acceptance is included in an application for station license and covers only the item of equipment to be authorized in that particular station;

(b) when a request is made by the licensee of a station for approval of modifications to a specific item of existing type accepted equipment authorized in that particular station.

⁵ Whenever an item subject to type approval is required to comply with more than one set of technical specifications, separate fees will be required for each set of technical specifications for which compliance is examined. For example, a combined frequency and modulation monitor will require the payment of fees applicable to each; a frequency monitor for standard broadcast and FM broadcast will require payment of fees applicable to each. Likewise, combination units of items of the same type, for example, a combination of two radars, will require payment of two fees.

⁶ A separate application, with payment of appropriate fees, is required for each equipment bearing different identification, whether in trade name or model number, even though such equipment may otherwise be identical to another. However, see note 9 below.

⁷ The filing fee must be remitted with the application. The applicant may include the grant fee if he desires; otherwise the grant fee shall be remitted within the prescribed 45 days after grant of type approval. See § 1.1102 of this chapter.

⁸ A single application is required for a combination under a single identification of two or more equipments which are subject to type approval, such as a combination of two radars. However, payment of separate fees will be required for each equipment which is tested. For an equipment which is subject to two or more sets of technical specifications in the rules, separate fees will be required for each set of tests.

⁹ For a family or series of equipment models having the same radiofrequency generator or transmitter and so nearly identical in design and construction that tests on only one model will be required, the model tested will be subject to the fees specified in paragraph (c)(1), and the other models in that series will be subject to the fees specified in paragraph (c)(2). For example, this would apply to two or more models of microwave ovens identical except for identification, styling, and minor electrical or mechanical changes. Likewise, it would apply to two or more models of marine radars which employ the same transmitter but with different combinations of accessories. However, initial applications for type approval which request use of alternate magnetrons or other critical components will require payment of the fee indicated in paragraph (c)(1) plus the fee required in paragraph (c)(3)a.

¹⁰ 75 percent of the filing and grant fees specified in (1) above for the particular class of equipment.

2. In § 13.71, paragraph (b) is revised to read as follows:

§ 13.71 Issue of duplicate or replacement licenses.

* * * * *

(b) The holder of any license or permit whose name is legally changed shall, within thirty days of the legal change of name, make application for a replacement document to indicate the new legal name by submitting a properly executed application accompanied by the license or

permit affected. If the authorization is in the diploma form, the application should be submitted to the office where it was issued. If the authorization is of the card form (Restricted Radiotelephone Operator Permit), it should be submitted to the Federal Communications Commission, Gettysburg, Pa. 17325.

NOTE: Pursuant to § 1.1117(c) of this chapter, no fee is required for application for replacement of license for a marriage-related change of name.

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