FEDERAL COMMUNICATIONS COMMISSION

47 CFR Parts 4, 9, and 20
[WT Docket No. 16–240; FCC 16–95]

Harmonizing and Streamlining Rules Concerning Requirements for Licenses to Overcome a CMRS Presumption

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: In this document, the Federal Communications Commission (Commission or FCC) proposes and seeks comment on revising the Commission’s rules governing commercial mobile radio services. We propose to end the presumption contained in the Commission’s rules that all applicants and licensees in the services identified in that section intend to license their facilities as commercial mobile radio service (“CMRS”) operations by eliminating that section and making related rule changes.

DATES: Submit comments on or before October 17, 2016 and reply comments on or before November 16, 2016.

ADDRE$$S$$: You may submit comments, identified by WT Docket No. 16–240, by any of the following methods:

- Mail: All hand-delivered or messenger-delivered paper filings for the Commission’s Secretary must be delivered to FCC Headquarters at 445 12th Street SW., Room TW–A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.
- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.
- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street SW, Washington, DC 20554.
- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by email: FCC504@fcc.gov or phone: 202–418–0530 or TTY: 202–418–0432.

For detailed instructions for submitting comments and additional information on the rulemaking process, see the SUPPLEMENTARY INFORMATION section of this document.

FOR FURTHER INFORMATION CONTACT: Wilbert E. Nixon Jr., Wilbert.nixon@fcc.gov, Mobility Division, Wireless Telecommunications Bureau, (202) 418–0985, or TTY (202) 418–7233.


Comment Filing Instructions

Pursuant to sections 1.415 and 1.419 of the Commission’s rules, 47 CFR 1.415 and 1.419, interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments may be filed using the Commission’s Electronic Comment Filing System (“ECFS”). See Electronic Filing of Documents in Rulemaking Proceedings, 63 FR 24121, May 1, 1998.

Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: http://fjallfoss.fcc.gov/ecfs2/.

Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing.

Filing can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission’s Secretary, Office of the Secretary, Federal Communications Commission.

All hand-delivered or messenger-delivered paper filings for the Commission’s Secretary must be delivered to FCC Headquarters at 445 12th Street SW., Room TW–A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.

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Synopsis

I. Introduction

A. Proposal To Revise Part 20 and Make Related Changes

1. In this document, the Commission proposes amendments to the Part 20 rules to update, streamline, and modernize them, including harmonizing the regulatory treatment of the various mobile radio services with regard to how applicants must report the regulatory classification of their facilities and easing spectrum acquisition in the secondary market consistent with suggestions received as part of the Commission’s process reform efforts. Specifically, we tentatively conclude that eliminating the CMRS presumption for those operators of services currently identified in section 29.9 would streamline application preparation and processing, and promote comparable treatment of wireless applicants and licensees. Under the proposed elimination of section 29.9 contained in this NPRM, applicants and licensees could simply inform the Commission in initial, modification, or assignment applications of their regulatory status. We seek comment on our tentative conclusions, as well as the costs and benefits of our proposed approach.

2. This proposed approach would shorten the period for processing of a number of applications, as well as eliminate the obligation of certain licensees and applicants in the services specified in section 29.9 to make a showing, even if brief, regarding their intent to operate on a non-common carrier or private basis. We tentatively conclude that shortening the period for processing of applications as well as lightening the regulatory burden currently imposed on licensees and
applicants that apply to operate as non-CMRS providers in the services listed in section 20.9 will lead to more efficient and timely use of the licensed spectrum, without imposing any more regulatory burdens than those necessary for the Commission to oversee spectrum usage. We seek comment on this tentative conclusion.

3. In addition, we believe that the proposed elimination of section 20.9 would help to eliminate uneven and disparate regulation of wireless applicants and licensees. As we discussed above, the regulatory filing requirements and potential lengthening of the application processing period imposed by section 20.9 on licensees and applicants desiring to use spectrum identified in this rule section on a non-CMRS basis are not imposed uniformly on all spectrum and services, particularly when compared with those services for which service rules have been adopted in recent years by the Commission. We tentatively conclude that the public interest would be served by treating similarly situated entities on a more equitable, comparable basis.

4. The Commission, in adopting section 20.9, conducted an extensive review of the Omnibus Bus Regulation Conciliation Act of 1993, Public Law 103–66, Title VI, section 6002(b) ("1993 OBRA"), amending the Communications Act of 1934 and codified at 47 U.S.C. 332(c), its legislative history, and developments in regulation of wireless services. The Commission noted that Congress "replaced traditional carrier and private radio definitions that evolved under the prior version of Section 332 of the Act with two newly defined categories of mobile services: Commercial mobile radio service (CMRS) and private mobile radio service (PMRS)," and "replaced traditional regulation of mobile services with an approach that brings all mobile service providers under a comprehensive, consistent regulatory framework and gives the Commission flexibility to establish appropriate levels of regulation for mobile radio services providers." Two Congressional objectives appeared to drive these statutory changes: (1) "To ensure that similar [mobile] services would be subject to consistent regulatory classification[.]" and (2) to "establish[ ] and administer[ ] for CMRS providers" "an appropriate level of regulation." 5. The Commission also noted that Congress was concerned with the "disparate regulatory treatment" that had existed for services. Observing that Congress's intent that the Commission establish consistent regulations was reflected in the statutory requirement that any service that amounted to a "functional equivalent" of CMRS be treated as CMRS even if the service did not fit the strict definition of that service. At the same time, the Commission "anticipat[ed] that very few mobile services that do not meet the definition of CMRS will be a close substitute for a [CMRS]." The Commission therefore decided to "presume that a mobile service that does not meet the definition of CMRS is a [PMRS]." To rebut the presumption, a challenger to a PMRS claim was required to follow the method and meet the criteria that the Commission prescribed for demonstrating that the carrier claiming PMRS status was actually providing the functional equivalent of CMRS. Section 20.9(a)(14) memorializes this presumption and the criteria for the showing that someone challenging the presumption would need to make to overcome it (i.e., to demonstrate that an applicant purporting to offer PMRS is actually offering services that are the functional equivalent of CMRS and thus warrants the corresponding level of regulation). This rebuttable presumption has served as a reasonable mechanism for classifying a service as PMRS or CMRS for filing purposes, consistent with the statutory definitions. It does not, however, constitute the only approach for identifying whether a provider's proposed or existing service should be classified one way or another, and changes may now be warranted based on the development of CMRS and PMRS services and our experience with the application of the presumption, such as how parties have used it, how often and how successfully it has been challenged, and whether it tends to streamline the licensing processes or encumber them.

6. As discussed above, the substantial changes that have occurred in the wireless industry since the rule's adoption suggest that it is now an appropriate time to reexamine the need for the presumption, and this NPRM seeks comment on its continued use and on other possible approaches. There has been increasing demand for PMRS use of spectrum and other rule changes permitting more flexible uses of spectrum in ways that section 20.9 does not encourage (i.e., by requiring the filing of a waiver). We observe that the section 20.9 construct, which treats certain mobile services differently depending upon where they fall in our rules, can result in application processing inefficiencies and delays for the affected services. Given changed circumstances since the Commission adopted section 20.9, we tentatively conclude that eliminating the rule would help to further Congressional intent that the Commission avoid "disparate regulatory treatment" across mobile radio services.

7. We also observe that section 20.3 of the rules defines "commercial mobile radio service" to include a mobile service that is "the functional equivalent of a mobile service described in paragraph (a) of this section, including a mobile broadband Internet access service as defined in section 8.2 of this chapter." We therefore believe that section 20.3 of the rules, either in its current form or as we propose below to modify it, and in combination with other Commission rules and processes, helps ensure that the Commission will continue to treat as CMRS any service that amounts to a "functional equivalent" of CMRS. We anticipate that the combined effect of our proposals to eliminate section 20.9 of the rules and rely on the CMRS definition in section 20.3 will continue to treat services operating as functionally equivalent to CMRS in the same way as we treat CMRS, while eliminating minor processing differences across types of wireless applications.

8. We seek comment on these proposals, including other ways to overcome the processing inefficiencies discussed above. For example, would amending section 20.9 help to address these concerns more effectively than eliminating the rule in its entirety? We seek comments on such alternatives, if any, as well as their costs and benefits.

9. We note that the elimination of one subsection of section 20.9 was recently endorsed by commenters responding to the Wireless Telecommunications Bureau's Public Notice regarding the applicability of paging and radiotelephone rules and soliciting comment on the need for technical flexibility. For example, the Land Mobile Communications Council stressed that eliminating section 20.9(a)(6) would be consistent with the eligibility standard now reflected in section 22.7 and "would eliminate an unnecessary burden on applicants and the FCC staff." Both the BloostonLaw Licensees and Nebraska Public Power District agreed that section 20.9(a)(6) should be eliminated. We believe that the reasons used to support arguments in favor of the elimination of section 20.9(a)(6) apply to removal of section 20.9 in its entirety and seek comment on this view.

Regardless of what action we take regarding our proposal to eliminate section 20.9, we tentatively conclude
that we should make a technical corrective edit to section 9.3 of the Commission’s rules which includes definitions to be used in connection with the provision of interconnected Voice over Internet Protocol services. Specifically, section 9.3 defines “CMRS” as “Commercial Mobile Radio Service, as defined in section 20.9 of this chapter.”

We propose that this definition refer instead to section 20.3, which is the definition section for Part 20 and includes a definition of “commercial mobile radio service.”

We also find that a corrective edit to section 4.3(f) of our rules is appropriate, whether or not we adopt the proposal to eliminate section 20.9. Section 4.3(f), which defines “wireless service providers” subject to outage reporting requirements, includes a cross-reference to section 20.9 for a definition of “commercial mobile radio service.” As discussed above with respect to section 9.3, we propose instead that the definition in this section refer to the definition of “commercial mobile radio service” in section 20.3.

12. We also propose to eliminate section 20.7, which includes a list of services defined as falling within the definition of “mobile services” as used in sections 3(n) and 332 of the Communications Act. As with section 20.9, in light of the mobile services created since the Commission adopted this rule, section 20.7 is under-inclusive insofar as it does not include all the services that in fact are “mobile services” under our statutory language. Eliminating section 20.7 would not change the definition of “mobile service” contained in section 20.3, the Definitions section of Part 20. We tentatively conclude that section 20.7 no longer appears to serve a useful purpose, and we seek comment on that tentative conclusion and our proposal to eliminate this section.

13. As we noted above, section 20.3 defines the term “commercial mobile radio service,” and includes as part of that definition a mobile service that is “[t]he functional equivalent of a mobile service described in paragraph (a) of this section.” Section 20.9(a)(14), which would be deleted if we were to eliminate section 20.9 in its entirety, enumerates some of the factors that the Commission may consider in determining whether a mobile service is the functional equivalent of a commercial mobile radio service in cases where the service otherwise does not meet the definition of CMRS and the resultant classification of the service as PMRS has been challenged. In this regard, section 20.9(a)(14) lays out the process for making such a challenge—i.e., a challenger may attempt to defeat this presumptive classification by filing a petition for declaratory ruling challenging a mobile service provider’s regulatory treatment as a private mobile radio service. We ask interested parties to comment on whether retaining section 20.9(a)(14), or any of its subsections, would be useful to maintain as a practical and procedural set of guidelines for both the providers of mobile services and the Commission when applying the definitions of CMRS and PMRS, and whether we should move this language to section 20.3, as a subsection under the definition of commercial mobile radio service, or to another section in part 20.

14. We tentatively conclude that nothing in the proposed elimination of sections 20.7 or 20.9 would affect the definition of “commercial mobile radio service” contained in section 20.3 of our rules or the obligations imposed on providers of commercial mobile radio services. Indeed, we wish to reiterate that we do not intend to change either any substantive CMRS regulatory policies with our proposal or other substantive policies pursuant to existing Commission rules affecting the licensees in the services that an amended section 20.3 would address. Rather, our proposal in this rulemaking regarding section 20.9 is narrow and we intend for it to eliminate an unnecessary burden upon certain licensees and applicants in services named in that section. There would be no change in the obligations imposed upon entities providing commercial or private mobile radio service. In this regard, we observe that we have the necessary authority, independent of the requirements of section 20.9, to take enforcement action against a licensee that intentionally tries to avoid CMRS regulation by misrepresenting that its service is or will be operated on a “non-common carrier” or “private” basis (e.g., by selecting such status in an application filed with the Commission), when its service offering in fact falls within the CMRS definition and warrants being subject to the appropriate regulations as a result of that status. We also observe that even if we eliminate the section 20.9(a)(14) PMRS presumption for providers whose service does not meet the strict CMRS definition, potential challengers would continue to have avenues available to challenge an applicant’s or licensee’s designation of its service as “non-common carrier” or “private,” (e.g., by filing a pleading challenging an application or its grant, based on the charge that the applicant’s claimed regulatory status was incorrect). Similarly, although those that might seek to challenge an application filed under section 20.9(b) of the rules might lose the 30-day notice period currently afforded by public notice, other avenues to challenge such applications would remain available. We request comment on our tentative conclusions.

15. Section 20.9(a)(10) includes certain mobile satellite services and section 20.9(a)(13) includes certain FM subcarrier communications within the definition of “commercial mobile radio service.” At this time, we see no reason not to treat these services the same as the other services identified in section 20.9, but we seek comment on any potential impact.

16. We request comment on the necessary changes we need to make to our forms. For example, at present, Form 603 does not include the option for a proposed assignee/transferee to indicate a different regulatory status for a license that is the subject of a proposed transaction. We believe that, if we adopt revised rules as proposed above, we also will need to revise Form 603 to permit a proposed assignee or transferee to indicate a change in regulatory status.

17. In connection with revising our forms consistent with whatever action we take in this proceeding, at present, many of our forms provide the option of selecting one of the following statuses: “common carrier;” “non-common carrier;” or “private, internal communications.” The existing terms derive from past usage about categories of mobile wireless operations. We seek comment on whether we should replace these existing regulatory status terms in the forms to reflect the CMRS/PMRS terminology. We note that both CMRS and PMRS are defined terms in section 20.3, and are terms consistent with section 332 of the Communications Act. We tentatively conclude that using the existing terms of “common carrier,” “non-common carrier,” and “private, internal communications” tend to be confusing and that usage of the terms “CMRS” and “PMRS” with accompanying definitions in the form instructions would reflect more accurately the rules and statutory provisions on which the forms are based and thus be easier to understand. We seek comment on this tentative conclusion.

B. Initial Regulatory Flexibility Certification

18. The Regulatory Flexibility Act (RFA) requires that an agency prepare a regulatory flexibility analysis for notice-
II. Procedural Matters

A. Ex Parte Presentations

24. Permit-But-Disclose. The proceeding this NPRM initiates shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s ex parte rules. Persons making presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral ex parte presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the ex parte presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memorandum, or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memorandum, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during ex parte meetings are deemed to be written ex parte presentations and must be filed consistent with rule 1.1206(b). In proceedings governed by rule 1.49(f) or for which the Commission has made available a method of electronic filing, written ex parte presentations and memoranda summarizing oral ex parte presentations, and all attachments thereto, must be filed through the electronic comment filing system (“ECFS”) available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission’s ex parte rules.

B. Filing Requirements

25. Pursuant to sections 1.415 and 1.419 of the Commission’s rules, 47 CFR 1.415, 1.419, interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments may be filed using the Commission’s Electronic Comment Filing System (ECFS). See Electronic Filing of Documents in Rulemaking Proceedings, 63 FR 24121 (1998).
• Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: http://fjallfoss.fcc.gov/ecfs2/
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Filing can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission’s Secretary, Office of the Secretary, Federal Communications Commission.

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III. Initial Regulatory Flexibility Certification

26. The Regulatory Flexibility Act of 1980 (RFA) requires that an agency prepare a regulatory flexibility analysis for notice and comment rulemakings, unless the agency certifies that “the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities.” Accordingly, we have prepared an Initial Regulatory Flexibility Certification (“IRFC”) of the possible significant economic impact on small entities of the policies and rules proposed in this NPRM. The certification is found in the Appendix. We request written public comment on the certification. Comments must be filed in accordance with the same deadlines as comments filed in response to the NPRM, and must have a separate and distinct heading designating them as responses to the IRFC. The Commission’s Consumer and Governmental Affairs Bureau, Reference Information Center, will send a copy of this NPRM, including the IRFC, to the Chief Counsel for Advocacy of the Small Business Administration.

IV. Paperwork Reduction Analysis

27. This document contains proposed new and modified information collection requirements. The Commission, as part of its continuing effort to reduce paperwork burdens, invites the general public and the Office of Management and Budget (OMB) to comment on the information collection requirements contained in this document, as required by the Paperwork Reduction Act of 1995, Public Law 104–13. In addition, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107–198, see 44 U.S.C. 3506(c)(4), we seek specific comment on how we might further reduce the information collection burden for small business concerns with fewer than 25 employees.

28. Availability of Documents. Comments, reply comments, and ex parte submissions will be publically available online via ECFS. These documents will also be available for public inspection during regular business hours in the FCC Reference Information Center, which is located in Room CY–A257 at FCC Headquarters, 445 12th Street SW., Washington, DC 20554. The Reference Information Center is open to the public Monday through Thursday from 8:00 a.m. to 4:30 p.m. and Friday from 8:00 a.m. to 11:30 a.m.

List of Subjects

47 CFR Part 4
Disruptions to communications, Reporting requirements.

47 CFR Part 9
Interconnected voice over internet protocol services, Definitions.

47 CFR Part 20
Commercial mobile services, Mobile services and Commercial mobile radio services.
Federal Communications Commission.
Marlene H. Dortch,
Secretary.

Proposed Rules

For the reasons discussed in the preamble, the Federal Communications Commission propose to amend 47 CFR parts 4, 9, and 20 as follows:

PART 4—DISRUPTIONS TO COMMUNICATIONS

1. The authority citation for part 4 continues to read as follows:
Authority: Sec. 5, 48 Stat. 1068, as amended; 47 U.S.C. 154, 153, 201, 251, 307, 316, 615a–1, 1302(a), and 1302(b) unless otherwise noted.

2. Section 4.3 is amended by revising paragraph (f) to read as follows:

(f) Wireless service providers include Commercial Mobile Radio Service communications providers that use cellular architecture and CMRS paging providers. See § 20.3 of this chapter for the definition of Commercial Mobile Radio Service. Also included are affiliated and non-affiliated entities that maintain or provide communications networks or services used by the provider in offering such communications.

PART 9—INTERCONNECTED VOICE OVER INTERNET PROTOCOL SERVICES

3. The authority citation of part 9 continues to read as follows:
Authority: 47 U.S.C. 151, 154(i)–(j), 251(e), 303(r), and 615a–1 unless otherwise noted.

4. Section 9.3 is amended by revising the definition of “CMRS” to read as follows:

CMRS. Commercial Mobile Radio Services, as defined in § 20.3 of this chapter.

PART 20—COMMERCIAL MOBILE SERVICES

5. The authority citation of part 20 continues to read as follows:
Authority: 47 U.S.C. 151, 152(a), 154(i), 157, 160, 201, 214, 222, 251(e), 301, 302, 303, 303(b), 303(c), 307, 307(a), 309, 309(j)(3), 316, 316(a), 332, 615, 615a, 615b, and 615c unless otherwise noted.

§§ 20.7 and 20.9 [Removed].

6. Remove §§ 20.7 and 20.9.

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