

August 2008

## FCC OPENS FILING WINDOW FOR PAYMENT OF 2008 REGULATORY FEES

The Federal Communications Commission (“FCC”) has opened the payment window for the annual regulatory fee. Companies subject to the fee may make their contributions any time between the present and 11:59 EST on September 25, 2008. The FCC will assess a 25% late payment fee on any payments received after that date.

FCC licensees and regulatees are required to pay an annual regulatory fee. The amount of the fee varies based on a variety of factors, including, but not limited to, the type of licensee or regulatee, the number of subscribers, the number of assigned telephone numbers, and revenue. This advisory focuses on the annual regulatory fee applicable to Interstate Telecommunications Service Providers (ITSPs) and the International Bearer Circuit Fee. We have issued a separate advisory each for cable and broadcast licensees.

**Annual Regulatory Fee Applicable to ITSPs:** ITSPs, which generally include interexchange carriers, local exchange carriers, toll resellers, and other providers of interexchange services, must pay \$0.00314 per dollar of revenue earned in calendar year 2007 as their annual regulatory fee contribution. Interconnected VoIP providers now are subject to the annual regulatory fee, and will be classified as an ITSP for purposes of this fee.

As in the past several years, the FCC generally sends pre-bills to ITSPs (a pre-populated FCC Form 159W) to assist ITSPs with their payment obligations. Please note that the FCC does not reach all ITSPs, and failure to receive notice of liability does not excuse timely payment.

**International Bearer Circuit Fee:** The FCC has established an international bearer circuit fee of \$0.93 per active 64 kbps circuit owned as of December 31, 2007. Regulatory fees for international bearer circuits are paid by facilities-based common carriers that have active international bearer circuits in any transmission facility for the provision of service to an end user or resale carrier. Non-common carrier submarine cable operators also pay fees for any and all international bearer circuits sold on an indefeasible right of use basis or leased to any customer (other than an international common carrier authorized by the FCC to provide U.S. international common carrier services). In response to a pending petition for rulemaking, the Commission has agreed to reform its method for calculating international bearer circuit regulatory fees. The FCC has committed to issuing a revised methodology by mid-October to be effective for FY 2009.

**Further Notice of Proposed Rulemaking:** The FCC also adopted a Further Notice of Proposed Rule Making to explore how to make its regulatory fee process more equitable. Among other issues, the FCC sought comment on whether it should revise the ITSP, which has not been revised since 1997. Comments are due in the proceeding 30 days after publication in the Federal Register; reply comments are due 30 days thereafter.

Please contact any one of Womble Carlyle’s Communications attorneys if you have any questions regarding the annual regulatory fee.

If you have any questions regarding these rates, please do not hesitate to contact one of our Communications attorneys, including: Mike Hazzard ([MHazzard@wcsr.com](mailto:MHazzard@wcsr.com)); Ross Buntrock ([RBuntrock@wcsr.com](mailto:RBuntrock@wcsr.com)), Jennifer Kashatus ([JKashatus@wcsr.com](mailto:JKashatus@wcsr.com)); or Danielle Benoit ([DBenoit@wcsr.com](mailto:DBenoit@wcsr.com)).

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