

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 1

[MD Docket No. 24–85; MD Docket No. 24–86; FCC 24–70; FR ID 232437]

Assessment and Collection of Space and Earth Station Regulatory Fees for Fiscal Year 2024; Review of the Commission's Assessment and Collection of Regulatory Fees for Fiscal Year 2024

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: In this document, the Federal Communications Commission (Commission or FCC) adopted a new methodology for assessing annual regulatory fees for small satellites and spacecraft, and included space stations that are principally used for Rendezvous & Proximity Operations (RPO) or On-Orbit Servicing (OOS), including Orbit Transfer Vehicles (OTV), in the existing fee category for “small satellites” on an interim basis until the Commission can develop more experience in how these space stations will be regulated. These changes are intended to be effective for fiscal year (FY) 2024.

DATES: Effective on September 13, 2024.

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SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Report and Order in MD Docket No. 24–85 and MD Docket No. 24–86, FCC 24–70, adopted and released on June 13, 2024 (*Report and Order*). The full text of this document is available at <https://www.fcc.gov/document/fcc-changes-certain-space-station-regulatory-fees-fy-2024>.

Final Regulatory Flexibility Analysis. The Regulatory Flexibility Act of 1980, as amended (RFA), requires that an agency prepare a regulatory flexibility analysis for notice and comment rulemakings, unless the agency certifies that “the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities.” The Commission has prepared an Final Regulatory Flexibility Analysis (FRFA) concerning the potential impact of the proposed rule and policy changes contained in the *Report and Order*. The FRFA is set forth in the appendix of the FCC Document <https://www.fcc.gov/document/fcc-changes-certain-space->

station-regulatory-fees-fy-2024 and a summary is included in the Procedural Matters section below.

Synopsis

I. Introduction

Pursuant to section 9 of the Communications Act of 1934, as amended, (Communications Act or Act), the Commission adopts a methodology change for one category of fee payors and include a type of space station in an existing category on an interim basis. These changes will be effective for the fiscal year 2024 (FY 2024) assessment and collection of regulatory fees. Specifically, the Commission adopts a new methodology for assessing regulatory fees for small satellites and spacecraft licensed under §§ 25.122 and 25.123 of the Commission's rules, and include space stations that are principally used for Rendezvous & Proximity Operations (RPO) or On-Orbit Servicing (OOS), including Orbit Transfer Vehicles (OTV), in the existing fee category for “small satellites” on an interim basis until the Commission can develop more experience in how these space stations will be regulated. The Commission finds that these changes better serve the requirements and purpose of section 9 of the Act, and there is unopposed support in the record for adoption of these two proposals in time for the changes to be effective for FY 2024.

The Commission defers action on other proposals made in the Notice of Proposed Rulemaking (89 FR 20582, March 25, 2024) that the Commission adopted in March 2024 (*Space and Earth Station Regulatory Fees NPRM*). The Commission is continuing to consider the other proposals in light of the record received on those issues and will decide which, if any, may benefit from further development of the record. It anticipates acting on the remaining proposals in the *Space and Earth Station Regulatory Fees NPRM* in the near term.

II. Background

Section 9 of the Act obligates the Commission to assess and collect regulatory fees each year in an amount that can reasonably be expected to equal the amount of its annual salaries and expenses (S&E) appropriation. Thus, the Commission has no discretion regarding the total amount to be collected in any given fiscal year. In accordance with the statute, each year the Commission proposes adjustments to the prior fee schedule under section 9(c) to “(A) reflect unexpected increases or decreases in the number of units subject

to the payment of such fees; and (B) result in the collection of the amount required” by the Commission's annual appropriation. The Commission will also propose amendments to the fee schedule under section 9(d) “if the Commission determines that the schedule requires amendment so that such fees reflect the full-time equivalent number of employees within the bureaus and offices of the Commission, adjusted to take into account factors that are reasonably related to the benefits provided to the payor of the fee by the Commission's activities.” In administering its regulatory fee program, the agency strives to adhere to the goals of ensuring that the program is fair, administrable, and sustainable.

The Commission released the *Space and Earth Station Regulatory Fees NPRM* on March 13, 2024, which initiated an examination and review of regulatory fees for space and earth station payors that are regulated by the new Space Bureau. When the Commission adopted regulatory fees for FY 2023, it noted that it would be the last year for doing so using the nomenclature of certain fee payors being regulated by the International Bureau. The Commission noted that the creation of the Space Bureau and Office of International Affairs could result in changes in the assessment of regulatory fees for space and earth station fee payors resulting from changes in Full Time Equivalents (FTEs), due to increased oversight on various relevant industries. The Commission anticipated that the changes in the industry that resulted in the creation of the Space Bureau would likely also result in changes in the relative FTE burdens between and among space and earth station fee payors. Accordingly, the Commission sought comment in the *Space and Earth Station Regulatory Fees NPRM* on a range of proposed changes related to the assessment of regulatory fees for space and earth stations under the Commission's existing regulatory fee methodology, as well as under a proposed alternative methodology for assessing space station regulatory fees.

The Commission received 16 comments and 17 reply comments in response to the *Space and Earth Station Regulatory Fees NPRM*. In addition, several entities made presentations to the Commission pursuant to its rules governing ex parte communications.

In addition, on June 13, 2024, the Commission released the Second Notice of Proposed Rulemaking in MD Docket No. 24–86 (89 FR 53276, June 25, 2024), seeking comment on the Commission's proposed methodology and regulatory

fees for FY 2024 (*FY 2024 Regulatory Fees NPRM*). The *FY 2024 Regulatory Fees NPRM* does not seek comment again on the methodology for assessing space and earth station regulatory fees; rather, it seeks comment on the proposed regulatory fee rates for space and earth station payors for FY 2024 that were based on the existing methodology used in FY 2023 and also the proposals set forth in the *Space and Earth Station Regulatory Fees NPRM*. The proposed regulatory fee rates are set forth in appendices A, B, and E of the *FY 2024 Regulatory Fees NPRM*.

III. Discussion

The Commission adopts two proposals made in the *Space and Earth Station Regulatory Fees NPRM*: amending the methodology for assessing fees for small satellites, and including space stations that are principally used for RPO or OOS, as well as OTVs, in the existing fee category for “small satellites” on an interim basis. Commenters express strong support in the record for adoption of these two proposals, and no comments oppose adoption of these proposals. Accordingly, the Commission adopts these proposals to be effective for FY 2024.

A. Adoption of New Methodology for Assessing Fees for Small Satellites

The Commission adopts the proposal in the *Space and Earth Station Regulatory Fees NPRM* to set the regulatory fee for “Space Stations (per license/call sign in non-geostationary orbit) (47 CFR part 25) (Small Satellite)” for FY 2024 at the level set for FY 2023 (\$12,215), with annual adjustments thereafter to reflect the percentage change in the FCC appropriation, unit count, and FTE allocation percentage from the previous fiscal year. Comments received in response to the *Space and Earth Station Regulatory Fees NPRM* support adoption of this proposal, and no party opposes it.

As observed in the *Space and Earth Station Regulatory Fees NPRM*, the small satellite fee rate is currently calculated by taking the average of the calculated fee rate for space stations in the Space Stations (Non-Geostationary Orbit)—Other (“NGSO-Other”) and Space Stations (Non-Geostationary Orbit)—Less Complex (“NGSO-Less Complex”) categories, multiplying this average by 5% (1/20) and rounding it to the nearest \$5. The small satellite fee rate is then multiplied by the number of small satellite units and deducted from the share of space station regulatory fees allocated to non-geostationary orbit (NGSO) space stations. This remaining

amount is then divided between NGSO-Other and NGSO-Less Complex based on an 80/20 split and reduced from the target goals of NGSO-Other and NGSO-Less Complex respectively. Because the small satellite fee is based on the fees assessed for NGSO-Other and NGSO-Less Complex categories, the increased fees expected for these two categories could lead to greatly increased fees for the small satellite regulatory fee category beginning in FY 2024 if the current method for assessing regulatory fees for small satellites is unchanged.

As the *Space and Earth Station Regulatory Fees NPRM* noted, the FTE burden arising from licensing and regulating small satellite matters has not increased since FY 2023. The additional FTE resources allocated to the Space Bureau are not intensively involved in the licensing and regulatory oversight of small satellites. As a result, the overall percentage of FTE burden for small satellites is less than the 1/20th burden of NGSO space stations previously estimated. For this reason, the Commission will continue to use the FY 2023 regulatory fee for FY 2024. It finds that the regulatory fee for small satellites established for FY 2023 appropriately estimates the benefits received by such fee payors from the FTEs spent on licensing and regulating small satellites, without analyzing the FTE benefits as a proportion of another category of space station. In addition, the proposals made in the *Space and Earth Station Regulatory Fees NPRM* to create subcategories within the NGSO-Other category for “small” and “large” constellations would add to the complexity of calculating the appropriate share of FTE resources allocated to small satellites, if those proposals were to be adopted. This added complexity does not correspond to any additional benefit to the calculation of FTE resources allocated to small satellites. Furthermore, separation of the methodology for assessing regulatory fees for small satellites from the regulatory fees for NGSO space stations permits freer consideration of the appropriate regulatory fee categories for NGSO space stations without necessitating consideration of potential unintended consequences for small satellite fee payors.

For FY 2024, the Commission does not make any other changes to how small satellite regulatory fees are incorporated into the existing methodology for assessing space station regulatory fees. That is, it will continue to multiply the per unit regulatory fee for small satellites by the number of small satellite units for the fiscal year and deduct this amount from the NGSO

share of space station regulatory fees, divided between NGSO-Other and NGSO-Less Complex based on an 80/20 split and reduced from the target goals of NGSO-Other and NGSO-Less Complex respectively. The Commission will implement the changes to the methodology for assessing fees for small satellites made in the *Report and Order* as part of the order adopting FCC-wide regulatory fees for FY 2024.

B. Interim Assessment of Regulatory Fees on RPO, OOS, and OTV as Small Satellites

The Commission adopts the proposal made in the *Space and Earth Station Regulatory Fees NPRM* to assess regulatory fees on spacecraft primarily performing RPO and OOS by including them in the existing regulatory fee category “Space Stations (per license/call sign in non-geostationary orbit) (Small Satellites),” on an interim basis, regardless of the orbit in which they are designed to operate. RPO and OOS missions can include satellite refueling, inspecting and repairing in-orbit spacecraft, capturing and removing debris, and transforming materials through manufacturing while in space. The Commission also concludes that it is appropriate to assess regulatory fees on OTVs in the same manner. The record in this proceeding supports adoption of these proposals, effective for FY 2024, and no party opposes adoption.

The Commission has previously adopted the following regulatory fee categories for space stations: Space Stations (Geostationary Orbit); Space Stations (Non-Geostationary Orbit)—Less Complex; Space Stations (Non-Geostationary Orbit)—Other; and Space Station (Small Satellites). Currently, due to the nascent nature of OOS and RPO industry, or more generally “in-space servicing” industries, the Commission has not adopted a distinct regulatory fee category for such operations, despite that fact that spacecraft have begun to operate under part 25 of the Commission’s rules for radiocommunications while conducting these types of operations. Previously, the Commission determined that the record was insufficiently complete to adopt a separate regulatory fee category for spacecraft performing OOS and RPO. In the *Space and Earth Station Regulatory Fees NPRM*, the Commission explained that it is not appropriate to assess regulatory fees on RPO, OOS, and OTV space stations under existing regulatory fee categories for Space Stations (Geostationary orbit) or Space Stations (Non-Geostationary Orbit)—Other or Less Complex because the

regulatory burden of RPO, OOS, and OTV space stations is currently far less than that of other geostationary orbit (GSO) and NGSO space stations in those existing fee categories. As the *Space and Earth Station Regulatory Fees NPRM* stated, the Commission believes that further delay in addressing the appropriate regulatory fee is no longer appropriate even where, as here, the Commission has not adopted a separate regulatory category for this type of operation. The Commission tentatively concluded in the *Space and Earth Station Regulatory Fees NPRM* that the regulatory burden of RPO, OOS, and OTV space stations is more similar to that presented by small satellite space station licensees. For instance, these type of licensees are few in number and involve a relatively small number of space stations that have limited duration and scope of use, and operate using shared spectrum resources, which require far fewer FTE resources to license and regulate. The Commission adopts its tentative conclusion that the existing small satellite regulatory fee category is the most appropriate category to apply until such time as the Commission determines that separate fee categories for RPO, OOS, and OTV space stations are appropriate. Moreover, the Commission agrees with comments that it will be in a better position to adopt separate new fee categories, if appropriate, for RPO, OOS, and OTV space stations after it gains more experience with their licensing and regulation.

Solely for the purpose of assessing regulatory fees, the Commission will include space stations primarily performing RPO and OOS, as well as OTVs, within the existing Space Stations (Small Satellite) regulatory fee category, on an interim basis, rather than creating a new regulatory fee category for RPO, OOS, and OTV space stations. The International Bureau and Space Bureau have considered applications for RPO, OOS, and OTV space stations and issued licenses for such space stations under the existing regulatory framework of part 25 of the Commission's rules, and such stations are already operational and subject to payment of regulatory fees. Given this immediate need to assess regulatory fees on RPO, OOS, and OTV space stations now and in the near future, the Commission concludes that the purposes of section 9 of the Act would be best met by assessing regulatory fees on an interim basis under the existing category of fees associated with the least-burdensome set of space station regulatees. The Commission believes

this approach is preferable to waiting for additional experience and, in the interim, potentially subjecting existing RPO, OOS, and OTV space stations subject to regulatory fees that do not reflect the amount of regulatory work required by these nascent services. As the Commission gains more experience with the regulation of RPO, OOS, OTV space stations, it will be in a better position to decide if it should adopt a new, separate fee category for RPO, OOS, and OTV space stations or make any further modifications.

The Commission also adopts the proposal to assess RPO, OOS, and OTV space stations using the small satellite fee category regardless of the orbit utilized. The Commission affirms the tentative conclusion in the *Space and Earth Station Regulatory Fees NPRM*, and agrees with comments, that the rationale for using the small satellite regulatory fee category to assess fees on RPO, OOS, and OTV space stations applies regardless of whether the RPO, OOS, or OTV space stations operate in geostationary or non-geostationary orbit. The Commission also adopts the proposal to assess the regulatory fee for RPO, OOS, and OTV space stations on a "per license/call sign" basis as is the case for small satellites payors, rather than on the "per system" basis used for Space Stations (Non-geostationary Orbit). Although no party commented on this proposal, the Commission concludes that the reasons that supported assessing regulatory fees on small satellites on a "per license/call sign" basis support treating RPO, OOS, and OTV space stations in the same manner. The Commission will implement the changes to the methodology for assessing fees for RPO, OOS, and OTV space stations adopted in the *Report and Order* as part of the order adopting FCC-wide regulatory fees for FY 2024.

The Commission declines, at this time, to assess regulatory fees on all "ISAM space stations" using the small satellite fee category, as proposed in some comments in this proceeding. In 2022, the Commission initiated a Notice of Inquiry (87 FR 56365, September 14, 2022) regarding the regulatory needs related to in-space servicing, assembly, and manufacturing—or "ISAM"—that could include such services as RPO and OOS. The Commission has since adopted a Notice of Proposed Rulemaking (89 FR 18875, March 15, 2024) seeking comment on a framework for licensing ISAM space stations. That rulemaking proceeding, which is considering the regulatory framework for such services, remains pending. The Commission finds that it is premature to

make a decision regarding the assessment of regulatory fees on ISAM space stations for which the definition and regulatory framework are still being considered and for which there are no applications pending or licenses issued. The Commission expects to revisit this issue in the future, after conclusion of the ISAM rulemaking, when the framework and expected FTE burdens for licensing and regulating ISAM space stations are better known. In addition, although one commenter suggests that the Commission more clearly define RPO, OOS, and OTV by their characteristics in order to remove uncertainty by applicants with regards to their expected regulatory fees, it declines to do so at this time, because the proposed characteristics for defining RPO, OOS, and OTV, such as limited duration of operations, ability to share spectrum, and low number of stations, have not been defined in the Commission's rules and are outside the scope of a regulatory fee proceeding. The Commission also declines at this time to include missions involving 'habitable' or 'crewed' space stations in the existing fee category for small satellites, as proposed by one commenter, finding it is premature to make a decision regarding the assessment of regulatory fees for potential future types of space stations for which the FTE benefits are not reasonably known and for which there are no applications pending or licenses issued.

Finally, the Commission declines to address at this time the proposal in the *Space and Earth Station Regulatory Fees NPRM* that RPO or OOS space stations that are attached to another space station as part of servicing or mission extension operations be assessed regulatory fees separate from, and in addition to, any regulatory fees assessed on the space station that is being serviced or that is having its mission extended. The Commission had previously tentatively concluded that RPO and OOS space stations joined to GSO space stations during servicing or mission extension operations should not be assessed separate regulatory fees, despite the RPO or OOS space stations being assigned their own call signs, which is the unit usually used to assess regulatory fees for space stations. Although this tentative conclusion was never adopted, currently RPO or OOS space stations attached to another space station have not been assessed separate regulatory fees. The *Space and Earth Station Regulatory Fees NPRM* sought comment on this prior tentative conclusion and suggested that the

requirements and purpose of section 9 of the Act would be better met by assessing regulatory fees on such attached RPO or OOS space stations.

The Commission finds that consideration of this proposal would benefit from consideration of and action on the proposal in the *Space and Earth Station Regulatory Fees NPRM* to assess regulatory fees on all authorized space stations, not just on operational space stations as is currently the case because the rationale for assessing fees on authorized stations would support the rationale for assessing regulatory fees on RPO and OOS space stations regardless whether they are attached to a serviced space station. Action on this issue may benefit from the Commission's consideration of the proposal regarding assessing regulatory fees on authorized, not just operational, space stations. Thus, it plans to consider those matters at the same time in a future Commission item acting on the proposals made in the *Space and Earth Station Regulatory Fees NPRM*.

Final Regulatory Flexibility Analysis

As required by the Regulatory Flexibility Act of 1980, as amended (RFA), an Initial Regulatory Flexibility Analysis (IRFA) was incorporated in the *Space and Earth Station Regulatory Fees NPRM*. The Commission sought written public comment on the proposals in the *Space and Earth Station Regulatory Fees NPRM*, including comment on the IRFA. No comments were filed addressing the IRFA. The Final Regulatory Flexibility Analysis (FRFA) conforms to the RFA.

Need for, and Objectives of, the Report and Order

The Commission is required by Congress pursuant to section 9 of the Act to assess and collect regulatory fees each year to recover the regulatory costs associated with the Commission's oversight and regulatory activities in an amount that can reasonably be expected to equal the amount of its annual appropriation. As part of last year's adoption of regulatory fees, the Commission noted that FY 2023 would be the last year where the Commission will do so for the International Bureau, given the creation of the Space Bureau, and Office of International Affairs. The Commission also noted that an examination of the regulatory fees, and categories for NGSO space stations would be useful in light of changes resulting from the creation of the Space Bureau, and as part of a more holistic review of the FTE burden of the Space Bureau in fiscal year 2024 (FY 2024). The *Space and Earth Station Regulatory*

Fees NPRM commenced the examination and review of regulatory fees for space and earth station payors regulated by the new Space Bureau, specifically seeking comment on a range of proposed changes to the assessment of regulatory fees for space and earth stations under the existing methodology. The *Space and Earth Station Regulatory Fees NPRM* also proposed an alternative methodology for assessing space station regulatory fees that would eliminate the distinction between GSO, NGSO, and all the subcategories of NGSO, while preserving a separate fee category for small satellites.

In the *Report and Order*, the Commission adopts two changes to the assessment and collection of its annual regulatory fees for space station payors for FY 2024. The adopted changes implement a new methodology for assessing fees for small satellites and spacecraft licensed under §§ 25.122 and 25.123 of the Commission's rules that sets the regulatory fee for "Space Stations (per license/call sign in non-geostationary orbit) (47 CFR part 25) (Small Satellite)" for FY 2024 and future fiscal years at the level set for FY 2023, annually adjusted to reflect the percentage change in the appropriation from the previous fiscal year. The Commission also implements a change that includes, on an interim basis, space stations that are principally used for RPO or OOS, including OTVs, in the existing fee category for "small satellites" until the Commission can develop more experience in how these space stations will be regulated. The Commission defers actions on other proposals contained in the *Space and Earth Station Regulatory Fees NPRM* to allow for further development of the record and expects to address these matters to be effective for FY 2025.

Summary of Significant Issues Raised by Public Comments in Response to the IRFA

There were no comments filed that specifically addressed the proposed rules and policies in the IRFA.

Response to Comments by the Chief Counsel for Advocacy of the Small Business Administration

Pursuant to the Small Business Jobs Act of 2010, which amended the RFA, the Commission is required to respond to any comments filed by the Chief Counsel for Advocacy of the Small Business Administration (SBA), and to provide a detailed statement of any change made to the proposed rules as a result of those comments. The Chief Counsel did not file any comments in

response to the proposed rules or policies in this proceeding.

Description and Estimate of the Number of Small Entities to Which the Rules Will Apply

The RFA directs agencies to provide a description of, and where feasible, an estimate of the number of small entities that may be affected by the rules adopted. The RFA generally defines the term "small entity" as having the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction." In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act. A "small business concern" is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA.

Small Businesses, Small Organizations, Small Governmental Jurisdictions. The Commission's actions, over time, may affect small entities that are not easily categorized at present. The Commission therefore describes, at the outset, three broad groups of small entities that could be directly affected. First, while there are industry specific size standards for small businesses that are used in the regulatory flexibility analysis, according to data from the SBA's Office of Advocacy, in general a small business is an independent business having fewer than 500 employees. These types of small businesses represent 99.9% of all businesses in the United States, which translates to 33.2 million businesses.

Next, the type of small entity described as a "small organization" is generally "any not-for-profit enterprise which is independently owned and operated and is not dominant in its field." The Internal Revenue Service (IRS) uses a revenue benchmark of \$50,000 or less to delineate its annual electronic filing requirements for small exempt organizations. Nationwide, for tax year 2022, there were approximately 530,109 small exempt organizations in the U.S. reporting revenues of \$50,000 or less according to the registration and tax data for exempt organizations available from the IRS.

Finally, the small entity described as a "small governmental jurisdiction" is defined generally as "governments of cities, counties, towns, townships, villages, school districts, or special districts, with a population of less than fifty thousand." U.S. Census Bureau data from the 2022 Census of Governments indicate there were 90,837 local governmental jurisdictions

consisting of general purpose governments and special purpose governments in the United States. Of this number, there were 36,845 general purpose governments (county, municipal, and town or township) with populations of less than 50,000 and 11,879 special purpose governments (independent school districts) with enrollment populations of less than 50,000. Accordingly, based on the 2022 U.S. Census of Governments data, the Commission estimates that at least 48,724 entities fall into the category of “small governmental jurisdictions.”

Direct Broadcast Satellite (DBS) Service. DBS service is a nationally distributed subscription service that delivers video and audio programming via satellite to a small parabolic “dish” antenna at the subscriber’s location. DBS is included in the Wired Telecommunications Carriers industry which comprises establishments primarily engaged in operating and/or providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired telecommunications networks. Transmission facilities may be based on a single technology or combination of technologies. Establishments in this industry use the wired telecommunications network facilities that they operate to provide a variety of services, such as wired telephony services, including VoIP services, wired (cable) audio and video programming distribution; and wired broadband internet services. By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry.

The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for 2017 show that 3,054 firms operated in this industry for the entire year. Of this number, 2,964 firms operated with fewer than 250 employees. Based on this data, the majority of firms in this industry can be considered small under the SBA small business size standard. According to Commission data however, only two entities provide DBS service—DIRECTV (owned by AT&T) and DISH Network, which require a great deal of capital for operation. DIRECTV and DISH Network both exceed the SBA size standard for classification as a small business. Therefore, the Commission must conclude based on internally developed Commission data, in general DBS service is provided only by large firms.

Fixed Satellite Small Transmit/Receive Earth Stations. Neither the SBA nor the Commission have developed a small business size standard specifically applicable to Fixed Satellite Small Transmit/Receive Earth Stations. Satellite Telecommunications is the closest industry with an SBA small business size standard. The SBA size standard for this industry classifies a business as small if it has \$38.5 million or less in annual receipts. For this industry, U.S. Census Bureau data for 2017 show that there was a total of 275 firms that operated for the entire year. Of this total, 242 firms had revenue of less than \$25 million. Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 65 providers that reported they were engaged in the provision of satellite telecommunications services. Of these providers, the Commission estimates that approximately 42 providers have 1,500 or fewer employees. Consequently, using the SBA’s small business size standard, a little more than half of these providers can be considered small entities.

Fixed Satellite Very Small Aperture Terminal (VSAT) Systems. Neither the SBA nor the Commission have developed a small business size standard specifically applicable to Fixed Satellite Very Small Aperture Terminal (VSAT) Systems. A VSAT is a relatively small satellite antenna used for satellite-based point-to-multipoint data communications applications. VSAT networks provide support for credit verification, transaction authorization, and billing and inventory management. Satellite Telecommunications is the closest industry with an SBA small business size standard. The SBA size standard for this industry classifies a business as small if it has \$38.5 million or less in annual receipts. For this industry, U.S. Census Bureau data for 2017 show that there were a total of 275 firms that operated for the entire year. Of this total, 242 firms had revenue of less than \$25 million. Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 65 providers that reported they were engaged in the provision of satellite telecommunications services. Of these providers, the Commission estimates that approximately 42 providers have 1,500 or fewer employees. Consequently using the SBA’s small business size standard, a little more than half of these providers can be considered small entities.

Home Satellite Dish (HSD) Service. HSD or the large dish segment of the

satellite industry is the original satellite-to-home service offered to consumers and involves the home reception of signals transmitted by satellites operating generally in the C-band frequency. Unlike DBS, which uses small dishes, HSD antennas are between four and eight feet in diameter and can receive a wide range of unscrambled (free) programming and scrambled programming purchased from program packagers that are licensed to facilitate subscribers’ receipt of video programming. Because HSD provides subscription services, HSD falls within the industry category of Wired Telecommunications Carriers. The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for 2017 show that there were 3,054 firms that operated for the entire year. Of this total, 2,964 firms operated with fewer than 250 employees. Thus, under the SBA size standard, the majority of firms in this industry can be considered small.

Mobile Satellite Earth Stations. Neither the SBA nor the Commission have developed a small business size standard specifically applicable to Mobile Satellite Earth Stations. Satellite Telecommunications is the closest industry with a SBA small business size standard. The SBA small business size standard classifies a business with \$38.5 million or less in annual receipts as small. For this industry, U.S. Census Bureau data for 2017 show that there were 275 firms that operated for the entire year. Of this number, 242 firms had revenue of less than \$25 million. Thus, for this industry under the SBA size standard, the Commission estimates that the majority of Mobile Satellite Earth Station licensees are small entities. Additionally, based on Commission data as of February 1, 2024, there were 16 Mobile Satellite Earth Stations licensees. The Commission does not request nor collect annual revenue information, and is therefore unable to estimate the number of mobile satellite earth stations that would be classified as a small business under the SBA size standard.

Satellite Master Antenna Television (SMATV) Systems, also known as Private Cable Operators (PCOs). SMATV systems or PCOs are video distribution facilities that use closed transmission paths without using any public right-of-way. They acquire video programming and distribute it via terrestrial wiring in urban and suburban multiple dwelling units such as apartments and condominiums, and commercial multiple tenant units such as hotels and

office buildings. SMATV systems or PCOs are included in the Wired Telecommunications Carriers' industry which includes wireline telecommunications businesses. The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for 2017 show that there were 3,054 firms in this industry that operated for the entire year. Of this total, 2,964 firms operated with fewer than 250 employees. Thus, under the SBA size standard, the majority of firms in this industry can be considered small.

Satellite Telecommunications. This industry comprises firms "primarily engaged in providing telecommunications services to other establishments in the telecommunications and broadcasting industries by forwarding and receiving communications signals via a system of satellites or reselling satellite telecommunications." Satellite telecommunications service providers include satellite and earth station operators. The SBA small business size standard for this industry classifies a business with \$38.5 million or less in annual receipts as small. U.S. Census Bureau data for 2017 show that 275 firms in this industry operated for the entire year. Of this number, 242 firms had revenue of less than \$25 million. Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 65 providers that reported they were engaged in the provision of satellite telecommunications services. Of these providers, the Commission estimates that approximately 42 providers have 1,500 or fewer employees. Consequently, using the SBA's small business size standard, a little more than half of these providers can be considered small entities.

All Other Telecommunications. This industry is comprised of establishments primarily engaged in providing specialized telecommunications services, such as satellite tracking, communications telemetry, and radar station operation. This industry also includes establishments primarily engaged in providing satellite terminal stations and associated facilities connected with one or more terrestrial systems and capable of transmitting telecommunications to, and receiving telecommunications from, satellite systems. Providers of internet services (e.g. dial-up ISPs) or Voice over Internet Protocol (VoIP) services, via client-supplied telecommunications connections are also included in this

industry. The SBA small business size standard for this industry classifies firms with annual receipts of \$35 million or less as small. U.S. Census Bureau data for 2017 show that there were 1,079 firms in this industry that operated for the entire year. Of those firms, 1,039 had revenue of less than \$25 million. Based on this data, the Commission estimates that the majority of "All Other Telecommunications" firms can be considered small.

Description of Projected Reporting, Recordkeeping and Other Compliance Requirements for Small Entities

The *Report and Order* does not change the Commission's current information collection, reporting, recordkeeping, or compliance requirements for small entities. Small and other regulated entities are required to pay regulatory fees on an annual basis. The cost of compliance with the annual regulatory assessment for small entities is the amount assessed for their regulatory fee category and should not require small entities to hire professionals to comply.

Small entities that qualify can take advantage of the exemption from payment of regulatory fees allowed under the de minimis threshold. As discussed in the *Space and Earth Station Regulatory Fees NPRM*, small entities may also request a waiver, reduction, deferral, and/or installment payment of their regulatory fees. The waiver process provides smaller entities that may not be familiar with the Commission's procedural filing rules an easier filing process.

Steps Taken To Minimize the Significant Economic Impact on Small Entities, and Significant Alternatives Considered

The RFA requires an agency to provide "a description of the steps the agency has taken to minimize the significant economic impact on small entities . . . including a statement of the factual, policy, and legal reasons for selecting the alternative adopted in the final rule and why each one of the other significant alternatives to the rule considered by the agency which affect the impact on small entities was rejected."

In the *Report and Order*, the Commission adopts the proposal in the *Space and Earth Station Regulatory Fees NPRM* to set the regulatory fee for "Space Stations (per license/call sign in non-geostationary order) (47 CFR part 25) (Small Satellite)" for FY 2024 at the level set for FY 2023 (\$12,215), with annual adjustments thereafter to reflect the percentage change in the FCC

appropriation, unit count, and FTE allocation percentage from the previous year. The *Report and Order* finds that the administrability and sustainability of regulatory fees for small satellites would be better served by treating them as the Commission has historically treated the regulatory fees for earth stations—that is, a fixed regulatory fee that is adjusted from year-to-year on, rather than as a percentage of the Space Bureau's overall share of regulatory fee allocation, or as a percentage of other categories of space station fee payors. This change would significantly minimize the economic impact of regulatory fees potentially faced by small satellites. Without this change, the fee amount for the small satellite category for FY 2024 could be substantially greater than the fee assessed for FY 2023. Further, the record contains no objections to this approach.

The *Report and Order* also adopts the proposal, to assess regulatory fees on spacecraft primarily performing RPO and OOS, including OTV, by including them, on an interim basis, in the existing regulatory fee category "Space Stations (per license/call sign in non-geostationary orbit) (Small Satellites)" regardless of the orbit in which they are designed to operate in. The record in this proceeding not only supports this proposal, but no commenting party opposed it. The Space Bureau has received relatively few applications for RPO, OOS, or OTV space stations, and although it anticipates receiving more in the near future, the amount of FTE resources required at the present time to regulate these services is more similar to that presented by small satellite space station licensees, which are also few in number, and involve a relatively small number of space stations that have limited duration and scope of use and operate using shared spectrum resources. The Commission considered the alternative of adopting a separate regulatory fee category for spacecraft performing OOS and RPO, however, the record is insufficiently complete to justify supporting such a proposal. Additionally, the Commission considered assessing regulatory fees on RPO, OOS, and OTV space stations under other existing regulatory fee categories, however space stations in those categories are subject to a much greater regulatory burden. Therefore, the *Report and Order* finds that the purposes of section 9 of the Act would be best met by erring on the side of caution and assessing regulatory fees under the category of fees associated with the least-burdensome set of space

station regulations which would result in lower regulatory fees, and have less economic impact on small entities in that sector.

The Commission considered but declined to assess regulatory fees on all "ISAM space stations" using the small satellite fee category, as proposed in some comments in this proceeding. In light of the current proceeding involving ISAM, the Commission finds it is premature to make a decision regarding the assessment of regulatory fees on ISAM space stations for which the definition and regulatory framework are still being considered and for which there are no applications pending or licenses issued. The Commission expects to revisit this issue in the future, after conclusion of the ISAM rulemaking, when the framework and expected FTE burdens for licensing and regulating ISAM space stations are better known. The Commission also considered the suggestion of one commenter that it more clearly define RPO, OOS, and OTV by their characteristics in order to remove uncertainty by applicants with regards to their expected regulatory fees. The Commission declined to do so at this time, because the proposed characteristics for defining RPO, OOS, and OTV, such as limited duration of operations, ability to share spectrum, and low number of stations, have not been defined in the Commission's rules and are outside the scope of a regulatory fee proceeding. The Commission also considered but declined at this time, to include missions involving 'habitable' or 'crewed' space stations in the existing fee category for small satellites, as proposed by one commenter, finding it is premature to make a decision regarding the assessment of regulatory fees for potential future types of space stations for which the FTE benefits are not reasonably known and for which there are no applications pending or licenses issued.

Federal Communications Commission.

Katura Jackson,

Federal Register Liaison Officer.

[FR Doc. 2024-16348 Filed 7-25-24; 8:45 am]

BILLING CODE 6712-01-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 622

[Docket No. 140722613-4908-02; RTID 0648-XE115]

Coastal Migratory Pelagic Resources of the Gulf of Mexico and Atlantic Region; Commercial Closure for Atlantic Spanish Mackerel in the Northern Zone

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Temporary rule; closure.

SUMMARY: NMFS implements an accountability measure (AM) for the commercial harvest of Spanish mackerel in the northern zone of the Atlantic exclusive economic zone (EEZ). NMFS projects that the commercial quota for Spanish mackerel in the northern zone of the Atlantic EEZ has been reached for the 2024-2025 fishing year. According to regulations for Spanish mackerel in the Atlantic, NMFS closes the northern zone for commercial harvest to protect this fishery resource.

DATES: This temporary rule is effective from July 28, 2024, through February 28, 2025.

FOR FURTHER INFORMATION CONTACT: Mary Vara, NMFS Southeast Regional Office, telephone: 727-824-5305, or email: mary.vara@noaa.gov.

SUPPLEMENTARY INFORMATION: The fishery for coastal migratory pelagic fish in the Atlantic includes king mackerel, Spanish mackerel, and cobia on the east coast of Florida, and is managed under the Fishery Management Plan for Coastal Migratory Pelagic Resources of the Gulf of Mexico and Atlantic Region (FMP). The FMP was prepared by the Gulf of Mexico and South Atlantic Fishery Management Councils and NMFS. The FMP is implemented by NMFS under the authority of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) through regulations at 50 CFR part 622. All weights described for Spanish mackerel in the Atlantic EEZ apply as either round or gutted weight.

The commercial annual catch limit (equal to the commercial quota) for the Atlantic migratory group of Spanish mackerel (Atlantic Spanish mackerel) is 3.33 million pounds (lb) or 1.51 million kilograms (kg) [50 CFR 622.384(c)(2)]. Atlantic Spanish mackerel are divided

into northern and southern zones for management purposes. The commercial quota for Atlantic Spanish mackerel in the northern zone is 662,670 lb (300,582 kg) for the current fishing year, which is March 1, 2024, through February 28, 2025 [50 CFR 622.384(c)(2)(i)].

The northern zone for Spanish mackerel extends in the Atlantic EEZ from New York through North Carolina. The northern boundary of the northern zone extends from an intersection point off New York, Connecticut, and Rhode Island at 41°18'16.249" N latitude and 71°54'28.477" W longitude, and proceeds southeast to 37°22'32.75" N latitude and the intersection point with the outward boundary of the EEZ. The southern boundary of the northern zone extends from the North Carolina and South Carolina state border along a line in a direction of 135°34'55" from true north beginning at 33°51'07.9" N latitude and 78°32'32.6" W longitude to the intersection point with the outward boundary of the EEZ [50 CFR 622.369(b)(2)]. See figure 2 of appendix G to part 622—Spanish Mackerel for an illustration of the management zones.

Regulations at 50 CFR 622.388(d)(1)(i) require NMFS to close the commercial sector for Atlantic Spanish mackerel in the northern zone when landings reach or are projected to reach the commercial quota for that zone. NMFS projects that the commercial quota of 662,670 lb (300,582 kg) for Atlantic Spanish mackerel in the northern zone has been reached for the 2024-2025 fishing year. Accordingly, the commercial sector for Atlantic Spanish mackerel in the northern zone is closed effective on July 28, 2024, through February 28, 2025, the end of the current fishing year.

During the commercial closure, a person on a vessel that has been issued a valid Federal commercial permit to harvest Atlantic Spanish mackerel may continue to retain this species in the northern zone under the recreational bag and possession limits specified in 50 CFR 622.382(a)(1)(iii) and (2)(i), if recreational harvest of Atlantic Spanish mackerel in the northern zone has not been closed [50 CFR 622.384(e)(1)].

Also during the commercial closure, Atlantic Spanish mackerel from the northern zone, including those fish harvested under the recreational bag and possession limits, may not be purchased or sold. This prohibition does not apply to Atlantic Spanish mackerel from the northern zone that were harvested, landed ashore, and sold prior to the closure and were held in cold storage by a dealer or processor [50 CFR 622.384(e)(2)].