



## FEDERAL COMMUNICATIONS COMMISSION

### 47 CFR Part 1

[MD Docket No. 24-85; FCC 25-31; FR ID 301014]

#### Assessment and Collection of Space and Earth Station Regulatory Fees for Fiscal Year 2024

**AGENCY:** Federal Communications Commission.

**ACTION:** Final rule.

**SUMMARY:** In this document, the Federal Communications Commission (Commission or FCC) adopts targeted revisions to its existing methodology of assessing regulatory fees for space and earth stations that will be effective for fiscal year 2025.

**DATES:** Effective on September 14, 2025.

**FOR FURTHER INFORMATION CONTACT:** Stephen Duall, 202-418-1103,

[Stephen.Duall@fcc.gov](mailto:Stephen.Duall@fcc.gov).

**SUPPLEMENTARY INFORMATION:** This is a summary of the Commission's Third Report and Order in MD Docket No. 24-85, FCC 25-31, adopted June 5, 2025, and released June 9, 2025. The full text of this document is available online at <https://docs.fcc.gov/public/attachments/FCC-25-31A1.pdf>. The full text of this document is also available for inspection and copying during business hours in the FCC Reference Center, 45 L Street NE, Washington, DC 20554. To request materials in accessible formats for people with disabilities, send an email to [FCC504@fcc.gov](mailto:FCC504@fcc.gov) or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (TTY).

*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 Commission's Third Report and Order. The FRFA is set forth in the appendix of the FCC Document <https://docs.fcc.gov/public/attachments/FCC-25-31A1.pdf> and a summary is included below.

*Final Paperwork Reduction Act Analysis.* The Commission's Third Report and Order does not contain new or modified information collection requirements subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. In addition, the Commission notes that pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, *see* 44 U.S.C. 3506(c)(4), the Commission previously sought specific comment on how the Commission might further reduce the information collection burdens for small business concerns with fewer than 25 employees. In the Commission's Third Report and Order, the Commission assessed the effects of its adoption of rules implementing the Part 25 licensing and operating provisions and technical requirements. The Commission finds that such requirements are unlikely to directly impact businesses with fewer than 25 employees.

*Congressional Review Act.* The Commission has determined, and the Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget, concurs that this rule is non-major under the Congressional Review Act, 5 U.S.C. 804(2). The Commission will send a copy of the Third Report and Order to Congress and the Government Accountability Office, pursuant to 5 U.S.C. 801(a)(1)(A).

## **Synopsis**

### **I. INTRODUCTION**

1. In the Third Report and Order (Order), the Commission adopts targeted amendments to its existing methodology of assessing regulatory fees for space and earth stations pursuant to section 9 of the Communications Act of 1934 (Act), as amended. These changes will be effective for the fiscal year 2025 (FY 2025) assessment and collection of regulatory fees.

2. The Commission began this proceeding after the creation of the Space Bureau in 2023 to ensure that its regulatory fees structure for space and earth station fee payors remain fair,

administrable, and sustainable in light of the substantial changes in the space industry in recent years. The Commission is mindful of the significance of ensuring its work is consistent with such overarching goals because the fee schedule adopted for fiscal year 2024 contained sizable increases in the fees assessed to space and earth station fee payors compared to the previous fiscal year.

3. In the Order, the Commission takes two key actions for the current fiscal year to address this situation. First, the Commission assesses regulatory fees on stations once they are authorized, rather than when the stations are certified to be operational, as is currently the case. Second, the Commission splits existing regulatory fee categories for Space Stations (Non-Geostationary Orbit) into two new fee categories: small constellations (fewer than 1000 authorized space stations) and large constellations (1000 authorized space stations or more). These changes will better distinguish between space station regulatees and will more accurately apportion fee burdens among them, which should result in lower per unit regulatory fees for the majority of space station fee payors compared to fiscal year 2024. The Order also adopts an approach that broadens the base of regulatory fee payors to better align fees with the benefits of regulation and that is less subjective than the current system that allocates fees based on the estimated “complexity” of an NGSO system.

4. The changes adopted support the Commission’s goal that its regulatory fees are fair, administrable, and sustainable. The Commission views the targeted changes adopted as a step to quickly improve the assessment of regulatory fees for the current fiscal year, but the Commission also recognizes that as the industry develops, and as the Commission seeks to streamline much of the Space Bureau’s operations, that additional improvements to the methodology may be proposed in future fiscal years.

## **II. BACKGROUND**

5. 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.

6. 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 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 its existing regulatory fee methodology, as well as under a proposed alternative methodology for assessing space station regulatory fees.

7. In June 2024, the Commission adopted an order in this proceeding that amended the methodology used to calculate regulatory fees for small satellites by no longer calculating it as a percentage of the NGSO “less complex” and “other” space station fee categories. Instead, the Commission 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. It also determined to assess regulatory fees for space stations that are principally used for Rendezvous & Proximity Operations (RPO) or On-Orbit Servicing (OOS), including Orbit Transfer Vehicles (OTV), using 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.

8. In September 2024, the Commission adopted a Second Report and Order in this proceeding that revised the allocation of space station regulatory fees using the existing methodology for calculating their proportional share of regulatory fees from 80% of space station regulatory fees being allocated to GSO space station fee payors and 20% of the space station regulatory fees being allocated to NGSO space station fee payors to 60% of space station regulatory fees being allocated to GSO space station payors and 40% to NGSO space station payors (that is, changing from an “80/20 GSO/NGSO split” to a “60/40 GSO/NGSO split”). It also adopted a re-apportionment of regulatory fees between earth and space station payors based on the percentage of direct FTEs involved in the licensing and regulation of each category.

9. The Commission did not act on the remaining proposals that were made in the Space and Earth Station Regulatory Fees NPRM. It instead concluded that action on these issues may benefit from further consideration, and stated that further comment on these remaining proposals would be sought in a further notice of proposed rulemaking. In February 2025, the Commission released a further notice in this proceeding (Space and Earth Station Regulatory Fees FNPRM) that sought comment on the proposals made in the Space and Earth Station Regulatory Fees

NPRM that were not adopted for FY 2024. Those proposals include assessing regulatory fees on authorized, but not operational, space and earth stations; using an alternative methodology for assessing space station regulatory fees; establishing tiers within existing NGSO space station fee categories based on the number of space stations in the system; and creating new categories of earth station regulatory fees.

10. Comments in response to the Space and Earth Station Regulatory Fees FNPRM were due on March 27, 2025, and replies were due on April 11, 2025. The Commission received 19 comments and 17 reply comments. In addition, several entities made presentations to the Commission pursuant to its rules governing *ex parte* communications.

### **III. DISCUSSION**

11. The Commission now amends its existing methodology for assessing regulatory fees for space and earth stations by (1) assessing regulatory fees based on when stations were authorized, rather than when the stations are certified to be operational, as is currently the case, and (2) eliminating the existing regulatory fee categories for “Space Stations (Non-Geostationary Orbit) – Less Complex” and “Space Stations (Non-Geostationary Orbit) – Other” and creating new fee categories for “Space Stations (Non-Geostationary Orbit) – Small Constellations (fewer than 1000 authorized space stations)” and “Space Stations (Non-Geostationary Orbit) – Large Constellations (1000 authorized space stations or more).” The Commission adopts these changes to become effective for fiscal year 2025. The Commission declines at this time to adopt the alternative methodology to remove the distinction between geostationary and non-geostationary space stations and to assess space and earth station regulatory fees based on a common unit of space station fees that was put forth in this proceeding, as well as other suggestions to change its regulatory fee methodologies for space and earth stations made by commenters. The Commission also makes no changes at this time to the existing methodology for assessing regulatory fees for earth stations.

#### **A. Objectives of Proceeding**

12. As explained above, the Commission commenced this proceeding in 2024 to focus on space and earth station regulatory fees. In implementing its statutory authority, the Commission considers the adoption of a new regulatory fee category or a change in an existing regulatory fee category only when the Commission develops a sufficient basis for doing so under Section 9 ensuring that its actions are consistent with the overarching goal that its regulatory fees are fair, administrable, and sustainable. These goals must work within the explicit statutory requirements of section 9 that the Commission collect fees by determining “the full-time equivalent number of employees” performing specified activities in the Bureaus and Offices, and they are intended to guide adjustments that the Commission must make from time to time to its regulatory fee assessments. As discussed below, the Commission finds that it can better achieve these statutory requirements and overarching goals by adopting targeted changes to its existing fee methodology than by adopting an entirely new regulatory fee methodology.

**B. Continued Use of the Existing Methodology**

13. For fiscal year 2025, the Commission continues to use the Commission’s existing methodology, with targeted changes identified below, to assess the regulatory fees for Space Bureau fee payors. Accordingly, the Commission declines at this time to adopt the alternative fee methodology set forth in the Space and Earth Station Regulatory Fees NPRM, and for which additional comment was sought in the Space and Earth Station Regulatory Fees FNPRM.

14. The Commission is acutely aware of the financial impact of regulatory fees, particularly on smaller and less capitalized space companies. Accordingly, the Commission is presently focused on reducing the total fee burden to be divided among regulated entities by making the Space Bureau’s operations more efficient. The Commission finds that continued use of the existing methodology will maintain stability and prevent unnecessary disruption while broader reforms are ongoing. At the same time, targeted changes to the existing methodology will substantially reduce the fee burden for a large class of payors.

15. Central to the alternative methodology is a common initial unit of regulatory fee payment

for all space stations, regardless of which orbit they are designed to operate in, and the elimination of all separate fee categories for GSO and NGSO space stations, except for the fee category for Space Stations (per license/call sign) (Small Satellite), which would be retained in its existing form. The alternative methodology would create a single space station fee category for “Space Stations (Per Call Sign in Geostationary Orbit or Per System in Non-Geostationary Orbit).” The category would be tiered, with a single GSO space station or a NGSO system with up to 100 authorized space stations constituting this initial tier and being counted as one unit for assessment of space station regulatory fees. Additional tiers would be created to account for NGSO systems with more than 100 authorized space stations, for example 500 or 1000 space stations per NGSO system per additional tier. Each tier would be counted as an additional unit for assessment of space station regulatory fees. The total number of units (initial and additional units) would be added together and the total space station allocation of the Space Bureau share would be evenly divided among the total number of units, resulting in a per unit regulatory fee for the fiscal year.

16. The Commission emphasizes that its decision not to adopt the alternative methodology at this time does not foreclose consideration of it (or a variation of it) in a future proceeding. As the Commission has observed, the alternative methodology could achieve its goals of making its Space Bureau regulatory fees fair, administrable, and sustainable. Furthermore, comments received in response to the Space and Earth Station Regulatory Fees FNPRM broadly supported adoption of the alternative methodology as the preferred option for amending the methodology for assessing space station regulatory fees. Nonetheless, as the Commission streamlines and modernizes the Space Bureau’s licensing and related activities, there are likely to be corresponding changes to FTE burdens related to oversight of Space Bureau regulatory fee payors. Consequently, the Commission finds that now is not the time to adopt a wholly new methodology for space station regulatory fees. Rather, the Commission finds that the overarching goals of fair, administrable, and sustainable regulatory fees can equally be achieved by targeted



changes to the existing methodology.

17. The Commission observes that the changes in the space industry that led to the creation of the Space Bureau and the Commission's re-examination of space and earth station regulatory fees are still ongoing. The Commission is accordingly mindful that any wholesale departure from its existing methodology at this juncture runs significant the risk of adopting a new fee methodology that still reflects past assumptions about licensing and regulation of space and earth stations. For example, the alternative methodology remains committed to GSO space stations as the "standard" unit for assessing space station regulatory fees, with fees for NGSO systems expressed in terms of equivalence to a GSO space station. It is unclear whether this is a suitable foundation on which to build a new regulatory fee structure. Furthermore, the very nature of GSO space stations is undergoing change with the increasing availability of "small GSO" space stations, which raise questions about whether the same level of oversight is needed to license and regulate as traditional, large GSO space stations upon which the alternative methodology relies. Thus, the Commission declines to adopt an entirely new regulatory fee methodology at this time while these substantial changes in the space industry are still ongoing.

18. As the Commission has redoubled its efforts in recent months to simplify and modernize its licensing and related operations, the Commission expects changes in the FTE burden will be needed for oversight of Space Bureau regulatory fee payors. The Commission also agrees with comments that it should not undertake a major overhaul of its space and earth station regulatory fee methodologies in light of the ongoing modernization efforts. Since the fiscal year ends on September 30, these modernization efforts may not be completed in time to impact the FTE burden of oversight or otherwise relate to the statutory framework for the exercise of its regulatory fee assessment for fiscal year 2025. The Commission, however, expects these efforts to bear fruit in the near future and, assuming so, will consider them in relevant future fiscal years as they relate to its statutory authority to assess and collect regulatory fees.

19. For all these reasons, the Commission determines that the best course during these

changing times is to focus on the core responsibilities that the Commission undertakes during its regulatory fee proceedings: to follow the requirements set forth in section 9 of Act, with the overarching goals of making its regulatory fees fair, administrable, and sustainable. For the reasons set forth below, the Commission finds that it can meet these requirements and goals with targeted amendments to its existing space and earth station regulatory fee methodology. Since the Commission can do this, while preserving the flexibility to make future targeted amendments in the future, the Commission shall follow that course.

**C. Assessment of Fees on Authorized Space and Earth Stations**

20. *Overview.* The Commission amends its current methodology for assessing regulatory fees for space and earth station regulatees from assessing fees only after notification that the station is operational to assessing fees when the station has received a license or grant of market access from the Commission. In past years, regulatory fees for space stations were assessed only when the space stations are certified by their operator to be operational. An earth station payor was required to pay regulatory fees only after it had certified that the earth station's construction was complete, but in the rare instances in which a license limits an earth station's operational authority to a particular satellite system, the fee was not due until the first satellite of the related system becomes operational within the meaning of the Commission's rules. The Commission finds, however, that the objectives of section 9 of the Act would be better met by assessing regulatory fees once a space or earth station is licensed or authorized, rather than, as now, waiting until a space or earth station becomes operational.

21. As the Commission has previously observed, significant FTE burdens are involved with the licensing of space and earth stations, even before a station becomes operational. A licensee or grantee already benefits from the FTE levels necessary to review and grant the application for future operations of the station, as well as from the FTE levels used to protect the benefits conferred by the grant of a license or of U.S. market access, such as use of spectrum and orbital resources and protection from interference, which convey upon issuance of the license or grant.

Moreover, given the bespoke nature of many satellite systems, Space Bureau staff expertise is used by the industry before, during, and after an application (including modifications thereof) or petitions for rulemaking are filed. In such situations, fee payors with systems that become operational earlier than other licensed systems bear the entire fee burden of regulatory work done on behalf of all regulated systems. Furthermore, if an authorized space station never becomes operational, then the licensee would never be subject to regulatory fees to recover the FTE burdens associated with regulating such space stations, and other licensees with operational satellites must bear the costs associated with space stations that were authorized, but never become operational. In addition, assessing regulatory fees on authorized, not just operational stations, broadens the base of regulatory fee payors, spreading the recovery of fees from all licensees who benefit from the Space Bureau's licensing and regulatory activities, and potentially lowering the per unit regulatory fee burden by increasing the number of units on which fees are assessed.

22. Comments nearly unanimously support assessing regulatory fees when space and earth stations are authorized, rather than when they are operational, based on the observations previously made in the proceeding. Only two objections were made to the proposal: one asking not to apply regulatory fees to authorized, but not yet operational, earth stations; and one arguing that the Commission should continue its practice of assessing regulatory fees solely on operational stations, absent explicit authority from Congress to do otherwise. Regarding the former, the Commission sees no reason to treat earth stations differently from space stations, because significant FTE burdens are involved with the licensing of both prior to becoming operational, and both benefit from FTE burdens used to protect the benefit conferred by the authorization itself. As to the latter objection, Congress has explicitly directed the Commission to recover its annual S&E appropriation through regulatory fees, and the S&E appropriation includes funding for FTE burdens spent reviewing and granting applications, which is accrued regardless of when a station becomes operational. Congress has also already explicitly provided

the Commission authority, in section 9(d) of the Act, to adjust its regulatory fees by rule if it determines that the schedule of fees requires amendment, and such adjustment by rule is what is being adopted in this proceeding. Section 9 does not limit the assessment of regulatory fees to operational stations, and Congress affirmatively deleted, as obsolete, the prior portion of section 9 that was the basis for the Commission's previous decision to assess regulatory fees only on operational space stations. Accordingly, the assessment of regulatory fees on authorized stations is wholly within the explicit authority given by Congress and is consistent with section 9 of the Act.

23. Consistent with past practice and for purposes of fiscal year 2025, the Commission will continue, however, to assess regulatory fees on station licenses and market access grants as of the start of the fiscal year, i.e. October 1, 2024. Although there is support on the record for alternative methods for assessing regulatory fees on any space station authorized during the fiscal year. At this time, the Commission finds that it is not administrable to assess fees on space stations authorized at any point during the fiscal year. One proposal in the record is to assess regulatory fees on authorized space and earth stations regardless of when in the fiscal year an authorization is granted, and to "pro rate" the assessed fee based on the number of calendar days or fiscal quarters that the station has been authorized in the fiscal year. Because in most cases the Commission assesses regulatory fees based on FTE share of the category of fee payors divided by the number of units of fee payors, pro-rated regulatory fees would require the Commission to take into account partial units, which would introduce complexity into the calculation without clear benefit. Such a result would not serve the Commission's goal of ensuring that its fees are administrable. Accordingly, the Commission will continue to assess regulatory fees on space and earth stations that are authorized as of the start of the fiscal year.

24. Similarly, the Commission will continue the practice of providing a list of all space stations that are eligible to be assessed regulatory fees in an appendix to the annual notice of proposed rulemaking for the assessment and collection of regulatory fee for the fiscal year.

Comments widely support the utility of this practice, and the Commission agrees that it has been an efficient method of providing notice and awareness of which fee payors are subject to regulatory fees for the fiscal year. The Commission declines to rely instead on the Space Bureau's Approved Space Station List for notice and awareness of which space stations are subject to regulatory fees for the fiscal year. The Commission finds that an appendix to the annual notice of proposed rulemaking will better serve its goal of providing space stations with notice of regulatory fees.

25. The Commission declines to adopt exceptions or other carve-outs to assessing fees on all authorized space and earth stations, regardless of their operational status. As an initial matter, the Commission lacks the authority to exempt whole categories of fee payors from regulatory fees, since the decision to exempt whole categories of fee payors resides with Congress under section 9 of the Act. The Commission also finds that broadening the base to include authorized, but not operational, stations more accurately allocates the FTE burdens and result in lower per unit regulatory fees for most space and earth station operators. In any event, the rationales for assessing fees on stations when they are authorized remain applicable, even in the circumstances discussed below where proposals were made to exempt or carve out certain categories of stations that are authorized, but are non-operational or conduct solely non-revenue producing operations. Each are discussed in turn.

26. *Pre-operational stations.* The Space and Earth Station Regulatory Fee FNPRM sought comment on whether to adopt new, separate fee categories for space and earth stations that are authorized, but not fully operational, based on a suggestion that the FTE burdens associated with licensing and oversight of authorized, but non-operational, stations are less than those associated with operational stations. After review of the record, the Commission affirms the prior tentative conclusion that substantial FTE burdens in the Space Bureau are dedicated to the review and action on space and earth station applications, and that entities with authorized, but not yet operational stations, still benefit from these burdens, as well as from a wide-range of regulatory

benefits, utilizing both direct and indirect FTEs. In addition, the record did not provide a sufficient basis for differentiating FTE burdens for authorized, but not yet operational, stations, and the Commission agrees with comments that adopting separate fees for such stations would complicate the regulatory fee regime without clear benefit.

27. *Post-operational and TT&C-only space stations.* The Space and Earth Station Regulatory Fee FNPRM sought comment on whether it is feasible to assess a separate category of annual regulatory fees for space stations that remain authorized solely to conduct telemetry, tracking, and command (TT&C) operations, for example in order to complete end-of-life disposal plans pursuant to orbital debris mitigation plans approved by the Commission as part of the authorization process. Most of the parties who commented on the proposal supported the concept of continuing to not assess fees, or to assess a lower fee, for non-operational, “TT&C-only” space stations, although some comments oppose any different treatment of authorized space stations. No party provided any information as to the feasibility of a separate fee or how such a fee should be calculated.

28. The Commission appreciates but remains unconvinced by arguments to not assess regulatory fees on space stations solely for TT&C operations or space stations solely conducting TT&C operations necessary to complete end-of-life disposal plans. In both instances, regulatory fees may be assessed when the space station is not intended to generate revenue from its authorized communications, or is no longer generating revenue from them. Indeed, the Commission has previously held that a non-U.S. licensed space station that communicates with a U.S.-licensed earth station solely for TT&C purposes does not fall within the category of a non-U.S. licensed space station with access to the U.S. market for regulatory fee purposes. It has also found that regulatory fees are not assessed on space stations that have ceased operations and are authorized solely for TT&C to conduct experimental communications, or to conduct end-of-life disposal maneuvers.

29. The Commission’s prior precedent, however, is inapplicable to a fee structure that

assesses fees on authorized stations, such as the one adopted in the Order. The Commission previously declined to assess fees for TT&C-only space stations during the time it limited regulatory fees to operational stations. Applying that exclusion to a fee structure that assesses fees on authorized stations is inconsistent with the rationale for adopting the new methodology and will undermine the purposes underlying it, including widening the base of regulatory fee payors. The Commission has previously recognized that assessing regulatory fees on non-operational stations has the potential to impose costs and create financial risk. Nonetheless, the Commission tentatively concluded that these concerns do not outweigh the need to assess regulatory fees on regulatees of the same class who benefit from its FTE efforts, which the Commission affirms in the Order in adopting the proposal to assess fees on authorized space and earth stations, even before such stations become operational. As stated above, the objectives of section 9 of the Act would be better met by assessing regulatory fees once a space or earth station is licensed or authorized because significant FTE burdens are involved with the licensing of space and earth stations, even before a station becomes operational, and because Space Bureau staff expertise is utilized by the industry before, during, and after an application (including modifications thereof) is filed. These reasons also apply to space and earth stations that are used solely for TT&C, or are being used for TT&C solely for post-mission disposal purposes. These TT&C communications are still radiocommunications authorized by the Commission and they continue to be subject to regulatory oversight by the Commission. This is true even in instances of TT&C solely for post-mission disposal, due to Commission oversight of compliance with the terms of their orbital debris mitigation plans. Accordingly, there is not a sufficient basis to find that regulatory fees should not be assessed on TT&C only space stations, or stations that are no longer operational, under the amended methodology adopted in the Order.

30. Furthermore, excluding TT&C-only space stations may be inequitable for other reasons. As an example, the Commission is considering how to modify its rules to better accommodate the licensing and regulatory oversight of space stations that are used primarily in support of in-

space servicing, assembly, and manufacturing (ISAM), including how to assess regulatory fees for such stations. Because these stations often are authorized to use radiocommunications solely for TT&C, without any other revenue-producing radiocommunication service being provided, categorically exempting TT&C-only space stations from regulatory fees now could prematurely exclude such stations wholly from regulatory fee assessments, even though such stations benefit from Commission FTEs as part of their licensing and regulatory oversight. In addition, exempting non-U.S. licensed space stations from regulatory fee assessments when communications with U.S.-licensed earth stations are solely for TT&C purposes would provide non-U.S. licensed space stations with an unfair advantage, unless the Commission were to do the same for all U.S.-licensed space stations, which the Commission does not find best serves the objectives of section 9 of the Act for the reasons stated above.

31. To facilitate the transition to the amended methodology, however, the Commission will not assess regulatory fees on authorized space stations that have already commenced post-mission disposal plans as of the release date of the Order, provided that the authorized space stations are conducting TT&C solely for the purpose of executing approved post-mission disposal plans. Comments suggest that there is merit to assessing regulatory fees for space stations that have reached the end of life, but that such fees should apply prospectively. The Commission agrees that prospective application is appropriate in this limited instance, since it is highly unlikely that operators already undertaking disposal plans are able to adjust their plans and such operators are few in number.

32. The Commission also expects to examine again in a future proceeding whether it is feasible to ascertain whether FTE burdens ascribed to the licensing and regulatory oversight of space stations authorized solely for TT&C communications are lower, such that a new, separate fee category might be able to be created for such stations. At this time, however, the Commission does not have sufficient record to reach a determination on this issue.

33. *Stations with multiple authorizations and RPO/OOS stations.* The Commission sought



comment on a proposal to assess regulatory fees in instances where there are separately identifiable space station authorizations, but which the space stations have not been considered to be separately operational and therefore have not been subject to separate regulatory fees. For example, a GSO satellite may operate in certain frequency bands under a license by the Commission and may communicate with U.S.-licensed space stations in other frequency bands pursuant to a grant of U.S. market access. Likewise, a NGSO space station fee payor may operate some space stations in its system under a U.S. license and may operate other space stations under a grant of U.S. market access. In the past, the space station fee payor has been assessed only a single regulatory fee, rather than one for each authorization or grant of market access. The Commission also previously tentatively concluded that a space station attached to a GSO space station as part of RPO or OOS operations would not be assessed 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 premise underlying the prior tentative conclusion was that the RPO or OOS space station is operating as part of an existing GSO space station, rather than as a separate operational space station, and therefore the regulatory fee burden for the RPO or OOS space station would be included in the fee collected from the GSO space station fee payor. Upon further consideration, the Commission reversed its position and tentatively concluded that the requirements and purpose of section 9 of the Act would be better met by separately assessing regulatory fees on such attached RPO or OOS space stations.

34. Comments in this proceeding support continuing not assessing separate regulatory fees for the same satellite, even in circumstances where there are multiple space station authorizations and call signs. No party commented on the Commission's tentative conclusion regarding assessing regulatory fees on RPO and OOS space stations, regardless of whether they are attached to another station or not.

35. The Commission disagrees with commenters that argue that the Commission should continue to assess only a single regulatory fee in instances where there are separately identifiable

space station authorizations for the same satellite and where existing Commission rules do not permit the consolidation of authorizations after grant. The commenters' arguments for an exception are premised on the nature of the operations of the space station authorizations, but the Commission has determined that operational status is no longer the appropriate basis for determining whether to assess regulatory fees. In the case of a satellite that is in part U.S.-licensed, and is in part non-U.S. licensed, there are separate and distinct licenses and grants, each evidenced by a separate call sign, often to different licensees/grantees, which cannot be consolidated under the Commission's existing rules into a single call sign. This is also true of an RPO or OOS space station, even if it is attached to another space station for servicing. A single regulatory fee might make sense if the Commission's fees were intended to recover solely the FTEs associated with regulatory oversight of a satellite's operations, but section 9 of the Act requires the Commission to recover all aspects of its licensing and regulatory functions – before, during, and after authorization. Where there are separate station authorizations for a single satellite, evidenced by separate call signs, the Commission finds it is more in line with Congress's intent to assess separate regulatory fees to recover the separate FTE burdens associated with each authorization. This is also true for small satellites or spacecrafts, which the Commission has similarly determined should be assessed regulatory fees per license or call sign, rather than per system. Accordingly, the Commission will assess regulatory fees based on separate license or grant of market access in these cases, as evidenced by separate call signs. To the extent that comments argue that Commission rules do not allow them to combine authorizations or call signs for separate space stations because these authorizations are not for a single NGSO system, the Commission finds that it is more appropriate to address this situation through the Space Bureau's attempts to modernize the licensing and regulation of these new types of space services before seeking changes to the regulatory fee methodology.

36. For NGSO space stations that are not within the category of small satellites or spacecraft, the Commission has previously determined that licensing and assessment of regulatory fees is

appropriate per system of NGSO space stations, rather than per call sign. This in part is due to the nature of NGSO space stations operating as constellations rather than individual satellites, and in part due to the nature of how NGSO space stations are licensed, using processing rounds, which may necessitate, or at least provide strong incentives for, applicants filing for new frequency bands for the use in the same constellation as new applications that are automatically assigned new call signs by the Commission's electronic filing system, International Communications Filing System (ICFS). Generally, NGSO licenses are able to consolidate these separate call signs under a single call sign post-authorization if they are part of a single system. This consolidation of authorizations and call signs is not possible, however, for a system that includes both U.S.-licensed space stations and non-U.S. licensed space stations, since the system would consist of two distinct forms of authorization: one is a license to a Commission-licensed space station and the other is a grant of market access for a communications between a non-U.S. licensed space station and U.S.-licensed earth stations.

37. The Commission observes that, in instances where a NGSO system has some space stations licensed by the U.S, and some space stations licensed by another administration, there is reason to require separate regulatory fees based on the reasoning above that there are separate and distinct licenses and grants, each evidenced by a separate call sign, often to different licensees/grantees. The Commission declines, however, to change its existing policy at this time, since the record to date does not provide sufficient information to assess fully the possible impacts of a change from assessing fees on NGSO space stations as "systems," rather than by authorizations evidenced by separate call signs, particularly when calculating whether a system would be categorized as a small or large constellation under the amended fee categories adopted in the Order.

38. *Co-located stations and on-orbit spares.* The Space and Earth Station Regulatory Fee FNPRM sought comment on whether regulatory fees should be assessed on GSO space stations that are co-located with other GSO space stations or that serve as non-operational "on-orbit

spares” for other operational GSO space stations. Such stations are not currently considered to be separably operational and have not been assessed regulatory fees for this reason. The Commission has observed, however, that separable direct FTEs are utilized to license and regulate these space stations. Comments largely support the continuation of not assessing regulatory fees on on-orbit spares and GSO space stations co-located with another GSO space station, although support is not universal.

39. The Commission finds that the goals of section 9 are not served by continuing to not assess regulatory fees on space stations simply because they are co-located with other operational space stations or serve as on-orbit spares to other operational space stations. The premise that underlies both instances is that the space stations were not considered to be separately operational, but the Commission has determined that operational status is no longer the appropriate basis for determining whether to assess regulatory fees. As is the case for stations with multiple authorizations, a single regulatory fee would make sense if the Commission’s fees were intended to recover solely the regulatory oversight of satellite’s operations, but section 9 of the Act requires the Commission to recover all aspects of its licensing and regulatory functions – before, during, and after authorization. In the case of co-located or on-orbit spare space stations, the amount of FTE resources required to license these space stations does not appear to be substantially different from that required to license other space stations, since staff must still evaluate the applications to determine compliance with the Commission’s rules and policies, and such space stations receive licenses that confer benefits to the licensees. Accordingly, where there are separate station authorizations for co-located space stations or on-orbit spare space stations, evidenced by separate call signs, the Commission finds it is more in line with Congress’s intent to assess separate regulatory fees to recover the separate FTE burdens associated with each authorization.

#### **D. Amendment of Existing Methodology to Establish NGSO – Small**

#### **Constellations and NGSO – Large Constellations to Replace NGSO – Less**

## **Complex and NGSO – Other**

40. Under the current system, 80% of the share of NGSO space station fees are allocated to the NGSO – Other fee category and 20% to the NGSO – Less Complex fee category, after subtracting a *pro rata* amount of the total fees assessed for NGSO – Small Satellites from each category. These allocated fees are then divided equally among the number of units in each category. For fiscal year 2024, fee payors in the NGSO – Other fee category were assessed fees of \$964,200 per unit, regardless of the number of space stations authorized for each fee payor. Payors in the NGSO – Less Complex fee category were assessed per unit fees of \$441,925, also regardless of the number of space stations authorized for each fee payor. NGSO space station payors have previously argued that this “one fee fits all” assessment is unfair, as it assesses the same regulatory fee on an NGSO system consisting of 100 space stations as the fee assessed for an NGSO system consisting of potentially 10,000 or more space stations.

41. The Space and Earth Station Regulatory Fees FNPRM sought comment on two proposals to address this shortcoming. First, it sought comment on a proposal to create sub-categories within the existing NGSO – Other fee category for small and large constellations of NGSO space stations, based on the number of authorized space stations in a system. Second, it sought comment on whether to eliminate the existing NGSO – Less Complex fee category and assess fees on all NGSO space stations (other than small satellites) as small or large constellations or, alternatively, to create sub-categories of small and large constellations within the NGSO – Less Complex category.

42. The Commission finds that the overarching goals of making its regulatory fee structure fair, administrable, and sustainable would be met by assessing regulatory fees on all NGSO space stations (other than those eligible for paying regulatory fees under the small satellites category) within new fee categories of NGSO – Small Constellations (fewer than 1000 authorized space stations) and NGSO – Large Constellations (1000 authorized space stations or more) and by eliminating the NGSO – Less Complex category entirely. Furthermore, the

Commission will allocate fees between small and large constellations on a 60/40 basis, that is, 60% of NGSO space station fees would be allocated to small constellations and 40% to large constellations. As with its existing approach, the Commission will subtract small satellite fees on a *pro rata* basis between small and large constellations.

43. First, the new methodology is fair because creation of separate fee categories for small and large constellations recognizes that NGSO space station constellations with more authorized space stations are likely to benefit more from the Commission's licensing and regulatory efforts than constellations with substantially fewer authorized space stations. NGSO systems with a larger number of authorized space stations provide service in a larger geographic area (usually globally) and provide more transmission capacity in order to provide higher-data rate, two-way connectivity. In addition, a larger number of earth stations are needed to support global, high-data rate two-way connectivity, and larger spectrum authorizations are required to provide the spectrum bandwidth needed for the desired services. The Commission finds it reasonable that such constellations benefit more from FTE burdens than smaller constellations and should be assessed greater regulatory fees, per unit.

44. The adoption of fee categories for small and large constellations also ensures that the additional benefit received by large NGSO constellations is not linearly related to the number of authorized space stations. This new methodology will account for diminishing amounts of FTE burdens required to license and regulate these systems as the number of authorized space stations grows beyond a certain size. In the Commission's experience, the Commission finds that once an operator has 1000 or more authorized space stations, it is reasonably distinguishable from smaller constellations in terms of the FTE benefits received and can be separated into a category with similar systems for regulatory fee purposes. Once it is in this separate category, the regulatory fees will not increase further based on the number of authorized space stations. Thus, the Commission will mitigate the adoption of exceptionally high fees for any one particular fee payor when such fees may not correlate reasonably to the FTE benefits accrued. The majority of

commenters also support the division between small and large constellations at 1000 or more authorized space stations.

45. Second, the Commission finds that this methodology is administrable. Using the number of authorized space stations in an NGSO system to allocate FTE burdens is simpler than the current system of using complexity as a proxy for FTE burdens. The number of space stations authorized for a NGSO system is an objective measure and is readily available as part of the space station license or grant of market access. The Commission finds this is a more administrable metric than space station features such as mass that could rely on data that may not be required by, or contained in, its licensing processes, or that require a multi-element accounting system, without a clear correlation between such feature and FTE burdens.

46. This new methodology will also lessen the probability of sudden or unpredictable swings in the number of units within the fee category. Using the number of authorized space stations will help avoid unpredictable and rapid shifts in fee rates from one year to the next, and is consistent with prior Commission use of this metric as the basis for its regulatory fees. Also, by eliminating the separate fee category for NGSO – Less Complex, all NGSO space stations (other than small satellites) will be placed into two tiers, which will result in a greater number of fee payors per tier. In turn, this lessens the potential for rapid and unpredictable changes in fees from year to year when a single fee payor in each tier is added or removed. In contrast, use of more than two fee tiers to account for more granular distinctions in the size of NGSO space station systems would be susceptible to rapid shifts in regulatory fees for all space station payors if there is a significant reduction in the number of authorized GSO space stations from one year to the next because the number of authorized GSO space stations accounts for a large percentage of total units. This would also require a comparison of the FTE burdens for each tier with those required for a single GSO space station.

47. Third, the Commission finds that the amended methodology adopted in the Order is sustainable because the fee system will have flexibility to adapt to changes in technologies.

Notably, the amended methodology is not defined by technology or services provided, but rather solely by the number of authorized space stations in an NGSO system. If technologies and the space industry change, as the Commission expects that they will, the number of authorized space stations in an NGSO system is a broad metric for assessing FTE burdens and is likely to remain relevant. In the event that further amendments are needed to adjust the methodology to changes in technologies, the methodology adopted in the Order preserves the ability to do so.

48. The Commission also finds that allocating a larger share to small constellations on a 60/40 basis between small and large constellations, respectively, is appropriate at this time and particularly sustainable as it relates to smaller constellations. Currently, there are substantially more small NGSO constellations than large NGSO constellations—an estimated 24 NGSO small constellations as compared to three NGSO large constellations. Going forward, the Commission anticipates that there will be greater growth in the number of authorized small constellations due to the considerable additional resources needed to launch and operate NGSO systems with a thousand or more space stations. Given this disparity in numbers, the Commission finds that it is reasonable that more than half of the FTE benefits realized by NGSO space station systems at this time are attributable to small constellations, in aggregate. The 60/40 split should result in much lower regulatory fees for small constellations on a per unit basis compared with large constellations, while also recognizing that small constellations currently take up more than 50% of the FTE burdens used for the licensing and regulation of NGSO space stations.

49. The Commission makes one additional amendment to the methodology used to assess space station regulatory fees necessitated by the amendments adopted in the Order: instead of subtracting the amount of regulatory fees anticipated to be collected from small satellites on a *pro rata* basis between NGSO – Less Complex and NGSO – Other, the Commission will instead subtract small satellite fees on a *pro rata* basis between small and large constellations. This maintains the existing approach, but makes changes to reflect the elimination of the NGSO – Less Complex fee category and creation of the NGSO small and large constellation fee



categories.

50. The Commission clarifies that fees will be assessed based on the total number of authorized space stations for an NGSO system, not just the number of space stations authorized to be simultaneously operating. Comments observe that the appendices in the Space and Earth Station Regulatory Fees FNPRM listed the number of authorized space stations for some systems based on the total number of space stations authorized over the license term, whereas for some systems the number was based on the total number of simultaneously-operating space stations that were authorized. Comments urge consistency in determining which space stations are authorized for regulatory fee purposes and advocate calculating fees based on the number of space stations authorized to be operational simultaneously, rather than authorized over the license term.

51. Although the Commission finds that this distinction is less relevant under the methodology adopted in the Order than under the alternative methodology that the Commission is not adopting, the Commission clarifies that fees will be assessed based on the total number of authorized space stations for an NGSO system, not just the number of space stations authorized to be simultaneously operating. The methodology adopted no longer relies on operational status of a space station for assessing regulatory fees, so it would be inconsistent to use operational status, rather than authorized status, as a basis for assessing regulatory fees. Although comments stress that assessing fees solely on space stations that are authorized to be simultaneously-operating would be consistent with the Commission's decision not to assess regulatory fees on on-orbit spares or co-located space stations that were not considered to be separably operable, such space stations are subject to regulatory fees under the amended methodology adopted. Furthermore, the Commission does not find that the record supports contentions that it is solely the operational status of the space stations that goes into assessing the FTE burdens attributable to the category of regulatory fees. As observed above, its regulatory fees are intended to recover the costs of licensing and regulation before, during, and after operations, so limiting regulatory

fees to operational stations does not best serve the purpose of section 9 of the Act.

52. The Commission finds that alternative proposals for assessing regulatory fees on NGSO space stations are more complicated to administer than the methodology the Commission adopts in the Order. The Commission declines to assess regulatory fees based on the number of authorizations that a fee payor holds. Such a methodology would be more complex to administer than the one the Commission adopts, and the record lacks specifics as to how to implement such a system. The Commission also declines to adopt a “risk-informed” methodology, which would inject policy decisions regarding the regulation of space stations that are not suitable for resolution in regulatory fee proceedings to assess regulatory fees.

53. The Commission finds that the goals of this proceeding are best served by adopting, at this time, two categories for NGSO space stations, small and large constellations, based on a dividing line of 1000 authorized space stations, rather than multiple categories based on different numbers of authorized space stations, as suggested by some comments. Adopting more than two tiers or categories of NGSO space station fees based on alternative number of authorized space stations is less administrable than the amended methodology the Commission adopts. Dividing NGSO space station systems into many tiers will result in a smaller number of fee payors per tier, which in turn has the potential to result in rapid and unpredictable changes in fees from year to year, if a single fee payor in each tier is added or removed. Simply put, having fee categories with larger number of units per categories is more administrable, all things being equal, as a single dividing line is less complex to administer and is likely to be more stable over time. The majority of comments support this approach, at least in the event that the alternative methodology is not adopted.

54. The Commission also declines at this time to adopt a fee category for “truly small” NGSO systems with “well under” 100 authorized space stations. Although comments argue that their systems are closer in kind to NGSO systems authorized under the Commission’s small satellite rules and should be assessed much lower regulatory fee comparable to those assessed to

those systems, the Commission observes that the lower regulatory fees assessed for small satellites is based on their ability to meet certain criteria for their system, which permits streamlined processing of these applications and requires fewer FTE burdens to license and regulate such systems. This is not the case for all NGSO systems, however, even if the total number of authorized space stations in their systems is close to the ten or fewer space stations permitted to be authorized under a small satellite authorization. Accordingly, the Commission does not find that the record, at this time, supports a finding that creating new fee categories for NGSO space stations achieves its goals better than the small and large constellation categories that the Commission adopts. In addition, the Commission dismisses calls to revisit and revise the Commission's prior decision to allocate regulatory fees between GSO and NGSO space stations on a 60/40 basis, rather than the prior 80/20 basis, because they are outside the scope of proposals for which comment was sought in the Space and Earth Station Regulatory Fees FNPRM and they raise no new arguments that have not already been fully considered and rejected by the Commission.

#### **E. Adoption for Fiscal Year 2025**

55. The Commission adopts the amendments to its methodology for assessing space and earth station regulatory fees in time for them to be effective for fiscal year 2025. Comments widely support making the changes effective immediately, given the notice of the intended changes since early 2024 and the increased fairness and administrability of the amended methodology. The Commission declines to postpone until fiscal year 2026 the assessment of regulatory fees on GSO space stations that were considered to be non-operational and not previously subject to regulatory fees, as proposed by one commenter. Although it is argued that additional time is needed for fee payors to plan for such fees and to allow them to assess whether to deactivate non-operational space stations at an earlier date than planned, the Commission finds that there has been ample time for fee payors to plan for the possibility of such fees and to take actions in anticipation of such fees. Accordingly, the Commission will immediately provide

notice to Congress of these amendments pursuant to section 9 of the Act so that they can become effective after 90 days.

#### **F. Earth Station Regulatory Fees**

56. The Commission declines to create additional subcategories of earth station regulatory fees at this time. Both the notice of proposed rulemaking and the further notice in this proceeding sought comment on whether the creation of additional earth station fee categories was feasible and whether additional fee categories would better differentiate the amount of regulatory fee burdens with different types of earth station licenses. The Commission determines that the record does not support creation of additional categories of earth station regulatory fees at this time.

57. The Space and Earth Station Regulatory Fees NPRM sought comment on the question of whether to create subcategories of earth station regulatory fee payors, in addition to the existing single category of “Transmit/Receive & Transmit Only (per authorization or registration).” As examples, the Commission asked if the former distinct fee categories for Very Small Aperture Terminals (VSAT), Mobile-Satellite Earth Stations, and Fixed Earth Stations should be reinstated. Comments in response to the Space and Earth Station Regulatory Fees NPRM expressed doubt that the creation of subcategories of earth stations with differing fee amounts is feasible and urged that the record be further developed before creating subcategories of earth station regulatory fees. The Space and Earth Station Regulatory Fees FNPRM sought further comment on these issues, particularly whether there are certain types of earth station licenses that require more FTE burdens to license and regulate, for which a higher regulatory fee should be assessed?

58. The record continues to be insufficient to determine that the creation of additional categories of earth station regulatory fees at this time is either necessary or feasible. The majority of comments continue to oppose the creation of additional earth station regulatory fee categories as difficult to administer fairly or efficiently, and having limited utility given the relatively small variation in fees any changes would produce. Although some comments suggest the possibility

of creating a separate fee category for blanket licensed earth stations, the record is not sufficiently developed as to which earth stations would be included in this category since there are many different types of earth stations that can be authorized under blanket licenses, such as earth stations in motion (ESIMS), mobile-satellite service earth stations, and fixed-satellite service VSAT networks. Furthermore, at this time and based on the record before us, the Commission is not able to attribute with any degree of reasonableness the allocation of FTE burdens attributable to blanket earth stations, either by individual service type or collectively, compared to non-blanket licensed stations. It may be possible to do so with a more complete record, but the Commission is not able to do so for fiscal year 2025 and declines to do so now.

59. The Commission also declines to assess regulatory fees on registered receive-only earth stations, which currently are not assessed regulatory fees. The registration of receive-only earth stations is not an authorization, but rather a database entry to record the existence of an earth station that is entitled to protection from interference under rules adopted for other services. The Commission's experience is that such registrations typically require few, if any, FTE burdens to process or regulate, and therefore it is unnecessary to re-create a separate regulatory fee category for such stations.

#### **IV. FINAL REGULATORY FLEXIBILITY ANALYSIS**

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

##### **A. Need for, and Objectives of, the Rules**

61. 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 FY 2024. In FY 2024, the Commission took certain steps to revise regulatory fees for space and earth station payors, but also determined that further consideration, as part of a future notice of proposed rulemaking, would be beneficial. The Space and Earth Station Regulatory Fees FNPRM continued the Commission's 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 remaining from the FY 2024 Space and Earth Station Regulatory Fees NPRM. The Commission examined and sought comment on assessing regulatory fees on authorized, but not operational space and earth stations; using an alternative methodology for assessing space station regulatory fees; establishing tiers with sub-categories for small and large constellations of NGSO space stations within the existing Space Stations (Non-Geostationary Orbit) – Other fee category based on the number of authorized space stations in the NGSO system; and creating new sub-categories of earth station regulatory fees.

62. The goal of these proposals is to update the regulatory fees and categories for earth and space stations in light of changes resulting from the creation of the Space Bureau and as part of a more holistic review of the regulatory fees for earth and space stations. The Commission also sought to implement changes to make regulatory fees more equitable, administratively manageable, sustainable, and to provide the Commission flexibility to evolve and make adjustments as the space industry continues to evolve.

63. In the Order, the Commission takes steps towards these goals by adopting changes to assess regulatory fees on stations once they are authorized, instead of the current process of assessing regulatory fees when the stations are certified to be operational. The Commission also splits existing regulatory fee categories for Space Stations (Non-Geostationary Orbit) into two new fee categories: small constellations (fewer than 1000 authorized space stations) and large constellations (1000 authorized space stations or more) to better distinguish between space station regulatees and to more accurately apportion fee burdens among them. This delineation should result in lower per unit regulatory fees for the majority of small and other space station fee payors compared to fiscal year 2024. Additionally, the Commission adopts a fee assessment approach that broadens the base of regulatory fee payors to better align fees with the benefits of regulation and that is less subjective than the current system that allocates fees based on the estimated “complexity” of an NGSO system.

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

64. No comments were filed addressing the impact of the proposed rules on small entities.

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

65. 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 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 in this proceeding.

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

66. 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 herein. The RFA generally

defines the term “small entity” as having the same meaning as under the Small Business Act. 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.

67. *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 herein. 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 34.75 million businesses.

68. 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.

69. 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.”

70. *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 Voice over Internet Protocol (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.

71. 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.

72. *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 \$44 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. Consequently, using the SBA's small business size standard most fixed satellite small transmit/receive earth stations can be considered small entities. The Commission notes however, that the SBA's revenue small business size standard is applicable to a broad scope of satellite telecommunications providers included in the U.S. Census Bureau's Satellite Telecommunications industry definition. Additionally, the Commission does not request nor collect annual revenue information from satellite telecommunications providers, and is therefore unable to more accurately estimate the number of fixed satellite small transmit/receive earth stations that would be classified as a small business under the SBA size standard.

73. *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 \$44 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. Thus, for this industry under the SBA size standard, the Commission estimates that the majority of Fixed Satellite Very Small Aperture Terminal (VSAT) System licensees are small entities. The Commission notes however, that the SBA's revenue small business size standard is applicable to a broad scope of satellite telecommunications providers included in the U.S. Census Bureau's Satellite Telecommunications industry definition. Additionally, the Commission does not request nor collect annual revenue information from satellite telecommunications providers, and is therefore unable to more accurately estimate the number of Fixed Satellite VSAT System licenses that would be classified as a small business under the SBA size standard.

74. *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.

75. *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 \$44 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. The Commission notes however, that the SBA's revenue small business size standard is applicable to a broad scope of satellite telecommunications providers included in the U.S. Census Bureau's Satellite Telecommunications industry definition. 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 from satellite telecommunications providers, and is therefore unable to estimate the number of Mobile Satellite Earth Station licensees that would be classified as a small business under the SBA size standard.

76. *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.

77. *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 \$44 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. Consequently, using the SBA's small business size standard most satellite telecommunications service providers can be considered small entities. The Commission notes however, that the SBA's revenue small business size standard is applicable to a broad scope of satellite telecommunications providers included in the U.S. Census Bureau's Satellite Telecommunications industry definition.

Additionally, the Commission neither requests nor collects annual revenue information from satellite telecommunications providers, and is therefore unable to more accurately estimate the number of satellite telecommunications providers that would be classified as a small business under the SBA size standard.

78. *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 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 \$40 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.

**E. Description of Economic Impact and Projected Reporting, Recordkeeping and Other Compliance Requirements for Small Entities**

79. The RFA directs agencies to describe the economic impact of proposed rules on small entities, as well as projected reporting, recordkeeping and other compliance requirements, including an estimate of the classes of small entities which will be subject to the requirement and the type of professional skills necessary for preparation of the report or record.

80. The Order does not adopt any changes to the Commission's current reporting or recordkeeping requirements for small entities. The Order does however adopt changes to the regulatory fee payment structure applicable to small and other stations that subjects a licensee or grantee to fee payment obligations when the license or grant of market access is received from the Commission. As a result, a small licensee or grantee will be subject to regulatory fee payment requirements sooner. In addition, the broadened base of regulatory fee payors which recovers fees from all licensees who benefit from the Space Bureau's licensing and regulatory activities should lower the per unit regulatory fee burden by increasing the number of units on which fees are assessed and may result in reduced fees for some small entities.

81. There could also be a positive economic impact for small entities from Commission's eliminations of the existing regulatory fee categories for Space Stations (Non-Geostationary Orbit) and creation of a distinct fee category for small constellations having less than 1000 authorized space stations which the Commission believes appropriately apportion fees commensurate with Space Bureau resources attributable to regulating these licensees and grantees, and will remove the "one-fee fits all" assessment commenters considered unfair. Further, the Commission finds it reasonable that larger constellations that benefit more from the use of Commission resources than smaller constellations, should be assessed greater regulatory fees, per unit. Lastly, consistent with the Commission's objective of revising the current regulatory fee structure to be more fair, administrable, and sustainable, small entities will be impacted by its adoption of regulatory fees on all NGSO space stations (other than those eligible for paying regulatory fees under the small satellites category) within new fee categories of NGSO – Small Constellations (fewer than 1000 authorized space stations) and NGSO – Large

Constellations (1000 authorized space stations or more) and by eliminating the NGSO – Less Complex category entirely. Fees between small and large NGSO constellations will be apportioned on a 60/40 basis, with 60% of NGSO space station fees allocated to small constellations and 40% to large constellations. Consistent with the Commission’s existing approach small satellite fees will be deducted on a *pro rata* basis between small and large constellations.

82. The Commission considered a proposal from the Space and Earth Station Regulatory Fee FNPRM to assess regulatory fees in instances where there are separately identifiable space station authorizations, but which the space stations have not been considered to be separately operational and therefore have not been subject to separate regulatory fees under Commission rules. While a single regulatory fee might make sense if regulatory fees were intended to recover solely the FTE burdens associated with regulatory oversight of satellite’s operations, section 9 of the Act requires the Commission to recover all aspects of its licensing and regulatory functions – before, during, and after authorization. Thus, where there are separate station authorizations for a single satellite, evidenced by separate call signs, the Commission finds it is more in line with Congress’s intent to assess separate regulatory fees to recover the separate FTE burdens associated with each authorization, which could impact small entities.

83. The Space and Earth Station Regulatory Fee FNPRM also sought comment on whether regulatory fees should be assessed on small and other GSO space stations that are co-located with other GSO space stations or that serve as non-operational “on-orbit spares” for other operational GSO space stations. Finding that the goals of section 9 of the Communications Act are not served by continuing to exclude space stations from regulatory fees simply because they are co-located with other operational space stations or serve as on-orbit spares to other operational space stations, the Commission will now assess regulatory fees on small and other GSO space stations co-located with other GSO space station. The premise that underlies exclusion in both instances is that the space stations were not considered to be separately

operational, but the Commission has determined that operational status is no longer the appropriate basis for determining whether to assess regulatory fees. As is the case for stations with multiple authorizations, a single regulatory fee would make sense if regulatory fees were intended to recover solely the regulatory oversight of satellite's operations, but section 9 of the Act requires the Commission to recover all aspects of licensing and regulatory functions – before, during, and after authorization. In the case of co-located or on-orbit spare space stations, the amount of FTE burdens required to license these space stations does not appear to be substantially different from that required to license other space stations, since staff must still evaluate the applications to determine compliance with the Commission's rules and policies, and such space stations receive licenses that confer benefits to the licensees.

84. 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 based on the rules adopted in the Order and should not require small entities to hire professionals to comply.

85. The regulatory fees resulting from the Order will be payable in FY 2025, and small entities that qualify can take advantage of the exemption from payment of regulatory fees allowed under the de minimis threshold. Under the Commission's rules, small and other entities may request a waiver, reduction, and/or deferral 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 than their larger counterparts.

#### **F. Discussion of Significant Alternatives Considered that Minimize the Significant Economic Impact on Small Entities**

86. 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.”

87. In the Order, the Commission considered but declined to adopt an alternative methodology with a tiered structure for assessing space station regulatory fees that eliminates the distinction between GSO, NGSO, and all the subcategories of NGSO, while preserving a separate fee category for small satellites, in favor of the proposal in the Space and Earth Station Regulatory Fees FNPRM to assess regulatory fees on stations under the existing methodology once they are authorized, versus when the stations are certified to be operational. While there may have been some benefit to small entities with the tiered approach alternative methodology, a fee structure that allocates payment obligations in proportion to the use of Commission resources associated with oversight of licensees, and grantees, and broadening the base of regulatory fee payors thereby spreading the recovery of fees from all licensees who benefit from the Space Bureau’s licensing and regulatory activities, better achieves the Commission’s compliance with the objectives of section 9 of the Act. The impact for small entities is potentially reduced since lowering the per unit regulatory fee burden by increasing the number of units on which fees are assessed allows benefits to accrue to all space and earth station licensees. Comments in response to the Space and Earth Station Regulatory Fees FNPRM strongly support assessing regulatory fees when space and earth stations are authorized, rather than when they are operational. In addition, the record did not provide a sufficient basis for assessing a separate, lower fee for stations that are authorized, but not yet operational. The Commission also considered but declined to adopt an approach that would exclude assessment of fees on small and other space stations that are authorized solely for TT&C operations. While fee assessment on such space stations has the potential to impose costs and create financial risk for these space station fee payors, the Commission determined that these concerns do not outweigh the need to assess regulatory fees on regulatees of the same class who benefit from FTE burdens. TT&C communications are still radiocommunications authorized by the Commission and they

are subject to regulatory oversight by the Commission. Significant FTE burdens are involved with the licensing of stations, even before a station becomes operational, and staff expertise is utilized by the industry before, during, and after an application (including modifications thereof) are filed. This also applies to space and earth stations that are used solely for TT&C. Thus, the Commission determined at this time that there is insufficient basis to find that regulatory fees should not be assessed on TT&C-only space stations. The Commission expects, however, to reexamine in a future proceeding whether it is feasible to ascertain whether fewer FTE burdens can be reasonably ascribed to the licensing and regulatory oversight of space stations authorized solely for TT&C communications, so that a new, separate fee category might be able to be created for such stations.

88. As discussed in the section E above, the two new fee categories, “Space Stations (Non-geostationary orbit) – Small Constellations (fewer than 1,000 authorized space stations)” and “Space Stations (Non-geostationary orbit) – Large Constellations (1,000 or more authorized space stations),” will likely benefit small entities. By eliminating the separate fee category for “Less Complex” space stations, all non-geostationary orbit space stations (other than small satellites) will be placed into two tiers, which will result in a greater number of fee payors per tier. In turn, the probability of sudden or unpredictable swings in the number of units within the fee category will be decreased, as well as the potential for rapid and unpredictable changes in fees from year to year when a single fee payor in each tier is added or removed. These new space station categorizations are reasonable and fair because creation of separate fee categories for small and large constellations recognizes that non-geostationary orbit space station constellations with more authorized space stations are likely to benefit more from the Commission’s licensing and regulatory efforts than constellations with substantially fewer authorized space stations. Further, using the number of authorized space stations in a non-geostationary orbit satellite system to allocate FTE burdens is simpler than the current system of using complexity as a proxy for FTE burdens.

89. Acutely aware of the financial impact of regulatory fees, particularly on smaller and less capitalized space companies, the Commission retained the existing regulatory fees methodology with targeted modifications rather than adopting a completely different alternative methodology for assessing space station regulatory fees.

90. The Commission is presently focused on reducing the total fee burden to be divided among regulated entities by making the Space Bureau's operations more efficient. It finds that continued use of the existing methodology will maintain stability and prevent unnecessary disruption while broader reforms are ongoing. At the same time, targeted changes to the existing methodology will substantially reduce the fee burden for a large class of payors. Accordingly, the Commission finds that now is not the time to adopt a wholly new methodology for space station regulatory fees. Rather, the overarching goals of fair, administrable, and sustainable regulatory fees can equally be achieved by targeted changes to the existing methodology. The Commission observes that the changes in the space industry that led to the creation of the Space Bureau and the Commission's re-examination of space and earth station regulatory fees are still ongoing. Any wholesale departure from the existing methodology at this juncture runs significant the risk of adopting a new fee methodology that still reflects past assumptions about licensing and regulation of space and earth stations. Comments agree that the Commission should not undertake a major overhaul of its space and earth station regulatory fee methodologies in light of the ongoing modernization efforts.

91. Finally, in light of an insufficient record to determine that the creation of additional categories of earth station regulatory fees at this time is either necessary or feasible, the Commission considered but declined to adopt new categories of regulatory fees for earth stations. The majority of comments continue to oppose the creation of additional earth station regulatory fee categories as difficult to administer fairly or efficiently, and having limited utility given the relatively small variation in fees any changes would produce. On the other hand although there are some comments that suggest the possibility of creating a separate fee category

for blanket licensed earth stations, the record is not sufficiently developed as to which earth stations would be included in this category since there are many different types of earth stations that can be authorized under blanket licenses, such as earth stations in motion, mobile-satellite service earth stations, and fixed-satellite service VSAT networks. Furthermore, at this time and based on the record, the Commission is not able to attribute with any degree of reasonableness the allocation of FTE burdens to blanket earth stations, either by individual service type or collectively, compared to non-blanket licensed stations.

Federal Communications Commission.

**Marlene Dortch,**

*Secretary.*

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