

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

In the Matter of )  
)  
1998 Biennial Regulatory Review -- Streamlined )  
Contributor Reporting Requirements Associated ) CC Docket No. 98-171  
with Administration of Telecommunications Relay )  
Services, North American Numbering Plan, Local )  
Number Portability, and Universal Service Support )  
Mechanisms )  
)

**ORDER**

**Adopted:** February 3, 2000

**Released:** February 4, 2000

By the Chief of the Common Carrier Bureau:

**I. INTRODUCTION**

1. In this Order, we take actions to provide for the filing of the April 2000 Telecommunications Reporting Worksheet and for the distribution of essential contributor revenue data to the administrators of the: (1) Telecommunications Relay Services Fund; (2) the cost recovery mechanism for numbering administration; (3) the cost recovery mechanism for long-term local number portability; and (4) the universal service support mechanisms. These actions are necessary to ensure that the administrators of these support and cost recovery mechanisms will each have access to reliable and timely data on which to base contributions to these mechanisms.

2. Specifically, as set out below, we direct the National Exchange Carriers Association (NECA) to perform the data collection functions for the April 2000 filing, in accordance with the joint proposal submitted by the administrators of the four support and cost recovery mechanisms.<sup>1</sup> Because we, at this time, select NECA to perform these functions only for the April 2000 filing, we also set out, below, procedures for the administrators to submit proposed arrangements for future filings. We expect that the procedures approved in this Order will result in lower administrative costs overall and will ensure the lowest regulatory burden on the telecommunications service providers that contribute to these support and cost recovery mechanisms.

**II. BACKGROUND**

3. In a series of separate proceedings, the Commission established procedures to finance interstate telecommunications relay services, universal service support mechanisms, administration of the North

---

<sup>1</sup> See *Joint Submission of Program Administrators Regarding Consolidated Data Collection Procedures and Cost Allocation Methodology*, CC Docket 98-171 (Oct. 12, 1999) (*Joint Submission*).

American Numbering Plan, and the shared costs of long-term local number portability.<sup>2</sup> As directed by Congress, these efforts are funded by contributions from telecommunications carriers and certain other providers of telecommunications services.<sup>3</sup> On July 14, 1999, the Commission acted to reduce duplicative reporting burdens associated with these four support and cost recovery mechanisms.<sup>4</sup> In particular, the Commission replaced several different forms filed by contributing carriers and replaced them with one consolidated form, the Telecommunications Reporting Worksheet.<sup>5</sup> The Commission also directed that contributors to the four support and cost recovery mechanisms need only file one copy of their completed Telecommunications Reporting Worksheet at one location.<sup>6</sup> Pursuant to the Commission's order, contributors are required to file their end-of-year 1999 revenue data on April 1, 2000.<sup>7</sup>

4. Moreover, in order to facilitate the filing of the Telecommunications Reporting Worksheet, the Commission ordered the administrators to "develop efficient and effective procedures for collecting, validating, and distributing the centrally-filed contributor data amongst themselves."<sup>8</sup> The Commission directed the administrators to file a summary of their proposed procedures and to include in that summary a description of how related costs would be equitably apportioned. The Commission delegated authority to this Bureau to review the administrators' summary.<sup>9</sup>

5. As directed in the *Streamlined Contributor Reporting Requirements Order*, the administrators filed a joint submission addressing data collection procedures and a proposed cost allocation methodology.<sup>10</sup> The Joint Submission states that a "central data collection agent will be the most efficient and cost effective vehicle for implementing the FCC's consolidated revenue data collection procedures."<sup>11</sup> The administrators propose that a data collection agent should perform a variety of functions, including

---

<sup>2</sup> See *1998 Biennial Regulatory Review -- Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Services, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms*, Notice of Proposed Rulemaking, FCC 98-233, 13 FCC Rcd 19295, ¶¶ 5-14 (Sept. 25, 1998) (*Streamlined Contributor Reporting Requirements Notice*).

<sup>3</sup> See *Streamlined Contributor Reporting Requirements Notice*, 13 FCC Rcd 19295, ¶¶ 5-14.

<sup>4</sup> See *1998 Biennial Regulatory Review -- Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Services, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms*, Order, FCC 99-175, CC Docket 98-171 (Jul. 14, 1999) (*Streamlined Contributor Reporting Requirements Order*).

<sup>5</sup> *Streamlined Contributor Reporting Requirements Order*, ¶¶ 9-13.

<sup>6</sup> *Id.* at ¶ 36.

<sup>7</sup> *Id.* at ¶ 32.

<sup>8</sup> *Id.* at ¶ 45.

<sup>9</sup> *Id.* at ¶ 46.

<sup>10</sup> See *Joint Submission*, *supra* n.1. The submission was filed on behalf of the Universal Service Administrative Company (Administrator for the universal service support mechanisms), Lockheed Martin-IMS (Administrator for local number portability), NECA (Administrator of the TRS Fund), and NBANC (Billing and Collection Agent for the North American Numbering Plan). A copy of the administrator's Joint Submission is attached as Appendix A.

<sup>11</sup> *Joint Submission* at 2.

distributing the form to potential filers, responding to industry inquiries, performing necessary follow-up, maintaining a database of contributor information, and providing information to the other administrators on a regular basis. The administrators propose a cost allocation methodology that would assign forty percent of the data collection-related costs to the administrator of the universal service support mechanisms, and twenty percent of the related costs each to the other administrators.<sup>12</sup> By Public Notice, the Bureau sought comment on the administrators' Joint Submission.<sup>13</sup>

6. The administrators' Joint Submission is silent on one key aspect of the data collection procedures, in that it does not propose a specific entity to serve as the data collection agent. In a separate letter, however, one of the administrators, the Universal Service Administrative Company (USAC), seeks to be designated as the entity responsible for the data collection procedures addressed in the Joint Submission.<sup>14</sup> In comments, another administrator, NECA, opposes USAC's request and, alternatively, proposes that, instead of the Commission selecting the agent, "all the program administrators ... be directly responsible for the selection of the [data collection agent]."<sup>15</sup>

### III. DISCUSSION

7. Consistent with the Commission's actions in this proceeding, we review the administrators' proposals with the goal of reducing regulatory burdens and administrative costs, wherever possible, for the contributors to the four support and cost recovery mechanisms. These costs include administrator costs that are ultimately passed on to contributors, as well as costs incurred directly by the contributors in complying with the Commission's rules. We conclude that, for purposes of the April 2000 filing, we can best reduce those costs by directing that completed copies of the Telecommunications Reporting Worksheet be filed with NECA. In order to ensure the lowest burden on filers of the worksheet and to ensure the efficient distribution of the contributor-filed data among the administrators, we order NECA to perform those tasks associated with the April 2000 data collection, as outlined in the joint submission of the administrators.

8. We find reasonable the administrators' conclusion that significant benefits may be achieved by having one entity perform the data collection functions associated with the filing of the Telecommunications Reporting Worksheet.<sup>16</sup> Such an approach will ensure that telecommunications carriers and other providers

---

<sup>12</sup> *Joint Submission* at 3. The administrators reason that "[i]n the past ... USAC was required to collect data twice annually, while the other entities each collected data annually. Since this resulted in five data collections per year, the program administrators believe that an equitable sharing of costs would result from two-fifths of the costs of the [data collection agent] being borne by USAC, with each of the other program administrators being assigned one-fifth of the [data collection agent's] costs." *Id.*

<sup>13</sup> See *Common Carrier Bureau Seeks Comment on Joint Submission of Program Administrators Regarding Consolidated Data Collection Procedures and Cost Allocation Methodology*, Public Notice, DA 99-2334, CC Docket 98-171 (Oct. 27, 1999). A list of commenters is attached as Appendix B.

<sup>14</sup> See Letter from D. Scott Barash, Universal Service Administrative Co., to Magalie Roman Salas, Federal Communications Commission, (Oct. 12, 1999). See also *Common Carrier Bureau Seeks Comment on Data Collection Procedures for Telecommunications Reporting Worksheet*, Public Notice, DA 99-2545, CC Docket 98-171 (Nov. 16, 1999) (inviting parties to comment on the USAC letter in their comments to the Joint Submission).

<sup>15</sup> NECA Reply Comments at 4.

<sup>16</sup> See *Joint Submission* at 2.

of interstate telecommunications services need file only one copy of the consolidated worksheet and have one entity as the primary source for inquiries. While no party submitted a cost-benefit analysis of the proposal outlined in the Joint Submission, we are sufficiently persuaded by the administrators' mutual conclusion that having one entity perform these otherwise overlapping functions will be a cost effective approach.<sup>17</sup> At a minimum, we see no evidence pointing to a contrary conclusion.<sup>18</sup>

9. We select NECA to perform these functions for the April 2000 filing in order to ensure that the April 2000 filing is handled expeditiously. In this regard, we note that NECA currently performs the data entry functions -- either as administrator or under contract -- for three of the four mechanisms.<sup>19</sup> We further observe that, during its tenure as an administrator, NECA has demonstrated its ability to perform these functions in a satisfactory manner. In making this decision, we necessarily decline USAC's invitation that it be designated as the entity responsible for data collection activities, for the April 2000 filing. We note, however, that, notwithstanding its request, USAC indicated its plans to employ NECA for the April 2000 filing.<sup>20</sup> We also note that the administrator of the fourth mechanism, Lockheed Martin-IMS, expressed no interest in assuming responsibility for these functions.

10. Since we select NECA to perform these data entry functions only for the April 2000 filing, we also direct the administrators to file -- jointly or severally -- proposed procedures for handling the consolidated worksheet for the September 2000 filing and for both the April and September filings in the years 2001 and 2002. Any proposals addressing future filings should take into consideration the practical experiences of the previous filing and must demonstrate that they will provide not only low cost overall, but ease of filing for contributors, and a high degree of effectiveness in compiling, validating, and distributing the contributor data. The instructions for the September filing must be mailed no later than August 1<sup>st</sup> to contributors and submitted to the Office of Management and Budget for its approval under the Paperwork Reduction Act, which is required 60 days prior to that time (*i.e.*, at the beginning of June). Accordingly, we direct that such proposals be filed by the administrators with the Commission no later than May 15, 2000.

11. We continue to believe that the administrators face incentives to develop efficient and effective procedures for processing this data and note that the administrators are free to develop -- jointly or severally -- different procedures for future filings. The Commission's order reflects a preference that the administrators resolve such issues in the same way that they resolve other routine administrative issues, *i.e.*, without recourse to Commission action. In the event that the administrators are not able to jointly

---

<sup>17</sup> We thus decline, at present, Bell Atlantic's proposal that we require the administrators to submit a cost-benefit analysis before appointing a data collection agent. For purposes of this filing, we rely on the representations of the administrators that their overall costs should be reduced as a result of this consolidation. Should the experience of the April 2000 filing indicate that such expectations are not reasonable, we will be inclined to revisit this suggestion. *See* Bell Atlantic Comments at 2.

<sup>18</sup> *See, e.g.*, CTIA Comments at 2 (“[A] central [data collection agent] is an efficient and cost-effective way to collect, validate, and process contributors' data from these four programs.”).

<sup>19</sup> As administrator, NECA has performed data collection functions for the TRS Fund since its inception. In addition, NECA, under contract, has performed data collection functions for the universal service support mechanisms and for the NANPA, in the past.

<sup>20</sup> *See* Letter from D. Scott Barash, Universal Service Administrative Co., to Magalie Roman Salas, Federal Communications Commission, at 2 (Oct. 12, 1999).

develop a proposal that address all aspects of the data collection procedures, *e.g.*, including specifying the entity to serve as the data collection agent, we expect that the Bureau may need to revisit the issue of how much oversight is required, including whether it might need to supervise a competitive bidding process or whether it might need to select one entity to perform these data collection procedures based on the proposals received.

12. Having directed that NECA perform the functions of the data collection agent for the April 2000 filing, we turn to the issue of cost allocation. We have been presented with two proposals for allocating costs, one from the administrators and another from MCI Worldcom. In our view, both proposals appear to provide for a reasonable allocation of costs.<sup>21</sup> Furthermore, both of these proposals appear administratively simple to apply. We find persuasive, however, that the proposal in the Joint Submission is endorsed by the administrators of all four mechanisms.<sup>22</sup> We have been presented with no evidence to suggest that any of the administrators face incentives to do anything other than keep their administrative costs to a minimum. Accordingly, we direct that costs associated with the data collection functions be apportioned pursuant to the administrators' proposal in the Joint Submission.

#### IV. CONCLUSION

13. For all the reasons set forth above, we adopt this order to promote the efficient administration of the federal support and cost recovery mechanisms for telecommunications relay services, numbering administration, local number portability, and universal service support. We conclude that the actions taken here will provide the least burdensome process for contributors to comply with the Commission's reporting requirements and will reduce costs born by the telecommunications industry overall.

---

<sup>21</sup> See *supra* n.12 (summarizing the administrators' proposal); MCI Worldcom Comments at 2-3. MCI Worldcom would allocate 62.5% of the data collection costs to USAC, and 12.5% to each of the remaining administrators, based on its reasoning that "[w]ith the consolidated worksheet, only one data collection effort would be required were it not for the biannual collection requirements of the universal service fund (USF)" and that each collection accounts for approximately half of the data collection costs.

<sup>22</sup> See, *e.g.*, NECA Reply Comments at 3 (critiquing the proposal filed MCI Worldcom).

**V. ORDERING CLAUSES**

14. ACCORDINGLY, IT IS ORDERED, pursuant to sections 1, 4(i), 4(j), 11, 201-205, 210, 214, 218, 225, 251, 254, 303(r), 332, and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 1, 4(i), 4(j), 11, 201-205, 210, 214, 218, 225, 251, 254, 303(r), 332, and 403 that this ORDER is hereby ADOPTED.

FEDERAL COMMUNICATIONS COMMISSION

Lawrence E. Strickling  
Chief, Common Carrier Bureau

**APPENDIX A - JOINT SUBMISSION OF THE PROGRAM ADMINISTRATORS**

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

DOCKET FILE COPY ORIGINAL

RECEIVED

OCT 12 1999

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )  
)  
1998 Biennial Regulatory Review -- )  
Streamlined Contributor Reporting )  
Requirements Associated with Administration )  
of Telecommunications Relay Services, North )  
American Numbering Plan, Local Number )  
Portability, and Universal Service Support )  
Mechanisms )  
)

CC Docket No. 98-171

**JOINT SUBMISSION OF PROGRAM ADMINISTRATORS  
REGARDING CONSOLIDATED DATA COLLECTION PROCEDURES  
AND COST ALLOCATION METHODOLOGY**

**INTRODUCTION**

On July 14, 1999, the Commission released a Report and Order in CC Docket No. 98-171 which streamlined the revenue reporting requirements for contributors who finance the shared costs of local number portability, administration of the North American Numbering Plan ("NANP"), the interstate Telecommunications Relay Services Fund, and the federal Universal Service Fund. The changes will take effect beginning with the submission by service providers of the FCC Form 499A due on April 1, 2000.<sup>1</sup> In the Order, the Commission directed the program administrators to develop efficient and effective procedures for collecting, validating, and distributing the centrally-filed contributor data among themselves, and to file with the Common Carrier Bureau a summary of their proposed procedures for distributing the data from the worksheet within 90 days after release of the

No. of Copies rec'd 074  
List ABCDE

<sup>1</sup> 1998 Biennial Regulatory Review Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Services, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms, *Report and Order* in CC Docket No. 98-171, FCC 99-175 (July 14, 1999).



Order. Additionally, the Order requires the program administrators to include in their filed summary a description of how related costs will be equitably apportioned.

The program administrators, Lockheed Martin-IMS (the local number portability administrator), the North American Numbering Plan Billing and Collection Agent (“NBANC”), the National Exchange Carrier Association, Inc. (“NECA”) (the Telecommunications Relay Services Fund administrator), and the Universal Service Administrative Company (“USAC”) (the federal Universal Service Fund administrator), collectively referred to as “the program administrators”, submit this filing pursuant to the Commission’s July 14, 1999 Order. The program administrators believe that a central data collection agent will be the most efficient and cost-effective vehicle for implementing the FCC’s consolidated revenue data collection procedures. Set forth below are the responsibilities of the Data Collection Agent (“DCA”) and a proposed methodology for allocating the costs of the DCA’s functions to the various programs.<sup>2</sup>

#### **DATA COLLECTION AGENT RESPONSIBILITIES**

The program administrators have determined that the DCA will be responsible for maintaining an accessible database of contributor key identifier data, contributor name and address information. The DCA’s duties include primary responsibility for the identification of new contributors, as well as tracking of contributor mergers and dissolutions. The DCA will be responsible for key identifier code assignment and maintenance as well.

The DCA will distribute the data collection form (FCC Form-499) to the industry in sufficient time to allow for accurate responses, will respond to industry inquiries regarding

---

<sup>2</sup> USAC is filing today a letter to the Commission covering which entity should serve as the DCA. See letter from Robert Haga, USAC VP of Operations to Secretary of the Commission (October 12, 1999).

the form and the data to be reported, and will serve as a single point of collection and processing of the data collected.

The DCA will analyze the reported revenue information, and will perform any necessary follow-up activity associated with questionable or missing data. The DCA will also perform any required follow-up activity with non-respondents and late filers.

The DCA will provide monthly reports concerning contributor revenue information to programmatic billing and collection units. These reports will identify late filers and will set forth the assessment of late charges, if applicable. These reports also will estimate revenue for entities that have not yet filed their FCC Form-499s. The DCA will serve as the primary point of contact with the Commission regarding the revenue information reported.

### **COST ALLOCATION**

With respect to the sharing of costs of the DCA function, the program administrators have agreed to a simple allocation methodology that equitably distributes costs among the four programs. In the past, each entity collected the revenue data associated with its program. USAC was required to collect data twice annually, while the other entities each collected data annually. Since this resulted in five data collections per year, the program administrators believe that an equitable sharing of costs would result from two-fifths of the cost of the DCA being borne by USAC, with each of the other program administrators being assigned one-fifth of the DCA's costs.<sup>3</sup> Other cost allocation methodologies could produce a more precise assignment of cost to each program; however, the program administrators believe that the time associated with development of such a mechanism and the review of the results generated by such a process would be more constructively spent in carrying out their

---


<sup>3</sup> This would include the costs of any audit of the DCA's operation, since each program relies on the results of the DCA's operation as the basis for funding.

programmatic responsibilities. Any extra-ordinary costs that might need to be incurred (e.g., system modifications) would require prior agreement of the program administrators.

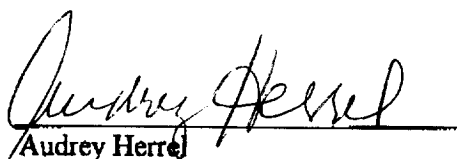
### CONCLUSION

The undersigned parties agree that the procedures and cost allocation methodology described herein represent a straightforward process for successful implementation of the Commission's Streamlined Contributor Reporting Requirements.

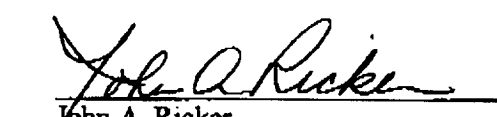
Respectfully Submitted,



Robert Haga  
Vice President, Operations  
Universal Service Administrative Company



Audrey Herrel  
Director  
Lockheed Martin- IMS  
Number Portability Administration Center



John A. Ricker  
Executive Director- Universal Service Programs Support  
National Exchange Carrier Association, Inc.

Chief Executive Officer  
North American Numbering Plan Billing  
and Collection Agent

October 12, 1999

**APPENDIX B - LIST OF COMMENTERS**

Comments

Bell Atlantic

Cellular Telecommunications Industry Association (CTIA)

MCI Worldcom, Inc. (MCI Worldcom)

National Exchange Carrier Association, Inc. (NECA)

Reply Comments

MCI Worldcom

NECA

Universal Service Administrative Company (USAC)