

would be affected by a decision to make additional spectrum available for AWS.

Geostationary, Non-Geostationary Orbit, Fixed Satellite, or Mobile Satellite Service Operators (including 2 GHz MSS systems). The Commission has not developed a definition of small entities applicable to geostationary or non-geostationary orbit, fixed-satellite or mobile-satellite service operators. The SBA has developed a small business size standard for Satellite Telecommunications Carriers, which consists of all such companies having \$12.5 million or less in annual receipts.¹⁹ In addition, a second SBA size standard for Other Telecommunications includes “facilities operationally connected with one or more terrestrial communications systems and capable of transmitting telecommunications to or receiving telecommunications from satellite systems,”²⁰ and also has a size standard of annual receipts of \$12.5 million or less. According to Census Bureau data for 1997, there were 324 firms in the category Satellite Telecommunications, total, that operated for the entire year.²¹ Of this total, 273 firms had annual receipts of \$5 million to \$9,999,999 and an additional 24 firms had annual receipts of \$10 million to \$24,999,990.²² Thus, under this size standard, the majority of firms can be considered small. In addition, according to Census Bureau data for 1997, there were 439 firms in the category Satellite Telecommunications, total, that operated for the entire year.²³ Of this total, 424 firms had annual receipts of \$5 million to \$9,999,999 and an additional 6 firms had annual receipts of \$10 million to \$24,999,990.²⁴ Thus, under this second size standard, the majority of firms can be considered small.

¹⁹ 13 CFR 121.201, North American Industry Classification System (NAICS) code 517410 (formerly 513340).

²⁰ *Id.* NAICS code 517910 (formerly 513390).

²¹ U.S. Census Bureau, 1997 Economic Census, Subject Series: Information, “Receipt Size of Firms Subject to Federal Income Tax: 1997,” Table 4, NAICS code 517410 (issued Oct. 2000).

²² *Id.*

²³ U.S. Census Bureau, 1997 Economic Census, Subject Series: Information, “Receipt Size of Firms Subject to Federal Income Tax: 1997,” Table 4, NAICS code 517910 (issued Oct. 2000).

²⁴ *Id.*

Description of Projected Reporting, Recordkeeping, and Other Compliance Requirements

16. The *Third R&O* addresses the possible use of frequency bands below 3 GHz to support the introduction of new AWS, but does not propose service rules. Thus, the item contains no new reporting, recordkeeping, or other compliance requirements.

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

17. The RFA requires an agency to describe any significant alternatives that it has considered in developing its approach, which may include the following four alternatives (among others): “(1) The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance and reporting requirements under the rule for such small entities; (3) the use of performance rather than design standards; and (4) an exemption from coverage of the rule, or any part thereof, for such small entities.”²⁵

18. Providing spectrum to support the introduction of new advanced mobile and fixed terrestrial wireless services is critical to the continuation of technological advancement. First and foremost, the Commission believes that providing for expanded use of the frequency bands identified in the *Third R&O* in order to allow for a wide range of voice, data, and broadband services over a variety of mobile and fixed networks will provide substantial new opportunities for small entities, including (but not limited to) small entities that are radiotelephone operators.

19. In prior decisions, we determined that MSS operations could exist within a 40 megahertz allocation, and this spectrum is not at issue in the current proceeding. Instead, the *Third R&O* addresses the use of 30 megahertz of abandoned MSS spectrum (*i.e.* spectrum available for reallocation because licensees either failed to satisfy Commission rules pertaining to system construction or because they voluntarily relinquished their authorizations). For this spectrum, we contrast the public benefits of the allocation of AWS and the potential that small entities will be

²⁵ 5 U.S.C. 603(c)(1)–(c)(4).

involved in the provision of AWS with the likelihood that, at the time of MSS system implementation, no small businesses will be providing MSS. For this reason, we believe that the reallocation of spectrum from MSS in the *Third R&O* will actually provide small entities with opportunities that would have otherwise been unavailable.

Report to Congress

20. The Commission will send a copy of the Third Report and Order including this FRFA, in a report to be sent to Congress pursuant to the Congressional Review Act.²⁶ In addition, the Commission will send a copy of the Third Report and Order, including this FRFA, to the Chief Counsel for Advocacy of the SBA. A copy of the Third Report and Order and FRFA (or summaries thereof) will also be published in the **Federal Register**.²⁷

List of Subjects

47 CFR Part 2

Communications equipment.

47 CFR Part 25

Communications equipment, Satellites.

Federal Communications Commission.

Marlene H. Dortch,
Secretary.

Rule Changes

For the reasons discussed in the preamble, the Federal Communications Commission amends 47 CFR parts 2 and 25 to read as follows:

PART 2—FREQUENCY ALLOCATIONS AND RADIO TREATY MATTERS; GENERAL RULES AND REGULATIONS

1. The authority citation for part 2 continues to read as follows:

Authority: 47 U.S.C. 154, 302a, 303, and 336, unless otherwise noted.

2. Section 2.106 is amended as follows:

a. Revise pages 48 and 49 of the Table.

b. In the list of non-Federal Government (NG) footnotes, revise footnotes NG156 and NG168 and add footnotes NG177 and NG178.

The revisions and additions read as follows:

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²⁶ See 5 U.S.C. 801(a)(1)(A).

²⁷ See 5 U.S.C. 604(b).