

for inspection and copying during normal business hours.

**FOR FURTHER INFORMATION CONTACT:** Robin Biscaia, Hazardous Waste Unit, EPA Region I, One Congress Street, Suite 1100 (CHW), Boston, MA 02114-2023, telephone: (617) 918-1642, e-mail: [biscaia.robin@epa.gov](mailto:biscaia.robin@epa.gov).

**SUPPLEMENTARY INFORMATION:** In the "Rules and Regulations" section of this **Federal Register**, EPA is taking direct final action on the proposed extension of the expiration date for the Labs XL, because EPA views the extension as non-controversial, and anticipates no adverse comments. EPA has explained its reasons for the proposed extension in the preamble to the direct final rule.

If EPA receives no adverse comments, the direct final rule will take effect and the EPA will take no further action on this proposed rule. If EPA receives adverse comments, EPA will withdraw the direct final rule, by publishing a timely withdrawal in the **Federal Register** indicating that the direct final rule is being withdrawn. If the direct final rule is withdrawn, comments will be addressed in a subsequent final rule based on this proposed rule. EPA may not institute a second comment period on the subsequent final rule. Any parties interested in commenting should do so at this time.

For additional information, please see the direct final rule in the "Rules and Regulations" section of this **Federal Register**.

Dated: June 12, 2006.

**Robert W. Varney,**

*Regional Administrator, EPA New England.*  
[FR Doc. E6-9753 Filed 6-20-06; 8:45 am]

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## FEDERAL COMMUNICATIONS COMMISSION

### 47 CFR Part 1

[WT Docket No. 05-211; FCC 06-52]

#### Implementation of the Commercial Spectrum Enhancement Act and Modernization of the Commission's Competitive Bidding Rules and Procedures

**AGENCY:** Federal Communications Commission.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** In this document the Commission seeks comment on whether the Commission should implement additional safeguards beyond those the Commission adopted in its Second Report and Order and whether the Commission should further modify its

competitive bidding rules governing benefits reserved for designed entities. The Commission also seeks comment to obtain additional evidence regarding how and under what circumstances an entity's size might affect its relationships and agreements with designated entity applicants and licensees.

**DATES:** Comments due August 21, 2006; Reply Comments due September 19, 2006. Written comments on the Paperwork Reduction Act proposed information collection requirements must be submitted by the public, Office of Management and Budget (OMB) and other interested parties on or before August 21, 2006.

**ADDRESSES:** You may submit comments, identified by WT Docket No. 05-211, by any of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.

- Federal Communications Commission's Web Site: <http://www.fcc.gov/cgb/ecfs/>. Follow the instructions for submitting comments.

- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: [FCC504@fcc.gov](mailto:FCC504@fcc.gov) or phone: 202-418-0530 or TTY: 202-418-0432.

In addition to filing comments with the Secretary, a copy of any comments on the Paperwork Reduction Act information collection requirements contained herein should be submitted to Judith B. Herman, Federal Communications Commission, Room 1-C804, 445 12th Street, SW., Washington, DC 20554, or via the Internet to [PRA@fcc.gov](mailto:PRA@fcc.gov), and to Kristy L. LaLonde, OMB Desk Officer, Room 10234 NEOB, 725 17th Street, NW., Washington, DC 20503, via the Internet to [Kristy\\_L.LaLonde@omb.eop.gov](mailto:Kristy_L.LaLonde@omb.eop.gov), or via fax at 202-395-5167.

For detailed instructions for submitting comments and additional information on the rule making process, see the **SUPPLEMENTARY INFORMATION** section of this document.

**FOR FURTHER INFORMATION CONTACT:** Brian Carter, Auctions and Spectrum Access Division, Wireless Telecommunications Bureau at (202) 418-0660. For additional information concerning the Paperwork Reduction Act information collection requirements contained in this document, contact Judith B. Herman at (202) 418-0214, or via the Internet at [PRA@fcc.gov](mailto:PRA@fcc.gov).

**SUPPLEMENTARY INFORMATION:** This is a summary of the *Second Further Notice of Proposed Rule Making* released on

April 25, 2006. The complete text of the *Second Further Notice of Proposed Rule Making* including attachments and related Commission documents is available for public inspection and copying from 8:00 a.m. to 4:30 p.m. Monday through Thursday or from 8:00 a.m. to 11:30 a.m. on Friday at the FCC Reference Information Center, Portals II, 445 12th Street, SW., Room CY-A257, Washington, DC 20554. The *Second Further Notice of Proposed Rule Making* and related Commission documents may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc. (BCPI), Portals II, 445 12th Street, SW., Room CY-B402, Washington, DC 20554, telephone 202-488-5300, facsimile 202-488-5563, or you may contact BCPI at its Web site: <http://www.BCPIWEB.com>. When ordering documents from BCPI please provide the appropriate FCC document number, for example, FCC 06-52. The *Second Further Notice of Proposed Rule Making* and related documents are also available on the Internet at the Commission's Web site: <http://wireless.fcc.gov/auctions>.

Pursuant to §§ 1.415 and 1.419 of the Commission's rules, 47 CFR 1.415, 1.419, interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. *All filings related to this Further Notice of Proposed Rule Making should refer to WT Docket No. 05-211.* Comments may be filed using: (1) The Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's eRulemaking Portal, or (3) by filing paper copies. See Electronic Filing of Documents in Rulemaking Proceedings, 63 FR 24121, May 1, 1998.

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/> or the Federal eRulemaking Portal: <http://www.regulations.gov>. Filers should follow the instructions provided on the Web site for submitting comments. Filers should follow the instructions provided on the Web site for submitting comments.

- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-

mail to [ecfs@fcc.gov](mailto:ecfs@fcc.gov), and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.

- Paper Filers: Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rule making number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rule making number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, NE., Suite 110, Washington, DC 20002. The filing hours at this location are 8 a.m. to 7 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building.

- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.

- U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, SW., Washington, DC 20554.

- People with Disabilities: Contact the FCC to request materials in accessible formats (Braille, large print, electronic files, audio format, etc.) by e-mail at [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer and Governmental Affairs Bureau at (202) 418-0531 (voice), (202) 418-7365 (TTY).

### Initial Paperwork Reduction Act of 1995 Analysis

This document may contain proposed information collection requirements. The Commission, as part of its continuing effort to reduce paperwork burdens, invites the general public and the Office of Management and Budget (OMB) to comment on the information collection requirements contained in this document, as required by the Paperwork Reduction Act of 1995, Public Law 104-13. Public and agency comments are due August 21, 2006. Comments should address: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission,

including whether the information shall have practical utility; (b) the accuracy of the Commission's burden estimates; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology. In addition, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, *see* 44 U.S.C. 3506(c)(4), the Commission seeks specific comment on how it might further reduce the information collection burden for small business concerns with fewer than 25 employees.

*OMB Control Number:* 3060-0600.

*Title:* Application to Participate in an Auction.

*Form No.:* FCC Form 175.

*Type of Review:* Revision of currently approved collection.

*Respondents:* Business or other for-profit, not-for-profit institutions and/or state, local or tribal governments.

*Estimated Number of Respondents:* 620 (60 respondents for this Second FNPRM and; 560 respondents in a previously approved submission to OMB).

*Estimated Time per Response:* 0.350 hours-1.5 hours.

*Frequency of Response:* On occasion reporting requirement.

*Estimated Total Annual Burden:* 775 hours (10 hours for this Second FNPRM and 765 hours for the previous submission approved by OMB).

*Estimated Total Annual Costs:* N/A.

*Privacy Act Impact Assessment:* N/A.

*Needs and Uses:* The information collected will be used by the Commission to determine if the applicant is legally, technically, and financially qualified to participate in an FCC auction and eligible for the status requested. The Commission's auction rules and requirements are designed to ensure that the competitive bidding process is limited to serious qualified applicants; to deter possible abuse of the bidding and licensing process; and to enhance the use of competitive bidding to assign Commission licenses in furtherance of the public interest.

### Synopsis of the Second Further Notice of Proposed Rule Making

#### I. Introduction

1. The Commission issued a Second Further Notice of Proposed Rule Making (*Second FNPRM*) released on April 25, 2006 to consider whether it should modify further its general competitive bidding rules governing benefits reserved for designated entities.

2. Specifically, the Commission seeks guidance on whether it should implement additional safeguards beyond those adopted in its Second Report & Order (Second R&O) released April 25, 2006, 71 FR 26245, May 4, 2006, to ensure that its designated entity benefits are awarded to the entities and for the purposes intended by Congress. The Commission requests additional economic evidence regarding how and under what circumstances an entity's size might affect its relationships and agreements with designated entity applicants and licensees. Additionally, the Commission seeks further comment on whether it should adopt additional rule changes that would restrict the award of designated entity benefits under certain circumstances and in connection with relationships with certain entities.

#### A. Defining the Class

3. In the *FNPRM*, 71 FR 6992, February 10, 2006, the Commission tentatively concluded that it should restrict the award of designated entity benefits to an otherwise qualified applicant where it has a material relationship with a large in-region incumbent wireless service provider. The Commission sought comment on how to define the specific elements of such a restriction.

4. The *FNPRM* also sought comment on whether the Commission should instead apply the restriction to the award of designated entity benefits where an applicant had a material relationship with entities with significant interests in communications services in order to extend the scope of such a restriction to a broader category of businesses such as voice or data providers, content providers, equipment manufacturers, other media interests, and/or facilities or non-facilities based communications services providers. The Commission sought comment on whether all of these entities should be included as part of its definition of entities with significant interests in communications services or whether the Commission should consider excluding some of these entities from its proposed definition. The Commission also sought comment on whether it should consider including other entities as part of its proposed definition.

5. The Commission acknowledges that voice, data, and video services are converging and are being offered as bundled service packages. These bundled service offerings may include wireline, wireless, cable and or DBS services along with the required equipment such as handsets and receivers. In light of the continuing

dynamic technological developments and convergence occurring in the communications marketplace, the Commission seeks comment on the appropriate class of entity, if any, that should trigger any additional restriction the Commission may adopt regarding relationships with designated entities. For instance, would the Commission be better positioned to achieve its statutory mandates if it defined such an entity to include one that is subject to the Commission's jurisdiction under Titles I, II, III, or VI of the Communications Act, including any of the entity's controlling interests or affiliates as those terms are defined in § 1.2110 of the Commission's rules. The Commission seeks comment on whether adopting a definition of a class of entities with which a designated entity's agreements might trigger additional restrictions for designated entity benefits will better ensure that the Commission can continue to award such benefits to entities that Congress intended.

6. The Commission also seeks comment on the financial threshold, if any, that it should consider in defining the appropriate class of entity that might trigger any additional eligibility restrictions it adopts. It seeks further comment on the proposed financial benchmarks raised by commenters. Should the Commission consider a financial threshold of \$5 billion in annual gross revenues as advocated by various parties or lower thresholds such as \$1 billion or \$125 million as suggested by other commenters? The Commission also seeks comment on whether an entity's size is relevant to its incentive and/or ability to influence a designated entity with respect to the type and scope of the service it might provide as well as relevant economic analysis to support such arguments.

7. Similarly, the Commission seeks comment on whether it should define a class of entities based on its particular spectrum interests, for instance those that have licenses for commercial mobile radio services (CMRS) spectrum. If the Commission were to define a class in this manner, should it define CMRS spectrum to include any spectrum for which the service specific rules permit the provision of commercial mobile radio services as that term is defined in § 20.9 of the Commission's rules? If the Commission determines to base any additional safeguards upon an entity's particular spectrum interests, should it consider including spectrum other than CMRS spectrum for the purposes of such restrictions? If so, what spectrum and why is it more or less relevant than other types of spectrum?

#### *B. In-Region Limitation for Class of Entities*

8. In the *FNPRM*, the Commission sought comment on whether geographic overlap should be an element in establishing any additional restriction on the availability of designated entity benefits for entities that have a material relationship with a large wireless service provider. The Commission also sought comment on whether it should apply a different, or any, geographic standard if it extends the restriction on designated entity benefits to applicants that have a material relationship. The Commission asked whether it should apply the standard set forth in the former spectrum aggregation rule to define the geographic overlap or if it should adopt a different definition of geographic overlap. Further, the Commission sought comment on how the Commission should implement such a restriction if the Commission determined that a significant geographic overlap did exist. The Commission asked whether an incumbent should be allowed to divest its interest in the subject service area to allow a designated entity applicant to maintain eligibility for a bidding credit, and if so, within what time period should it require the divestiture. The Commission also sought comment on whether the application of the standard set forth in § 20.6(c) of the Commission's rules or any other geographic overlap restriction would place an undue administrative burden on the Commission, making it difficult to monitor an applicant's compliance with any adopted geographic overlap restriction.

9. In response to the *FNPRM*, the Commission received comment both in support of and against an in-region element to any further designated entity restrictions. Many of these commenters suggested using the significant overlap, attributable interest, and divestiture standards from the sunset CMRS spectrum aggregation limit pursuant to § 20.6(c)(2) of the Commission's rules. Other commenters stated that significant overlap should not be a factor in determining eligibility for small business benefits.

10. In the *Second FNPRM*, the Commission seeks further comment on whether it should adopt an in-region component to defining relationships with any particular class or type of entity that could trigger any additional eligibility restrictions it might adopt. The Commission also seeks comment on whether all entities with in-region spectrum interests have the same ability and incentive to leverage an inappropriate level of influence over a

designated entity with which it has financial and/or operational arrangements. Additionally, the Commission seeks comment on how the in-region component might protect the designated entity program from being subject to potential abuse from those entities that might seek to craft relationships with designated entity applicants in a manner intended to serve their self-interests.

11. Assuming the Commission does adopt an in-region component to any additional eligibility restrictions, the Commission seeks comment as to whether it should find that a geographic overlap that triggers the in-region restriction occurs when there is any overlap between the licensed service areas of the entity that has in-region spectrum, with whom the designated entity applicant has a material relationship, or any affiliate of the entity that has in-region spectrum as defined in § 1.2110 of the Commission's rules, and the licensed service area to be acquired by the designated entity applicant. Further, the Commission seeks comment on whether the adoption of an in-region component to any additional eligibility restrictions would be burdensome to implement.

12. Most entities responding to the *FNPRM* declined to discuss whether a restricted entity should be allowed to divest its interest in the subject service area to allow a designated entity applicant to maintain eligibility for designated entity benefits. Thus, in the *Second FNPRM*, the Commission seeks comment as to whether any class of entities on which any additional eligibility restriction is based should be allowed to divest its interest in the subject service area to allow a designated entity applicant to maintain eligibility for benefits. The Commission also seeks comment as to whether the Commission should adopt divestiture provisions similar to those found in the eliminated spectrum aggregation limit rules.

13. The Commission seeks comment on whether divestiture should be permitted. Specifically, the Commission seeks comment as to how such divestitures should be implemented. The Commission seeks comment on the time period for divestiture and whether the restricted entity should be allowed to market the spectrum or whether such marketing should be done by a trustee. The Commission seeks comment as to whether the award of designated entity licenses should be withheld until the restricted entity files the applications to divest or until the transaction to sell the divestiture spectrum has been consummated. The Commission also

seeks comment as to whether the Commission should receive reports detailing the progress made in identifying a buyer for the divestiture spectrum and how often such reports should be filed.

14. The Commission also asked commenters to discuss what should occur if the restricted entity that has in-region spectrum fails to divest. The Commission seeks comment on whether the designated entity must purchase the license without the benefit of the bidding credit and be subject to the Commission's default rules. The Commission also seeks comment on whether the requirement for a designated entity to purchase the license without the bidding credit maintains auction integrity and ensures that entities with in-region CMRS spectrum are not able to game the auction process.

### C. Material Relationships

15. Following on its rule revisions adopted in the *Second R&O*, in the *Second FNPRM*, the Commission seeks comment on whether there is a need to even further modify its part 1 designated entity eligibility rules to include other types of agreements in its definitions of "impermissible material relationships" or "attributable material relationships."

16. In particular, the Commission seeks comment on the specific types of additional agreements, if any, that should fall within its definitions of impermissible material relationships and attributable material relationships. The Commission also seeks comment on whether its concern regarding relationships between designated entity applicants or licensees and other entities should differ depending upon the type of entity at issue and the circumstances surrounding the relationship. Should the Commission reconsider adopting a minimum equity requirement for designated entity applicants or define material relationship in a way that would prohibit a designated entity applicant from securing all of its capitalization from outside sources? The Commission also seeks comment on commenters' suggestions to include additional operational agreements in its definitions of material relationship and asks whether doing so creates technological and practical restrictions that could hinder a designated entity licensee's ability to become a provider of spectrum based services, as intended by Congress.

17. Based on the limited record developed in response to the *FNPRM*, and the Commission's extensive experience in administering the

designated entity program, the Commission is concerned that additional types of relationships could have the potential to confer significant influence over the actions of a designated entity licensee thereby allowing an ineligible entity the ability to gain undue advantages in the communications marketplace through the benefits offered to a designated entity applicant. The Commission therefore seeks comment on the specific types of additional agreements that should fall within its definitions of "impermissible material relationships" and "attributable material relationships" so that it may be better able to prevent the potential for abuse of the designated entity program, thereby ensuring the award of our designated entity benefits only to legitimate small businesses.

18. The Commission generally does not have the same concerns regarding relationships between designated entity applicants and those who do not have interests in spectrum capacity or the provision of service, such as financial institutions or venture capital firms, provided that such entities do not have a controlling interest relationship with the applicant. The Commission presumes that for those entities, the overarching goal and primary incentive for partnering with a designated entity is to seek a return on investment rather than to provide service themselves using the designated entity's spectrum licenses. The Commission seeks comment on its presumption. Likewise, the Commission presumes that where an entity is not already providing communications services, there is no opportunity for it to bundle existing communications services with a strategic wireless partner, and there is less potential for those entities to exert undue influence over a designated entity licensee's decision making regarding its service provision or the use of its licensed spectrum. The Commission also seeks comment on this presumption. Assuming that its presumptions are valid, the Commission anticipates that such relationships will not require the additional safeguards the Commission may apply to relationships with other entities that have differing incentives and motivations. For instance, if the Commission includes financial relationships in its definition of either impermissible material relationships or attributable material relationship it might specifically exclude relationships with financial institutions from such a definition. The Commission seeks comment on whether it should specifically do so.

19. With regard to financial relationships, Commission asks whether it should conclude that the greater the financial stake an entity has in a designated entity the more incentive it has to significantly influence the designated entity licensee's decisions regarding its provision of service. The Commission also seeks comment on whether it should expand its definitions of impermissible material relationship or attributable material relationship to include any financial relationship(s) (including any combination of equity, debt, loan or credit agreements, as well as future interests for such financial arrangements) between a designated entity applicant or licensee and another entity that represents more than a certain percentage of the designated entity's total financing. If so, it asks what is the appropriate percentage? The Commission seeks comment on how the percentage of an entity's financial interest in a designated entity applicant or licensee should be considered in its definitions of impermissible material relationship or attributable material relationship. In this regard the Commission is concerned that it does not want to create a situation in which additional safeguards regarding financial interests render a designated entity without any avenues for access to much needed capital.

20. Additionally, the Commission asks whether there are circumstances in which it should define material relationships to include, without limitation, management agreements, trademark license agreements, joint marketing agreements, future interest agreements (such as puts, calls, options, and warrants), and long-term *de facto* and spectrum manager leasing arrangements? If so, should such relationships be considered to be impermissible material relationships or attributable material relationships? Likewise, the Commission seeks comment regarding the circumstances under which the existence of any agreement between a designated entity applicant or licensee and another entity will have the strong potential to convey influence over the operations of the designated entity and the deployment of its spectrum in a manner contrary to that intended by Congress.

21. The Commission also seeks comment upon whether it should adopt even tighter safeguards to prevent the development of relationships that might deter designated entities from evolving into independent facilities-based competitors. For example, are circumstances in which the Commission should define "material relationship" to include any relationship, financial and/

or operational, between a designated entity applicant or licensee and another entity? For instance, does the likelihood that certain relationships will influence a designated entity's provision of service increase when agreements are entered into with an entity that has existing self-interests in the same spectrum?

22. The Commission seeks comment on whether, if it includes all agreements, both financial and operational, as either impermissible material relationships or attributable material relationships between designated entities and entities that have existing spectrum interests in the same geographic areas, it can reduce the reliance of designated entities on those that might provide funding or operational support in a manner designed to complement their own services rather than for facilitating the emergence of new technologies and new facilities-based competitors.

23. The Commission also seeks comment on any and all of the agreements it should consider including in its definitions of impermissible material relationships or attributable material relationships and whether it should take into consideration whether such agreements are made with certain types of entities with certain geographic interests.

24. Moreover, the Commission seeks comment on whether it should include personal net worth in determining designated entity eligibility and if so, whether it should adopt the proposal to prohibit individuals with a net worth of \$3 million or more (excluding the value of a primary residence) from having a controlling interest in a designated entity or whether it should place other net-worth-based restrictions on designated entity eligibility.

25. The Commission generally has not adopted personal net worth restrictions, including personal income and assets, for purposes of eligibility for designated entity provisions. The Commission has observed, for example, that personal net worth limits are difficult to apply and enforce and may be easily manipulated. The Commission seeks comment on whether it should reconsider its treatment of personal net worth in determining eligibility for designated entity benefits and if so, what changes the Commission should adopt and why.

## II. Procedural Matters

### A. Regulatory Flexibility Analysis

26. The Commission has prepared an Initial Regulatory Flexibility Analysis (IRFA) for the *Second FNPRM*. Comments on the IRFA should be

labeled as IRFA Comments, and should be submitted pursuant to the filing dates and procedures.

### III. Initial Regulatory Flexibility Analysis

27. As required by the Regulatory Flexibility Act (RFA), the Commission has prepared this Initial Regulatory Flexibility Analysis (IRFA) of the possible significant economic impact on small entities by the policies and rules proposed in the Second Further Notice of Proposed Rule Making (*Second FNPRM*). Written public comments are requested on this IRFA. Comments must be identified as responses to the IRFA and must be filed by the deadlines for comments provided in the *Second FNPRM*. The Commission will send a copy of the *Second Further Notice*, including this IRFA, to the Chief Counsel for Advocacy of the Small Business Administration (SBA). In addition, the *Second FNPRM* and the IRFA (or summaries thereof) will be published in the **Federal Register**.

#### A. Need for, and Objectives of, the Proposed Rules

28. The initial *FNPRM* proceeding tentatively concluded that it should restrict the award of designated entity benefits to an otherwise qualified applicant where it has a material relationship with a large in-region incumbent wireless service provider. The Commission sought comment on how it should define the elements of such a restriction. Based on the Commission's experience in administering the designated entity program and the record developed in response to the *FNPRM*, the *Second FNPRM* seeks further comment on those issues, including comment to obtain additional economic evidence regarding how and under what circumstances an entity's size might affect its relationships and agreements with designated entity applicants and licensees. The *Second FNPRM* also seeks comment on whether the Commission should adopt additional rule changes that would restrict the award of designated entity benefits under certain circumstances and in connection with relationships with certain types of entities and individuals with high personal net worth, including whether and how in-region relationships and personal net worth should be considered in determining eligibility for designated entity benefits.

29. Over the last decade, the Commission has engaged in numerous rulemakings and adjudicatory investigations to prevent companies from circumventing the objectives of the

designated entity eligibility rules. To that end, in determining whether to award designated entity benefits, the Commission adopted a strict eligibility standard that focused on whether the applicant maintained control of the corporate entity. The Commission's objective in employing such a standard was to deter the establishment of sham companies in a manner that permits easy resolution of eligibility issues without the delay of administrative hearings. The Commission intends its small business provisions to be available only to bona fide small businesses.

#### B. Legal Basis

30. The proposed actions are authorized under sections 4(i), 303(r), and 309(j) of the Communications Act of 1934, as amended, 47 U.S.C. sections 154(i), 303(r), and 309(j).

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

31. 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. The RFA generally defines the term small entity as having the same meaning as the terms small organization, small business, and small governmental jurisdiction. The term small business has the same meaning as the term small business concern under the Small Business Act. 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.

32. A small organization is generally any not-for-profit enterprise which is independently owned and operated and is not dominant in its field. Nationwide, as of 2002, there were approximately 1.6 million small organizations. The term small governmental jurisdiction is defined as governments of cities, towns, townships, villages, school districts, or special districts, with a population of less than fifty thousand. Census Bureau data for 2002 indicate that there were 87,525 local governmental jurisdictions in the United States. The Commission estimates that, of this total, 84,377 entities were small governmental jurisdictions. Thus, we estimate that most governmental jurisdictions are small. Nationwide, there are a total of approximately 22.4 million small businesses, according to SBA data.

33. Any proposed changes or additions to the Commission's Part 1 rules that may be made as a result of the

*Second FNPRM* would be of general applicability to all services, applying to all entities of any size that apply to participate in Commission auctions. Accordingly, this IRFA provides a general analysis of the impact of the proposals on small businesses rather than service by service analysis. The number of entities that may apply to participate in future Commission auctions is unknown. The number of small businesses that have participated in prior auctions has varied. In all of our auctions held to date, 1,975 out of a total of 3,545 qualified bidders either have claimed eligibility for small business bidding credits or have self-reported their status as small businesses as that term has been defined under rules adopted by the Commission for specific services. In addition, we note that, as a general matter, the number of winning bidders that qualify as small businesses at the close of an auction does not necessarily represent the number of small businesses currently in service. Also, the Commission does not generally track subsequent business size unless, in the context of assignments or transfers, unjust enrichment issues are implicated.

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

34. The Commission will not require additional reporting, recordkeeping or other compliance requirements pursuant to the *Second FNPRM*.

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

35. The RFA requires an agency to describe any significant 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.

36. The initial *FNPRM* in that proceeding tentatively concluded that it should restrict the award of designated entity benefits to an otherwise qualified applicant where it has a material relationship with a large in-region incumbent wireless service provider. The Commission sought comment on how it should define the elements of

such a restriction. Based on the Commission's experience in administering the designated entity program and the record developed in response to the *FNPRM*, the *Second FNPRM* seeks further comment on those issues, including comment to obtain additional economic evidence regarding how and under what circumstances an entity's size might affect its relationships and agreements with designated entity applicants and licensees. The *Second FNPRM* also seeks comment on whether the Commission should adopt additional rule changes that would restrict the award of designated entity benefits under certain circumstances and in connection with relationships with certain types of entities and individuals with high personal net worth, including whether and how in-region relationships and personal net worth should be considered in determining eligibility for designated entity benefits. The *Second FNPRM* seeks guidance from the industry on how it should define the elements of any restrictions it might adopt regarding the award of designated entity benefits. Small entity comments are specifically requested.

*F. Federal Rules That May Duplicate, Overlap, or Conflict With the Proposed Rule*

37. None.

**IV. Paperwork Reduction Act Analysis**

38. The *Second FNPRM* may contain proposed new or modified information collection requirements. The Commission, as part of its continuing effort to reduce paperwork burdens, invites the general public and the Office of Management and Budget (OMB) to comment on the information collection requirements contained in this document, as required by the Paperwork Reduction Act of 1995, Public Law 104-13. Public and agency comments are due August 21, 2006. Comments should address: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's burden estimates; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology. In addition, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, see 44 U.S.C. 3506(c)(4), the Commission seeks

specific comment on how it might further reduce the information collection burden for small business concerns with fewer than 25 employees.

**V. Ordering Clauses**

39. *It is ordered* that pursuant to sections 4(i), 303(r), and 309(j) of the Communications Act of 1934, as amended, 47 U.S.C. sections 154(i), 303(r), and 309(j), this *Second Further Notice of Proposed Rule Making* is hereby adopted.

40. *It is further ordered* that the Commission's Consumer and Governmental Affairs Bureau, Reference Information Center, shall send a copy of this *Second Further Notice of Proposed Rule Making*, including the Initial Regulatory Flexibility Analysis, to the Chief Counsel for Advocacy of the Small Business Administration.

**List of Subjects in 47 CFR Part 1**

Administrative practice and procedure, Auctions, Licensing, Telecommunications.

Federal Communications Commission.

**Marlene H. Dortch,**  
*Secretary.*

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**DEPARTMENT OF THE INTERIOR**

**Fish and Wildlife Service**

**50 CFR Parts 21 and 22**

**RINs 1018-AG11 and 1018-AT60**

**Migratory Bird Permits; Changes in the Regulations Governing Falconry and Raptor Propagation; Draft Environmental Assessment on Take of Raptors From the Wild for Falconry and Raptor Propagation**

**AGENCY:** Fish and Wildlife Service, Interior.

**ACTION:** Notice of availability.

**SUMMARY:** We, the U.S. Fish and Wildlife Service, announce the availability of a Draft Environmental Assessment (DEA) evaluating the take of raptors from the wild for use in falconry and in raptor propagation. We have prepared this DEA as part of the process we must follow to finalize two rules under the National Environmental Policy Act.

**DATES:** Send comments on the DEA by September 19, 2006.

**ADDRESSES:** You may pick up a copy of the DEA or hand-deliver your comments to the Division of Migratory Bird Management, U.S. Fish and Wildlife