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Commercial Radio Services

39. The SBA defines a radio broadcasting station that has no more than \$6 million in annual receipts as a small business.⁹⁰ A radio broadcasting station is an establishment primarily engaged in broadcasting aural programs by radio to the public.⁹¹ Included in this industry are commercial, religious, educational, and other radio stations.⁹² Radio broadcasting stations which primarily are engaged in radio broadcasting and which produce radio program materials are similarly included.⁹³ According to Census Bureau data for 1997, there were 4,476 Radio Stations (firms), total, that operated for the entire year.⁹⁴ Of this total 4,265 had annual receipts of \$4,999,999.00 or less, and an additional 103 firms had receipts of \$5 million to \$9,999,999.00.⁹⁵ Thus, under this standard, the great majority of firms can be considered small.

40. *Cable Systems.* The Commission has developed, with SBA's approval, its own definition of small cable system operators. Under the Commission's rules, a "small cable company" is one serving fewer than 400,000 subscribers nationwide.⁹⁶ Based on our most recent information, we estimate that there were 1,439 cable operators that qualified as small cable companies at the end of 1995.⁹⁷ Since then, some of those companies may have grown to serve more than 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 that may be affected by the rules proposed herein.

41. 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 less than 1% of all subscribers in the United States and is not affiliated with any entity or entities whose gross annual revenue in the aggregate exceeds \$250,000,000."⁹⁸ The Commission has determined that there are 67,700,000 subscribers in the United States.⁹⁹ Therefore, we found that an operator serving fewer than 677,000 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.¹⁰⁰ Based on available data, we find that the number of cable operators serving 677,000 subscribers or less totals approximately 1,450.¹⁰¹ Since we do not request nor collect information on whether cable system operators are affiliated with entities whose gross annual revenues exceed \$250,000,000, we 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.

42. *Auxiliary, Special Broadcast and Other Program Distribution Services.* 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. The applicable definitions of small entities are those, noted previously, under the SBA rules applicable to radio broadcasting stations and television broadcasting stations. The SBA defines a television broadcasting station that has no more than \$12.0 million in annual receipts as a small business,¹⁰² and it defines a radio broadcasting station that has no more than \$6 million in annual receipts as a small business.¹⁰³

43. The Commission estimates that there are approximately 3,600 translators and boosters. The Commission 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 that most, if not all, of these auxiliary facilities could be classified as small businesses by themselves. We also recognize that most commercial 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.

Satellite Services

44. The Commission has not developed a small business size standard applicable to licensees in the international services. However, the SBA has developed a size standard for a small business within the category of Other Telecommunications. Under that SBA size standard, such a business is small if it has \$12.5 million or less in average annual receipts.¹⁰⁴ According to Census Bureau data for 1997, there were a total of 439 other communications services providers, operating for the entire year.¹⁰⁵ Of the 439, a total of 430 had annual receipts of less than \$10.0 million. Consequently, the Commission estimates that most Other Telecommunications providers are small entities that may be affected by the rules and policies adopted herein.

45. *International Broadcast Stations.* Commission records show that there are approximately 19 international high frequency broadcast station authorizations. We do not request nor collect annual revenue information, and are unable to estimate the number of international high frequency broadcast stations that would constitute a small business under the SBA definition.

46. *Fixed Satellite Transmit/Receive Earth Stations.* There are approximately 4,303 earth station authorizations, a portion of which are Fixed Satellite Transmit/Receive Earth Stations. We do not request nor collect annual revenue information, and are unable to estimate the number of the earth stations that would constitute a small business under the SBA definition.

47. *Fixed Satellite Very Small Aperture Terminal (VSAT) Systems.* These stations operate on a primary

⁹⁰ 13 CFR 121.201, North American Industry Classification System (NAICS) code 515112.

⁹¹ 1992 Census, Series UC92-S-1, at Appendix A-9.

⁹² *Id.*

⁹³ *Id.*

⁹⁴ 13 CFR 121.201, North American Industry Classification System (NAICS) code 515112.

⁹⁵ *Id.* The census data do not provide a more precise estimate.

⁹⁶ 47 CFR 67.901(3). 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 6393 (1995). 13 CFR 121.201, North American Industry Classification System (NAICS) code 515210.

⁹⁷ Paul Kagan Associates, Inc., Cable TV Investor, Feb. 29, 1996 (based on figures for Dec. 30, 1995).

⁹⁸ 47 U.S.C. 543(m)(2).

⁹⁹ FCC Announces New Subscriber Count for the Definition of Small Cable Operator, Public Notice DA 01-158 (January 24, 2001).

¹⁰⁰ 47 CFR 76.1403(b).

¹⁰¹ Paul Kagan Associates, Inc., Cable TV Investor, Feb. 29, 1996 (based on figures for Dec. 30, 1995).

¹⁰² 13 CFR 121.201, North American Industry Classification System (NAICS) code 515120.

¹⁰³ 13 CFR 121.201, North American Industry Classification System (NAICS) code 515112.

¹⁰⁴ 13 CFR 121.201, North American Industry Classification System (NAICS) code 517410.

¹⁰⁵ *Id.*