RULE CHANGES

Part 1 of Chapter I of Title 47 of the Code of Federal Regulations is amended as follows:

PART 1 - PRACTICE AND PROCEDURE

1. The authority citation for Part 1 continues to read as follows:

AUTHORITY: Sec. 5, 48 Stat. 1068, as amended; 47 U.S.C. 155, 225, unless otherwise noted.

2. Sec. 1.1152 is revised to read as follows:

§ 1.1152 Schedule of annual regulatory fees and filing locations for wireless radio services.

Exclusive use services (per license)	**Fee amount[24]**	**Address**
1. Land Mobile (Above 470 MHz, Base Station & SMRS)(47 CFR, Part 90)		
a)800 MHz New, Renewal, Reinstatement Pittsburgh, PA (FCC 600) 15251-5235	$12.00	FCC, 800 MHz P.O. Box 358235
b)900 MHz New, Renewal, Reinstatement (FCC 600)	$12.00	FCC, 900 MHz P.O. Box 358240 Pittsburgh, PA 15251-5240

[24] Note that "small fees" are collected in advance for the entire license term. Therefore, the annual fee amount shown in this table must be multiplied by the 5- or 10-year license term, as appropriate, to arrive at the total amount of regulatory fees owed. It should be further noted that application fees may also apply as detailed in § 1.1102 of this chapter.

c)470-512,800,900, 220 MHz, 220 MHz Nationwide Renewal (FCC 574R, FCC 405A)	$12.00	FCC, 470-512 P.O. Box 358245 Pittsburgh, PA 15251-5245
d)Correspondence Blanket Renewal (470-512,800,900,220 MHz) (Remittance Advice, Correspondence)	$12.00	FCC, Corres. P.O. Box 358305 Pittsburgh, PA 15251-5305
e)220 MHz New, Renewal, Reinstatement (FCC 600)	$12.00	FCC, 220 MHz P.O. Box 358360 Pittsburgh, PA 15251-5360
f)470-512 MHz New, Renewal, P.O. Box 358810 Reinstatement (FCC 600)	$12.00	FCC, 470-512 Pittsburgh, PA 15251-5810
g)220 MHz Nationwide New, Renewal, Reinstatement (FCC 600)	$12.00	FCC, Nationwide P.O. Box 358820 Pittsburgh, PA 15251-5820

2. Microwave (47 CFR Pt. 101)

a)Microwave New, Renewal, Reinstatement (FCC 415) 15251-5250	$12.00	FCC, Microwave P.O. Box 358250 Pittsburgh, PA
b)Microwave Renewal (FCC 402R)	$12.00	FCC, Microwave P.O. Box 358255 Pittsburgh, PA 15251-5255
c)Correspondence Blanket Renewal (Microwave) (Remittance Advice, Correspondence)	$12.00	FCC, Corres. P.O. Box 358305 Pittsburgh, PA 15251-5305

3. Shared Use Services

a)Land Transportation (LT) New, Renewal, Reinstatement (FCC 600)	$6.00	FCC, Land Trans. P.O. Box 358215 Pittsburgh, PA 15251-5215
b)Business (Bus.) New, Renewal, Reinstatement (FCC 600)	$6.00	FCC, Business P.O. Box 358220 Pittsburgh, PA 15251-5220
c)Other Industrial (OI) New, Renewal, Reinstatement (FCC 600)	$6.00	FCC, Other Indus. P.O. Box 358225 Pittsburgh, PA 15251-5225
d)General Mobile Radio Service (GMRS) New, Renewal, Reinstatement (FCC 574)	$6.00	FCC, GMRS P.O. Box 358230 Pittsburgh, PA 15251-5230
e)Business,Other Industrial, Land Transportation,GMRS Renewal (FCC 574R, FCC 405A)	$6.00	FCC,Bus.,OI,LT,GMRS P.O. Box 358245 Pittsburgh, PA 15251-5245
f)Ground New, Renewal, Reinstatement (FCC 406)	$6.00	FCC, Ground P.O. Box 358260 Pittsburgh, PA 15251-5260
g)Coast New, Renewal, Reinstatement (FCC 503)	$6.00	FCC, Coast P.O. Box 358265 Pittsburgh, PA 15251-5265
h)Ground Renewal (FCC 452R)	$6.00	FCC, Ground P.O. Box 358270 Pittsburgh, PA 15251-5270

i)Coast FCC, Coast Renewal (FCC 452R)	$6.00	P.O. Box 358270 Pittsburgh, PA 15251-5270
j)Ship New, Renewal, Reinstatement (FCC 506)	$6.00	FCC, Ship P.O. Box 358275 Pittsburgh, PA 15251-5275
k)Aircraft New, Renewal, Reinstatement Pittsburgh, PA (FCC 404) 15251-5280	$6.00	FCC, Aircraft P.O. Box 358280
l)Ship Renewal (FCC 405B)	$6.00	FCC, Ship P.O. Box 358290 Pittsburgh, PA 15251-5290
m)Aircraft Renewal (FCC 405B)	$6.00	FCC, Aircraft P.O. Box 358290 Pittsburgh, PA 15251-5290
n)Correspondence Blanket Renewal (Bus.,OI,LT,GMRS) (Remittance Advice, Correspondence)	$6.00	FCC, Corres. P.O. Box 358305 Pittsburgh, PA 15251-5305
o)Correspondence Blanket Renewal (Ground) (Remittance Advice, Correspondence)	$6.00	FCC, Corres. P.O. Box 358305 Pittsburgh, PA 15251-5305
p)Correspondence Blanket Renewal (Coast) (Remittance Advice, Correspondence)	$6.00	FCC, Corres. P.O. Box 358305 Pittsburgh, PA 15251-5305

q)Correspondence Blanket Renewal (Aircraft) (Remittance Advice, Correspondence)	$6.00	FCC, Corres. P.O. Box 358305 Pittsburgh, PA 15251-5305
r)Correspondence Blanket Renewal (Ship) (Remittance Advice, Correspondence)	$6.00	FCC, Corres. P.O. Box 358305 Pittsburgh, PA 15251-5305
Amateur Vanity Call Signs	$1.30	FCC, Amateur Vanity P.O. Box 358924 Pittsburgh, PA 15251-5924
CMRS Mobile Services (per unit)	$ .29	FCC, Cellular P.O. Box 358835 Pittsburgh, PA 15251-5835
CMRS Messaging Services (per unit)	$ .04	FCC, Messaging P.O. Box 358835 Pittsburgh, PA 15251-5835

3. Sec. 1.1153 is revised to read as follows:

§ 1.1153 Schedule of annual regulatory fees and filing locations for mass media services.

Radio [AM and FM] (47 CFR, Part 73)	**Fee Amount**	**Address**
1. <u>AM Class A</u>		
<=20,000 population	$ 400	FCC, Radio
20,001-50,000 population	$ 750	P.O. Box 358835
50,001-125,000 population	$1,250	Pittsburgh, PA
125,001-400,000 population	$1,750	15251-5835
400,001-1,000,000 population	$2,500	
>1,000,000 population	$4,000	

2. AM Class B

<=20,000 population	$ 300
20,001-50,000 population	$ 750
50,001-125,000 population	$ 800
125,001-400,000 population	$1,250
400,001-1,000,000 population	$2,000
>1,000,000 population	$3,250

3. AM Class C

<=20,000 population	$ 200
20,001-50,000 population	$ 300
50,001-125,000 population	$ 400
125,001-400,000 population	$ 600
400,001-1,000,000 population	$1,000
>1,000,000 population	$1,500

4. AM Class D

<=20,000 population	$ 250
20,001-50,000 population	$ 400
50,001-125,000 population	$ 600
125,001-400,000 population	$ 750
400,001-1,000,000 population	$1,250
>1,000,000 population	$2,000

5. AM Construction Permit $ 235

6. FM Classes A, B1 and C3

<=20,000 population	$ 300
20,001-50,000 population	$ 600
50,001-125,000 population	$ 800
125,001-400,000 population	$1,250
400,001-1,000,000 population	$2,000
>1,000,000 population	$3,250

7. FM Classes B, C, C1 and C2

<=20,000 population	$ 400
20,001-50,000 population	$ 750
50,001-125,000 population	$1,250
125,001-400,000 population	$1,750
400,001-1,000,000 population	$2,500
>1,000,000 population	$4,000

8. FM Construction Permits $1,150

TV (47 CFR, Part 73)
VHF Commercial

1.	Markets 1 thru 10	$37,575	FCC, TV Branch
2.	Markets 11 thru 25	$31,275	P.O. Box 358835
3.	Markets 26 thru 50	$21,400	Pittsburgh, PA
4.	Markets 51 thru 100	$11,975	15251-5835
5.	Remaining Markets	$ 3,100	
6.	Construction Permits	$ 2,525	

UHF Commercial

1.	Markets 1 thru 10	$14,175	FCC, UHF Commercial
2.	Markets 11 thru 25	$10,725	P.O. Box 358835
3.	Markets 26 thru 50	$ 6,650	Pittsburgh, PA
4.	Markets 51 thru 100	$ 3,975	15251-5835
5.	Remaining Markets	$ 1,075	
6.	Construction Permits	$ 2,650	

Satellite UHF/VHF Commercial

1.	All Markets	$1,175	FCC Satellite TV
2.	Construction Permits	$ 420	P.O. Box 358835
			Pittsburgh, PA
			15251-5835

Low Power TV, TV/FM Translator,& TV/FM Booster (47 CFR, Part 74)	$ 265	FCC, Low Power P.O. Box 358835 Pittsburgh, PA 15251-5835

Broadcast Auxiliary	$ 11	FCC, Auxiliary P.O. Box 358835 Pittsburgh, PA 15251-5835
Multipoint Distribution	$ 260	FCC, Multipoint P.O. Box 358835 Pittsburgh, PA 15251-5835

4. Sec. 1.1154 is revised to read as follows:

§ 1.1154 Schedule of annual regulatory charges and filing locations for common carrier services.

Radio Facilities	**Fee Amount**	**Address**
1. Microwave (Domestic Public Fixed)	$12	FCC, Common Carrier P.O. Box 358680 Pittsburgh, PA 15251-5680
Carriers		
1. Interstate Telephone Service Providers (per dollar contributed to TRS Fund)	$ .0011	FCC, Carriers P.O. Box 358835 Pittsburgh, PA

5. Sec. 1.1155 is revised to read as follows:

§ 1.1155 Schedule of regulatory fees and filing locations for cable television services.

	Fee Amount	**Address**
1. Cable Antenna Relay Service	$50	FCC, Cable P.O. Box 358835 Pittsburgh, PA 15251-5835
2. Cable TV System (per subscriber)	$ .44	

6. Section 1.1156 is revised to read as follows:

§ 1.1156 Schedule of regulatory fees and filing locations for international services.

Radio Facilities	Fee Amount	Address
1. International (HF) Broadcast	$475	FCC, International P.O. Box 358835 Pittsburgh, PA 15251-5835
2. International Public Fixed	$375	FCC, International P.O. Box 358835 Pittsburgh, PA 15251-5835
Space Stations (Geostationary Orbit)	$119,000	FCC, Space Stations P.O. Box 358835 Pittsburgh, PA 15251-5835
Space Stations (Non-Geostationary Orbit)	$164,800	FCC, Space Stations P.O. Box 358835 Pittsburgh, PA 15251-5835
Earth Stations Transmit/Receive & Transmit Only (per authorization or registration)	$165	FCC, Earth Station P.O. Box 358835 Pittsburgh, PA 15251-5835
Carriers		
1. International Bearer Circuits (per active 64KB circuit or equivalent)	$ 6.00	FCC, International P.O. Box 358835 Pittsburgh, PA 15251-5835

Attachment A

FINAL REGULATORY FLEXIBILITY ANALYSIS

1. As required by the Regulatory Flexibility Act (RFA),[25] an Initial Regulatory Flexibility Analysis (IRFA) was incorporated in the Notice of Proposed Rulemaking In the Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 1998, 63 FR 16188 (April 2, 1998). The Commission sought written public comments on the proposals in its FY 1998 regulatory fees NPRM, including on the IRFA. This present Final Regulatory Flexibility Analysis (FRFA) conforms to the RFA, as amended.[26]

I. Need for and Objectives of this Report and Order:

2. This rulemaking proceeding was initiated in order to collect regulatory fees in the amount of $162,523,000, the amount that Congress has required the Commission to recover through regulatory fees in FY 1998. The Commission seeks to collect the necessary amount through its revised regulatory fees, as contained in the attached Schedule of Regulatory Fees, in the most efficient manner possible and without undue burden on the public.

II. Summary of Significant Issues Raised by Public Comments In Response to the IRFA:

3. None

III. Description and Estimate of the Number of Small Entities To Which the Rules Will Apply:

4. 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 proposed rules, if adopted.[27] The RFA generally defines the term "small entity " as having the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction."[28] In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act.[29] A small business concern is one which: (1) is independently owned and

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[25] 5 U.S.C. § 603.

[26] See 5 U.S.C. § 604. The RFA, see 5 U.S.C. § 601 et seq., has been amended by the Contract with America Advancement Act (CWAAA), Public Law 104-121, 110 Stat. 847 (1996). Title II of the CWAAA is "The Small Business Regulatory Enforcement Fairness Act of 1996" (SBREFA).

[27] 5 U.S.C. § 603(b)(3).

[28] Id. § 601(6).

[29] 5 U.S.C. § 601(3) (incorporating by reference the definition of "small business concern" in 15 U.S.C. § 632). Pursuant to the RFA, the statutory definition of a small business applies "unless an agency, after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes

operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the Small Business Administration (SBA). [30] A small organization is generally "any not-for-profit enterprise which is independently owned and operated and is not dominant in its field."[31] Nationwide, as of 1992, there were approximately 275,801 small organizations.[32] "Small governmental jurisdiction" generally means "governments of cities, counties, towns, townships, villages, school districts, or special districts, with a population of less than 50,000."[33] As of 1992, there were approximately 85,006 such jurisdictions in the United States.[34] This number includes 38,978 counties, cities, and towns; of these, 37,566, or 96 percent, have populations of fewer than 50,000.[35] The Census Bureau estimates that this ratio is approximately accurate for all governmental entities. Thus, of the 85,006 governmental entities, we estimate that 81,600 (91 percent) are small entities. Below, we further describe and estimate the number of small entity licensees and regulatees that may be affected by the proposed rules, if adopted.

CABLE SERVICES OR SYSTEMS

5. The SBA has developed a definition of small entities for cable and other pay television services, which includes all such companies generating $11 million or less in revenue annually.[36] This definition includes cable systems operators, closed circuit television services, direct broadcast satellite services, multipoint distribution systems, satellite master antenna systems and subscription television services. According to the Census Bureau data from 1992, there were 1,788 total cable and other pay television services and 1,423 had less than $11 million in revenue.[37]

6. The Commission has developed its own definition of a small cable system operator for the purposes of rate regulation. Under the Commission's rules, a "small cable company" is one

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one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the Federal Register." 5 U.S.C. § 601(3).

[30] Small Business Act, 15 U.S.C. § 632 (1996).

[31] 5 U.S.C. § 601(4).

[32] 1992 Economic Census, U.S. Bureau of the Census, Table 6 (special tabulation of data under contract to Office of Advocacy of the U.S. Small Business Administration).

[33] 5 U.S.C. § 601(5).

[34] U.S. Dept. of Commerce, Bureau of the Census, "1992 Census of Governments."

[35] Id.

[36] 13 C.F.R. § 121.201, SIC code 4841.

[37] 1992 Economic Census Industry and Enterprise Receipts Size Report, Table 2D, SIC code 4841 (U.S. Bureau of the Census data under contract to the Office of Advocacy of the U.S. Small Business Administration).

serving fewer than 400,000 subscribers nationwide.[38] Based on our most recent information, we estimate that there were 1,439 cable operators that qualified as small cable system operators at the end of 1995.[39] Since then, some of those companies may have grown to serve over 400,000 subscribers, and others may have been involved in transactions that caused them to be combined with other cable operators. Consequently, we estimate that there are fewer than 1,439 small entity cable system operators.

7. The Communications Act also contains a definition of a small cable system operator, which is "a cable operator that, directly or through an affiliate, serves in the aggregate fewer than 1 percent of all subscribers in the United States and is not affiliated with any entity or entities whose gross annual revenues in the aggregate exceed $250,000,000."[40] The Commission has determined that there are 66,000,000 subscribers in the United States. Therefore, we found that an operator serving fewer than 660,000 subscribers shall be deemed a small operator, if its annual revenues, when combined with the total annual revenues of all of its affiliates, do not exceed $250 million in the aggregate.[41] Based on available data, we find that the number of cable operators serving 660,000 subscribers or less totals 1,450.[42] We do not request nor do we collect information concerning whether cable system operators are affiliated with entities whose gross annual revenues exceed $250,000,000,[43] and thus are unable at this time to estimate with greater precision the number of cable system operators that would qualify as small cable operators under the definition in the Communications Act. It should be further noted that recent industry estimates project that there will be a total 66,000,000 subcribers, and we have based our fee revenue estimates on that figure.

8. **Other Pay Services.** Other pay television services are also classified under Standard Industrial Classification (SIC) 4841, which includes cable systems operators, closed circuit television services, direct broadcast satellite services (DBS),[44] multipoint distribution systems

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[38] 47 C.F.R. § 76.901(e). The Commission developed this definition based on its determination that a small cable system operator is one with annual revenues of $100 million or less. Implementation of Sections of the 1992 Cable Act: Rate Regulation, Sixth Report and Order and Eleventh Order on Reconsideration, 10 FCC Rcd 7393 (1995), 60 FR 10534 (February 27, 1995).

[39] Paul Kagan Associates, Inc., Cable TV Investor, Feb. 29, 1996 (based on figures for December 30, 1995).

[40] 47 U.S.C. § 543(m)(2).

[41] Id. § 76.1403(b).

[42] Paul Kagan Associates, Inc., Cable TV Investor, Feb. 29, 1996 (based on figures for Dec. 30, 1995).

[43] We do receive such information on a case-by-case basis only if a cable operator appeals a local franchise authority's finding that the operator does not qualify as a small cable operator pursuant to section 76.1403(b) of the Commission's rules. See 47 CFR § 76.1403(d).

[44] Direct Broadcast Services (DBS) are discussed with the international services, infra.

(MDS),[45] satellite master antenna systems (SMATV), and subscription television services.

COMMON CARRIER SERVICES AND RELATED ENTITIES

9. The most reliable source of information regarding the total numbers of certain common carrier and related providers nationwide, as well as the numbers of commercial wireless entities, appears to be data the Commission publishes annually in its Telecommunications Industry Revenue report, regarding the Telecommunications Relay Service (TRS).[46] According to data in the most recent report, there are 3,459 interstate carriers.[47] These carriers include, inter alia, local exchange carriers, wireline carriers and service providers, interexchange carriers, competitive access providers, operator service providers, pay telephone operators, providers of telephone toll service, providers of telephone exchange service, and resellers.

10. The SBA has defined establishments engaged in providing "Radiotelephone Communications" and "Telephone Communications, Except Radiotelephone" to be small businesses when they have no more than 1,500 employees.[48] Below, we discuss the total estimated number of telephone companies falling within the two categories and the number of small businesses in each, and we then attempt to refine further those estimates to correspond with the categories of telephone companies that are commonly used under our rules.

11. Although some affected incumbent local exchange carriers (ILECs) may have 1,500 or fewer employees, we do not believe that such entities should be considered small entities within the meaning of the RFA because they are either dominant in their field of operations or are not independently owned and operated, and therefore by definition not "small entities" or "small business concerns" under the RFA. Accordingly, our use of the terms "small entities" and "small businesses" does not encompass small ILECs. Out of an abundance of caution, however, for regulatory flexibility analysis purposes, we will separately consider small ILECs within this analysis and use the term "small ILECs" to refer to any ILECs that arguably might be defined by the SBA as "small business concerns."[49]

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[45] Multipoint Distribution Services (MDS) are discussed with the mass media services, infra.

[46] FCC, Telecommunications Industry Revenue: TRS Fund Worksheet Data, Figure 2 (Number of Carriers Paying Into the TRS Fund by Type of Carrier) (Nov. 1997) (Telecommunications Industry Revenue).

[47] Id.

[48] 13 CFR § 121.201, Standard Industrial Classification (SIC) codes 4812 and 4813. See also Executive Office of the President, Office of Management and Budget, Standard Industrial Classification Manual (1987).

[49] See 13 CFR § 121.201, SIC code 4813. Since the time of the Commission's 1996 decision, Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, First Report and Order, 11 FCC Rcd 15499, 16144-45 (1996), 61 FR 45476 (August 29, 1996), the Commission has consistently addressed in its regulatory flexibility analyses the impact of its rules on such ILECs.

12. **Total Number of Telephone Companies Affected.** The U.S. Bureau of the Census ("Census Bureau") reports that, at the end of 1992, there were 3,497 firms engaged in providing telephone services, as defined therein, for at least one year.[50] This number contains a variety of different categories of carriers, including local exchange carriers, interexchange carriers, competitive access providers, cellular carriers, mobile service carriers, operator service providers, pay telephone operators, personal communications services providers, covered specialized mobile radio providers, and resellers. It seems certain that some of those 3,497 telephone service firms may not qualify as small entities or small ILECs because they are not "independently owned and operated."[51] For example, a PCS provider that is affiliated with an interexchange carrier having more than 1,500 employees would not meet the definition of a small business. It is reasonable to conclude that fewer than 3,497 telephone service firms are small entity telephone service firms or small ILECs that may be affected by the proposed rules, if adopted.

13. **Wireline Carriers and Service Providers.** The SBA has developed a definition of small entities for telephone communications companies except radiotelephone (wireless) companies. The Census Bureau reports that there were 2,321 such telephone companies in operation for at least one year at the end of 1992.[52] According to the SBA's definition, a small business telephone company other than a radiotelephone company is one employing no more than 1,500 persons.[53] All but 26 of the 2,321 non-radiotelephone companies listed by the Census Bureau were reported to have fewer than 1,000 employees. Thus, even if all 26 of those companies had more than 1,500 employees, there would still be 2,295 non-radiotelephone companies that might qualify as small entities or small ILECs. We do not have data specifying the number of these carriers that are not independently owned and operated, and thus are unable at this time to estimate with greater precision the number of wireline carriers and service providers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that fewer than 2,295 small telephone communications companies other than radiotelephone companies are small entities or small ILECs that may be affected by the proposed rules, if adopted.

14. **Local Exchange Carriers.** Neither the Commission nor the SBA has developed a definition for small providers of local exchange services (LECs). The closest applicable definition under the SBA rules is for telephone communications companies other than radiotelephone (wireless) companies.[54] According to the most recent Telecommunications Industry Revenue data, 1,371 carriers reported that they were engaged in the provision of local

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[50] U.S. Department of Commerce, Bureau of the Census, 1992 Census of Transportation, Communications, and Utilities: Establishment and Firm Size, at Firm Size 1-123 (1995) (1992 Census).

[51] See generally 15 U.S.C. § 632(a)(1).

[52] 1992 Census, supra, at Firm Size 1-123.

[53] 13 CFR § 121.201, SIC code 4813.

[54] Id.

exchange services.[55] We do not have data specifying the number of these carriers that are either dominant in their field of operations, are not independently owned and operated, or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of LECs that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that fewer than 1,371 providers of local exchange service are small entities or small ILECs that may be affected by the proposed rules, if adopted.

15. **Interexchange Carriers**. Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to providers of interexchange services (IXCs). The closest applicable definition under the SBA rules is for telephone communications companies other than radiotelephone (wireless) companies.[56] According to the most recent Telecommunications Industry Revenue data, 143 carriers reported that they were engaged in the provision of interexchange services.[57] We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of IXCs that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 143 small entity IXCs that may be affected by the proposed rules, if adopted..

16. **Competitive Access Providers.** Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to competitive access services providers (CAPs). The closest applicable definition under the SBA rules is for telephone communications companies other than except radiotelephone (wireless) companies.[58] According to the most recent Telecommunications Industry Revenue data, 109 carriers reported that they were engaged in the provision of competitive access services.[59] We do not have data specifying the number of these carriers that are not independently owned and operated, or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of CAPs that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 109 small entity CAPs that may be affected by the proposed rules, if adopted..

17. **Operator Service Providers.** Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to providers of operator services. The closest applicable definition under the SBA rules is for telephone communications companies other than

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[55] Telecommunications Industry Revenue, Figure 2.

[56] 13 CFR § 121.201, SIC code 4813.

[57] Telecommunications Industry Revenue, Figure 2.

[58] 13 CFR § 121.201, SIC code 4813.

[59] Telecommunications Industry Revenue, Figure 2.

radiotelephone (wireless) companies.[60] According to the most recent Telecommunications Industry Revenue data, 27 carriers reported that they were engaged in the provision of operator services.[61] We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of operator service providers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 27 small entity operator service providers that may be affected by the proposed rules, if adopted..

18. **Pay Telephone Operators.** Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to pay telephone operators. The closest applicable definition under SBA rules is for telephone communications companies other than radiotelephone (wireless) companies.[62] According to the most recent Telecommunications Industry Revenue data, 441 carriers reported that they were engaged in the provision of pay telephone services.[63] We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of pay telephone operators that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 441 small entity pay telephone operators that may be affected by the proposed rules, if adopted.

19. **Resellers (including debit card providers).** Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to resellers. The closest applicable SBA definition for a reseller is a telephone communications company other than radiotelephone (wireless) companies.[64] According to the most recent Telecommunications Industry Revenue data, 339 reported that they were engaged in the resale of telephone service.[65] We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of resellers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 339 small entity resellers that may be affected by the proposed rules, if adopted.

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[60] 13 CFR § 121.201, SIC code 4813.

[61] Telecommunications Industry Revenue, Figure 2.

[62] 13 CFR § 121.201, SIC code 4813.

[63] Telecommunications Industry Revenue, Figure 2.

[64] 13 CFR § 121.201, SIC code 4813.

[65] Telecommunications Industry Revenue, Figure 2.

20. **800 Service Subscribers.**[66] Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to 800 service ("toll free") subscribers. The most reliable source of information regarding the number of 800 service subscribers appears to be data the Commission collects on the 800 numbers in use.[67] According to our most recent data, at the end of 1995, the number of 800 numbers in use was 6,987,063. Similarly, the most reliable source of information regarding the number of 888 service subscribers appears to be data the Commission collects on the 888 numbers in use.[68] According to our most recent data, at the end of August 1996, the number of 888 numbers that had been assigned was 2,014,059. We do not have data specifying the number of these subscribers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of toll free subscribers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 6,987,063 small entity 800 subscribers and fewer than 2,014,059 small entity 888 subscribers that may be affected by the proposed rules, if adopted.

INTERNATIONAL SERVICES

21. The Commission has not developed a definition of small entities applicable to licensees in the international services. Therefore, the applicable definition of small entity is generally the definition under the SBA rules applicable to Communications Services, Not Elsewhere Classified (NEC).[69] This definition provides that a small entity is expressed as one with $11.0 million or less in annual receipts.[70] According to the Census Bureau, there were a total of 848 communications services providers, NEC, in operation in 1992, and a total of 775 had annual receipts of less than $9,999 million.[71] The Census report does not provide more precise data.

22. **International Broadcast Stations**. Commission records show that there are 20 international broadcast station licensees. We do not request nor collect annual revenue information, and thus are unable to estimate the number of international broadcast licensees that would constitute a small business under the SBA definition. However, the Commission estimates that only six international broadcast stations are subject to regulatory fee payments.

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[66] We include all toll-free number subscribers in this category, including 888 numbers.

[67] FCC, CCB Industry Analysis Division, FCC Releases, Study on Telephone Trends, Tbl. 20 (May 16, 1996).

[68] FCC, CCB Industry Analysis Division, Long Distance Carrier Code Assignments, p. 80, Tbl. 10B (Oct. 18, 1996).

[69] An exception is the Direct Broadcast Satellite (DBS) Service, infra.

[70] 13 CFR § 120.121, SIC code 4899.

[71] 1992 Economic Census Industry and Enterprise Receipts Size Report, Table 2D, SIC code 4899 (U.S. Bureau of the Census data under contract to the Office of Advocacy of the U.S. Small Business Administration).

23. **International Public Fixed Radio (Public and Control Stations).**
There are 3 licensees in this service subject to payment of regulatory fees. We do not request nor collect annual revenue information, and thus are unable to estimate the number of international broadcast licensees that would constitute a small business under the SBA definition.

24. **Fixed Satellite Transmit/Receive Earth Stations.** There are approximately 3000 earth station authorizations, a portion of which are Fixed Satellite Transmit/Receive Earth Stations. We do not request nor collect annual revenue information, and thus are unable to estimate the number of the earth stations that would constitute a small business under the SBA definition.

25. **Fixed Satellite Small Transmit/Receive Earth Stations.** There are 3000 earth station authorizations, a portion of which are Fixed Satellite Small Transmit/Receive Earth Stations. We do not request nor collect annual revenue information, and thus are unable to estimate the number of fixed satellite transmit/receive earth stations may constitute a small business under the SBA definition.

26. **Fixed Satellite Very Small Aperture Terminal (VSAT) Systems**. These stations operate on a primary basis, and frequency coordination with terrestrial microwave systems is not required. Thus, a single "blanket" application may be filed for a specified number of small antennas and one or more hub stations. The Commission has processed 377 applications. We do not request nor collect annual revenue information, and thus are unable to estimate of the number of VSAT systems that would constitute a small business under the SBA definition.

27. **Mobile Satellite Earth Stations.** There are two licensees. We do not request nor collect annual revenue information, and thus are unable to estimate of the number of mobile satellite earth stations that would constitute a small business under the SBA definition.

28. **Radio Determination Satellite Earth Stations.** There are four licensees. We do not request nor collect annual revenue information, and thus are unable to estimate of the number of radio determination satellite earth stations that would constitute a small business under the SBA definition.

29. **Space Stations (Geostationary).** Commission records reveal that there are 46 space station licensees. We do not request nor collect annual revenue information, and thus are unable to estimate of the number of geostationary space stations that would constitute a small business under the SBA definition.

30. **Space Stations (Non-Geostationary).** There are six Non-Geostationary Space Station licensees, of which only two systems are operational. We do not request nor collect annual revenue information, and thus are unable to estimate of the number of non-geostationary space stations that would constitute a small business under the SBA definition.

31. **Direct Broadcast Satellites.** Because DBS provides subscription services, DBS falls within the SBA-recognized definition of "Cable and Other Pay Television Services."[72] This definition provides that a small entity is one with $11.0 million or less in annual receipts.[73] As of December 1996, there were eight DBS licensees. However, the Commission does not collect annual revenue data for DBS and, therefore, is unable to ascertain the number of small DBS licensees that could be impacted by these proposed rules. Although DBS service requires a great investment of capital for operation, there are several new entrants in this field that may not yet have generated $11 million in annual receipts, and therefore may be categorized as small businesses, if independently owned and operated.

MASS MEDIA SERVICES

32. **Commercial Radio and Television Services.** The proposed rules and policies will apply to television broadcasting licensees and radio broadcasting licensees.[74] The SBA defines a television broadcasting station that has $10.5 million or less in annual receipts as a small business.[75] Television broadcasting stations consist of establishments primarily engaged in broadcasting visual programs by television to the public, except cable and other pay television services.[76] Included in this industry are commercial, religious, educational, and other television stations.[52] Also included are establishments primarily engaged in television broadcasting and which produce taped television program materials.[53] Separate establishments primarily engaged

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[72] 13 CFR § 120.121, SIC code 4841.

[73] 13 CFR § 121.201, SIC code 4841.

[74] While we tentatively believe that the SBA's definition of "small business" greatly overstates the number of radio and television broadcast stations that are small businesses and is not suitable for purposes of determining the impact of the proposals on small television and radio stations, for purposes of this Report and Order we utilize the SBA's definition in determining the number of small businesses to which the proposed rules would apply. We reserve the right to adopt, in the future, a more suitable definition of "small business" as applied to radio and television broadcast stations or other entities subject to the proposed rules in this Report and Order, and to consider further the issue of the number of small entities that are radio and television broadcasters or other small media entities. See Report and Order in MM Docket No. 93-48 (Children's Television Programming), 11 FCC Rcd 10660, 10737-38 (1996), 61 FR 43981 (August 27, 1996), citing 5 U.S.C. § 601(3).

[75] 13 CFR § 121.201, SIC code 4833.

[76] Economics and Statistics Administration, Bureau of Census, U.S. Department of Commerce, 1992 Census of Transportation, Communications and Utilities, Establishment and Firm Size, Series UC92-S-1, Appendix A-9 (1995) (1992 Census, Series UC92-S-1).

[52] Id.; see Executive Office of the President, Office of Management and Budget, Standard Industrial Classification Manual (1987), at 283, which describes "Television Broadcasting Stations" (SIC code 4833) as:

> Establishments primarily engaged in broadcasting visual programs by television to the public, except cable and other pay television services. Included in this industry are commercial, religious, educational and other television stations. Also included here are establishments primarily engaged in television broadcasting and which produce taped television program materials.

[53] 1992 Census, Series UC92-S-1, at Appendix A-9.

in producing taped television program materials are classified under another SIC number.[54] There were 1,509 television stations operating in the nation in 1992.[55] That number has remained fairly constant as indicated by the approximately 1,564 operating television broadcasting stations in the nation as of December 31, 1997.[56] For 1992,[57] the number of television stations that produced less than $10.0 million in revenue was 1,155 establishments.[58] Only commercial stations are subject to regulatory fees.

33. Additionally, the Small Business Administration defines a radio broadcasting station that has $5 million or less in annual receipts as a small business.[59] A radio broadcasting station is an establishment primarily engaged in broadcasting aural programs by radio to the public.[60] Included in this industry are commercial, religious, educational, and other radio stations.[61] Radio broadcasting stations which primarily are engaged in radio broadcasting and which produce radio program materials are similarly included.[62] However, radio stations which are separate establishments and are primarily engaged in producing radio program material are classified under another SIC number.[63] The 1992 Census indicates that 96 percent (5,861 of 6,127) radio station establishments produced less than $5 million in revenue in 1992.[64] Official Commission records indicate that 11,334 individual radio stations were operating in 1992.[65] As of December 31, 1997, Commission records indicate that 12,27 radio stations were operating, of which 7,465

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[54] Id., SIC code 7812 (Motion Picture and Video Tape Production); SIC code 7922 (Theatrical Producers and Miscellaneous Theatrical Services) (producers of live radio and television programs).

[55] FCC News Release No. 31327 (Jan. 13, 1993); 1992 Census, Series UC92-S-1, at Appendix A-9.

[56] FCC News Release, "Broadcast Station Totals as of December 31, 1997."

[57] A census to determine the estimated number of Communications establishments is performed every five years, in years ending with a "2" or "7." *See* 1992 Census, Series UC92-S-1, at III.

[58] The amount of $10 million was used to estimate the number of small business establishments because the relevant Census categories stopped at $9,999,999 and began at $10,000,000. No category for $10.5 million existed. Thus, the number is as accurate as it is possible to calculate with the available information.

[59] 13 CFR § 121.201, SIC code 4832.

[60] 1992 Census, Series UC92-S-1, at Appendix A-9.

[61] Id.

[62] Id.

[63] Id.

[64] The Census Bureau counts radio stations located at the same facility as one establishment. Therefore, each co-located AM/FM combination counts as one establishment.

[65] FCC News Release, No. 31327 (Jan. 13, 1993).

were FM stations.[66] Only commercial stations are subject to regulatory fees.

34. Thus, the proposed rules, if adopted, will affect approximately 1,558 full power television stations, approximately 1,200 of which are considered small businesses.[67] Additionally, the proposed rules will affect some 12,156 full power radio stations, approximately 11,670 of which are small businesses.[68] These estimates may overstate the number of small entities because the revenue figures on which they are based do not include or aggregate revenues from non-television or non-radio affiliated companies. There are also 1,952 low power television stations (LPTV).[69] Given the nature of this service, we will presume that all LPTV licensees qualify as small entities under the SBA definition.

Alternative Classification of Small Stations

35. An alternative way to classify small radio and television stations is by number of employees. The Commission currently applies a standard based on the number of employees in administering its Equal Employment Opportunity Rule (EEO) for broadcasting.[70] Thus, radio or television stations with fewer than five full-time employees are exempted from certain EEO reporting and record keeping requirements.[71] We estimate that the total number of broadcast stations with 4 or fewer employees is approximately 4,239.[72]

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[66] FCC News Release, "Broadcast Station Totals as of December 31, 1997."

[67] We use the 77 percent figure of TV stations operating at less than $10 million for 1992 and apply it to the 1997 total of 1558 TV stations to arrive at 1,200 stations categorized as small businesses.

[68] We use the 96% figure of radio station establishments with less than $5 million revenue from the Census data and apply it to the 12,088 individual station count to arrive at 11,605 individual stations as small businesses.

[69] FCC News Release, No. 7033 (Mar. 6, 1997).

[70] The Commission's definition of a small broadcast station for purposes of applying its EEO rules was adopted prior to the requirement of approval by the SBA pursuant to section 3(a) of the Small Business Act, 15 U.S.C. § 632(a), as amended by section 222 of the Small Business Credit and Business Opportunity Enhancement Act of 1992, Public Law 102-366, § 222(b)(1), 106 Stat. 999 (1992), as further amended by the Small Business Administration Reauthorization and Amendments Act of 1994, Public Law 103-403, § 301, 108 Stat. 4187 (1994). However, this definition was adopted after public notice and the opportunity for comment. See Report and Order in Docket No. 18244, 23 FCC 2d 430 (1970), 35 FR 8925 (June 6, 1970).

[71] See, e.g., 47 CFR § 73.3612 (Requirement to file annual employment reports on Form 395 applies to licensees with five or more full-time employees); First Report and Order in Docket No.21474 (Amendment of Broadcast Equal Employment Opportunity Rules and FCC Form 395), 70 FCC 2d 1466 (1979), 50 FR 50329 (December 10, 1985). The Commission is currently considering how to decrease the administrative burdens imposed by the EEO rule on small stations while maintaining the effectiveness of our broadcast EEO enforcement. Order and Notice of Proposed Rule Making in MM Docket No. 96-16 (Streamlining Broadcast EEO Rule and Policies, Vacating the EEO Forfeiture Policy Statement and Amending Section 1.80 of the Commission's Rules to Include EEO Forfeiture Guidelines), 11 FCC Rcd 5154 (1996), 61 FR 9964 (March 12, 1996). One option under consideration is whether to define a small station for purposes of affording such relief as one with ten or fewer full-time employees.

[72] Compilation of 1994 Broadcast Station Annual Employment Reports (FCC Form B), Equal Opportunity Employment Branch, Mass Media Bureau, FCC.

Auxiliary, Special Broadcast and other program distribution services

36. This service involves a variety of transmitters, generally used to relay broadcast programming to the public (through translator and booster stations) or within the program distribution chain (from a remote news gathering unit back to the station). The Commission has not developed a definition of small entities applicable to broadcast auxiliary licensees. Therefore, the applicable definitions of small entities are those, noted previously, under the SBA rules applicable to radio broadcasting stations and television broadcasting stations.[73]

37. There are currently 2,720 FM translators and boosters, 4,952 TV translators.[74] The FCC does not collect financial information on any broadcast facility and the Department of Commerce does not collect financial information on these auxiliary broadcast facilities. We believe, however, that most, if not all, of these auxiliary facilities could be classified as small businesses by themselves. We also recognize that most translators and boosters are owned by a parent station which, in some cases, would be covered by the revenue definition of small business entity discussed above. These stations would likely have annual revenues that exceed the SBA maximum to be designated as a small business (either $5 million for a radio station or $10.5 million for a TV station). Furthermore, they do not meet the Small Business Act's definition of a "small business concern" because they are not independently owned and operated. [75]

38. **Multipoint Distribution Service (MDS)**. This service involves a variety of transmitters, which are used to relay programming to the home or office, similar to that provided by cable television systems.[76] In connection with the 1996 MDS auction the Commission defined small businesses as entities that had annual average gross revenues for the three preceding years not in excess of $40 million.[77] This definition of a small entity in the context of MDS auctions has been approved by the SBA.[78] These stations were licensed prior to implementation of Section 309(j) of the Communications Act of 1934, as amended, 47 U.S.C. § 309(j). Licenses for new MDS facilities are now awarded to auction winners in Basic Trading Areas (BTAs) and BTA-

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[73] 13 C.F.R. § 121.201, SIC code 4832.

[74] FCC News Release, Broadcast Station Totals as of December 31, 1996, No. 71831 (Jan. 21, 1997).

[75] 15 U.S.C. § 632.

[76] For purposes of this item, MDS includes both the single channel Multipoint Distribution Service (MDS) and the Multichannel Multipoint Distribution Service (MMDS).

[77] See 47 C.F.R. § 1.2110 (a)(1).

[78] Amendment of Parts 21 and 74 of the Commission's Rules with Regard to Filing Procedures in the Multipoint Distribution Service and in the Instructional Television Fixed Service and Implementation of Section 309(j) of the Communications Act - Competitive Bidding, 10 FCC Rcd 9589 (1995), 60 FR 36524 (July 17, 1995).

like areas.[79] The MDS auctions resulted in 67 successful bidders obtaining licensing opportunities for 493 BTAs. Of the 67 auction winners, 61 meet the definition of a small business. There are 1,573 previously authorized and proposed MDS stations currently licensed. Thus, we conclude that there are 1,634 MDS providers that are small businesses as deemed by the SBA and the Commission's auction rules. It is estimated, however, that only 1,878 MDS licensees are subject to regulatory fees and the number which are small businesses is unknown.

WIRELESS AND COMMERCIAL MOBILE SERVICES

39. **Cellular Licensees**. Neither the Commission nor the SBA has developed a definition of small entities applicable to cellular licensees. Therefore, the applicable definition of small entity is the definition under the SBA rules applicable to radiotelephone (wireless) companies. This provides that a small entity is a radiotelephone company employing no more than 1,500 persons.[80] According to the Bureau of the Census, only twelve radiotelephone firms out of a total of 1,178 such firms which operated during 1992 had 1,000 or more employees.[81] Therefore, even if all twelve of these firms were cellular telephone companies, nearly all cellular carriers were small businesses under the SBA's definition. In addition, we note that there are 1,758 cellular licenses; however, a cellular licensee may own several licenses. In addition, according to the most recent Telecommunications Industry Revenue data, 804 carriers reported that they were engaged in the provision of either cellular service or Personal Communications Service (PCS) services, which are placed together in the data.[82] We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of cellular service carriers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 804 small cellular service carriers that may be affected by the proposed rules, if adopted..

40. **220 MHz Radio Services.** Because the Commission has not yet defined a small business with respect to 220 MHz services, we will utilize the SBA definition applicable to radiotelephone companies, i.e., an entity employing no more than 1,500 persons.[83] With respect to 220 MHz services, the Commission has proposed a two-tiered definition of small business for purposes of auctions: (1) for Economic Area (EA) licensees, a firm with average annual gross revenues of not more than $6 million for the preceding three years and (2) for regional and nationwide licensees, a firm with average annual gross revenues of not more than $15 million for the preceding three

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[79] Id. A Basic Trading Area (BTA) is the geographic area by which the Multipoint Distribution Service is licensed. See Rand McNally 1992 Commercial Atlas and Marketing Guide, 123rd Edition, pp. 36-39.

[80] 13 C.F.R. § 121.201, SIC code 4812.

[81] 1992 Census, Series UC92-S-1, at Table 5, SIC code 4812.

[82] Telecommunications Industry Revenue, Figure 2.

[83] 13 C.F.R. § 121.201, SIC code 4812.

years. Given that nearly all radiotelephone companies under the SBA definition employ no more than 1,500 employees (as noted supra), we will consider the approximately 1,500 incumbent licensees in this service as small businesses under the SBA definition.

41. **Private and Common Carrier Paging.** The Commission has proposed a two-tier definition of small businesses in the context of auctioning licenses in the Common Carrier Paging and exclusive Private Carrier Paging services. Under the proposal, a small business will be defined as either (1) an entity that, together with its affiliates and controlling principals, has average gross revenues for the three preceding years of not more than $3 million, or (2) an entity that, together with affiliates and controlling principals, has average gross revenues for the three preceding calendar years of not more than $15 million. Because the SBA has not yet approved this definition for paging services, we will utilize the SBA's definition applicable to radiotelephone companies, i.e., an entity employing no more than 1,500 persons.[84] At present, there are approximately 24,000 Private Paging licenses and 74,000 Common Carrier Paging licenses. According to the most recent Telecommunications Industry Revenue data, 172 carriers reported that they were engaged in the provision of either paging or "other mobile" services, which are placed together in the data.[85] We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of paging carriers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 172 small paging carriers that may be affected by the proposed rules, if adopted. We estimate that the majority of private and common carrier paging providers would qualify as small entities under the SBA definition.

42. **Mobile Service Carriers.** Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to mobile service carriers, such as paging companies. As noted above in the section concerning paging service carriers, the closest applicable definition under the SBA rules is that for radiotelephone (wireless) companies,[86] and the most recent Telecommunications Industry Revenue data shows that 172 carriers reported that they were engaged in the provision of either paging or "other mobile" services.[87] Consequently, we estimate that there are fewer than 172 small mobile service carriers that may be affected by the proposed rules, if adopted.

43. **Broadband Personal Communications Service (PCS).** The broadband PCS spectrum is divided into six frequency blocks designated A through F, and the Commission has held auctions for each block. The Commission defined "small entity" for Blocks C and F as an entity that has

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[84] 13 C.F.R. § 121.201, SIC code 4812.

[85] Telecommunications Industry Revenue, Figure 2.

[86] 13 C.F.R. § 121.201, SIC code 4812.

[87] Telecommunications Industry Revenue, Figure 2.

average gross revenues of less than $40 million in the three previous calendar years.[88] For Block F, an additional classification for "very small business" was added and is defined as an entity that, together with their affiliates, has average gross revenues of not more than $15 million for the preceding three calendar years. [89] These regulations defining "small entity" in the context of broadband PCS auctions have been approved by the SBA.[90] No small businesses within the SBA-approved definition bid successfully for licenses in Blocks A and B. There were 90 winning bidders that qualified as small entities in the Block C auctions. A total of 93 small and very small business bidders won approximately 40% of the 1,479 licenses for Blocks D, E, and F.[91] Based on this information, we conclude that the number of small broadband PCS licensees will include the 90 winning C Block bidders and the 93 qualifying bidders in the D, E, and F blocks, for a total of 183 small entity PCS providers as defined by the SBA and the Commission's auction rules.

44. **Narrowband PCS.** The Commission has auctioned nationwide and regional licenses for narrowband PCS. There are 11 nationwide and 30 regional licensees for narrowband PCS. The Commission does not have sufficient information to determine whether any of these licensees are small businesses within the SBA-approved definition for radiotelephone companies. At present, there have been no auctions held for the major trading area (MTA) and basic trading area (BTA) narrowband PCS licenses. The Commission anticipates a total of 561 MTA licenses and 2,958 BTA licenses will be awarded by auction. Such auctions have not yet been scheduled, however. Given that nearly all radiotelephone companies have no more than 1,500 employees and that no reliable estimate of the number of prospective MTA and BTA narrowband licensees can be made, we assume, for purposes of this IRFA, that all of the licenses will be awarded to small entities, as that term is defined by the SBA.

45. **Rural Radiotelephone Service.** The Commission has not adopted a definition of small entity specific to the Rural Radiotelephone Service.[92] A significant subset of the Rural Radiotelephone Service is the Basic Exchange Telephone Radio Systems (BETRS).[93] We will use the SBA's definition applicable to radiotelephone companies, i.e., an entity employing no

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[88] See Amendment of Parts 20 and 24 of the Commission's Rules -- Broadband PCS Competitive Bidding and the Commercial Mobile Radio Service Spectrum Cap, Report and Order, FCC 96-278, WT Docket No. 96-59, paras. 57- 60 (released June 24, 1996), 61 FR 33859 (July 1, 1996); see also 47 C.F.R. § 24.720(b).

[89] See Amendment of Parts 20 and 24 of the Commission's Rules -- Broadband PCS Competitive Bidding and the Commercial Mobile Radio Service Spectrum Cap, Report and Order, FCC 96-278, WT Docket No. 96-59, para. 60 (1996), 61 FR 33859 (July 1, 1996).

[90] See, e.g., Implementation of Section 309(j) of the Communications Act -- Competitive Bidding, PP Docket No. 93-253, Fifth Report and Order, 9 FCC Rcd 5532, 5581-84 (1994).

[91] FCC News, Broadband PCS, D, E and F Block Auction Closes, No. 71744 (released January 14, 1997).

[92] The service is defined in Section 22.99 of the Commission's Rules, 47 C.F.R. § 22.99.

[93] BETRS is defined in Sections 22.757 and 22.759 of the Commission's Rules, 47 C.F.R. §§ 22.757, 22.759.