

applicable to experimental licensees. Therefore, the applicable definition of small entity is the definition under the Small Business Administration (SBA) rules applicable to radiotelephone companies. This definition provides that a small entity is a radiotelephone company employing fewer than 1,500 persons. The Commission is unable at this time to make a precise estimate of the number of Experimental Radio Services which are small businesses.

11. The majority of experimental licenses are issued to companies such as Motorola and Department of Defense contractors such as Northrop, Lockheed and Martin Marietta. Businesses such as these may have as many as 200 licenses at one time. The majority of these applications are from entities such as these. Given this fact, the remaining 30 percent of applications, we assume, for purposes of our evaluations and conclusions in this FRFA, will be awarded to small entities, as that term is defined by the SBA.

12. The Commission processes approximately 1,000 applications a year for experimental radio operations. About half or 500 of these are renewals and the other half are for new licenses. We do not have adequate information to predict precisely how many of these applications will be impacted by our proposed rule revisions. However, based on the above figures we estimate that as many as 300 of these applications could be from small entities and potentially could be impacted.

Mass Media Services

13. Experimental Broadcast Stations; Low Power TV, TV Translator and TV Booster Stations; Instructional Television Fixed Service; FM Broadcast Translator Stations and FM Booster Stations. These services involve a variety of transmitters, generally used to relay broadcast programming to the public (through translator and booster stations) or within the program distribution chain (e.g., from a remote news gathering unit back to the station), although the latter service is not affected by this proceeding. The applicable definitions of small entities are those, noted previously, under the SBA rules and are applicable to radio broadcasting stations and television broadcasting stations.⁹

14. The Commission estimates that there are approximately 2,700 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 broadcast facilities. We 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.¹⁰

15. There are presently 2032 ITFS licensees. All but 100 of these licensees are held by educational institutions. Educational institutions are included in the definition of a small business. We do not, however, collect annual revenue data for ITFS licensees and are not able to ascertain how many of the 100 non-educational licensees would be categorized as small under the SBA definition. Therefore, we conclude that at least 1932 ITFS licensees are small businesses. All of these licensees could be impacted by the rule revisions proposed with respect to categorical exclusion and labeling requirements for subscriber transceivers.

16. Multipoint Distribution Service (MDS). This service has historically provided primarily point-to-multipoint, one-way video services to subscribers.¹¹ The Commission recently amended its rules to allow MDS licensees to provide a wide range of high-speed, two-way services to a variety of users.¹² In connection with the 1996 MDS auction, the Commission defined small businesses as entities that had annual average gross revenues for the three preceding years not in excess of \$40 million.¹³ The Commission established this small business definition in the context of this particular service and with the approval of the SBA.¹⁴ The

MDS auction resulted in 67 successful bidders obtaining licensing opportunities for 493 Basic Trading Areas (BTAs).¹⁵ Of the 67 auction winners, 61 met the definition of a small business. At this time, we estimate that of the 61 small business MDS auction winners, 48 remain small business licensees. In addition to the 48 small businesses that hold BTA authorizations, there are approximately 392 incumbent MDS licensees that are considered small entities.¹⁶ After adding the number of small business auction licensees to the number of incumbent licensees not already counted, we find that there are currently approximately 440 MDS licensees that are defined as small businesses under either the SBA or the Commission's rules. These small business licensees may be affected by the proposals in this NPRM pertaining to categorical exclusion and labeling.

Maritime Services

17. The proposed rules would not change the current rules that affect licensees using ship earth stations in the Maritime Services. The Commission has not developed a definition of small entities applicable to licensees of ship earth stations. Therefore, the Commission is unable at this time to make a precise estimate of the number of licensees of ship earth stations which are small businesses.

International Services

18. The Commission has not developed a definition of small entities applicable to licensees in the international services. Therefore, the applicable definition of small entity is generally the definition under the SBA rules applicable to Communications Services, Not Elsewhere Classified (NEC).¹⁷ This definition provides that a small entity is expressed as one with \$11.0 million or less in annual receipts.¹⁸ According to the Census Bureau, there were a total of 848 communications services providers,

FCC Rcd 9589, 9670 (1995), 60 FR 36524 (July 17, 1995).

¹⁵ Basic Trading Areas (BTAs) were designed by Rand McNally and are the geographic areas by which MDS was auctioned and authorized. See *id.* At 9608.

¹⁶ 47 U.S.C. 309(j). (Hundreds of stations were licensed to incumbent MDS licensees prior to implementation of section 309(j) of the Communications Act of 1934, 47 U.S.C. 309(j). For these pre-auction licenses, the applicable standard is SBA's small business size standard for "other telecommunications" (annual receipts of \$11 million or less). See 13 CFR 121.201.

¹⁷ An exception is the Direct Broadcast Satellite (DBS) Service, *infra*.

¹⁸ 13 CFR 121.201, NAICS codes 48531, 513322, 51334, and 51339.

⁹ 13 CFR 121.201, NAICS codes 513111 and 513112.

¹⁰ 15 U.S.C. 632.

¹¹ For purposes of this item, MDS includes both the single channel Multipoint Distribution Service (MDS) includes Local Multipoint Distribution Service (LMDS), and the Multichannel Multipoint Distribution Service (MMDS).

¹² Amendment of Parts 21 and 74 to Enable Multipoint Distribution Service and Instructional Television Fixed Service Licensees to Engage in Fixed Two-Way Transmissions, 13 FCC Rcd 19112 (1998), *recon.*, 14 FCC Rcd 12764 (1999), *further recon.*, 15 FCC Rcd 14566 (2000).

¹³ 47 CFR 21.961 and 1.2110.

¹⁴ Amendment of Parts 21 and 74 of the Commission's Rules with Regard to Filing Procedures in the Multipoint Distribution Service and in the Instructional Television Fixed Service and Implementation of Section 309(j) of the Communications Act—Competitive Bidding, 10