

estimates that 81,600 (96%) are small entities.

14. With respect to the 5.9 GHz band, the FCC has not yet determined how many licenses will be awarded. Moreover, the FCC does not yet know how many applicants or licensees will be small entities. The FCC therefore assume that, for purposes of the FCC's evaluations and conclusions in the IRFA, all prospective licensees are small entities, as that term is defined by the SBA or by the FCC's proposed small business definitions for these bands. The FCC invites comment on this analysis.

15. In addition, the FCC notes that the SBA has developed size standards for wireless small businesses within the two separate Economic Census categories of Paging and of Cellular and Other Wireless Telecommunications. For both of those categories, the SBA considers a business to be small if it has 1,500 or fewer employees. 13 CFR 121.201, NAICS codes 517211, 517212. According to the FCC's most recent Telephone Trends Report data, 1,761 companies reported that they were engaged in the provision of wireless service. Telephone Trends Report, Table 5.3. Of these 1,761 companies, an estimated 1,175 have 1,500 or fewer employees and 586 have more than 1,500 employees. *Id.* Consequently, the FCC estimates that most wireless service providers are small entities.

16. The FCC has not developed a definition of small entities specifically applicable to Dedicated Short-Range Communications Manufacturers (DSRC Manufacturers). However, the SBA has established a small business size standard for Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing. Under this standard, firms are considered small if they have 750 or fewer employees. Census data for 1997 indicate that, for that year, there were a total of 1,215 establishments in this category. Of those, there were 1150 that had employment under 500, and an additional 37 that had employment of 500 to 999. The percentage of wireless equipment manufacturers to total manufacturers in this category is approximately 61.35%, so the FCC estimates that the number of wireless equipment manufacturers with employment under 500 was actually closer to 706, with an additional 23 establishments having employment of between 500 and 999. Given the above, the FCC estimates that the great majority of wireless communications equipment manufacturers are small.

D. Description of Projected Reporting, Recordkeeping, and Other Compliance Requirements

17. In the NPRM, the FCC seeks comment on whether to designate a portion of the band for public safety and non-public safety radio. Should the FCC decide to license a portion of the 5.9 GHz band for public safety purposes, those licensees will be required to submit an application through the Universal Licensing System using form 601. Other possible requirements include complying with part 90 of the FCC's rules and part 15 of the agency's rules if unlicensed operations are permitted.

18. Should the FCC adopt a licensing scheme that results in mutually exclusive applications, applicants for licenses will be required to submit short-form auction applications using FCC form 175. In addition, winning bidders must submit long-form license applications through the Universal Licensing System using FCC form 601, and other appropriate forms. Licensees will also be required to apply for an individual station license by filing FCC form 601 for those individual stations that (1) require submission of an Environmental Assessment under section 1.1307 of the FCC's rules; (2) require international coordination; (3) would operate in the quiet zones listed in section 1.924 of the FCC's rules; or (4) require coordination with the Frequency Assignment Subcommittee (FAS) of the Interdepartment Radio Advisory Committee (IRAC). Licensees will be required to identify on form 601 the type of service or services they intend to provide. The FCC seeks comment of how these filing requirements can be modified to reduce the burden on small entities.

E. Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered

19. The RFA requires an agency to describe any significant alternatives that it has considered in reaching its proposed approach, which may include the following four alternatives: (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 or reporting requirements under the rule for 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 small entities.

20. The FCC has reduced the burdens wherever possible. To minimize any negative impact, however, the FCC propose certain incentives for small entities that will redound to their benefit. The FCC proposes the use of bidding credits for small entities that participate in auctions of licenses that are conducted pursuant to the rules proposed in this NPRM. The FCC proposes to define a "small business" as an entity with average annual gross revenues for the preceding three years not to exceed \$15 million and a "very small business" as an entity with average gross revenues for the preceding three years not to exceed \$3 million. The FCC believes that these bidding credits will help small entities compete in FCC auctions and acquire licenses. The FCC seeks comment on its proposed small business definitions and bidding credits, including information on factors that may affect the capital requirements of the type of services a licensee may seek to provide.

21. The regulatory burdens the FCC has retained, such as filing applications on appropriate forms, are necessary in order to ensure that the public receives the benefits of innovative new services in a prompt and efficient manner. The FCC will continue to examine alternatives in the future with the objectives of eliminating unnecessary regulations and minimizing any significant economic impact on small entities. The FCC seeks comment on significant alternatives commenters believe the FCC should adopt.

F. Federal Rules That May Duplicate, Overlap, or Conflict With the Proposed Rules

22. None.

III. Ordering Clauses

23. Pursuant to sections 1, 4(i), 302, 303(f) and (r), and 332 of the Communications Act of 1934, as amended, 47 U.S.C. 1, 154(i), 302, 303(f) and (r), and 332, notice is hereby given of the proposed regulatory changes described in this notice of proposed rulemaking and order, and that comment is sought on these proposals.

24. The petitions for reconsideration or clarification of the allocation report and order, ET Docket No. 98-95, filed by PanAmSat Corporation and Mark IV Industries Limited, I.V.H.S. Division are dismissed as moot.

25. The FCC's Consumer and Governmental Affairs Bureau, Reference Information Center, shall send a copy of this notice of proposed rulemaking and order, including the Initial Regulatory Flexibility Analysis, to the Chief