

entities with an attributable interest in a particular regulatee would be aggregated. We invite comment on the above proposal and on alternative proposals. Commenters should address whether numerical or other caps should be applied to the waiver of Section 8 or Section 9 fees, the appropriate level at which the cap should be set, and how the level of a cap might be adjusted over time.

v. Procedural Changes

13. In an effort to streamline the regulatory fee process, the Commission is undertaking several initiatives that will make the process of collecting fees more efficient. Historically, in addition to providing official notice of regulatory fee assessments in the **Federal Register**, the Commission mails tens of thousands of public notices to licensees and regulatees, informing them of when regulatory fees are due and providing them the information necessary for them to calculate the amount they owe. This mailing process is very costly and inefficient. Because of the wide availability of the Internet, the Commission is proposing to discontinue mailing public notices. Instead, these notices, and all other pertinent information, will be posted on the FCC's Web site (<http://www.fcc.gov/fees>). Hard copies of public notices and other relevant materials will be mailed upon request. Official notice of regulatory fee assessments will continue to be published in the **Federal Register**.

14. Further, the Commission is also undertaking a pilot program to mail postcards specifically stating the amount owed (*i.e.*, to send a "bill" on a postcard) to a select group of media services.¹⁸ The postcards will identify the station call sign, address, facility identification number or other identifier, and amount owed. The regulatee will then have the opportunity to correct any mistakes or, if there are no mistakes, simply submit the amount owed instead of having to calculate the unit's fee based upon information found in Public Notices. If successful, the Commission will consider expanding this method to other service categories.

15. With the exception of the changes noted in the preceding sections, the FY 2003 regulatory fee collection will follow the policies or procedures found in the *FY 2002 Order* (67 FR 46297).

¹⁸ AM and FM Radio Stations, AM and FM Construction Permits, FM Translators/Boosters, VHF and UHF Television Stations, VHF and UHF Television Construction Permits, Satellite Television Stations, Satellite Television Construction Permits, Low Power Television (LPTV) Stations, and LPTV Translators/Boosters.

vi. Future Streamlining of the Regulatory Fee Assessment and Collection Process

16. We are beginning a multi-year effort to review, streamline and modernize our fee assessment and collection processes and procedures. We welcome comments on a broad range of options in this regard. Areas of particular interest include: (1) The process for notifying users about changes in the annual regulatory fee schedule and how it can be improved; (2) the most effective way to disseminate regulatory fee bills, *i.e.* through surface mail, email, or some other mechanism; (3) the fee payment process, including how the agency's electronic payment system can be improved and whether we should make electronic payment mandatory for fees over a certain level; and (4) the timing of fee payments, including whether we should alter the existing fee payment "window" in any way. Commenters should bear in mind that proposed improvements must comport with the provisions of Section 9 of the Communications Act of 1934, as amended (47 U.S.C. 159). We anticipate taking action to implement improvements after the current regulatory fee cycle.

B. Procedures for Payment of Regulatory Fees

i. De minimis Fee Payment Liability

17. As in the past, the Commission is proposing that regulatees whose total regulatory fee liability, including all categories of fees for which payment is due by an entity, amounts to less than \$10 will be exempted from fee payment in FY 2003.

ii. Standard Fee Calculations and Payment Dates

18. The time for payment of standard fees will be announced in the *Report and Order* terminating this proceeding and will be published in the **Federal Register** pursuant to authority delegated to the Managing Director. As in the past, the responsibility for payment of fees by service category is as follows:

(a) Media services—the responsibility for the payment of regulatory fees rests with the holder of the permit or license on October 1, 2002. However, in instances where a license or permit is transferred or assigned after October 1, 2002, responsibility for payment rests with the holder of the license or permit at the time payment is due.

(b) Wireline (Common Carrier) and Cable Services (fees are not based on a subscriber, unit, or circuit count)—fees

must be paid for any authorization issued on or before October 1, 2002.

(c) Cable Subscriber Services and Commercial Mobile Radio Service (CMRS) cellular, mobile, and messaging services (fees based upon a subscriber, unit or circuit count)—the number of subscribers, units or circuits on December 31, 2002 will be used as the basis from which to calculate the fee payment.¹⁹ For facilities-based common carriers with active international bearer circuits, the fee is based on the circuit count as of December 31, 2002.

19. The Commission strongly recommends that entities submitting more than twenty-five (25) Form 159-C's use the electronic fee filer program when sending in their regulatory fee payment. The Commission will, for the convenience of payers, accept fee payments made in advance of the normal formal window for the payment of regulatory fees.

C. Enforcement

20. As required in 47 U.S.C. 159(c), an additional charge shall be assessed as a penalty for late payment of any regulatory fee. A late payment penalty of 25 percent of the amount of the required regulatory fee will be assessed on the first day following the deadline date for filing of these fees. Failure to pay regulatory fees and/or any late penalty will subject regulatees to sanctions, including the provisions set forth in the Debt Collection Improvement Act of 1996 ("DCIA"). The Commission also assesses administrative processing charges on delinquent debts to recover additional costs incurred in processing and handling the related debt pursuant to the DCIA and section 1.1940(d) of the Commission's rules. These administrative processing charges will be assessed on any delinquent regulatory fee, in addition to the 25 percent late charge penalty. Partial underpayments of regulatory fees are treated in the following manner. The licensee will be given credit for the amount paid, but if it is later determined that the fee paid is incorrect or was submitted after the deadline date, the 25 percent late charge penalty will be assessed on the portion that is

¹⁹ Cable system operators are to compute their subscribers as follows: Number of single family dwellings + number of individual households in multiple dwelling unit (apartments, condominiums, mobile home parks, etc.) paying at the basic subscriber rate + bulk rate customers + courtesy and free service. Note: Bulk-Rate Customers = Total annual bulk-rate charge divided by basic annual subscription rate for individual households. Cable system operators may base their count on "a typical day in the last full week" of December 2002, rather than on a count as of December 31, 2002.