

Commission's costs in this service category and leading to higher regulatory fees here, as well. More importantly, the many processors of the myriad applications and filings submitted to the Commission's various Bureaus and Offices are not granted the authority to issue refunds without proper documentation. We cannot relax this filing requirement because maintaining a file of written requests for refunds that are paid to applicants is a sound accounting practice, and is necessary to ensure the integrity of the Commission's financial management and accounting systems.

28. Next, we address comments concerning our general regulatory fee assessment policy with regards to amateur radio vanity call signs. Pursuant to Section 9 of the Telecommunications Act of 1934, as amended, the assessment of regulatory fees is not applicable to amateur radio operator licenses.³⁶ This exemption applies only to the actual license to operate, and does not extend to the vanity call sign component of Amateur Radio Service. Vanity call signs are voluntarily requested by licensees, and an entity that operates under a vanity call sign enjoys a value-added benefit not afforded to all licensees. Therefore, it is reasonable to conclude that those entities holding amateur vanity call signs should be assessed regulatory fees by the Commission to cover its processing and enforcement costs for making the vanity call sign service available.

29. Rather than assess entities a significant up-front vanity call sign fee that lasts the life of the call sign, the Commission chose instead to assess a nominal fee at the time of initial application and a continuance of the nominal fee at subsequent ten-year vanity call sign and license renewals. The Commission believes that this approach allows greater consumer access to vanity call signs. A high one-time-only fee would be cost prohibitive for many entities wishing to obtain a vanity call sign. This approach is also consistent with the fact that the Commission incurs costs in managing each vanity call sign throughout its existence, not merely the first 10 years of its initial license period. This approach also makes the cost of holding any given vanity call sign equitable among all holders throughout the existence of each call sign, providing by example that holding a vanity call sign for 30 years will cost three times the

amount to hold such a call sign for 10 years.³⁷

30. For the reasons detailed above, the Commission upholds its fee assessment policy for amateur radio vanity call signs and the payment methodology employed throughout the life-cycle of a vanity call sign authorization.

B. Procedures for Payment of Regulatory Fees

i. De minimis Fee Payment Liability

31. Regulatees whose *total* regulatory fee liability, including all categories of fees for which payment is due by an entity, amounts to less than \$10 are exempt from payment of regulatory fees in FY 2003.

ii. Standard Fee Calculations and Payment Dates

32. As in prior years, the responsibility for payment of fees by service category is as follows:

(a) Media services—fees must be paid for any license or permit issued on or before 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. However, 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.

(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.³⁸ For facilities-based common carriers with active international bearer circuits, the fee is based on the circuit count as of December 31, 2002. Also, as

³⁷ Assuming a consistent time-value of money, and barring future Congressionally mandated changes in the amount of regulatory fees to be collected.

³⁸ 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 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.

stated previously, 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.

33. 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

34. 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 § 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 submitted after the filing window. Failure to pay regulatory fees can result in the initiation of a proceeding to revoke any and all authorizations held by the delinquent payer.³⁹

III. Procedural Matters

35. Authority for this proceeding is contained in sections 4(i) and (j), 8, 9, and 303(r) of the Communications Act of 1934, as amended.⁴⁰ It is ordered that the rule changes specified herein be adopted. It is further ordered that the rule changes made herein will become effective September 11, 2003, which is no less than 30 days after publication in

³⁹ See 47 CFR 1.1164.

⁴⁰ See 47 U.S.C. 154(i)-(j), 159, and 303(r).

³⁶ See 47 U.S.C. 149(h).