

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Amendment of Sections 73.62)	MB Docket No. 03-151
and 73.1350 of the)	
Commission's Rules)	

REPORT AND ORDER

Adopted: May 22, 2007

Released: May 25, 2007

By the Commission:

I. INTRODUCTION

1. We issue this *Report and Order* (“*Order*”) to resolve a conflict between the requirements of Sections 73.62 and 73.1350(d)(2) of the Commission’s rules regarding what corrective actions an AM broadcast station licensee must take when encountering certain difficulties in the operation of a station’s AM directional antenna.¹ Specifically, we consider the proposed amendments set forth in the *Notice of Proposed Rulemaking* (“*Notice*”) issued in the above-captioned proceeding and the comments filed in response thereto.²

II. DISCUSSION

2. Each of the rules at issue is invoked when an AM broadcast station’s directional antenna operating parameters³ and/or monitoring point field strengths⁴ exceed operating tolerances. According to the Commission’s current version of the rules, Sections 73.62 and 73.1350(d)(2) require different courses of action when an AM station’s directional monitoring parameters exceed the required operating tolerances. Section 73.62 of the rules, specifically addressing directional antenna system tolerances, requires that whenever the operating parameters of a directional antenna cannot be maintained within the tolerances specified in the rule, an AM licensee has 24 hours within which to identify any excessive

¹ 47 C.F.R. §§ 73.62 and 73.1350(d)(2).

² *In the Matter of Sections 73.62 and 73.1350 of the Commission’s Rules*, 18 FCC Rcd 13570 (2003) (“*Notice*”). A list of parties filing comments and reply comments is set forth in Appendix A.

³ The operating parameters of an AM directional antenna are the relative amplitudes and phases of the currents in the individual towers of the array. Stations that use directional antennas are required to have an FCC authorized antenna monitor to measure the operating parameters. *See* 47 C.F.R. §§ 73.62, 73.69.

⁴ Each AM station using a directional antenna must take field strength measurements at the monitoring point locations specified in the instrument of authorization, as often as necessary to ensure that fields at those points do not exceed the values specified in the station authorization. *See* 47 C.F.R. § 73.61.

monitoring point field strengths followed by three additional hours to take corrective action.⁵ In contrast, Section 73.1350(d)(2) of the rules, which addresses transmission system operation, requires that, in the event of any condition of antenna parameters or monitoring points out of tolerance, station operation be terminated within three minutes unless power is reduced sufficiently to eliminate any excess radiation.⁶ The *Notice* proposed amendments to both sections of the rules in order to resolve any conflict by clearly delineating situations that require 24 hour, three-hour and/or three-minute responses by AM licensees experiencing directional antenna out-of-tolerance operation.⁷ The *Notice* stated that clarity in the Commission's rules is especially critical when the rules may require that broadcast operations terminate within a matter of minutes.⁸ Moreover, when broadcast operations cease and programming is disrupted, broadcast listeners, in some cases, may be deprived of critical information regarding hazardous weather and other emergency conditions. Broadcast licensees also may be faced with fines and forfeitures when found to be out of compliance with Commission rules. It is therefore essential that the rules governing licensee compliance be unambiguous.

3. The *Notice* tentatively concluded that Section 73.1350(d)(2) of the rules requiring termination of broadcast operation in three minutes was excessively stringent and was not intended to apply to instances of minor out-of-tolerance AM directional antenna operating parameters.⁹ It proposed that a requirement to terminate operation in three minutes should apply only to catastrophic events that are likely to cause significant disruption to the operation of other stations or that pose a threat to life or property.¹⁰ It also proposed that a requirement to terminate operation within three hours should apply to instances of out-of-tolerance operation that are likely to result in minor interference to other stations.¹¹ The *Notice* tentatively concluded that in the case of minor variances of operating parameters caused by environmental changes, the provision of Section 73.62 which allows 24 hours to determine the existence of an out-of-tolerance condition for an AM directional antenna system is reasonable.¹² The *Notice* also tentatively concluded that the language currently included in Section 73.1350(d) that specifically addresses AM directional antenna systems should be relocated to Section 73.62 because that section of the rules applies only to AM licensees, while Section 73.1350 applies equally to AM, FM and TV licensees.¹³

4. The commenters participating in this proceeding generally support the substantive amendments proposed by the Commission in the *Notice*. Womble Carlyle Sandridge & Rice, PLLC ("WCSR") state that there is a clear conflict between the two rules and the proposed amendments will provide AM licensees with unambiguous guidance regarding appropriate conduct involving cases of AM directional antenna out-of-tolerance operation.¹⁴ The National Association of Broadcasters ("NAB")

⁵ 47 C.F.R. § 73.62(b).

⁶ 47 C.F.R. § 73.1350(d)(2).

⁷ *Notice*, 18 FCC Rcd at 13572.

⁸ *Id.* at 13571.

⁹ *Notice*, 18 FCC Rcd at 13572.

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*

¹⁴ WCSR Comments at 1.

states that it strongly supports the Commission's proposal that the three-minute rule should not apply to instances of minor-out-of-tolerance AM directional operating parameters and that the abbreviated time frame should apply only when operation poses significant disruption to another licensee or poses a threat to life or property.¹⁵ Likewise, NAB supports the three-hour rule for operations likely to result in minor interference to other licensees and a 24-hour time period to determine minor operating variances caused by environmental changes.¹⁶

5. While Mullaney Engineering, Inc. ("MEI") states that it fully supports the amendments proposed in the *Notice*, it claims that there are two areas of ambiguity that remain regarding the proposals and the actions that AM licensees are required to take when confronted with AM directional out-of-tolerance conditions.¹⁷ First, MEI states that clarification is needed regarding the proposed version of Section 73.62 and the language used to determine whether the three-minute or 24-hour/three-hour time frame applies in a given situation.¹⁸ According to MEI, the issue arises when trying to determine whether the out-of-tolerance condition results in operation *substantially at variance*¹⁹ from the authorized radiation pattern or whether the out-of-tolerance condition consists of only *minor variations*²⁰ from the required tolerances.²¹ MEI states that neither the proposed amendments nor the text of the *Notice* provide any clear definition of what is to be considered "*substantially at variance*" or what is meant by "*minor variations*."²² MEI maintains that it is imperative that these phrases be defined because the former triggers the three-minute requirement, while the latter would only invoke the 24-hour/three-hour rule. Without further guidance from the Commission, MEI asserts that it is left to broadcast licensees to determine whether an incident is to be considered substantial or minor, which may leave licensees open to fines or forfeitures if their judgment differs from that of a Commission field inspector.

¹⁵ NAB Comments at 2.

¹⁶ *Id.*

¹⁷ MEI Comments at 1; *see also* Cohen, Dippell and Everist, P.C. ("CDE") Reply Comments. CDE supports MEI's request for additional guidance.

¹⁸ MEI Comments at 3.

¹⁹ The proposed version of Section 73.62(b) states that "[i]n the event of a failure of system components, improper pattern switching or any other event that results in operation substantially at variance from the radiation pattern specified in the instrument of authorization for the pertinent time of day, operation must be terminated within three minutes unless power can be reduced sufficiently to eliminate any excessive radiation." *See Notice*, 18 FCC Rcd at 13576 (proposed Section 73.62(b)).

²⁰ The proposed version of Section 73.62(c) states that "[i]n the event of minor variations of directional antenna operating parameters from the tolerances specified in paragraph (a) of this section, the following procedures will apply: (1) – (4)." *See Notice*, 18 FCC Rcd at 13576 (Proposed Section 73.62(c)).

²¹ MEI Comments at 3 (emphasis added).

²² MEI points out that the *Notice* states that a requirement to terminate operation in three minutes should apply only to catastrophic events that are likely to cause significant disruption to the operation of other stations or that pose a threat to life or property. With regard to the three-hour criteria, MEI observes that the *Notice* states that a requirement to terminate operation during this time frame should apply to instances of out-of-tolerance operation that are likely to result in interference to other stations. According to MEI, however, these statements in the *Notice* do not provide any objective basis for making the requisite distinctions as to whether the out-of-tolerance condition would be substantial or minor. MEI Comments at 3, n.1; *see also Notice*, 18 FCC Rcd at 13572.

6. MEI suggests that a possible solution might be to set a multiple of the tolerances (offering three to five times as an example), which if exceeded, would trigger the three minute time frame for responding to out-of-tolerance conditions.²³ MEI also proposes that rather than requiring a complete termination of operation in response to a substantial variation in tolerances, an alternative response might be to require reduction of power to 25 percent of the authorized value, pending a check of the monitor point field strengths within a 24-hour period.²⁴ MEI notes that this course of action would only be appropriate if there were no complaints of interference.²⁵ MEI asserts that the Commission routinely grants short-term operation under Special Temporary Authority (“STA”) at 25 percent of authorized power, absent interference complaints, without regard to whether or not this maintains the radiated field strength within authorized limits in any given azimuth.²⁶ According to MEI, especially if large excursions from authorized parameters are the result of extremes in environmental conditions, the public interest is better served by maintaining some level of on-air capability rather than requiring the affected station to completely shut down.²⁷

7. MEI further asserts that a second area in which ambiguity exists is when the out-of-tolerance condition of directional antenna operation parameters is relatively short lived, *i.e.*, only a few hours or less.²⁸ MEI argues that it is possible in such a case that the antenna operating parameters may return to within tolerance before the monitoring point field strengths can be checked.²⁹ MEI requests further guidance in this area because checking monitoring point readings under such conditions may be a waste of time because engineers would be checking those readings for antenna parameters that are within required limits and would not be checking the original out-of-tolerance state.³⁰

III. DISCUSSION

8. The purpose of Sections 73.62 and 73.1350 of the Commission’s rules is to instruct AM broadcast licensees employing directional antennas as to what corrective action to take when monitoring parameters exceed required operating tolerances and in what amount of time that action must be taken. Section 73.62 of the rules is narrowly aimed at directional system tolerances and requires that action must be taken when directional operating parameters exceed the +/- 5 percent current and +/- 3 degree phase tolerances required by the rules, or when any monitoring point field strength exceeds the value specified on the station license.³¹ Section 73.1350 of the rules regarding transmission system operation is more general in its coverage and can affect FM and TV licensees, as well as AM licensees.³² Section 73.62

²³ MEI Comments at 4.

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ *Id.*

²⁸ *Id.* at 3.

²⁹ *Id.*

³⁰ *Id.*

³¹ See 47 C.F.R. § 73.62(a).

³² 47 C.F.R. § 73.1350.

provides a more liberal amount of time to determine and address issues specific to AM directional antennas (27 hours),³³ as compared to Section 73.1350 (three minutes).³⁴

9. We believe that the adoption of the proposed substantive amendments to Sections 73.62 and 73.1350 of the Commission's rules has been supported by the record in this proceeding. We agree with MEI that it is necessary to delineate the difference between minor variations of operating parameters and operation substantially at variance from the license. We believe that the proposal offered by MEI on this issue has merit and we adopt the following definition to be added to Section 73.62 of the rules: Any variation of operating parameters by more than +/- 15 percent sample current ratio or +/- 10 degrees in phase, any monitor point that exceeds 125 percent of the licensed limit, or any operation at variance from the license that results in complaints of interference shall be considered operation substantially at variance from the license and will require immediate corrective action, i.e., action within the three minute time frame for responding to substantially variant out-of-tolerance conditions, or within three minutes of a bona fide complaint if the variation does not exceed the foregoing limits.³⁵ In the absence of interference complaints, lesser variances shall be considered minor variations in operating parameters subject to the corrective actions called for in Section 73.62 of the Commission's rules.³⁶

10. The Commission's rules already provide for reduction of operating power to eliminate excessive radiation.³⁷ In addition, Section 73.1680 provides that if AM directional antenna systems become damaged and can no longer operate properly, prior Commission approval is not required for licensees to commence operation with an emergency nondirectional antenna and power reduced to 25 percent or less of the nominal licensed power, or a higher power, not exceeding licensed power, while ensuring that the radiated field strength does not exceed that authorized in any given azimuth.³⁸ Licensees, however, must file a request for special temporary authority within 24 hours following commencement of emergency antenna operation.³⁹ Because the current rules adequately provide for reduced power and emergency antenna operation, we find no need for any rule changes in this regard.⁴⁰ With regard to MEI's concern about "short-lived" variances, it is impossible to predict in advance that a given out-of-tolerance condition will restore itself without the need for corrective action. Therefore, we are not persuaded that checking monitoring point readings necessarily will be a waste of time in these circumstances and decline to respond to MEI's request for further guidance on this matter.

11. We believe that our actions in this proceeding will result in clearer and more easily understandable rules that will assist AM broadcast licensees employing directional antennas to implement corrective action in the appropriate time frame when monitoring parameters exceed required operating tolerances during the operation of their stations. The clarification of these ambiguities will assist

³³ 47 C.F.R. § 73.62.

³⁴ 47 C.F.R. § 73.1350.

³⁵ See 47 C.F.R. § 73.62 (b)(1) (Appendix B).

³⁶ See 47 C.F.R. § 73.62 (c)(1)-(4) (Appendix B).

³⁷ See 47 C.F.R. § 73.1350(d)(2) (Existing rule, moved to body of 47 C.F.R. § 1350(d) by this item).

³⁸ See 47 C.F.R. § 73.1680(b)(1).

³⁹ See 47 C.F.R. § 73.1680(b).

⁴⁰ See 47 C.F.R. §§ 73.1560(d) & 73.1680.

broadcast licenses in avoiding unnecessary termination of operation of their stations and provide the necessary guidance to maintain compliance with our rules.

IV. PROCEDURAL MATTERS

12. *Final Regulatory Flexibility Act.* As required by the Regulatory Flexibility Act (“RFA”),⁴¹ an Initial Regulatory Flexibility Analysis (“IRFA”) was incorporated into the *Notice*. The Commission sought written public comment on the possible significant economic impact of the proposed policies and rules on small entities in the *Notice*, including comments on the IFRA. Pursuant to the RFA, a Final Flexibility Analysis is contained in Appendix C.

13. *Paperwork Reduction Act Analysis.* This document does not contain new or modified information collection requirements subject to the Paperwork Reduction Act of 1995 (“PRA”), Public Law 104-13. In addition, therefore, it does not contain any new or modified “information collection burdens for small business concerns with fewer than 25 employees,” pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, *see* 44 U.S.C. § 3506(c)(4).

14. *Congressional Review Act.* The Commission will send a copy of this *Report and Order* in a report to be sent to Congress and the General Accounting Office pursuant to the Congressional Review Act, *see* 5 U.S.C. § 801(a)(1)(A).

V. ORDERING CLAUSES

15. Accordingly, **IT IS ORDERED** that, pursuant to authority found in Sections 1, 4(i) and (j), 301, 303 and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i) and (j), 301, 303, and 403, the Commission’s rules **ARE HEREBY AMENDED** as set forth in Appendix B.

16. **IT IS ORDERED** that the rules adopted herein **WILL BECOME EFFECTIVE** thirty days after publication in the Federal Register.

17. **IT IS FURTHER ORDERED** that the Commission’s Consumer and Governmental Affairs Bureau, Reference Information Center, **SHALL SEND** a copy of this *Report and Order*, including the Final Regulatory Flexibility Analysis, to the Chief Counsel of the Small Business Administration.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary

⁴¹ *See* 5 U.S.C. § 603.

APPENDIX A

Comment and Reply Comments

Comments filed in MB Docket No. 03-151

Mullaney Engineering, Inc. (“MEI”)
National Association of Broadcasters (“NAB”)
Womble Carlyle Sandridge & Rice, PLLC (“WCSR”)

Reply Comments filed in MB Docket No. 03-151

Cohen, Dippell and Everist, P.C. (“CDE”)

APPENDIX B**Proposed Rules**

Part 73 of Title 47 of the Code of Federal Regulations is amended as follows:

Part 73 – Radio Broadcast Services

1. The authority citation for Part 73 continues to read as follows:

AUTHORITY: 47 U.S.C. 154, 303, 334, and 336

2. Section 73.62 is revised as follows:

§ 73.62 Directional antenna system operation and tolerances

(a) Each AM station operating a directional antenna must maintain the relative amplitudes of the antenna currents, as indicated by the antenna monitor, within 5% of the values specified on the instrument of authorization. Directional antenna relative phases must be maintained within 3 degrees of the values specified on the instrument of authorization.

(b) In the event of a failure of system components, improper pattern switching or any other event that results in operation substantially at variance from the radiation pattern specified in the instrument of authorization for the pertinent time of day, operation must be terminated within three minutes unless power can be reduced sufficiently to eliminate any excessive radiation. *See* Section 73.1350(e).

(1) Any variation of operating parameters by more than +/- 15 percent sample current ratio or +/- 10 degrees in phase, any monitor point that exceeds 125 percent of the licensed limit, or any operation at variance that results in complaints of interference shall be considered operation substantially at variance from the license and will require immediate corrective action.

(c) In the event of minor variations of directional antenna operating parameters from the tolerances specified in paragraph (a) of this section, the following procedures will apply:

(1) The licensee shall measure and log every monitoring point at least once for each mode of directional operation. Subsequent variations in operating parameters will require the remeasuring and logging of every monitoring point to assure that the authorized monitoring point limits are not being exceeded. The licensee will be permitted 24 hours to accomplish these actions; provided that, the date and time of the failure to maintain proper operating parameters have been recorded in the station log.

(2) Provided each monitoring point is within its specified limit, operation may continue for a period up to 30 days before a request for Special Temporary Authority (STA) must be filed, pursuant to paragraph (c)(4) of this section, to operate with parameters at variance from the provisions of paragraph (a) of this section.

(3) If any monitoring point exceeds its specified limit, the licensee must either terminate operation within three hours or reduce power in accordance with the applicable provisions of Section 73.1350(d), in order to eliminate any possibility of interference or excessive radiation in any direction.

(4) If operation pursuant to paragraph (c)(3) of this section is necessary, or before the 30 day period specified in paragraph (c)(2) of this section expires, the licensee must request a Special Temporary Authority (STA) in accordance with Section 73.1635 to continue operation with parameters at variance and/or with reduced power along with a statement certifying that all monitoring points will be continuously maintained within their specified limits.

(d) In any other situation in which it might reasonably be anticipated that the operating parameters might vary out of tolerance (such as planned array repairs or adjustment and proofing procedures), the licensee shall, before such activity is undertaken, obtain a Special Temporary Authority (STA) in accordance with Section 73.1635 in order to operate with parameters at variance and/or with reduced power as required to maintain all monitoring points within their specified limits.

3. Section 73.1350(b)(2) is revised as follows:

§ 73.1350 Transmission system operation.

(b) The licensee must designate a chief operator in accordance with § 73.1870. The licensee may designate one or more technically competent persons to adjust the transmitter operating parameters for compliance with the technical rules and the station authorization.

(2) The transmitter control personnel must have the capability to turn the transmitter off at all times. If the personnel are at a remote location, the control system must provide this capability continuously or must include an alternate method of acquiring control that can satisfy the requirement of paragraph (e) of this section that operation be terminated within 3 minutes.

4. Section 73.1350(d) is revised as follows:

§ 73.1350 Transmission system operation.

(d) In the event that a broadcast station is operating in a manner that is not in compliance with the applicable technical rules set forth elsewhere in this part or the terms of the station authorization, and the condition is not listed in paragraph (e) or (f) of this section, broadcast operation must

be terminated within three hours unless antenna input power is reduced sufficiently to eliminate any excess radiation. Examples of conditions that require termination of operation within three hours include excessive power, excessive modulation or the emission of spurious signals that do not result in harmful interference.

[The current subsections (1) - (3) are deleted].

4. A new Section 73.1350(e) of the rules is added as follows:

§ 73.1350 **Transmission system operation.**

(e) If a broadcast station is operating in a manner that poses a threat to life or property or that is likely to significantly disrupt the operation of other stations, immediate corrective action is required. In such cases, operation must be terminated within three minutes unless antenna input power is reduced sufficiently to eliminate any excess radiation. Examples of conditions that require immediate corrective action include the emission of spurious signals that cause harmful interference, any mode of operation not specified by the station license for the pertinent time of day, or operation substantially at variance from the authorized radiation pattern.

[The current remaining Sections (e) through (h) are redesignated as Sections (f) through (i)].

APPENDIX C

Final Regulatory Flexibility Act Analysis

As required by the Regulatory Flexibility Act of 1980, as amended, (“RFA”),⁴² an Initial Regulatory Flexibility Analysis (“IRFA”) was incorporated in the *Notice of Proposed Rulemaking* in MB Docket No. 03-151 (hereinafter referred to as the *Notice*).⁴³ The Commission sought written comment on the proposal in the *Notice*, including comment on the IRFA. The comments received are discussed below. This present Final Regulatory Flexibility Analysis (“FRFA”) conforms to the RFA.⁴⁴

A. Need for, and Objectives, of the Report and Order. The *Report and Order* was issued to resolve a conflict between Sections 73.62 and 73.1350(d)(2) of the Commission’s rules.⁴⁵ Both rules are invoked when an AM broadcast station’s directional operating parameters and/or monitoring point field strengths exceed the required operating tolerances. It was considered important to resolve the conflict in our rules because these rules affect termination of broadcast operations, which may deprive listeners of necessary information regarding hazardous or other emergency conditions. Moreover, if broadcasters are found not to be in compliance with these rules, they may face fines or have forfeiture action instituted against them.

The *Report and Order* adopts the substantive amendments proposed by the Commission in the *Notice*. It was determined that Section 73.1350(d)(2) of the rules requiring termination of broadcast operation in three minutes was too stringent to apply to instances of minor out-of-tolerance AM directional operating parameters. As such, it was determined that a requirement to terminate operation in three minutes should apply only to catastrophic events likely to cause significant disruption to the operation of other stations or that pose a threat to life or property. In addition, it was determined that a requirement to terminate operation within three hours should apply to instances of out-of-tolerance operation that are likely to result in minor interference to other stations. Moreover, in the case of minor variances of operating power caused by environmental changes, it was determined that the 24 hour time period provided for in Section 73.62 of the rules was a reasonable period of time in order to determine the existence of the out-of-tolerance condition. The *Report and Order* also clarified the rules to delineate the difference between minor variations of operating parameters and operation substantially at variance from the broadcast license. The Commission found that the rules at issue need not be amended regarding the reduction of power as an alternative to termination of operation or with regard to emergency antenna operation because the current rules adequately address these matters.

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

There were no comments filed on the IRFA.

⁴² See 5 U.S.C. § 603. The RFA, see 5 U.S.C. §§ 601-612, has been amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (“SBREFA”), Pub. L. No. 104-121, Title II, 110 Stat. 857 (1996).

⁴³ *In the Matter of: Amendment of Sections 73.62 and 73.1350 of the Commission’s Rules*, 18 FCC Rcd 13570 (2003).

⁴⁴ See 5 U.S.C. § 604.

⁴⁵ 47 C.F.R. §§ 73.62 and 73.1350(d)(2).

C. Description and Estimate of the Number of Small Entities to Which Rules Will Apply. 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 rules adopted herein.⁴⁶ The RFA generally defines the term “small entity” as having the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction.”⁴⁷ In addition, the term “small business” has the same meaning as the term “small business concern” under the Small Business Act.⁴⁸ 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 Small Business Administration (SBA).⁴⁹

The amendments to Sections 73.1350 and 73.62 will primarily apply to certain AM directional radio broadcasting licensees and potential licensees.⁵⁰ The amendments to Section 73.1350 would also affect FM broadcast stations in the event that any FM broadcast station operates in a manner that poses a threat to life or property or in a manner that is likely to cause significant disruption to the operation of other stations. The SBA defines a radio broadcast entity that has \$ 6.5 million or less in annual receipts as a small business.⁵¹ Business concerns included in this industry are those “primarily engaged in broadcasting aural programs by radio to the public.”⁵² According to Commission staff review of the BIA Publications, Inc., Master Access Radio Analyzer Database, as of May 16, 2003, about 10,427 of the 10,945 commercial radio stations in the United States have revenues of \$6 million or less. We note, however, that many radio stations are affiliated with much larger corporations with much higher revenue, and that in assessing whether a business concern qualifies as small under the above definition, such business (control) affiliations⁵³ are included.⁵⁴ Our estimate, therefore likely overstates the number of small businesses that might be affected by the rules because the revenue figure on which it is based does not include or aggregate revenues from affiliated companies.

The amendments to Section 73.1350 would also affect television stations in the event that any television station operates in a manner that poses a threat to life or property or is likely to significantly disrupt the operation of other stations. The SBA defines a television broadcasting station that has no

⁴⁶ 5 U.S.C. § 604(a)(3).

⁴⁷ 5 U.S.C. § 601(6).

⁴⁸ 5 U.S.C. § 6013 (incorporating by reference the definition of “small-business concern” in the Small Business Act, 15 U.S.C. § 632). Pursuant to 5 U.S.C. § 601(3), 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.”

⁴⁹ 15 U.S.C. § 632.

⁵⁰ 47 C.F.R. §§ 73.62 and 73.1350.

⁵¹ See OMB, North American Industry Classification System: United States, 1997, at 509 (1997) (Radio Stations) (NAICS code 513111, which was changed to code 515112 in October 2002).

⁵² *Id.*

⁵³ “Concerns are affiliates of each other when one concern controls or has the power to control the other, or a third party or parties controls or has the power to control both.” 13 C.F.R. § 121.103(a)(1).

⁵⁴ “SBA counts the receipts or employees of the concern whose size is at issue and those of all its domestic and foreign affiliates, regardless of whether the affiliates are organized for profit, in determining the concern’s size.” 13 C.F.R. § 121(a)(4).

more than \$13 million in annual receipts as a small business.⁵⁵ Business concerns included in this industry are those “primarily engaged in broadcasting images together with sound.”⁵⁶ According to Commission staff review of the BIA Publications, Inc. Master Access Television Analyzer Database as of May 16, 2003, about 814 of the 1,220 commercial television stations in the United States have revenues of \$12 million or less. We note, however, that in assessing whether a business concern qualifies as small under the above definition, business (control) affiliations⁵⁷ must be included. Our estimates, therefore, likely overstate the number of small entities that might be affected by the rules because the revenue figure on which it is based does not include or aggregate revenues from affiliated companies.

D. Description of Projected Reporting, Recordkeeping, and Other Compliance Requirements for Small Entities. The rule changes will not impose any additional reporting or recordkeeping requirements.

E. Steps Taken to Minimize Significant Economic Impact on Small Entities and Significant Alternatives Considered. 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: (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.

The *Report and Order* has been issued to remedy a conflict in the Commission’s rules that affect AM broadcast stations that employ directional antennas. Amendment of the rules also affects FM and television broadcast services. As we stated in the *Notice of Proposed Rulemaking*, no alternatives to our proposal were mentioned because we did not anticipate a differential impact on smaller entities. While we welcomed comment on modifications of our proposals if based on evidence of potential differential impact, we received no comments on the IRFA.

⁵⁵ See OMB, North American Industry Classification System: United States, 1997 at 509 (1997) (NAICS code 513120, which was changed to code 515120 in October 2002).

⁵⁶ OMB, North American Industry Classification System: United States, 1997, at 509 (1997) (NAICS code 513120, which was changed to code 51520 in October 2002). This category description continues, “These establishments operate television broadcasting studios and facilities for the programming and transmission of programs to the public. These establishments also produce or transmit visual programming to affiliated broadcast television stations, which in turn broadcast the programs to the public on a predetermined schedule. Programming may originate in their own studios, from an affiliated network, or from external sources.” Separate census categories pertain to businesses primarily engaged in producing programming. See *id.* at 502-05, NAICS code 51210. Motion Picture and Video Production: code 512120, Motion Picture and Video Distribution, code 512191, Teleproduction and Other Post-Production Services, and code 512199, Other Motion Picture and Video Industries.

⁵⁷ “Concerns are affiliates of each other when one concern controls or has the power to control the other or a third party or parties controls or has the power to control both.” 13 C.F.R. § 121.103(a)(1).

Report to Congress. The Commission will send a copy of the *Report and Order*, including this FRFA, in a report to be sent to Congress pursuant to the Congressional Review Act.⁵⁸ In addition, the Commission will send a copy of the *Report and Order*, including this FRFA, to the Chief Counsel for Advocacy of the SBA. A copy of the *Report and Order* and FRFA (or summaries thereof) will also be published in the Federal Register.⁵⁹

⁵⁸ See 5 U.S.C. § 801(a)(1)(A).

⁵⁹ See 5 U.S.C. § 604(b).