

SBA rules applicable to radiotelephone (wireless) companies. This provides that a small entity is a radiotelephone company employing no more than 1,500 persons. There are 1,758 cellular licenses; however, a cellular licensee may own several licenses. According to the most recent Trends in Telephone Service data, 858 carriers reported that they were engaged in the provision of cellular service, PCS, or SMR telephony, which are grouped together in the data. Of these, 567 have more than 1,500 employees; the remaining 291 are small business concerns under the SBA's definition. However, because data for cellular service, PCS, and SMR telephony are reported collectively, the Commission is unable at this time to estimate how many of the 291 small business concerns are cellular service carriers. Consequently, the Commission estimates that there are 291 or fewer small cellular service carriers that may be affected by the proposal to amend § 22.7, if adopted.

27. *Paging and Radiotelephone Service.* The Commission has defined a "small business" as an entity that, together with its affiliates and controlling principals, has average gross revenues for the three preceding years of not more than \$15 million. A "very small business" is defined as an entity that, together with affiliates and controlling principals, has average gross revenues for the three preceding calendar years of not more than \$3 million. The SBA has approved these definitions. An auction of MEA licenses commenced on February 24, 2000, and closed on March 2, 2000. Of the 985 licenses auctioned, 440 were sold. Fifty-seven companies claiming small business status won licenses. An auction of MEA and EA paging licenses commenced on October 30, 2001, and closed on December 5, 2001. Of the 15,514 licenses auctioned, 5,323 were sold. In this auction, high bids were placed by 130 entities that qualify as small businesses under the Commission's definition. Licenses have been granted to 128 of these entities, and the applications of the other entities remain pending. Thus, in addition to existing licensees, should the Commission adopt the rule changes proposed in the NPRM, 130 license winners in the recent auction would be affected small entities.

28. In addition, the SBA defines small paging companies as an entity employing no more than 1,500 persons. At present, there are approximately 24,000 Private Paging licenses and 74,000 Common Carrier Paging licenses. According to the most recent Trends in Telephone Service data, 576 carriers

reported that they were engaged in the provision of paging and messaging service. Only 19 of the 576 carriers have more than 1,500 employees; the remaining 557 are small business concerns under the SBA's definition. Consequently, the Commission estimates that there are 557 small paging carriers that may be affected by the proposed rules, if adopted. The Commission estimates that the majority of private and common carrier paging providers would qualify as small entities under the SBA definition.

29. *Air-Ground Radiotelephone Service.* The Commission has not adopted a definition of small business specific to the Air-Ground Radiotelephone Service. Accordingly, the Commission uses the SBA definition applicable to cellular and other wireless telecommunication companies, i.e., an entity employing no more than 1,500 persons. There are approximately 100 licensees in the Air-Ground Radiotelephone Service, and the Commission estimates that almost all of them qualify as small entities under the SBA definition.

30. *Offshore Radiotelephone Service.* This service operates on several ultra high frequency (UHF) TV broadcast channels that are not used for TV broadcasting in the coastal area of the states bordering the Gulf of Mexico. At present, there are approximately 55 licensees in this service. The Commission has not adopted a definition of small business specific to the Offshore Radiotelephone Service. Accordingly, the Commission uses the SBA definition applicable to cellular and other wireless telecommunication companies, i.e., an entity employing no more than 1,500 persons. The Commission is unable at this time to estimate the number of licensees that would qualify as small entities under the SBA definition. The Commission assumes, for purposes of this IRFA, that all of the 55 licensees are small entities, as that term is defined by the SBA.

31. *Rural Radiotelephone Service.* The Commission has not adopted a definition of small entity specific to the Rural Radiotelephone Service. A significant subset of the Rural Radiotelephone Service is the Basic Exchange Telephone Radio Systems (BETRS). The Commission therefore uses the SBA definition applicable to cellular and other wireless telecommunication companies, i.e., an entity employing no more than 1,500 persons. There are approximately 1000 licensees in the Rural Radiotelephone Service, and the Commission estimates that almost all of them qualify as small entities under the SBA definition.

32. *Equipment Manufacturers.* Some of the proposed actions in the NPRM could also affect equipment manufacturers. The Commission does not know how many equipment manufacturers are in the current market. The 1994 County Business Patterns Report of the Bureau of the Census estimates that there are 920 companies that make communications subscriber equipment. This category includes not only cellular, paging, air-ground, offshore, and rural radiotelephone equipment manufacturers, but television and AM/FM radio manufacturers as well. Thus, the number of cellular, paging, air-ground, offshore, and rural radiotelephone equipment manufacturers is lower than 920. Under SBA regulations, a "communications equipment manufacturer" must have a total of 1000 or fewer employees in order to qualify as a small business concern. Census Bureau data from 1992 indicate that at that time there were an estimated 858 such U.S. manufacturers and that 778 (91 percent) of these firms had 750 or fewer employees and would therefore be classified as small entities. Using the Commission's current estimate of equipment manufacturers and the previous percentage estimate of small entities, the Commission estimates that this current action may affect approximately 837 small equipment manufacturers.

33. *Description of Projected Reporting, Recordkeeping and Other Compliance Requirements.*

34. This NPRM neither proposes nor anticipates any additional reporting, recordkeeping, or other compliance measures. If certain of the proposals in the NPRM (e.g., eliminating the § 22.655 requirement that certain paging licensees file channel usage reports, or elimination of the requirement to file FCC Form 409 (Airborne Mobile Radiotelephone License Application) to apply for authority to operate an airborne station) are adopted as a result of this proceeding, then the Commission contemplates a reduction in these requirements. The reduction would be the same for all entities.

35. In addition to these rule changes, the NPRM also seeks comment regarding whether § 1.929(c)(1) of the Commission's rules should be amended to specify that expansion of a composite interference contour (CIC) of a site-based licensee in the Paging and Radiotelephone Service—as well as the Rural Radiotelephone Service and 800 MHz Specialized Mobile Radio Service—over water on a secondary, non interference basis should be classified as a minor (rather than major) modification of license. Such