



PUBLIC NOTICE

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The Office of Managing Director Releases Data to Assist Commenters on Issues Presented in Further Notice of Proposed Rulemaking Adopted on August 1, 2008

MD Docket No. 08-65

On August 1, 2008 the Commission adopted a Report and Order and Further Notice of Proposed Rulemaking in MD Docket No. 08-65 regarding the collection of regulatory fees for Fiscal Year 2008.¹ In the Further Notice of Proposed Rulemaking, the Commission sought comment on ways that it can better determine and calculate the regulatory fees in a way that is aligned with the Commission's regulatory activities. Specifically, the Commission asked whether certain fee categories bear too heavy a regulatory burden and if other fee categories should be responsible for a larger share of the total regulatory fees collected by the agency.

To assist prospective commenters in developing their analyses, the Office of Managing Director has prepared several charts and tables that present a breakdown of the costs incurred by the Commission's regulatory activities. These charts are based on publicly available information that is routinely contained in the Commission's annual budget submissions to Congress.² The first chart, Attachment A of this Public Notice, identifies the total estimated costs (that is, both direct and indirect costs) associated with the regulatory activities performed by the Wireless, Wireline, Media, and International Bureaus (the "core Bureaus"). The estimated indirect costs are comprised of the expenses incurred by the remaining Commission Offices and Bureaus, including each respective Commissioner's office, the Enforcement Bureau, the Consumer & Governmental Affairs Bureau, the Public Safety & Homeland Security Bureau, and the Office of General Counsel, etc. In the chart at Attachment A, the estimated indirect costs have been allocated among the four core Bureaus based on their number of full-time employees.³ Estimated costs associated with operating the Commission, such as financial operations, human resources, and information technology management, are typically assigned to the Office of Managing Director. These costs have first been allocated to each Bureau and Office based upon the number of FTEs in each of these

¹ See *Assessment and Collection of Regulatory Fees for Fiscal Year 2008*, MD Docket No. 08-65, RM-11312, Report and Order and Further Notice of Proposed Rulemaking, FCC 08-182 (rel. Aug. 8, 2008); http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-08-182A1.pdf.

² Specifically, the charts and tables in this Public Notice use data submitted to Congress in the Commission's FY 2008 budget submission. See http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-270286A1.pdf; http://www.fcc.gov/Reports/fcc2008budget_complete.pdf.

³ See FY 2008 Budget at 6 for a summary of FY 2006-2008 full time employees ("FTEs") and funding, per Bureau and Office.

operating units. Then, the support Bureaus and Offices expenses, including the allocated OMD-related expenses, are allocated to the core Bureaus as described above. The presentation of data in Attachment A is for informational purposes to assist commenters in discussing ways to calculate regulatory fees.

The second chart depicts another method for allocating the Commission's estimated costs. Specifically, Attachment 2, allocates these estimated costs among each of the six strategic goals identified by the Commission.⁴ In allocating these costs, we have relied upon the FTE counts by strategic goal that are contained in the FCC's annual budget submission to Congress.⁵ The six strategic goals are:

- *Broadband.* All Americans should have affordable access to robust and reliable broadband products and services. Regulatory policies must promote technological neutrality, competition, investment, and innovation to ensure that broadband service providers have sufficient incentive to develop and offer such products and services.
- *Competition.* Competition in the provision of communications services, both domestically and overseas, supports the Nation's economy. The competitive framework for communications services should foster innovation and offer consumers reliable, meaningful choice in affordable services.
- *Spectrum.* Efficient and effective use of non-federal spectrum domestically and internationally promotes the growth and rapid deployment of innovative and efficient communications technologies and services.
- *Media.* The Nation's media regulations must promote competition and diversity and facilitate the transition to digital modes of delivery.
- *Public Safety & Homeland Security.* Communications during emergencies and crises must be available for public safety, health, defense, and emergency personnel, as well as all consumers in need. The Nation's critical communications infrastructure must be reliable, interoperable, redundant, and rapidly restorable.
- *Modernize the FCC.* The FCC shall strive to be a highly productive, adaptive, and innovative organization that maximizes the benefit to stakeholders, staff, and management from effective systems, processes, resources, and organizational culture.

We recognize that there are numerous options for devising an estimate of the costs associated with each of the Commission's Bureaus and Offices. The Commission is presenting this information in order to assist commenters in analyzing our regulatory fee methodology. Section 9 of the Communications Act of 1934, as amended (the "Act"), requires the Commission to collect regulatory fees on an annual basis "to recover the costs of ... enforcement activities, policy and rulemaking activities, user information services, and international activities."⁶ In addition, section 9 of the Act requires the Commission to make certain changes to the regulatory fee schedule "if the Commission determines that the schedule requires amendment to comply with the requirements" of section 9(b)(1)(A). Specifically,

⁴ http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-283196A1.pdf.

⁵ See FY 2008 Budget at 7 for the FY 2006-2008 FTE distribution by strategic goal and organization.

⁶ 47 U.S.C. § 159(a).

the Commission must add, delete, or reclassify services in the fee schedule to reflect additions, deletions, or changes in the nature of its services “as a consequence of Commission rulemaking proceedings or changes in law.”

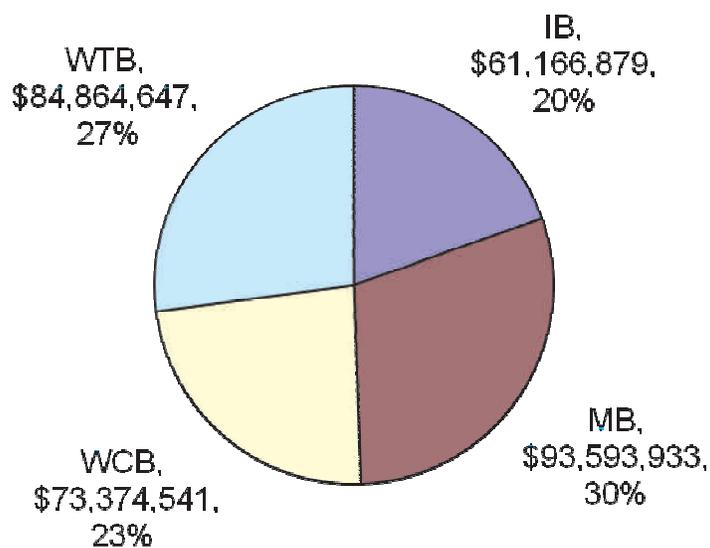
Attachment C shows the estimated costs for the core Bureaus and the remaining Bureaus and Offices in a table form. Attachment D shows the regulatory fees by service to be collected for FY 2008. Attachment E shows the regulatory fees collections by category of service in 1995.

For further information on this Public Notice or the attachments, please contact Mika Savir of the Office of Managing Director, (202) 418-0384, or via email at mika.savir@fcc.gov.

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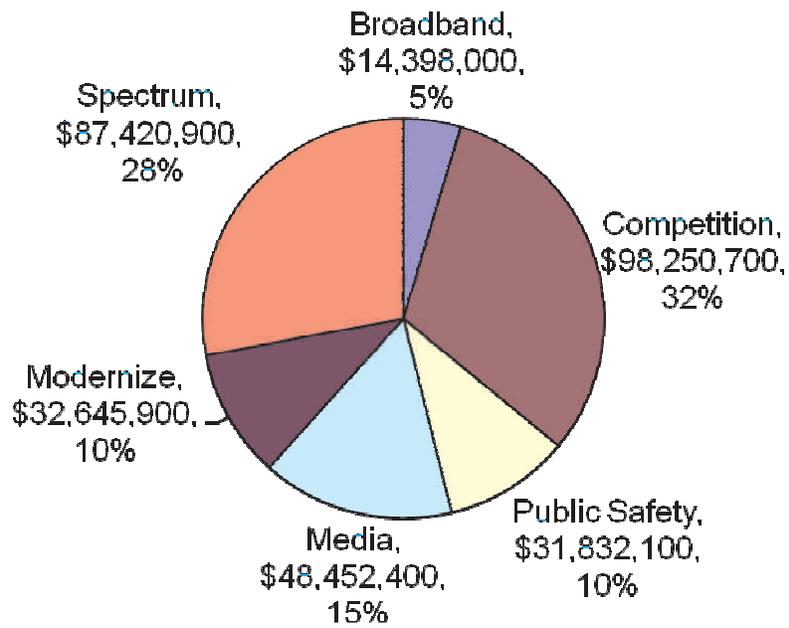
Attachment A

FY 2008 Total Costs By Core Bureau
Includes portion of indirect costs incurred by the FCC's Support Offices & Support Bureaus
(Auction Funding excluded from analysis)



Attachment B

FY 2008 Total Costs Allocated By Strategic Goal



Attachment C

FY 2008 Total Cost -- Core Bureaus						
Estimated Cost By Bureaus and Offices (FTE Basis) *						
Cost Category		IB	MB	WCB	WTB **	Total
	FTEs	142	231	171	257	801
Core Bureau Cost:						
Personnel Expenses		\$19,298,364	\$26,116,136	\$23,250,037	\$11,686,717	\$80,351,254
Non-Personnel Expenses		1,658,731	2,066,107	1,702,863	403,885	5,831,586
Total Bureau Cost		\$20,957,095	\$28,182,243	\$24,952,900	\$12,090,602	\$86,182,840
Support Cost						
OMD Allocation		\$7,729,458	\$12,573,978	\$9,308,010	\$13,989,231	\$43,600,676
Support Offices Allocation		5,509,885	8,963,264	6,635,144	9,972,117	31,080,410
Support Bureau & Comm. Alloc.		26,970,440	43,874,448	32,478,488	48,812,698	152,136,073
Total Support Cost		\$40,209,784	\$65,411,690	\$48,421,641	\$72,774,045	\$226,817,160
Total		\$61,166,879	\$93,593,933	\$73,374,541	\$84,864,647	\$313,000,000

* The cost analysis is based on the Commission's FY 2008 Budget Submission to Congress (Feb. 2007).

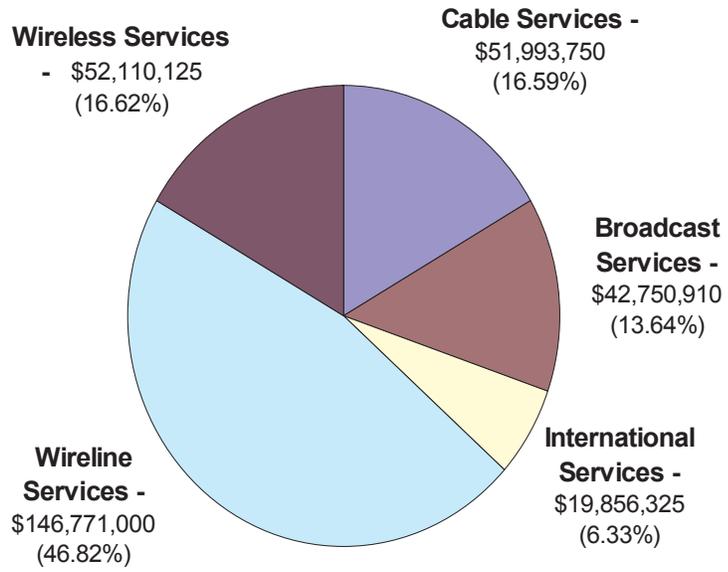
To estimate the overhead costs associated with each core Bureau, we

- a) Allocated cost attributed to OMD to all FCC Bureaus and Offices on a total Commission FTE basis.
- b) Allocated cost attributed to the FCC's Offices (e.g., OGC) to all Bureaus on a total Commission FTE basis.
- c) Allocation cost attributed to the FCC Support Bureaus (e.g., CGB, EB, PSHS, Comm.) to the core Bureaus.
- d) Thus, the final estimated cost by Bureau consists of the overhead costs added to the direct cost identified in the FY 2008 Budget Submission.

** Excludes Auctions Funding

Attachment D

FY 2008 Regulatory Fees to be Collected



Attachment E

FY 1995 Regulatory Fees Collected

