

February 18, 2021

FEDERAL COMMUNICATIONS COMMISSION

OMB Control Number: 3060-0798

Requested Action: Non-substantive change/non-material change request

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The Federal Communications Commission submits this non-substantive change request to the Office of Management and Budget (OMB) for approval of non-substantive/non-material changes to FCC Form 601, FCC Application for Radio Service Authorization: Wireless Telecommunications Bureau; Public Safety and Homeland Security Bureau.

FCC Form 601 is a consolidated, multi-part application form that is used for market-based and site-based licensing for wireless telecommunications services, including public safety, which are filed through the Commission's Universal Licensing System (ULS) or any other electronic filing interface the Commission develops. FCC Form 601 is composed of a main form that contains administrative information and a series of schedules used for filing technical and other information. This form is used to apply for a new license, to amend or withdraw a pending application, to modify or renew an existing license, cancel a license, submit required notifications, request an extension of time to satisfy construction requirements, request an administrative update to an existing license (such as mailing address change), or request a Special Temporary Authority License.

A winning bidder must electronically submit an FCC Form 601 Main Form and Schedule B when applying for an authorization for which it was the winning bidder in a spectrum auction. An applicant is required to disclose on Schedule B of FCC Form 601, among other things, ownership information concerning the applicant, its disclosable interest holders (DIHs), its FCC regulated businesses (FRBs), and the FRBs of the applicant's DIHs. In spectrum auctions in which bidding credits are available, an applicant requesting a "small business bidding credit" must also disclose on Schedule B of FCC Form 601 information about its affiliates and gross revenue information for the applicant, its DIHs, and its affiliates and must submit an Exhibit C to its Schedule B entitled "Small Business Bidding Credits" with information supporting its claim of eligibility for a "small business bidding credit." To date, an applicant seeking status as a small business or a very small business (as those terms are defined in the Commission's service-specific rules) for purposes of requesting a "small business bidding credit" has been required to disclose on FCC Form 601 gross revenues for itself, its DIHs, and its affiliates for each of the preceding three years and to indicate whether it used audited or unaudited financial statements. However, in December 2018, Congress revised the standard set out in the Small Business Act for categorizing a business concern as a "small business concern" by providing as a general matter that a Federal agency cannot propose to categorize a business concern as a "small business concern" for Small Business Act purposes unless the size of the concern is based on its annual average gross receipts "over a period of not less than 5 years." See 15 U.S.C. § 632(a)(2)(C)(ii)(II), amended by Small Business Runway Extension Act of 2018, Pub. L. 115-324, 132 Stat. 4444 (2018). In December 2019, the Small Business Administration (SBA) adopted new rules implementing the requirements of the Small Business Runway Extension Act and modifying its method for calculation of average annual receipts used to prescribe size standards for small businesses from a three-year to a five-year average period. See Small Business Administration, Small Business Size Standards: Calculation of Annual Average Receipts, 84 Fed. Reg. 66561 (Dec. 5, 2019).

Consistent with this statutory requirement and the SBA's new rules, in future auctions of wireless licenses in services for which the Commission adopted small business definitions after the December 2018 legislation, an applicant requesting a "small business bidding credit" will be required to disclose gross revenue information for the applicant, its DIHs, and its affiliates for each of the previous five years and to indicate whether it used audited or unaudited financial statements. The Commission is currently working to modify FCC Form 601 to accommodate the collection of gross revenue information from an applicant

requesting a “small business bidding credit” for the applicant, its DIHs, and its affiliates for either the preceding three years or the preceding five years, based on the small business definitions in the Commission’s service-specific rules applicable for a given auction.<sup>1</sup> However, in the interim, for any spectrum auctions for which the service-specific rules require that a winning bidder applying for an authorization for which it was the winning bidder in a spectrum auction disclose gross revenue information for the applicant, its DIHs, and its affiliates for each of the previous five years and to indicate whether it used audited or unaudited financial statements, the Commission will collect this information for the three most recent years in the FCC Form 601 fields and will collect this information for the fourth and fifth most recent years in Exhibit C to Schedule B of FCC Form 601.

The Commission will submit screenshots of the new/additional screens of FCC Form 601 to OMB once the required modifications to FCC Form 601 described above have been completed.

There is no change to the estimated burden hours or costs to respondents associated with this non-substantive change. Similarly, there is no change to Commission’s estimated burden hours or costs associated with this non-substantive change.

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<sup>1</sup> On August 4, 2020, OMB approved a non-substantive change request concerning the modification of the Commission’s pre-auction application form – FCC Form 175 – to accommodate the collection of gross revenues for either the preceding three years or the preceding five years, based on the small business definitions in the Commission’s service-specific rules applicable for a given auction. See OMB Control No. 3060-0600.