

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

In the Matter of	)	
	)	
World Communications	)	
Satellite Systems, Inc.	)	File No. EB-03-TC-177
	)	
	)	NAL/Acct. No. 200332170009
Apparent Liability for Forfeiture	)	FRN: 0009553652
	)	
	)	

**NOTICE OF APPARENT LIABILITY FOR FORFEITURE**

**Adopted: January 13, 2004**

**Released: January 15, 2004**

By the Commission:

**I. INTRODUCTION**

1. In this Notice of Apparent Liability for Forfeiture (“NAL”),<sup>1</sup> we find that World Communications Satellite Systems, Inc. (“WCSS”) apparently willfully and repeatedly violated section 258 of the Communications Act of 1934, as amended (the “Act”),<sup>2</sup> as well as Commission rules and orders, by submitting changes of the preferred carriers of 10 consumers on 13 occasions without their authorization and verification, a practice commonly known as “slamming.”<sup>3</sup> Based upon our review of the facts and circumstances surrounding the violations, we find WCSS apparently liable for a forfeiture in the amount of \$560,000. As explained below, we propose a forfeiture of \$80,000 for one apparent egregious violation and \$40,000 each for 12 other violations.

<sup>1</sup> See 47 U.S.C. § 503(b)(4)(A). The Commission has authority under this section of the Act to assess a forfeiture penalty against a common carrier if the Commission determines that the carrier has "willfully or repeatedly" failed to comply with the provisions of the Act or with any rule, regulation, or order issued by the Commission under the Act. For a violation to be willful, it need not be intentional. *Southern California Broadcasting Co.*, 6 FCC Rcd 4387 (1991); see also *Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996; Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers*, Second Report and Order, 14 FCC Rcd 1508, 1539 (1998) (*1998 Second Report and Order*).

<sup>2</sup> 47 U.S.C. § 258.

<sup>3</sup> “Slamming” is the submission or execution of an unauthorized change in a subscriber's selection of a provider of telecommunications service. See generally 47 C.F.R. §§ 64.1100-64.1195.

## II. BACKGROUND

2. WCSS is a reseller of long distance telephone service located in Champaign, Illinois.<sup>4</sup> After receiving a large number of consumer complaints against WCSS, the Enforcement Bureau, along with the Public Utility Commission of Texas, launched an investigation into the consumers' allegations of slamming. The Public Utility Commission of Texas, which has chosen to administer our slamming liability rules,<sup>5</sup> forwarded information on WCSS's activities to us.

### A. The Complaints

3. All of the consumers who filed the complaints that form the basis of this NAL maintain that they did not authorize WCSS to change their preferred carriers, but that WCSS nevertheless changed their preferred carriers to WCSS.<sup>6</sup> For illustrative purposes, we will profile two complaints that appear to be representative of WCSS's marketing and verification practices.

4. On March 4, 2003, Kerri Pedraza filed a complaint with the Texas Public Utility Commission alleging that WCSS changed her preferred carrier from Verizon to WCSS without her authorization.<sup>7</sup> In support of that complaint, Ms. Pedraza filed a declaration, which stated in part:

I received a telephone call from a Verizon representative in February, 2003 inquiring why I had changed my long distance carrier. I told the representative that I was unaware of a change in service. When I received my telephone bill dated February 16, 2003, I noticed unauthorized charges on it from WCSS. One charge in particular was for a long distance service set up fee dated February 7, 2003. I called WCSS about the charges. I was told by a WCSS representative that they had a tape recording as proof of me authorizing a switch in my telephone service. I asked to hear the tape. I was told that their voice verification system was down for the rest of the week.

Neither I nor anyone in my household gave permission to have my long distance service switched.<sup>8</sup>

5. On May 7, 2003, Dr. Horacio Pena filed a complaint with the Texas Public Utility Commission alleging that WCSS changed his preferred long distance carrier from SBC to WCSS without his authorization.<sup>9</sup> In support of that complaint, Dr. Pena filed a declaration, which stated in part:

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<sup>4</sup> WCSS's principal place of business is 4301 Brittany Trail Drive, Champaign, Illinois 61822. It is a Virginia corporation, wholly owned by Caterina Bergeron. Letter from Charles H. Helein, counsel for WCSS, to Peter Wolfe, FCC (September 16, 2003)(WCSS Response).

<sup>5</sup> See *Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996*, First Order on Reconsideration, 15 FCC Rcd 8158, 8169-79 (2000) (establishing guidelines for state administration of the slamming rules).

<sup>6</sup> The complainants whose allegations form the basis of this NAL are Micaela Escoto, Esther Hilario, Charles Johnson Finance, Lisa and Marco Martinez, Kerri Pedraza, Katia Paredes, Horacio Pena, Marybel Ramirez, Aurilia Ruiz, and Yohana Saucedo.

<sup>7</sup> Complaint dated February 27, 2003, from Kerri Pedraza, filed with the Texas Public Utility Commission.

<sup>8</sup> Declaration of Kerri Pedraza, dated June 24, 2003. In its response to our staff's Letter of Inquiry, WCSS stated that its third-party verifier, Federal Verification Company, was unable to provide a verification tape for Kerri Pedraza.

On March 19, 2003, I went out of the United States to visit relatives in Columbia. When I returned home from Columbia on April 21, 2003, I had received my residential telephone bill for March 2003. I noticed that the bill had long distance charges from WCSS. I contacted SBC regarding the matter. SBC agreed to switch my service back without any charge.

I never gave WCSS permission to switch my long distance service.<sup>10</sup>

## **B. The Investigation**

6. On July 15, 2003, the Enforcement Bureau staff sent a letter of inquiry to WCSS, attaching a list of 19 complainants who had alleged that WCSS had changed their preferred carrier without authorization, and asking, among other things, whether WCSS had changed these consumers' preferred carriers since December 1, 2002.<sup>11</sup> WCSS sent a response to the Letter of Inquiry on September 16, 2003. In its response, WCSS admitted that it had changed the preferred carrier of six complainants, provided third-party verification tapes for four of them, and claimed that it had not received tapes from its third-party verification company for the remaining two, Kerri Pedraza and Micaela Escoto. With respect to five other complainants (Aurelio Baron, Blasa Cano, Efrain Juarbe, Enilsa Lora and John Pichurko), WCSS claimed that "WCSS records show that it did not submit or execute orders for the individuals during the specified time frame." With respect to Guadalupe Castillo, Charles Johnson Finance, Marco and Lisa Martinez and Marybel Ramirez, WCSS claimed it "has no records listing these individuals with the BTNs provided for them."<sup>12</sup> With respect to Kenneth Munn, Katia Paredes and John Yohana Saucedo, WCSS stated it "does not have any records relating to the named complainants."

7. On July 15, 2003, Enforcement Bureau staff also sent Letters of Inquiry to the local exchange carriers who serve the complainants, inquiring whether the preferred carriers for the 19 complainants had been changed after December 1, 2002, and who executed the change.<sup>13</sup> The local exchange carriers responded by August 15, 2003.<sup>14</sup> On August 19, 2003, our staff sent a Letter of Inquiry

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<sup>9</sup> Complaint dated May 7, 2003, from Horacio Pena, filed with the Texas Public Utility Commission.

<sup>10</sup> Declaration of Horacio Pena, dated July 15, 2003.

<sup>11</sup> Letter from Colleen K. Heitkamp, Chief, Telecommunications Consumers Division, Enforcement Bureau, FCC, to Mary White, WCSS (July 15, 2003) ("Letter of Inquiry"). On September 9, 2003, the Enforcement Bureau released an NAL against WCSS for apparently willfully and repeatedly violating a Commission order by failing to respond to the Letter of Inquiry.

<sup>12</sup> "BTNs" refers to the consumers' billed telephone numbers.

<sup>13</sup> Letter from Colleen K. Heitkamp, Chief, Telecommunications Consumers Division, Enforcement Bureau, FCC, to SBC Communications, Inc. ("SBC") (July 15, 2003); Letter from Colleen K. Heitkamp, Chief, Telecommunications Consumers Division, Enforcement Bureau, FCC, to Suzanne Carmel, Manager, Regulatory Affairs, Verizon (July 15, 2003).

<sup>14</sup> Letter from Suzanne Carmel, Manager, Regulatory Affairs, Verizon, to Peter G. Wolfe, FCC (Aug. 13, 2003); Letter from Terri L. Hoskins, SBC, to Peter G. Wolfe, FCC (Aug. 15, 2003). Because SBC has asked for confidential treatment of its responses to the Letter of Inquiry (other than with respect to WCSS) based on the claim that the information was customer proprietary network information subject to Section 222 of the Act, 47 U.S.C. § 222, and that request remains pending, to protect the consumer information, we will reflect the responses from SBC in Attachment A, which we are keeping confidential at this time, except with respect to WCSS. See E-Mail from Terri L. Hoskins, Senior Counsel, SBC, to Peter Wolfe, FCC (Dec. 8, 2003)(on file). Because of the interrelationship of the information, we are also including Verizon's information in Attachment A.

to Qwest, the underlying long distance carrier whose services WCSS resells, inquiring whether the preferred carriers of the complainants identified by Verizon and SBC had been changed since December 1, 2002, and who had requested the change.<sup>15</sup> Qwest requested confidential treatment of its response (again other than with respect to WCSS) based on the claim that the information was customer proprietary network information subject to Section 222 of the Act.<sup>16</sup> Therefore, we shall discuss Qwest's response in Attachment A, which shall be kept confidential at this time, except with respect to WCSS.<sup>17</sup>

### III. DISCUSSION

8. Section 258 of the Act makes it unlawful for any telecommunications carrier to "submit or execute a change in a subscriber's selection of a provider of telephone exchange service or telephone toll service except in accordance with such procedures as the Commission shall prescribe."<sup>18</sup> Section 64.1120 of the Commission's rules prescribes that no carrier "shall submit a change on the behalf of a subscriber . . . prior to obtaining: (i) Authorization from the subscriber, and (ii) Verification of that authorization in accordance with the procedures prescribed in this section."<sup>19</sup>

9. The Commission's rules provide some latitude in the methods carriers may use to verify carrier change requests. The carrier may elect to verify that authorization through one of three options: obtaining the consumer's written or electronically signed authorization; setting up a toll free number for the consumer to call for verification; or obtaining authorization through an independent third party.<sup>20</sup> For those carriers that use an independent third party for verification, our rules require that the verification method confirm at least six things:

the identity of the subscriber; confirmation that the person on the call is authorized to make the carrier change; confirmation that the person on the call wants to make the change; the names of the carriers affected by the change; the telephone numbers to be switched; and the types of service involved.<sup>21</sup>

Our rules also require that carriers keep audio records of the verification for a minimum of two years.<sup>22</sup> Finally, the Commission's rules require that when a carrier "is selling more than one type of telecommunications service . . . that carrier must obtain separate authorization from the subscriber for each service sold . . . Each authorization must be verified separately from any other authorizations obtained in the same solicitation."

10. As discussed above, WCSS has only acknowledged changing the preferred carrier for six of the complainants whose allegations we are investigating. In its response, WCSS submitted audio tapes of third-party verification for only four of those six complainants. The verification tapes for two complainants show that WCSS did not gather the critical verification information that our rules require. Specifically, the tapes for Horacio Pena and Esther Hilario do not even mention the name of the carrier, WCSS, or the

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<sup>15</sup> Letter from Colleen K. Heitkamp, Chief, Telecommunications Consumers Division, Enforcement Bureau, FCC, to Joyce Bullard, Qwest Communications Corporation ("Qwest") (Aug. 19, 2003).

<sup>16</sup> See E-Mail from Kathryn Krause, Senior Attorney, Qwest, to Peter Wolfe, FCC (Dec. 9, 2003)(on file).

<sup>17</sup> Letter from Joyce Bullard, Qwest, to Peter G. Wolfe, FCC (Sept. 22, 2003).

<sup>18</sup> 47 U.S.C. § 258.

<sup>19</sup> *Id.* § 64.1120(a)(1).

<sup>20</sup> *Id.* § 64.1120(c).

<sup>21</sup> *Id.* § 64.1120(c)(3)(iii).

<sup>22</sup> 47 C.F.R. § 64.1120(c)(3)(iv).

services to be switched. Further, WCSS did not submit any tapes for two of the consumers it admitted were switched. As stated above, our rules require carriers to retain verification tapes for a two-year period.<sup>23</sup>

11. We conclude, therefore, that WCSS apparently switched the preferred carriers for four of these six complainants without authorization. The tapes that WCSS submitted for Horacio Pena and Esther Hilario are not sufficient to rebut the allegations in the complaints that WCSS changed their preferred carriers without prior authorization because they do not contain the information that our rules require. WCSS did not produce tapes showing that it had properly verified the authorization to change the preferred carriers of Kerri Pedraza and Micaela Escoto. Absent audio tapes demonstrating that WCSS properly verified these two complainants' authorizations to change their preferred carriers, WCSS cannot rebut the complainants' allegations that the complainants were slammed. Furthermore, in the case of Kerri Pedraza, we find that WCSS's employees apparently misrepresented to the consumer that WCSS had a verification tape, but was not able to access its system, when it subsequently admitted, in response to the Letter of Inquiry, that the third-party verifier was unable to provide WCSS with a tape for Kerri Pedraza.<sup>24</sup> Finally, for the reasons set forth in Attachment A, we find that WCSS apparently committed nine other violations of the rules.<sup>25</sup>

#### IV. FORFEITURE AMOUNT

12. Section 503(b) of the Communications Act authorizes the Commission to assess a forfeiture of up to \$120,000 for each violation of the Act or of any rule, regulation, or order issued by the Commission under the Act.<sup>26</sup> In exercising such authority, we are required to take into account "the nature, circumstances, extent, and gravity of the violation and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require."<sup>27</sup> The Commission's forfeiture guidelines currently establish a standard forfeiture amount of \$40,000 for violations of our rules and orders regarding unauthorized changes of preferred interexchange carriers.<sup>28</sup> These policies and guidelines, however, include upward adjustment criteria that warrant a higher forfeiture amount based on the particular facts and circumstances of the violation(s).<sup>29</sup> These include the egregiousness of the misconduct, ability or inability to pay, whether the violation was intentional, whether substantial harm resulted from the violations, history of compliance with Commission requirements,

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<sup>23</sup> 47 C.F.R. § 64.1120(c) (3)(iv).

<sup>24</sup> Declaration of Kerri Pedraza; WCSS Response at 4.

<sup>25</sup> Attachment A.

<sup>26</sup> Section 503(b)(2)(B) provides for forfeitures up to \$100,000 for each violation or a maximum of \$1,000,000 for each continuing violation by common carriers or an applicant for any common carrier license, permit, certificate or similar instrument. 47 U.S.C. § 503(b)(2)(B). The Commission amended its rules by adding a new subsection to its monetary forfeiture provisions that incorporates by reference the inflation adjustment requirements contained in the Debt Collection Improvement Act of 1996 (DCIA), Pub L. No. 104-134, § 31001, 110 Stat. 1321 (1996). Thus, the maximum statutory forfeiture per violation pursuant to section 503(b)(2)(B) increased from \$100,000 to \$120,000. *See Amendment of Section 1.80(b) of the Commission's Rules and Adjustment of Forfeiture Maxima to Reflect Inflation*, 15 FCC Rcd. 18,221 (2000).

<sup>27</sup> *See* 47 U.S.C. § 503(b)(2)(D); *see also* *The Commission's Forfeiture Policy Statement and Amendment of Section 1.80 of the Commission's Rules*, 12 FCC Rcd 17,087 (1997) (*Forfeiture Policy Statement*); *recon. denied*, 15 FCC Rcd 303 (1999).

<sup>28</sup> *See* 47 C.F.R. § 1.80(b)(4).

<sup>29</sup> *See* 47 U.S.C. § 503(b)(2)(D); *see also* *Forfeiture Policy Statement*, 12 FCC Rcd at 17100-01 (1997); 47 C.F.R. § 1.80(b)(4).

whether the violator realized substantial economic gain from the misconduct, and whether the violation is repeated or continuous.<sup>30</sup> As provided by the Commission's rules, the Commission and its staff retain the discretion to issue a higher or lower forfeiture, as permitted by statute.<sup>31</sup>

13. On several occasions, the Commission has sternly warned carriers that it would take swift and decisive enforcement action, including the imposition of substantial monetary forfeitures, against any carrier found to have engaged in slamming.<sup>32</sup> In the case of Kerri Pedraza, we find that a more significant forfeiture is warranted based on WCSS's egregious behavior in apparently misleading the customer by telling her that it had a third-party verification tape but could not then access its system to provide the tape, when in fact it apparently did not have such a tape.<sup>33</sup> We therefore find that WCSS is apparently liable for a forfeiture of \$80,000 for the unauthorized preferred carrier change of Kerri Pedraza, and \$40,000 for each of the other 12 unauthorized preferred carrier changes, for a total forfeiture of \$560,000.

14. WCSS will have the opportunity to submit further evidence and arguments in response to this NAL to show that no forfeiture should be imposed or that some lesser amount should be assessed.<sup>34</sup>

## V. CONCLUSIONS AND ORDERING CLAUSES

15. We have determined that World Communications Satellite Systems, Inc. has apparently violated section 258 of the Act and the Commission's preferred carrier change rules and orders by changing the preferred telephone service carriers of 10 consumers on 13 occasions, resulting in a total proposed forfeiture of \$560,000.

16. Accordingly, IT IS ORDERED, pursuant to section 503(b) of Communications Act of 1934, as amended, 47 U.S.C. § 503(b), section 1.80 of the Commission's rules, 47 C.F.R. § 1.80, that World Communications Satellite Systems, Inc. IS HEREBY NOTIFIED of an Apparent Liability for Forfeiture in the amount of \$560,000 for willful or repeated violations of section 258 of the Act, 47 U.S.C. § 258, and the Commission's preferred carrier change rules and orders as described in the paragraphs above.<sup>35</sup>

17. IT IS FURTHER ORDERED, pursuant to section 1.80 of the Commission's rules, 47 C.F.R. § 1.80, that within thirty (30) days of the release of this Notice, World Communications Satellite Systems, Inc. SHALL PAY the full amount of the proposed forfeiture<sup>36</sup> OR SHALL FILE a response showing why the proposed forfeiture should not be imposed or should be reduced.

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<sup>30</sup> See 47 U.S.C. § 503(b)(2)(D); see also *Forfeiture Policy Statement*, 12 FCC Rcd at 17100-01 (1997); 47 C.F.R. § 1.80(b)(4).

<sup>31</sup> See 47 C.F.R. § 1.80(b)(4).

<sup>32</sup> *Brittan Communications International Corp.*, 15 FCC Rcd 4852 (2000); *Amer-I-Net Services Corp.*, 15 FCC Rcd 3118 (2000); *All American Telephone Company, Inc.*, 13 FCC Rcd 15040 (1998).

<sup>33</sup> Declaration of Kerri Pedraza; WCSS Response at 4.

<sup>34</sup> See 47 U.S.C. § 503(b)(4)(C); 47 C.F.R. § 1.80(f)(3).

<sup>35</sup> See 47 C.F.R. §§ 64.1120; see also *1998 Second Report and Order*, 14 FCC Rcd at 1508; *1997 FNPRM & Order on Reconsideration*, 12 FCC Rcd at 10,674.

<sup>36</sup> The forfeiture amount should be paid by check or money order drawn to the order of the Federal Communications Commission. WCSS should include the reference "NAL/Acct. No. 200332170009" on its check or money order. Such remittance must be mailed to Forfeiture Collection Section, Finance Branch, Federal Communications Commission, P.O. Box. 73482, Chicago, Illinois 60673-7482. Requests for full payment under an installment plan

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18. The Commission will not consider reducing or canceling a forfeiture in response to a claim of inability to pay unless the petitioner submits: (1) federal tax returns for the most recent three-year period; (2) financial statements prepared according to generally accepted accounting practices (“GAAP”); or (3) some other reliable and objective documentation that accurately reflects the petitioner’s current financial status. Any claim of inability to pay must specifically identify the basis for the claim by reference to the financial documentation submitted.

19. Requests for payment of the full amount of this Notice of Apparent Liability under an installment plan should be sent to: Chief, Revenue and Receivables Operations Group, 445 12th Street, S.W., Washington, D.C., 20554.<sup>37</sup>

20. Under the Small Business Paperwork Relief Act of 2002, Pub L. No. 107-198, 116 Stat. 729 (June 28, 2002), the FCC is engaged in a two-year tracking process regarding the size of entities involved in forfeitures. If you qualify as a small entity and if you wish to be treated as a small entity for tracking purposes, please so certify to us within thirty (30) days of this NAL, either in your response to the NAL or in a separate filing to be sent to the Telecommunications Consumers Division. Your certification should indicate whether you, including your parent entity and its subsidiaries, meet one of the definitions set forth in the list provided by the FCC’s Office of Communications Business Opportunities (OCBO) set forth in Attachment B of this Notice of Apparent Liability. This information will be used for tracking purposes only. Your response or failure to respond to this question will have no effect on your rights and responsibilities pursuant to Section 503(b) of the Communications Act. If you have questions regarding any of the information contained in Attachment B, please contact OCBO at (202) 418-0990.

21. IT IS FURTHER ORDERED that copies of this Notice of Apparent Liability for Forfeiture SHALL BE SENT by certified mail to The Helein Law Group, 8180 Greensboro Drive, Suite 700, McLean, VA 22102.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch  
Secretary

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should be sent to: Chief, Credit and Debt Management Center, 445 12<sup>th</sup> Street, S.W., Washington, D.C. 20554. See 47 C.F.R. § 1.1914.

<sup>37</sup> 47 C.F.R. § 1.1914.

## ATTACHMENT B

## FCC List of Small Entities

As described below, a “small entity” may be a small organization, a small governmental jurisdiction, or a small business.

<b>(1) Small Organization</b>	
Any not-for-profit enterprise that is independently owned and operated and is not dominant in its field.	
<b>(2) Small Governmental Jurisdiction</b>	
Governments of cities, counties, towns, townships, villages, school districts, or special districts, with a population of less than fifty thousand.	
<b>(3) Small Business</b>	
Any business concern that is independently owned and operated and is not dominant in its field, <i>and</i> meets the pertinent size criterion described below.	
<b>Industry Type</b>	<b>Description of Small Business Size Standards</b>
<i>Cable Services or Systems</i>	
Cable Systems	Special Size Standard – <b>Small Cable Company</b> has 400,000 Subscribers Nationwide or Fewer
Cable and Other Program Distribution	\$12.5 Million in Annual Receipts or Less
Open Video Systems	
<i>Common Carrier Services and Related Entities</i>	
Wireline Carriers and Service providers	1,500 Employees or Fewer
Local Exchange Carriers, Competitive Access Providers, Interexchange Carriers, Operator Service Providers, Payphone Providers, and Resellers	



**Note:** With the exception of Cable Systems, all size standards are expressed in either millions of dollars or number of employees and are generally the average annual receipts or the average employment of a firm. Directions for calculating average annual receipts and average employment of a firm can be found in 13 CFR 121.104 and 13 CFR 121.106, respectively.

<b>International Services</b>	
International Broadcast Stations	\$12.5 Million in Annual Receipts or Less
International Public Fixed Radio (Public and Control Stations)	
Fixed Satellite Transmit/Receive Earth Stations	
Fixed Satellite Very Small Aperture Terminal Systems	
Mobile Satellite Earth Stations	
Radio Determination Satellite Earth Stations	
Geostationary Space Stations	
Non-Geostationary Space Stations	
Direct Broadcast Satellites	
Home Satellite Dish Service	
<b>Mass Media Services</b>	
Television Services	\$12 Million in Annual Receipts or Less
Low Power Television Services and Television Translator Stations	
TV Auxiliary, Special Broadcast and Other Program Distribution Services	
Radio Services	\$6 Million in Annual Receipts or Less
Radio Auxiliary, Special Broadcast and Other Program Distribution Services	
Multipoint Distribution Service	Auction Special Size Standard – <b>Small Business</b> is less than \$40M in annual gross revenues for three preceding years
<b>Wireless and Commercial Mobile Services</b>	
Cellular Licensees	1,500 Employees or Fewer
220 MHz Radio Service – Phase I Licensees	

220 MHz Radio Service – Phase II Licensees	Auction special size standard - <b>Small Business</b> is average gross revenues of \$15M or less for the preceding three years (includes affiliates and controlling principals) <b>Very Small Business</b> is average gross revenues of \$3M or less for the preceding three years (includes affiliates and controlling principals)
700 MHz Guard Band Licensees	
Private and Common Carrier Paging	
Broadband Personal Communications Services (Blocks A, B, D, and E)	1,500 Employees or Fewer
Broadband Personal Communications Services (Block C)	Auction special size standard - <b>Small Business</b> is \$40M or less in annual gross revenues for three previous calendar years <b>Very Small Business</b> is average gross revenues of \$15M or less for the preceding three calendar years (includes affiliates and persons or entities that hold interest in such entity and their affiliates)
Broadband Personal Communications Services (Block F)	
Narrowband Personal Communications Services	
Rural Radiotelephone Service	1,500 Employees or Fewer
Air-Ground Radiotelephone Service	
800 MHz Specialized Mobile Radio	Auction special size standard - <b>Small Business</b> is \$15M or less average annual gross revenues for three preceding calendar years
900 MHz Specialized Mobile Radio	
Private Land Mobile Radio	1,500 Employees or Fewer
Amateur Radio Service	N/A
Aviation and Marine Radio Service	1,500 Employees or Fewer
Fixed Microwave Services	
Public Safety Radio Services	<b>Small Business</b> is 1,500 employees or less <b>Small Government Entities</b> has population of less than 50,000 persons
Wireless Telephony and Paging and Messaging	1,500 Employees or Fewer
Personal Radio Services	N/A
Offshore Radiotelephone Service	1,500 Employees or Fewer
Wireless Communications Services	<b>Small Business</b> is \$40M or less average annual gross revenues for three preceding years <b>Very Small Business</b> is average gross revenues of \$15M or less for the preceding three years
39 GHz Service	
Multipoint Distribution Service	Auction special size standard (1996) – <b>Small Business</b> is \$40M or less average annual gross revenues for three preceding calendar years Prior to Auction – <b>Small Business</b> has annual revenue of \$12.5M or less
Multichannel Multipoint Distribution Service	\$12.5 Million in Annual Receipts or Less

Instructional Television Fixed Service	
Local Multipoint Distribution Service	Auction special size standard (1998) – <b>Small Business</b> is \$40M or less average annual gross revenues for three preceding years <b>Very Small Business</b> is average gross revenues of \$15M or less for the preceding three years
218-219 MHz Service	First Auction special size standard (1994) – <b>Small Business</b> is an entity that, together with its affiliates, has no more than a \$6M net worth and, after federal income taxes (excluding carryover losses) has no more than \$2M in annual profits each year for the previous two years New Standard – <b>Small Business</b> is average gross revenues of \$15M or less for the preceding three years (includes affiliates and persons or entities that hold interest in such entity and their affiliates) <b>Very Small Business</b> is average gross revenues of \$3M or less for the preceding three years (includes affiliates and persons or entities that hold interest in such entity and their affiliates)
Satellite Master Antenna Television Systems	
	\$12.5 Million in Annual Receipts or Less
24 GHz – Incumbent Licensees	1,500 Employees or Fewer
24 GHz – Future Licensees	<b>Small Business</b> is average gross revenues of \$15M or less for the preceding three years (includes affiliates and persons or entities that hold interest in such entity and their affiliates) <b>Very Small Business</b> is average gross revenues of \$3M or less for the preceding three years (includes affiliates and persons or entities that hold interest in such entity and their affiliates)
<b>Miscellaneous</b>	
On-Line Information Services	\$18 Million in Annual Receipts or Less
Radio and Television Broadcasting and Wireless Communications Equipment Manufacturers	750 Employees or Fewer
Audio and Video Equipment Manufacturers	
Telephone Apparatus Manufacturers (Except Cellular)	1,000 Employees or Fewer
Medical Implant Device Manufacturers	500 Employees or Fewer
Hospitals	\$29 Million in Annual Receipts or Less
Nursing Homes	\$11.5 Million in Annual Receipts or Less
Hotels and Motels	\$6 Million in Annual Receipts or Less
Tower Owners	(See Lessee’s Type of Business)