APPENDIX B -- FINAL REGULATORY FLEXIBILITY ANALYSIS

Pursuant to the Regulatory Flexibility Act of 1980, 5 U.S.C. § 604, the Commission's final analysis is as follows:

I. Need For, and Purpose of, This Action

The Commission published an Initial Regulatory Flexibility Analysis, *see generally* 5 U.S.C. § 603, within the *Notice of Proposed Rulemaking* in MM Docket No. 94-131. As noted in that initial analysis, this proceeding will streamline the procedures for filing applications in MDS, and thereby expedite the provision of services to the public.

Under the terms of the 1993 Budget Act, the Commission may now utilize competitive bidding mechanisms in the granting of certain initial licenses. The Commission published an Initial Regulatory Flexibility Analysis within the *Notice of Proposed Rulemaking* in PP Docket No. 93-253, and published a Final Regulatory Flexibility Analysis within the *Second Report and Order* in that docket. As noted in that previous final analysis, this proceeding will establish a system of competitive bidding for choosing among mutually exclusive initial MDS applications, and will carry out congressional mandates that certain designated entities be afforded an opportunity to participate in the competitive bidding process and the provision of spectrum-based services.

II. Legal Basis for This Action

Authority for the action taken in this proceeding may be found in Sections 4(i) and (j), 301, 303(f), 303(g), 303(h), 303(j), 303(r), 307(c), 308(b), 309(j) and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 301, 303(f), 303(g), 303(h), 303(j), 303(r), 307(c), 308(b), 309(j), and 403.

III. Summary of the Issues Raised by the Public Comments in Response to the Initial Regulatory Flexibility Analysis

No comments were submitted in response to our Initial Regulatory Flexibility Analysis for either MM Docket No. 94-131 or PP Docket No. 93-253.

IV. Significant Alternatives Considered

Although, as described in (III) above, no comments were received pertaining to our Initial Regulatory Flexibility Analysis for MM Docket No. 94-131 and PP Docket No. 93-253, the *Second Report and Order* addressed at length the general policy considerations raised as a result of the new competitive bidding legislation. This *Report and Order* considered in detail various alternatives for revising MDS application procedures and implementing competitive bidding for MDS, and the comments submitted on such alternatives.

This Report and Order also specifically considered the impact of the provisions adopted

on small entities. Overall, the Commission believes that the provisions adopted herein would benefit small entities by employing short-form applications for MDS and by providing certain special incentives to small entities in the competitive bidding process. In addition, the Commission, while authorizing electronic filing, did not make such filing, with its possible associated costs, mandatory for MDS applicants.