

bidders that qualified as small or very small entities in the 900 MHz SMR auctions. Of the 1,020 licenses won in the 900 MHz auction, bidders qualifying as small or very small entities won 263 licenses. In the 800 MHz auction, 38 of the 524 licenses won were won by small and very small entities.

Consequently, the Commission estimates that there are 301 or fewer small entity SMR licensees in the 800 MHz and 900 MHz bands that may be affected by the rules and policies adopted.

48. *Common Carrier Paging.* In the Paging Third Report and Order, we developed a small business size standard for "small businesses" and "very small businesses" for purposes of determining their eligibility for special provisions such as bidding credits and installment payments.¹⁵⁷ A "small business" is an entity that, together with its affiliates and controlling principals, has average gross revenues not exceeding \$15 million for the preceding three years. Additionally, a "very small business" is an entity that, together with its affiliates and controlling principals, has average gross revenues that are not more than \$3 million for the preceding three years. An auction of Metropolitan Economic Area licenses commenced on February 24, 2000, and closed on March 2, 2000.¹⁵⁸ Of the 985 licenses auctioned, 440 were sold. Fifty-seven companies claiming small business status won. At present, there are approximately 24,000 Private-Paging site-specific licenses and 74,000 Common Carrier Paging licenses. According to Commission data, 471 carriers reported that they were engaged in the provision of either paging and messaging services or other mobile services.¹⁵⁹ Of those, the Commission estimates that 450 are small, under the SBA business size standard specifying that firms are small if they have 1,500 or fewer employees.¹⁶⁰

49. *700 MHz Guard Band Licensees.* In the 700 MHz Guard Band Order, we adopted a small business size standard for "small businesses" and "very small businesses" for purposes of determining their eligibility for special provisions such as bidding credits and installment payments.¹⁶¹ A "small business" is an entity that, together with its affiliates and controlling principals, has average gross revenues not exceeding \$15 million for the preceding three years. Additionally, a "very small business" is an entity that, together with its affiliates and controlling principals, has average gross

revenues that are not more than \$3 million for the preceding three years. An auction of 52 Major Economic Area (MEA) licenses commenced on September 6, 2000, and closed on September 21, 2000.¹⁶² Of the 104 licenses auctioned, 96 licenses were sold to nine bidders. Five of these bidders were small businesses that won a total of 26 licenses. A second auction of 700 MHz Guard Band licenses commenced on February 13, 2001 and closed on February 21, 2001. All eight of the licenses auctioned were sold to three bidders. One of these bidders was a small business that won a total of two licenses.¹⁶³

50. *Rural Radiotelephone Service.* The Commission has not adopted a size standard for small entities specific to the Rural Radiotelephone Service.¹⁶⁴ A significant subset of the Rural Radiotelephone Service is the Basic Exchange Telephone Radio Systems (BETRS).¹⁶⁵ The Commission uses the SBA's size standard applicable to "Cellular and Other Wireless Telecommunications," *i.e.*, an entity employing no more than 1,500 persons.¹⁶⁶ There are approximately 1,000 licensees in the Rural Radiotelephone Service, and the Commission estimates that almost all of them qualify as small entities under the SBA's size standard. Consequently, we estimate that there are 1,000 or fewer small entity licensees in the Rural Radiotelephone Service that may be affected by the rules and policies adopted herein.

51. *Air-Ground Radiotelephone Service.* The Commission has not adopted a small business size standard specific to the Air-Ground Radiotelephone Service.¹⁶⁷ We will use SBA's small business size standard applicable to "Cellular and Other Wireless Telecommunications," *i.e.*, an entity employing no more than 1,500 persons.¹⁶⁸ There are approximately 100 licensees in the Air-Ground Radiotelephone Service, and we estimate that almost all of them qualify as small under the SBA small business size standard.

52. *Aviation and Marine Radio Services.* Small businesses in the aviation and marine radio services use a very high frequency (VHF) marine or aircraft radio and, as appropriate, an emergency position-indicating radio beacon (and/or radar) or an emergency locator transmitter. The Commission has not developed a small business size standard specifically applicable to these small businesses. For purposes of this analysis, the Commission uses the SBA small business size standard for the category "Cellular and Other Telecommunications," which is 1,500 or fewer employees.¹⁶⁹ Most

applicants for recreational licenses are individuals. Approximately 581,000 ship station licensees and 131,000 aircraft station licensees operate domestically and are not subject to the radio carriage requirements of any statute or treaty. For purposes of our evaluations in this analysis, we estimate that there are up to approximately 712,000 licensees that are small businesses (or individuals) under the SBA standard. In addition, between December 3, 1998 and December 14, 1998, the Commission held an auction of 42 VHF Public Coast licenses in the 157.1875–157.4500 MHz (ship transmit) and 161.775–162.0125 MHz (coast transmit) bands. For purposes of the auction, the Commission defined a "small" business as an entity that, together with controlling interests and affiliates, has average gross revenues for the preceding three years not to exceed \$15 million dollars. In addition, a "very small" business is one that, together with controlling interests and affiliates, has average gross revenues for the preceding three years not to exceed \$3 million dollars.¹⁷⁰ There are approximately 10,672 licensees in the Marine Coast Service, and the Commission estimates that almost all of them qualify as "small" businesses under the above special small business size standards.

53. *Fixed Microwave Services.* Microwave services include common carrier,¹⁷¹ private-operational fixed,¹⁷² and broadcast auxiliary radio services.¹⁷³ At present, there are approximately 22,015 common carrier fixed licensees and 61,670 private operational-fixed licensees and broadcast auxiliary radio licensees in the microwave services. The Commission has not created a size standard for a small business specifically with respect to fixed microwave services. For purposes of this analysis, the Commission uses the SBA size standard for the category "Cellular and Other Telecommunications," which is 1,500 or fewer employees.¹⁷⁴ The Commission does not have data specifying the number of these licensees that have more than 1,500 employees, and thus is unable at this time to

¹⁷⁰ Amendment of the Commission's Rules Concerning Maritime Communications, PR Docket No. 92–257, Third Report and Order and Memorandum Opinion and Order, 13 FCC Rcd 19853 (1998), 63 FR 40059 (July 27, 1998).

¹⁷¹ See 47 CFR 101, *et seq.* (formerly Part 21 of the Commission's Rules) for common carrier fixed microwave services (except Multipoint Distribution Service).

¹⁷² Persons eligible under Parts 80 and 90 of the Commission's rules can use Private Operational-Fixed Microwave services. See 47 CFR parts 80 and 90. Stations in this service are called operational-fixed to distinguish them from common carrier and public fixed stations. Only the licensee may use the operational-fixed station, and only for communications related to the licensee's commercial, industrial, or safety operations.

¹⁷³ Auxiliary Microwave Service is governed by 47 CFR part 74. This service is available to licensees of broadcast stations and to broadcast and cable network entities. Broadcast auxiliary microwave stations are used for relaying broadcast television signals from the studio to the transmitter, or between two points such as a main studio and an auxiliary studio. The service also includes mobile television pickups, which relay signals from a remote location back to the studio.

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

¹⁵⁷ 220 MHz Third Report and Order, 12 FCC Rcd 10943, 11068–70, at paras. 291–295 (1997), 62 FR 16004 (Apr. 3, 1997).

¹⁵⁸ Revision of Part 22 and Part 90 of the Commission's Rules to Facilitate Future Development of Paging Systems, WT Docket No. 96–18, Memorandum Opinion and Order on Reconsideration and Third Report and Order, 14 FCC Rcd 10030, at paras. 98 (1999), 64 FR 33762 (June 24, 1999).

¹⁵⁹ Trends in Telephone Service at Table 5.3.

¹⁶⁰ *Id.* The SBA size standard is that of Paging, 13 CFR 121.201, NAICS code 517211.

¹⁶¹ See Service Rules for the 746–764 MHz Bands, and Revisions to part 27 of the Commission's Rules, WT Docket No. 99–168, Second Report and Order, 15 FCC Rcd 5299 (2000), 65 FR 17599 (Apr. 4, 2000).

¹⁶² See generally Public Notice, "220 MHz Service Auction Closes," Report No. WT 98–36 (Wireless Telecommunications Bureau, Oct. 23, 1998).

¹⁶³ Public Notice, "700 MHz Guard Band Auction Closes," DA 01–478 (rel. Feb. 22, 2001).

¹⁶⁴ The service is defined in 22.99 of the Commission's Rules, 47 CFR 22.99.

¹⁶⁵ BETRS is defined at 47 CFR 22.757, 22.759.

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

¹⁶⁷ The service is defined in 22.99 of the Commission's Rules, 47 CFR 22.99.

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

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