

licensees that are small business entities under SBA definitions.

149. *Direct Broadcast Satellites*. Because DBS provides subscription services, DBS falls within the SBA-recognized definition of "Cable and Other Program Distribution." This definition provides that a small entity is one with \$12.5 million or less in annual receipts. Currently, there are nine DBS authorizations, though there are only two DBS companies in operation at this time. We do not request nor collect annual revenue information for DBS services, and are unable to determine the number of DBS operators that would constitute a small business entity under SBA definitions.

150. *Digital Audio Radio Services (DARS)*. Commission records show that there are two Digital Audio Radio Services authorizations. We do not request nor collect annual revenue information from these licensees, and are unable to estimate the number of DARS licensees that are small business entities under SBA definitions.

4. Description of Projected Reporting, Recordkeeping and Other Compliance Requirements

151. The policies and proposals in the *Further NPRM* could apply to a significant number of Commission licensees and spectrum lessees in a range of wireless services. The *Further NPRM* explores possible steps to allow certain spectrum leasing arrangements, and possibly license assignments and transfers of control, to be implemented without prior individualized Commission approval, using forms similar to those used at present for obtaining prior Commission approval of these types of transactions. At most, the *Further NPRM* proposals would shift the timing of filing of forms for certain of the transactions. In addition, the *Further NPRM* inquires about extending to additional services the spectrum leasing procedures adopted in the *Report and Order* for spectrum manager leasing arrangements and *de facto* transfer leasing arrangements. Licensees otherwise would have to obtain prior Commission consent to transfers of control or license assignments on similar forms.

152. Consideration of extending the spectrum leasing policies adopted in the *Report and Order* to additional services specified in the *Further NPRM* implicates potential reporting, recordkeeping and compliance requirements for licensees and spectrum lessees in these additional services, including: (1) Retention of lease agreements; (2) reporting of spectrum leasing terms to the Commission; (3)

licensee and lessee compliance with the Commission's technical and service rules; (4) licensee filings with the Commission on behalf of the lessee; (5) licensee verification of lessee compliance with Commission rules; (6) licensee supervision of a lessee's adherence to the Commission's rules and policies; and (7) the leasing of spectrum by entities designated as "small business" or "very small business" under the Commission's rules. Licensees and lessees may retain or hire outside professionals (e.g., legal and engineering staff) to draft lease agreements, provide consulting services, maintain records, and comply with applicable Commission rules. They also may employ existing or new employees to be responsible for reporting, recordkeeping, and other compliance requirements.

153. The *Further NPRM* also explores what steps the Commission should take, possibly including additional information submissions, to promote effective functioning of secondary markets in spectrum usage rights. The *Further NPRM* does not, however, propose any specific reporting, recordkeeping or compliance requirements in this regard. We seek comment on what, if any, requirements we should impose if we adopt the proposals set forth in the *Further NPRM*.

5. Steps Taken To Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered

154. The RFA requires an agency to describe any significant, specifically small business, alternatives that it has considered in reaching its proposed approach, which may include the following four alternatives (among others): "(1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance or reporting requirements under the rule for small entities; (3) the use of performance, rather than design, standards; and (4) an exemption from coverage of the rule, or any part thereof, for small entities."

155. Regarding our inquiry in the *Further NPRM* about how to facilitate increased access to spectrum usage information, we do not anticipate any adverse impact on small entities. In fact, small (and large) entities should benefit by obtaining access to information that would enable their acquisition of spectrum that suits particular business needs. In addition, we note that we are encouraging parties to comment on whether we should develop an on-line

information database, require more detailed operational information from licensees/lessees, create additional information services, encourage private sector collection and distribution of information, or allow independent third parties to act as "market makers." Although certain information collection requirements might impact entities, including small entities, due to increased reporting requirements, the *Further NPRM* and this IRFA provide interested parties with an opportunity to comment on the possible burdens associated with each of the possible steps.

156. We also seek comment in the *Further NPRM* as to whether there are any additional steps that could be taken to further an efficient secondary marketplace through technological advances, opportunistic spectrum users, or other mechanisms (e.g., spectrum managers). We do not anticipate that any rules we decide to adopt in this area would adversely impact small entities. We believe that small (and large) entities will benefit from removing any unnecessary regulatory barriers to efficient spectrum usage.

157. Regarding our proposal in the *Further NPRM* to forbear from individual prior review and approval by the Commission for certain categories of leasing arrangements involving a transfer of *de facto* control, we do not anticipate any adverse impact on small entities. In this connection, while we believe that lessening regulatory requirements would facilitate leasing arrangements entered into by all entities, including both small and large entities, we are mindful that forbearance must also be in the public interest. Consequently, we seek comment on various aspects of this proposal and specifically request commenters, including small entities, to comment on the eligibility criteria for forbearance set forth in the *Further NPRM*. We realize that although some of the specific criteria could impact small entities, overall small entities should benefit from a more streamlined approach. Moreover, these specific criteria affect all entities, whether large or small entities. For example, lessees will need to comply with our foreign ownership restrictions before forbearance would apply. This requirement would be equitably applied to all entities seeking to obtain spectrum through a spectrum leasing arrangement. Moreover, even where possible spectrum lessees may not take advantage of entering into spectrum leasing arrangements without individualized prior Commission approval, such entities (again, whether large or small entities) would be able to