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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
1998 Biennial Regulatory Review -- Amendment of Parts 2, 25 and 68 of the Commission's Rules to Further Streamline the Equipment Authorization Process for Radio Frequency Equipment, Modify the Equipment Authorization Process for Telephone Terminal Equipment, Implement Mutual Recognition Agreements and Begin Implementation of the Global Mobile Personal Communications by Satellite (GMPCS) Arrangements	)	GEN Docket No. 98-68

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RESPONSE TO FCC'S INITIAL
REGULATORY FLEXIBILITY ANALYSIS

SEA Inc. ("SEA"), by its undersigned counsel, hereby responds to Appendix B, "Initial Regulatory Flexibility Analysis" ("IRFA"), attached to the Notice of Proposed Rulemaking released May 18, 1998 in the above-captioned proceeding. In support, SEA states as follows:

1. SEA has filed Comments on this date with the Commission in connection with this proceeding, and hereby incorporates those Comments by reference herein.

2. At Section C of the IRFA accompanying the Commission's Notice of Proposed Rulemaking, the Commission noted that, according to the regulations of the Small Business Administration ("SBA"), "an RF manufacturer must have 750 or fewer

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employees in order to qualify as a small business."[1] The Commission also noted that according to Census Bureau data there are 858 companies in the U.S. that manufacture radio and television broadcasting and communications equipment, of which 778 have fewer than 750 employees and would therefore be classified as small entities.[2] SEA is a company that employs fewer than 750 employees, is engaged in the manufacturer of RF communications equipment, and therefore qualifies as a small business entity that will be affected by this proceeding.

3. As explained at length in SEA's Comments filed in this proceeding, the effect of the Commission's proposal will be to increase the regulatory and financial burden on RF equipment manufacturers, especially smaller ones such as SEA.

4. In its IRFA, the Commission failed to articulate the entire range of the possible significant economic impacts on small entities resulting from the policies and rules proposed in the Notice of Proposed Rulemaking. Specifically, at Section E of the IRFA,[3] the Commission set forth four factors that supposedly would benefit small entities: (1) providing manufacturers with alternatives so they possibly could obtain certification faster than from the Commission; (2) giving manufacturers the option of obtaining certification from a facility at a more convenient location; (3) reducing the number of applications filed with the Commission thereby enabling the Commission to

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[1] Notice of Proposed Rulemaking at 29, citing 13 C.F.R. Section 121.201, Standard Industrial Classification (SIC) Code 3663.

[2] Id., citing U.S. Department of Commerce, 1992 Census of Transportation, Communications and Utilities (issued May, 1995, SIC Category 3663).

[3] Notice of Proposed Rulemaking, IRFA at 30.

redirect resources to enforcement activities; and (4) allowing equipment to be certified by parties in other countries is an essential and necessary step for concluding the Mutual Recognition Agreement.

5. SEA submits that the four "benefits" listed above do not outweigh the significant increased expenses and greater paperwork burden that will befall RF equipment manufacturers (the outstanding majority of which are small entities according to Census Bureau dated cited by the Commission), as a result of the Commission's proposals as described in detail in SEA's comments.

Respectfully submitted:

SEA, INC.

By: Thomas J. Keller

By: Lisa M. Higginbotham

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Its Attorneys

July 27, 1998

CERTIFICATE OF SERVICE

I, Deirdre A. Johnson, a secretary for the law firm of Verner,Liipfert, Bernhard, McPherson, and Hand, Chartered, hereby certify that I have this 27th day of June, 1998, caused a copy of the foregoing "Response" to be sent, via First Class, United States Mail, postage prepaid to each of the following:

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