

(2) Removes the restriction on data transmissions by remote control device because it may hinder the development of new types of devices, and the distinction between control signals and data signals is becoming increasingly blurred.

(3) Relaxes the requirements for radio frequency identification (RFID) systems operating at 13.56 MHz to allow faster data transmission. RFID systems use a small transmitter attached to an item that transmits data identifying the item.

(4) Streamlines the labeling process for equipment authorized under the Declaration of Conformity (DoC) procedure. As equipment becomes smaller, it becomes more difficult to include all the information currently required on the label.

(5) Changes the authorization requirement from certification to verification (no application required) for transmitters operating below 490 kHz in which all emissions are at least 40 dB below the part 15 limit.

(6) Make minor corrections and updates to part 15 and other parts of the rules.

B. Summary of Significant Issues Raised by Public Comments in Response to the IRFA

59. None.

C. Description and Estimate of the Number of Small Entities to Which the Rules Will Apply

60. The RFA directs agencies to provide a description of and, where feasible, an estimate of the number of small entities that may be affected by the proposed rules, if adopted.⁵ The RFA generally defines the term “small entity” as having the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction.”⁶ In addition, the term “small business” has the same meaning as the term “small business concern” under the Small Business Act.⁷ A small business concern is one which: (1) Is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA.⁸

⁵ 5 U.S.C. 604.

⁶ 5 U.S.C. 601(6).

⁷ 5 U.S.C. 601(3) (incorporating by reference the definition of “small business concern” in 15 U.S.C. 632). Pursuant to the RFA, the statutory definition of a small business applies “unless an agency, after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the *Federal Register*.” 5 U.S.C. 601(3).

⁸ Small Business Act, 15 U.S.C. 632 (1996).

61. The SBA has developed small business size standards for two pertinent Economic Census categories, “Radio and Television Broadcasting and Communications Equipment” (RTB) and “Other Communications Equipment,” both of which consist of all such companies having 750 or fewer employees.⁹ According to Census Bureau data for 1997, there were a total of 1,215 establishments in the first category, total, that had operated for the entire year.¹⁰ Of this total, 1,150 had 499 or fewer employees, and an additional 37 establishments had 500 to 999 employees.¹¹ Consequently, we estimate that the majority of businesses in the first category are small businesses that may be affected by the rules and policies adopted herein. Concerning the second category, the data for 1997 show that there were a total of 499 establishments that operated for the entire year.¹² Of this total, 491 had 499 or fewer employees, and an additional 3 establishments had 500 to 999 employees.¹³ Consequently, we estimate that the majority of businesses in the second category are small businesses that may be affected by the rules and policies adopted herein.

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

62. The Second Report and Order and Memorandum Opinion and Order streamlines the labeling requirements for equipment authorized under the Declaration of Conformity (DoC) procedure. DoC is a self-approval procedure in which the manufacturer has the equipment tested for compliance at a laboratory accredited to make the required measurements. There is an alternative procedure that allows

⁹ 13 CFR 121.201, NAICS codes 334220, 334290.

¹⁰ U.S. Census Bureau, 1997 Economic Census, Industry Series: Manufacturing, Radio and Television and Wireless Communications Equipment Manufacturing, “Industry Statistics by Employment Size: 1997,” Table 4, NAICS code 334220 (issued Aug. 1999). The number of “establishments” is a less helpful indicator of small business prevalence in this context than would be the number of “firms” or “companies,” because the latter take into account the concept of common ownership or control. Any single physical business location is an establishment, and that location and others may be under the common ownership of a given firm. Thus, the numbers given in text may reflect inflated numbers of businesses in this category, including the numbers of small businesses. Census data in this context are available only for establishments.

¹¹ *Id.*

¹² U.S. Census Bureau, 1997 Economic Census, Industry Series: Manufacturing, Other Communications Equipment Manufacturing, “Industry Statistics by Employment Size: 1997,” Table 4, NAICS code 334290 (issued Sept. 1999).

¹³ *Id.*

personal computers to be assembled using compliant motherboards and power supplies with no additional testing required. Equipment that complies with the applicable rules may be marketed without an approval from the Commission, and must be labeled as specified in part 15 of the rules. The Second Report and Order and Memorandum Opinion and Order eliminates the requirement for the phrase “For home or office use” to appear on the label for all equipment subject to DoC. In addition, it eliminates the requirement for the phrase “Tested to comply with FCC standards” to appear on the label for equipment that was tested as a complete unit, although this phrase will still be required on personal computers that were assembled from tested components. These changes will permit smaller labels on equipment. These changes will not be required, and small entities can change labels as they change and upgrade models.

63. The Second Report and Order and Memorandum Opinion and Order incorporates the ANSI C63.17–1998 procedure into the part 15 of the rules by reference as the procedure the Commission will use for testing unlicensed Personal Communication Service (PCS) equipment for compliance. Our rules already provide that unlicensed PCS equipment must comply with a number of specialized technical requirements designed to prevent interference between devices. Specifically, there is a defined “spectrum etiquette” that requires unlicensed PCS transmitters to monitor the spectrum for other users before transmitting, and to use a defined transmission format. There was no procedure listed in the rules for testing unlicensed PCS equipment to these requirements. The American National Standards Institute (ANSI) C63 Committee recently completed work on a procedure for measuring unlicensed PCS equipment, which the Second Report and Order incorporates into the rules as the procedure that the Commission will use.

64. Part 15 referenced the ANSI C63.4–1992 procedure as the one that will be used for testing most intentional and unintentional radiators for compliance with the rules. The ANSI C63 Committee recently completed a minor revision of the ANSI C63.4–1992 procedure that contains a number of clarifications to the testing procedures. The Second Report and Order and Memorandum Opinion and Order references the new C63.4–2001 procedure in place of the older version