



United States General Accounting Office
Washington, DC 20548

Office of the General Counsel

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September 20, 2000

The Honorable John McCain
Chairman
The Honorable Ernest F. Hollings
Ranking Minority Member
Committee on Commerce, Science, and Transportation
United States Senate

The Honorable Thomas J. Bliley, Jr.
Chairman
The Honorable John D. Dingell
Ranking Minority Member
Committee on Commerce
House of Representatives

Subject: Federal Communications Commission: Installment Payment Financing for
Personal Communications Services (PCS) Licensees

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Federal Communications Commission (FCC), entitled "Installment Payment Financing for Personal Communications Services (PCS) Licensees" (WT Docket No. 97-82, FCC 00-313). We received the rule on September 6, 2000. It was published in the Federal Register as a final rule on September 5, 2000. 65 Fed. Reg. 53624.

The final rule modifies the FCC's rules that will apply to Auction No. 35, the next broadband Personal Communications Services C and F block auction, as well as any subsequent auctions of C and F licenses, including any spectrum made available or reclaimed from bankruptcy proceedings in the future.

Enclosed is our assessment of the FCC's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review indicates that the FCC complied with the applicable requirements.

If you have any questions about this report, please contact James W. Vickers, Assistant General Counsel, at (202) 512-8210. The official responsible for GAO

evaluation work relating to the subject matter of the rule is Stan Czerwinski, Associate Director, Housing and Community Development Issues. Mr. Czerwinski can be reached at (202) 512-7631.

Anthony H. Gamboa
Acting General Counsel

Enclosure

cc: Ms. Diane Cornell
Associate Chief
Wireless Telecommunications
Federal Communications Commission

ENCLOSURE

ANALYSIS UNDER 5 U.S.C. § 801(a)(1)(B)(i)-(iv) OF A MAJOR RULE
ISSUED BY THE
FEDERAL COMMUNICATIONS COMMISSION
ENTITLED
"INSTALLMENT PAYMENT FINANCING FOR
PERSONAL COMMUNICATIONS SERVICES (PCS) LICENSEES"
(WT DOCKET NO. 97-82, FCC 00-313)

(i) Cost-benefit analysis

The FCC is not required to prepare and did not prepare a cost-benefit analysis for the final rule.

(ii) Agency actions relevant to the Regulatory Flexibility Act, 5 U.S.C. §§ 603-605, 607, and 609

The FCC prepared both an Initial Regulatory Flexibility Analysis and a Final Regulatory Flexibility Analysis in connection with the proposed rulemaking and the final rule, respectively.

The analyses comply with requirements of the Act, including the reasons and legal basis for the rule, a description and number of the small entities affected by the rule, and the steps taken to minimize the impacts on small entities.

In order to reduce the impact, the FCC has, among other steps, reconfigured the block license size to increase the number of available licenses; maintained the current level of bidding credits for small and very small businesses; and clarified, but not eliminated, the "grandfather" exception.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

As an independent regulatory agency, the FCC is not subject to the Unfunded Mandates Reform Act of 1995.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 et seq.

The final rule was issued using the notice and comment procedures contained at 5 U.S.C. 553. On June 30, 2000, the FCC published in the Federal Register a Further Notice of Proposed Rulemaking. 65 Fed. Reg. 37902. The comments received in response to the notice are considered and responded to in the preamble to the final rule.

Paperwork Reduction Act, 44 U.S.C. §§ 3501-3520

The final rule does not contain any information collections that are subject to review by the Office of Management and Budget under the Paperwork Reduction Act.

Statutory authorization for the rule

The final rule is promulgated pursuant to the authority of sections 4(i), 5(b), 5(c)(1), 309(r), and 309(j) of the Communications Act of 1934, as amended, 42 U.S.C. 154(i), 155(b), 156(c)(1), 303(r), and 309(j).

Executive Order No. 12866

As an independent regulatory agency, the FCC is not subject to the review requirements of the order.