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FCC Proposes FY 2009 Regulatory Fees

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The Commission has announced its proposed annual regulatory fees for Fiscal Year 2009. The final fee amounts and filing deadline will be announced in a Public Notice following consideration of Comments to be filed by June 4, 2009 and Reply Comments to be filed by June 11, 2009.

The proposed Annual Regulatory Fees for FY 2009 are projected to raise more than \$341 million.

Commercial VHF television stations face the prospect of the following annual regulatory fee increases: in the top 10 markets, those stations will see their annual fee rise from \$71,050 to \$77,575, and in markets 11 to 25, the fee increases from \$53,525 to \$60,550. VHF construction permit fees will increase from \$5,600 to \$5,950 under the FCC's proposal. Similarly, UHF television stations face fee increases: in the top 10 markets, those stations will see their annual fee rise from \$21,225 to \$24,250, and in markets 11 to 25, the fee increases from \$19,475 to \$21,525. UHF construction permit fees will increase from \$1,800 to \$1,950.

Consistent with past years, the FCC will not assess FY 2009 regulatory fees for both digital and analog licenses from a licensee in the process of transitioning from analog to digital. Stations that were broadcasting in both analog and digital on October 1, 2008 will be assessed FY 2009 regulatory fees for their analog licenses only. Stations that were broadcasting in digital only on October 1, 2008 will not be assessed regulatory fees for their digital license for FY 2009. Beginning in FY 2010, the FCC intends to begin collecting regulatory fees from digital television broadcasters.

The amount of increase in annual fees for full-power AM and FM radio stations will be between \$25 to \$700, depending upon the type and class of station involved. The annual fee for FM construction permits will increase from \$600 to \$650. Similarly, the AM construction permit fee will rise from \$415 to \$480.

The wireless fees of general interest to broadcasters are left unchanged: annual fees for Part 74 Broadcast Auxiliaries remain at \$10.00 per license.

Fiscal Year 2009 Annual Regulatory fees are owed for any authorizations held by a licensee or permittee as of October 1, 2008. Fee payments must be sent to the Commission's lockbox at U.S. Bank in St. Louis. The deadline for payment has not yet been announced, but the FCC has indicated that it anticipates collecting fees in August or September.

It is important for licensees and permittees to consider that the failure to make full payment in a timely fashion can subject them to a collection action (with a 25% penalty) by the FCC. In addition, the

Commission will refuse to process a licensee's/permittee's applications until full payment (plus applicable penalties) has been made. The FCC still employs its "Red Light" database to detect those licensees and permittees who have not paid their regulatory fees in full.

The proposed fee schedules are attached hereto. For more information on the fees, including assistance in preparing and filing fees with the Commission or a complete version of the Federal Register notice released regarding the proposed fees, please contact any of the lawyers in the Communications Practice Section.

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APPENDIX I
Proposed FY 2009 Schedule of Regulatory Fees

Regulatory fees for the categories shaded in gray are collected by the Commission in advance to cover the term of the license and are submitted along with the application at the time the application is filed.

Fee Category	Annual Regulatory Fee (U.S. \$'s)
PLMRS (per license) (Exclusive Use) (47 CFR part 90)	40
Microwave (per license) (47 CFR part 101)	30
218-219 MHz (Formerly Interactive Video Data Service) (per license) (47 CFR part 95)	65
Marine (Ship) (per station) (47 CFR part 80)	10
Marine (Coast) (per license) (47 CFR part 80)	45
General Mobile Radio Service (per license) (47 CFR part 95)	5
Rural Radio (47 CFR part 22) (previously listed under the Land Mobile category)	20
PLMRS (Shared Use) (per license) (47 CFR part 90)	20
Aviation (Aircraft) (per station) (47 CFR part 87)	5
Aviation (Ground) (per license) (47 CFR part 87)	10
Amateur Vanity Call Signs (per call sign) (47 CFR part 97)	1.34
CMRS Mobile/Cellular Services (per unit) (47 CFR parts 20, 22, 24, 27, 80 and 90)	.18
CMRS Messaging Services (per unit) (47 CFR parts 20, 22, 24 and 90)	.08
Broadband Radio Service (formerly MMDS/ MDS) (per license) (47 CFR part 21)	320
Local Multipoint Distribution Service (per call sign) (47 CFR, part 101)	320
AM Radio Construction Permits	480
FM Radio Construction Permits	650
TV (47 CFR part 73) VHF Commercial	
Markets 1-10	77,575
Markets 11-25	60,550
Markets 26-50	37,575
Markets 51-100	22,950
Remaining Markets	5,950
Construction Permits	5,950

Fee Category	Annual Regulatory Fee (U.S. \$'s)
TV (47 CFR part 73) UHF Commercial	
Markets 1-10	24,250
Markets 11-25	21,525
Markets 26-50	13,350
Markets 51-100	7,600
Remaining Markets	1,950
Construction Permits	1,950
Satellite Television Stations (All Markets)	1,275
Construction Permits – Satellite Television Stations	650
Low Power TV, Class A TV, TV/FM Translators & Boosters (47 CFR part 74)	400
Broadcast Auxiliaries (47 CFR part 74)	10
CARS (47 CFR part 78)	260
Cable Television Systems (per subscriber) (47 CFR part 76)	.88
Interstate Telecommunication Service Providers (per revenue dollar)	.00342
Earth Stations (47 CFR part 25)	210
Space Stations (per operational station in geostationary orbit) (47 CFR part 25) also includes DBS Service (per operational station) (47 CFR part 100)	127,175
Space Stations (per operational system in non-geostationary orbit) (47 CFR part 25)	137,225
International Bearer Circuits (per active 64KB circuit) ¹	.85
International Public Fixed (per call sign) (47 CFR part 23)	2,200
International (HF) Broadcast (47 CFR part 73)	950

¹ As discussed previously herein, we recently revised the Commission's IBC fee rules by adopting a new methodology for calculating regulatory fees on both common carrier and non-common carrier international submarine cable systems based on a per system fee. See *Submarine Cable Order*. Under section 9(b)(4)(B) of the Act, we must notify Congress 90 days before a permitted amendment to the regulatory fees can take effect. The 90 day period will elapse as of July 15, 2009. For this reason, we are calculating proposed regulatory fees for FY 2009 for this service using both the new methodology and the old (pre-FY 2009) methodology. See Appendix A for the proposed regulatory fees for international submarine cable systems based on the new methodology adopted in the *Submarine Cable Order*. Appendix I contains the proposed regulatory fees for international submarine cable systems based on the current methodology which remains in effect pending the Congressional notification process. If the 90 day period elapses without Congressional objection to the permitted amendment, we will use the new methodology contained in Appendix A to calculate submarine cable fees in our FY 2009 report and order. Terrestrial and satellite facilities do not have cable landing licenses and will continue to pay regulatory fees on a per 64KB circuit basis, under our historic methodology as revised in the *Submarine Cable Order*. See *Submarine Cable Order* at ¶ 20.

FY 2009 SCHEDULE OF REGULATORY FEES (continued)

FY 2009 RADIO STATION REGULATORY FEES						
Population Served	AM Class A	AM Class B	AM Class C	AM Class D	FM Classes A, B1 & C3	FM Classes B, C, C0, C1 & C2
<=25,000	\$675	\$550	\$500	\$575	\$650	\$825
25,001 – 75,000	\$1,350	\$1,075	\$750	\$875	\$1,325	\$1,450
75,001 – 150,000	\$2,025	\$1,350	\$1,000	\$1,450	\$1,825	\$2,725
150,001 – 500,000	\$3,050	\$2,300	\$1,500	\$1,725	\$2,800	\$3,550
500,001 – 1,200,000	\$4,400	\$3,500	\$2,500	\$2,875	\$4,450	\$5,225
1,200,001 – 3,000,00	\$6,750	\$5,400	\$3,750	\$4,600	\$7,250	\$8,350
>3,000,000	\$8,100	\$6,475	\$4,750	\$5,750	\$9,250	\$10,850