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FCC EXAMINES FEES USED TO FUND COMMISSION BUDGET

Washington DC – Today, the Commission adopted a Report and Order and Further Notice of Proposed Rulemaking to collect regulatory fees for Fiscal Year 2008.

Each fiscal year, the Commission is required to collect enough fees to raise the amount appropriated by Congress. For Fiscal Year 2008, the Commission received an annual appropriation from Congress for \$313 million, with all but \$1,000,000 collected through regulatory fees.

The Report and Order retains the same formula, policies, and procedures for collecting regulatory fees that the Commission adopted in Fiscal Years 2007 and 2006, as well as in prior years. The docket will remain open as the Commission continues to evaluate the appropriate regulatory fee method assessed on providers of International Bearer Circuits, including submarine cable operators. In the order, the Commission commits to addressing this issue within 60 days.

In addition, the Commission adopted a Further Notice of Proposed Rulemaking that asks how to more fairly distribute regulatory fees among communications industry segments. The further notice also examines methods to more closely align the regulatory fee regime under Section 9 of the Communications Act of 1934 (as amended) with the Commission's costs.

Section 9 requires that the Commission periodically adjust the method it uses for collecting regulatory fees. Given the significant changes in the industry since the agency last reviewed its regulatory fee structure a decade ago, the Commission initiated this comprehensive review to update its regulatory fee structure so that it more accurately reflects the costs incurred by the Commission in carrying out its statutory responsibilities.

The shift in the regulatory fee burden across communications industry sectors is illustrated in the Further Notice and in the attachments to this press release.

Action by the Commission August 1, 2008, by Report and Order and Further Notice of Proposed Rulemaking (FCC 08-182). Chairman Martin, Commissioners Copps, Adelstein, Tate, and McDowell.