

considered in reaching its proposed approach, which may include the following four alternatives: (1) The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance or reporting requirements under the rule for small entities; (3) the use of performance, rather than design, standards; and (4) an exemption from coverage of the rule, or any part thereof, for small entities. As described in Section III of this FRFA, *supra*, we have created procedures in which all fee-filing licensees and regulatees use a single form, FCC Form 159, and have described in plain language the general filing requirements. We have sought comment on other alternatives that might simplify our fee procedures or otherwise benefit small entities, while

remaining consistent with our statutory responsibilities in this proceeding.

68. *The Omnibus Appropriations Act for FY 2003*, Public Law 108–7, requires the Commission to revise its Schedule of Regulatory Fees in order to recover the amount of regulatory fees that Congress, pursuant to Section 9(a) of the Communications Act, as amended, has required the Commission to collect for Fiscal Year (FY) 2003.<sup>210</sup> As noted, we have previously sought comment on the proposed methodology for implementing these statutory requirements and any other potential impact of these proposals on small entities.

69. With the use of actual cost accounting data for computation of regulatory fees, we found that some fees which were very small in previous years would have increased dramatically and would have a disproportionate impact on smaller entities.

The methodology we are adopting in this *Report and Order* minimizes this impact by limiting the amount of increase and shifting costs to other services which, for the most part, are larger entities.

70. Several categories of licensees and regulatees are exempt from payment of regulatory fees. *See, e.g.*, footnote 204, *supra*.

*Report to Small Business Administration:* The Commission will send a copy of this *Report and Order*, including a copy of the FRFA to the Chief Counsel for Advocacy of the Small Business Administration. The *Report and Order* and FRFA (or summaries thereof) will also be published in the **Federal Register**.

*Report to Congress:* The Commission will send a copy of this Final Regulatory Flexibility Analysis, along with this *Report and Order*, in a report to Congress pursuant to the Congressional Review Act, 5 U.S.C. 801(a)(1)(A).

#### ATTACHMENT B.—SOURCES OF PAYMENT UNIT ESTIMATES FOR FY 2003

[In order to calculate individual service fees for FY 2003, we adjusted FY 2002 payment units for each service to more accurately reflect expected FY 2003 payment liabilities. We obtained our updated estimates through a variety of means. For example, we used Commission licensee data bases, actual prior year payment records and industry and trade association projections when available. We tried to obtain verification for these estimates from multiple sources and, in all cases; we compared FY 2003 estimates with actual FY 2002 payment units to ensure that our revised estimates were reasonable. Where appropriate, we adjusted and/or rounded our final estimates to take into consideration the fact that certain variables that impact on the number of payment units cannot yet be estimated exactly. These include an unknown number of waivers and/or exemptions that may occur in FY 2003 and the fact that, in many services, the number of actual licensees or station operators fluctuates from time to time due to economic, technical or other reasons. Therefore, when we note, for example, that our estimated FY 2003 payment units are based on FY 2002 actual payment units, it does not necessarily mean that our FY 2003 projection is *exactly* the same number as FY 2002. It means that we have either rounded the FY 2003 number or adjusted it slightly to account for these variables.]

| Fee category  | Sources of payment unit estimates   |
|---|---|
| Land Mobile (All), Microwave, 218–219 MHz, Marine (Ship & Coast), Aviation (Aircraft & Ground), GMRS, Amateur Vanity Call Signs, Domestic Public Fixed. | Based on Wireless Telecommunications Bureau (WTB) projections of new applications and renewals taking into consideration existing Commission licensee data bases. Aviation (Aircraft) and Marine (Ship) estimates have been adjusted to take into consideration the licensing of portions of these services on a voluntary basis. |
| CMRS Mobile Services .....  | Based on Wireless Telecommunications Bureau estimates.  |
| CMRS Messaging Services .....   | Based on Wireless Telecommunications Bureau estimates.  |
| AM/FM Radio Stations .....  | Based on estimates from Media Services Bureau estimates and actual FY 2002 payment units.   |
| UHF/VHF Television Stations .....   | Based on Media Services Bureau estimates and actual FY 2002 payment units.  |
| AM/FM/TV Construction Permits .....   | Based on Media Services Bureau estimates and actual FY 2002 payment units.  |
| LPTV, Translators and Boosters .....  | Based on actual FY 2002 payment units.  |
| Auxiliaries .....   | Based on FY 2002 payment units.   |
| MDS/LMDS/MMDS .....   | Based on Wireless Telecommunications Bureau estimates.  |
| Cable Antenna Relay Service (CARS) .....  | Based on Media Services Bureau (previously Cable Services Bureau) estimates.  |
| Cable Television System Subscribers .....   | Based on Media Services Bureau (previously Cable Services Bureau), industry estimates of subscribership, and FY 2002 payment units.   |
| Interstate Telecommunication Service Providers .....  | Based on actual FY 2002 interstate revenues reported on Telecommunications Reporting Worksheet, adjusted for FY 2003 revenue growth/decline for industry as estimated by the Wireline Competition Bureau.   |
| Earth Stations .....  | Based on actual FY 2002 payment estimates.  |
| Space Stations (GSOs & NGSOs) .....   | Based on International Bureau licensee data base estimates.   |
| International Bearer Circuits .....   | Based on International Bureau estimates.  |
| International HF Broadcast Stations, International Public Fixed Radio Service.  | Based on International Bureau estimates.  |

<sup>210</sup> 47 U.S.C. 159(a).