

and regulatees that may be affected by rules adopted herein. The most reliable source of information regarding the total number of certain common carriers and related providers nationwide, as well as the number of commercial wireless entities, appears to be the data that the Commission publishes in its Trends in Telephone Service report.⁸⁰ The SBA has developed small business size standards for wireline and wireless small businesses with three commercial census categories of Wired Telecommunications Carriers,⁸¹ Paging,⁸² and Cellular and Other Wireless Telecommunications.⁸³ Under these categories, a business is small if it has 1,500 or fewer employees. Below, using the above size standards and others, we discuss the total estimate numbers of small businesses that might be affected by our actions.

14. We have included small incumbent local exchange carriers (LECs) in this present RFA analysis. As noted above, a "small business" under the RFA is one that, inter alia, meets the pertinent small business size standard (e.g., a telephone communications business having 1,500 or fewer employees), and "is not dominant in its field of operation."⁸⁴ The SBA's Office of Advocacy contends that, for RFA purposes, small incumbent LECs are not dominant in their field of operation because any such dominance is not "national" in scope.⁸⁵ We have therefore included small incumbent LECs in this present RFA analysis, although we emphasize that this RFA action has no effect on the Commission's analyses and determinations in other, non-RFA contexts.

15. *Wired Telecommunications Carriers.* The SBA has developed a small business size standard for Wired Telecommunications Carriers, which consists of all such companies having 1,500 or fewer employees.⁸⁶ According to Census Bureau data for 1997, there were 2,225 firms in this category, total, that operated for the entire year.⁸⁷ Of this total, 2,201 firms had employment of 999 or fewer employees, and an additional 24 firms had employment of

1,000 employees or more.⁸⁸ Thus, under this size standard, the majority of firms can be considered small.

16. *Incumbent Local Exchange Carriers (ILECs).* Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to incumbent local exchange services. The closest applicable size standard under the SBA rules is for Wired Telecommunications Carriers. Under that size standard, such a business is small if it has 1,500 or fewer employees.⁸⁹ According to Commission data, 1,329 carriers reported that they were engaged in the provision of local exchange services.⁹⁰ Of these 1,329 carriers, an estimated 1,024 have 1,500 or fewer employees and 305 have more than 1,500 employees.⁹¹ Consequently, the Commission estimates that most providers of local exchange service are small businesses that may be affected by the rules and policies adopted herein.

17. *Competitive Local Exchange Carriers (CLECs).* Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to providers of competitive local exchange services or to competitive access providers or to "Other Local Exchange Carriers," all of which are discrete categories under which Telecommunications Relay Service (TRS) data are collected. The closest applicable size standard under SBA rules is for Wired Telecommunications Carriers. Under that size standard, such a business is small if it has 1,500 or fewer employees.⁹² According to Commission data,⁹³ 532 companies reported that they were engaged in the provision of either competitive access provider services or competitive local exchange carrier services. Of these 532 companies, an estimated 411 have 1,500 or fewer employees and 121 have more than 1,500 employees.⁹⁴ In addition, 55 carriers reported that they were "Other Local Exchange Carriers." Of the 55 "Other Local Exchange Carriers," an estimated 53 have 1,500 or fewer employees and two have more than 1,500 employees.⁹⁵ Consequently, the Commission estimates that most providers of competitive local exchange service, competitive access providers, and "Other Local Exchange Carriers" are small entities that may be affected by the rules and policies adopted herein.

18. *Local Resellers.* The SBA has developed a size standard for small businesses within the category of Telecommunications Resellers. Under that SBA size standard, such a business is small if it has 1,500 or fewer employees.⁹⁶

According to Commission data, 134 companies reported that they were engaged in the provision of local resale services.⁹⁷ Of these 134 companies, an estimated 131 they have 1,500 or fewer employees and three, alone or in combination with affiliates, have more than 1,500 employees.⁹⁸ Consequently, the Commission estimates that there are 131 or fewer local resellers that are small entities that may be affected by the rules and policies proposed herein.

19. *Toll Resellers.* The SBA has developed a size standard for small businesses within the category of Telecommunications Resellers. Under that SBA size standard, such a business is small if it has 1,500 or fewer employees.⁹⁹ According to Commission data, 576 companies reported that they were engaged in the provision of toll resale services.¹⁰⁰ Of these 576 companies, an estimated 538 have 1,500 or fewer employees and 38, alone or in combination with affiliates, have more than 1,500 employees.¹⁰¹ Consequently, the Commission estimates that there are 538 or fewer toll resellers that are small entities that may be affected by the rules and policies proposed herein.

20. *Interexchange Carriers (IXCs).* Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to interexchange services. The closest applicable size standard under the SBA rules is for Wired Telecommunications Carriers. Under that size standard, such a business is small if it has 1,500 or fewer employees.¹⁰² According to Commission data, 229 companies reported that their primary telecommunications service activity was the provision of interexchange services.¹⁰³ Of these 229 companies, an estimated 181 have 1,500 or fewer employees and 48 have more than 1,500 employees.¹⁰⁴ Consequently, the Commission estimates that the majority of interexchange carriers are small entities that may be affected by the rules and policies adopted herein.

21. *Payphone Service Providers (PSPs).* Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to payphone service providers. The closest applicable size standard under the SBA rules is for Wired Telecommunications Carriers. Under that size standard, such a business is small if it has 1,500 or fewer employees.¹⁰⁵ According to Commission data, 936 companies reported that they were engaged in the provision of payphone services.¹⁰⁶ Of these 936 payphone service providers, an estimated 933 have 1,500 or fewer employees

⁸⁰ FCC, Wireline Competition Bureau, Industry Analysis and Technology Division, Trends in Telephone Service, Table 5.3 (May 2002) (hereinafter Telephone Trends Report).

⁸¹ 13 CFR 121.201, North American Industry Classification System (NAICS) code 513310 (changed to 517110 in October of 2002).

⁸² 13 CFR 121.201, NAICS code 513321 (changed to 517211 in October of 2002).

⁸³ 13 CFR 121.201, NAICS code 513322 (changed to 517212 in October of 2002).

⁸⁴ 5 U.S.C. 601(3).

⁸⁵ See Letter from Jere W. Glover, Chief Counsel for Advocacy, SBA, to Chairman William E. Kennard, FCC (May 27, 1999). The Small Business Act contains a definition of "small business concern," which the RFA incorporates into its own definition of "small business." See 5 U.S.C. 632(a) (Small Business Act); 5 U.S.C. 601(3) (RFA). SBA regulations interpret "small business concern" to include the concept of dominance on a national basis. 13 CFR 121.102(b).

⁸⁶ 13 CFR 121.201, NAICS code 513310 (changed to 517110 in October 2002).

⁸⁷ U.S. Census Bureau, 1997 Economic Census, Subject Series: Information, "Establishment and Firm Size (Including Legal Form of Organization)," Table 5, NAICS code 513310 (issued October 2000).

⁸⁸ Id. The census data do not provide a more precise estimate of the number of firms that have employment of 1,500 or fewer employees; the largest category provided is "Firms with 1,000 employees or more."

⁸⁹ 13 CFR 121.201, NAICS code 513310 (changed to 517110 in October of 2002).

⁹⁰ Telephone Trends Report at Table 5.3.

⁹¹ Id.

⁹² 13 CFR 121.201, NAICS code 513310 (changed to 517110 in October of 2002).

⁹³ Telephone Trends Report at Table 5.3.

⁹⁴ Id.

⁹⁵ Id.

⁹⁶ 13 CFR 121.201, NAICS code 513330 (changed to 517310 in October of 2002).

⁹⁷ Telephone Trends Report at Table 5.3.

⁹⁸ Id.

⁹⁹ 13 CFR 121.201, NAICS code 513330 (changed to 517310 in October of 2002).

¹⁰⁰ Telephone Trends Report at Table 5.3.

¹⁰¹ 101 Id.

¹⁰² 13 CFR 121.201, NAICS code 513310 (changed to 517110 in October of 2002).

¹⁰³ Telephone Trends Report at Table 5.3.

¹⁰⁴ Id.

¹⁰⁵ 13 CFR 121.201, NAICS code 513310 (changed to 517110 in October of 2002).

¹⁰⁶ Telephone Trends Report at Table 5.3.