

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FCC 88-311

In the Matter of)
)
Automated Reporting Requirements) CC Docket 86-182
for Certain Class A and Tier 1)
Telephone Companies (Parts 31,)
43, 67, and 69 of the FCC's Rules))

ORDER ON RECONSIDERATION

Adopted: October 4, 1988

Released: October 14, 1988

By the Commission:

I. INTRODUCTION

1. On September 17, 1987, we released an order¹ in the above-captioned docket establishing an automated system for collecting from local exchange carriers (LECs) the financial and operating data that we need to administer our accounting, joint cost, jurisdictional separations, rate base disallowance, rate of return, and access charge rules. Eight LECs seek clarification or reconsideration of numerous aspects of the ARMIS Order and of the reporting forms adopted therein. The Western Union Telegraph Company (Western Union) also petitions for reconsideration, asking that we collect additional statistical data that it believes necessary for analysis of interstate private line rates.²

1 Automated Reporting Requirements for Certain Class A and Tier 1 Telephone Companies (Parts 31, 43, 67, and 69 of the FCC's Rules), 2 FCC Rcd 6283 (1987) (ARMIS Order).

2 Petitions for Reconsideration were due October 26, 1987. Oppositions were due November 20, and Replies were due December 3. Petitions were filed by the Bell Atlantic Telephone Companies (Bell Atlantic); South Central Bell Telephone Company, Southern Bell Telephone and Telegraph Company, and BellSouth Corporation (BellSouth); Contel Corporation (Contel); GTE Service Corporation (GTE); The Pacific Companies (Pacific Bell); Southwestern Bell Telephone Company (Southwestern Bell); The United States Telephone Association (USTA); United Telecommunications, Inc. (UTS); and Western Union. Oppositions were filed by Bell Atlantic, The New England Telephone and Telegraph Company and The New York Telephone Company (NYNEX), Pacific Bell and Western Union. Replies were filed by Bell Atlantic, BellSouth, USTA, UTS and Western Union.

2. In this Order on Reconsideration we address and resolve the major substantive and procedural issues raised by the parties. We grant in part and deny in part the petitions of the LECs, and we deny the petition of Western Union. We also amend Section 43.21 of our rules to improve the synchronization of the filing dates of the ARMIS Order reports. In addition, we direct the Common Carrier Bureau to resolve a number of technical issues raised by the parties concerning the design and format of the reporting forms, and to issue corrected forms according to a specified schedule.

II. BACKGROUND

3. Our system for regulating interstate access charges requires accurate identification of the costs and revenues associated with interstate access services. Towards this end, we have adopted a Uniform System of Accounts (USOA) and three sets of cost apportionment rules. The USOA, contained in Part 32 of our Rules,³ prescribes the accounts that are used by the carriers for recording the costs and revenues of their regulated and nonregulated activities. Section 64.901 of our Rules⁴ (Joint Cost Rules) provides general rules for the separation of regulated costs from the costs of nonregulated activities. Each carrier applies §64.901 in accordance with a cost allocation manual developed by the carrier and, in the case of a Tier 1 carrier, approved by this Commission.⁵ Part 36 of our Rules, the Jurisdictional Separations Manual,⁶ contains the rules for the apportionment between the intrastate and interstate regulatory jurisdictions of the regulated costs identified pursuant to §64.901. Finally, Part 69 of our Rules⁷ provides for the apportionment among the access elements and the non-access category of the interstate costs identified by Part 36.

4. In the ARMIS Order we found that the scope and complexity of our regulatory responsibilities required that we reorganize and automate our

3 47 C.F.R. §§32.1 et seq.

4 47 C.F.R. §64.901.

5 See Separation of costs of regulated telephone service from costs of nonregulated activities, 2 FCC Rcd 1298, (Joint Cost Order) modified on recon. 2 FCC Rcd 6283 (1987), Appeal docketed sub nom. Southwestern Bell Corp. v. FCC, No. 87-1764 (D. C. Cir. December 14, 1987) and National Telephone Cooperative Ass'n v. FCC, No. 87-1771 (D. C. Cir. December 15, 1987), petitions for further recon. pending.

6 47 C.F.R. §§36.1 et seq.

7 47 C.F.R. §§69.1-.612.

system for collecting the financial and operating data needed to monitor the application of these rules. We stated that our intentions in adopting automated reporting requirements were to facilitate the timely and efficient analysis of revenue requirements and rate of return, to provide an improved basis for audit and other oversight functions, and to enhance our ability to quantify the effects of alternative regulatory proposals.⁸

5. We adopted four new reports.⁹ The first is a quarterly report (ARMIS Order, Appendix A, hereinafter "Quarterly Report") of Parts 32, 64, 36, and 69 financial data on a highly aggregated basis. This report also includes a demand analysis table. The other three reports are annual and provide more detailed coverage. The Part 32 report (ARMIS Order, Appendix B, hereinafter "USOA Report") shows the results of the carriers' total activities on an account by account basis. The Part 64 report (ARMIS Order, Appendix C, hereinafter "Joint Cost Report") shows the allocation to regulated and nonregulated activities for the subset of accounts that are involved in the ratemaking process. The Parts 36 and 69 report (ARMIS Order, Appendix ~~D~~, hereinafter "Access Report") shows the results of the jurisdictional separations and access charge rules, by Part 36 category and Part 69 element. We directed the Bureau to develop the additional reports which we would need to monitor the Joint Cost Order requirement that carriers allocate investment in telecommunications network plant on the basis of forecasts of relative regulated and nonregulated use.¹⁰

6. In their petitions for reconsideration, the LECs support the use of automated reports, but raise issues regarding the following matters: (1) reporting of revenue data; (2) reporting of rate of return calculations; (3) reporting of amounts assigned to the intrastate regulatory jurisdiction; (4) reporting of data on a study area basis; (5) proprietary treatment of certain information; (6) filing dates for certain reports; (7) elimination of redundant reporting forms; (8) frequency of reporting; and, (9) reporting the allocation of costs between regulated and nonregulated activities by allocation method. These issues are addressed in Part III, below. Western Union also supports automated reporting but seeks inclusion of additional

8 ARMIS Order, 2 FCC Rcd at 5770.

9 The Tariff Review Plan (TRP), which is developed each year by the Common Carrier Bureau for use by the LECs in filing their annual access tariffs, is also part of the automated reporting system.

10 On May 31, 1988, the Common Carrier Bureau released its Order, Automated Reporting Requirements for Certain Class A and Tier 1 Telephone Companies (Parts 31, 43, 67, and 69 of the FCC's Rules) CC Docket 86-182, DA 88-809, which resolved the issues surrounding our requirement that carriers report forecasted and actual investment usage.

statistical data in the reports. The Western Union petition is addressed in Part IV, below. In addition, parties call our attention to a number of technical problems that will require extensive, although for the most part minor, revisions to the report forms which we adopted in the Order. In Part V, below, we delegate resolution of these matters to the Bureau.

III. THE LEC PETITIONS

A. Reporting of Revenue Data

1. Introduction

7. Each of the ARMIS reports calls for reporting of revenue data. The USOA Report asks for revenue by account, on an annual, total company basis. The Joint Cost Report asks for revenue by account, broken down between regulated and nonregulated activities.¹¹ The Access Report asks for revenue by jurisdictional separations category, for the state and ~~interstate~~ jurisdictions, and for the access elements.¹² The Quarterly Report asks for revenue data for four categories (access, local, toll, and miscellaneous), broken down by regulated and nonregulated activities, state and interstate jurisdictions, and the access elements.¹³

2. Pleadings of the parties

8. Bell Atlantic, USTA, and several other LECs object to the collection on the Quarterly Report of revenue data in the total company, nonregulated, and state columns, and to the collection of nonregulated revenue data on the Joint Cost Report. Bell Atlantic states that no federal regulatory purpose is served by requiring revenue data for nonregulated activities, state-regulated services, interstate services not subject to rate-of-return

11 The Joint Cost Report contains the following columns: solely assigned to regulated, solely assigned to nonregulated, allocated to regulated, allocated to nonregulated, total regulated, total nonregulated, adjustments, and total regulated subject to separations.

12 The columns on the Access Report are as follows: total unseparated, state, interstate, common line, switching, local transport, information, special access, total access, and nonaccess.

13 The Quarterly Report contains the following columns: total company, nonregulated, other adjustments, subject to separations, state, interstate, common line, switch, transport, information, special access, total access, and nonaccess.

regulation, or for totals that include these items.¹⁴ According to Bell Atlantic, the Quarterly Report should, therefore, include only access revenues, while all revenue data should be deleted from the Joint Cost Report.¹⁵

9. In support of its position, Bell Atlantic cites decisions in which this Commission has purportedly found such data to be unnecessary for rate of return¹⁶ or tariff monitoring¹⁷ purposes. Bell Atlantic argues that, in the absence of a subsequent finding that the data are needed for any other purpose, the data may not lawfully be required.¹⁸ In addition, Bell Atlantic contends that the reporting of nonregulated revenue data is inconsistent with this Commission's own findings with respect to our authority over nonregulated activities. In this regard, Bell Atlantic quotes the following statement from the Joint Cost Order:

The pricing of individual nonregulated products and services does not fall within our statutory mandate.... It is not our purpose, nor should it be our purpose, to seek to attribute costs to particular unregulated activities for the purpose of establishing a relationship between cost and price.¹⁹

Bell Atlantic also argues that reporting of nonregulated revenues would place it at a competitive disadvantage and that it would be "entirely inconsistent with the Commission's deregulatory initiatives for the Commission to subject

14 Bell Atlantic Petition at 2. We summarize Bell Atlantic's arguments here because Bell Atlantic addresses this issue more fully than any other petitioner. USTA and several carriers make similar arguments in their petitions.

15 Id. n.7.

16 Id. at 2, n.8, citing Amendment of Part 65, Interstate Rate of Return Prescription: Procedures and Methodologies to Establish Reporting Requirements, 1 FCC Red 952, 954 (1986) (Monitoring Order).

17 Id. at 2, n.9, citing Commission Requirements for Cost Support Material to be Filed with 1988 Annual Access Tariffs, Mimeo No. 4219, released July 30, 1987.

18 For this proposition Bell Atlantic cites 5 USC §553(c).

19 Bell Atlantic Petition at 3, quoting Joint Cost Order 2 FCC Red at 1304 (elipsis by Bell Atlantic).

unregulated revenues to regulatory and public scrutiny."²⁰ Finally, Bell Atlantic contends that nonregulated revenue data cannot be justified as assisting the Commission in monitoring revenue allocations or assignments because revenues are not shared or allocated, but are instead directly assigned to either regulated or nonregulated products and services.

3. Discussion

10. We do not understand the LECs' arguments as denying our statutory authority to require the reporting of revenue data for aspects of a carrier's business that are not otherwise subject to our regulations.²¹ No LEC, for example, challenges the inclusion of any revenue account on the USA Report.²² Rather, they argue that we cannot collect nonregulated revenue data²³ in the detail called for by the Quarterly Report and the Joint Cost Report because that data serves no regulatory purpose. They also argue that we should not collect it because it is proprietary. We disagree with both of these arguments; therefore, we decline to reconsider our revenue reporting requirements.

20 Id. at 3.

21 Such a position would be difficult to maintain in light of §219(a) of the Communications Act, which specifically authorizes the collection of revenue data:

The Commission is authorized to require annual reports from all carriers subject to this Act, and from persons directly or indirectly controlling or controlled by, or under direct or indirect common control with, any such carrier, to prescribe the manner in which such reports shall be made, and to require from such persons specific answers to all questions upon which the Commission may need information. Except as otherwise required by the Commission, such annual reports shall show in detail...the earnings and receipts from each branch of business and from all sources.... (emphasis added).

22 Indeed, several LECs note our inadvertent omission of Account 7991, other nonregulated revenues, from that form, and suggest that it should be included.

23 We discuss the LECs' contention that this Commission should not collect state revenue data in our discussion of the requirement that they file generally state data. See ¶¶22-26, below.

11. The LECs' argument that nonregulated revenue data serves no regulatory purpose rests on the assumption that revenue data is useful only for calculating rates of return. This assumption is mistaken and reflects an excessively narrow view of this Commission's role and responsibilities. The LECs' reliance on our previous decisions not to collect detailed revenue data for the purposes of rate of return monitoring and tariff review is, accordingly, misplaced.

12. Contrary to Bell Atlantic's assertions, nonregulated revenue data is useful and necessary for monitoring the application of our Joint Cost Rules. Although most revenues are directly assigned to either regulated or nonregulated activities, revenues do enter into the cost allocation process to the extent that they form the bases for certain allocations.²⁴

13. It is certainly true that we have explicitly disavowed any intention to concern ourselves with the prices charged for individual nonregulated products and services. This intention is clearly reflected in the ARMIS reports, which call for nonregulated revenues to be reported at a level of aggregation such that the reported data cannot be used to establish a relationship between the cost and the price of any nonregulated product. However, we do have a regulatory interest in tracking the relationship between total nonregulated revenues and the total amounts of costs allocated to nonregulated activities. This ratio provides a basic check on the broad reasonableness of a company's cost allocations. Large amounts of nonregulated revenues accompanied by very few nonregulated costs, for example, would raise questions about whether all nonregulated costs were being captured. On the other hand, if a number of companies with similar mixes of nonregulated activities showed similar ratios of nonregulated revenues to nonregulated costs, then we would be reassured that their cost allocation techniques were sound. Accordingly, we find that collection of nonregulated revenue data at the levels of aggregation specified on the Quarterly Report and the Joint Cost Report is necessary if we are to fulfill our commitment to monitor the application of the Joint Cost Rules.

14. Furthermore, while only regulated revenue data are necessary for calculating the earned rates of return on interstate investment, revenue data for state and nonregulated operations are potentially important pieces of information in the determination of allowed rates of return. In the past we

²⁴ For example, companies generally allocate uncollectibles based on the ratio of nonregulated revenues to total revenues. See, e.g., Ameritech Operating Companies Permanent Cost Manual for the Separation of Regulated and Nonregulated Costs, 3 FCC Rcd 433, ¶¶67-68 (1988). Several companies have also proposed to allocate certain costs based on revenues. See, e.g., Bell Atlantic Telephone Companies' CC Docket 86-111 Cost Allocation Manual, page 7.6-29 (revised March 14, 1988).

have found it unnecessary to allocate a carrier's cost of capital among state, interstate and nonregulated portions of its business. We have found that we can rely primarily upon financial market information, which relates to the carriers' total operations, to determine the rate of return required for interstate services. However, as carriers diversify and expand their nonregulated operations, as state and interstate deregulatory initiatives are implemented, and as states pursue their own capital recovery policies, it will become increasingly important for us to understand how such changes will affect the interstate cost of capital. To do this will require data that are available only from the accounting and allocation systems of the carriers. While the revenue reporting requirements of the ARMIS Order do not, by any means, provide a complete picture of the carriers' state and nonregulated operations, we believe that they will be a valuable monitoring tool. Nonregulated revenue data, for example, provide a rough but important measure of the size of the nonregulated sector, and tracking these data over time will assist us in analyzing the impact of diversification on the company as a whole.

15. The LECs' argument that public knowledge of these data would place them at a disadvantage in the competitive marketplace is inapposite to the question whether we should require the data to be submitted. Under the provisions of the Freedom of Information Act, this Commission is authorized to withhold from public inspection confidential commercial and financial information which is submitted to us.²⁵ Our rules contain procedures through which such confidential treatment of data may be obtained.²⁶ We need not, therefore, limit the collection of data to that which are not competitively sensitive.

B. Rate of Return Calculations

1. Introduction

16. The Quarterly Report and the Joint Cost Report each contain a section entitled "Return Data." On each form, this section requests the following information: beginning net investment, ending net investment, average net investment, net return, rate of return, FCC ordered refund, net return including FCC refund, rate of return (including refund), and Universal Service Fund. Each of these items of information is required to be reported for every column on each of these forms.²⁷

25 5 USC §552(b)(4).

26 47 C.F.R. §0.461.

27 For a listing of the columns on these forms, see § II, above.

2. Pleadings of the Parties

17. The LECs believe that they should be required to report rate of return data only for the interstate services for which we prescribe a rate of return. BellSouth contends that reporting total company return on investment is a meaningless measure because it reflects the combined effect of both federal and state ratemaking on an investment basis determined solely in accordance with federal ratemaking policy.²⁸ Similarly, USTA contends that calculating a rate of return in the "state" column would be misleading because such a rate of return would be determined on a basis which is different from the bases actually used for intrastate ratemaking purposes. Contel generally argues that the calculation of return for non-rate-base regulated services yields superfluous and misleading results.²⁹ GTE states that, since the Commission has never stated a requirement for rate of return data for nonregulated operations, it intends to mark the spaces provided for such information "N/A".³⁰ The companies also argue that disclosure of return data for services which are not federally regulated would place them in a competitively disadvantageous position.³¹

3. Discussion

18. For the reasons given by the parties, we agree that the display of rate of return calculations for services and activities for which we do not prescribe a rate of return could be misleading and confusing. We do not agree that the calculation of a rate of return for total interstate should be deleted. We believe that a rate of return on total interstate activity is a useful summary number and that the small amount of non-access costs included in the total interstate column does not significantly reduce the relevancy of the return calculation called for in the Quarterly Report. We therefore direct the Bureau to change the Quarterly Report so that rates of return are reported only in total interstate and the interstate access columns and to remove all rate of return data from the Joint Cost Report.³² Upon review

28 BellSouth Petition at 7.

29 Contel Petition at 5.

30 GTE Petition at 4, n*.

31 Bell Atlantic Petition at 5.

32 Accordingly, the following lines and columns of the Quarterly Report will be entered as "N/A": lines 52, 53, 54, 55, 56; columns b, c, d, e, and f. Lines 88-92 of the Joint Cost Report are deleted for all columns.

however, we have found that we have inadvertently omitted the rate of return data from the Access Report. We direct our staff to revise the Access Report to include the rate of return data.

C. Reporting of Amounts Assigned to the Intrastate Jurisdiction

1. Introduction

19. The Quarterly Report and the Access Report each contain a column for state data. Carriers are to report in this column the costs and revenues which are assigned to the intrastate regulatory jurisdiction through the application of Part 36.

2. Pleadings of the Parties

20. The LECs object strenuously to the inclusion in the reports of a "state" column.³³ They contend that, because the costs and revenues actually used by states in setting rates may differ from the amounts assigned to the state jurisdiction by Part 36, display of the costs and revenues so assigned will be misleading,³⁴ difficult to explain to state regulatory bodies,³⁵ and meaningless.³⁶

3. Discussion

21. The Jurisdictional Separations Manual provides rules for the division of a carrier's costs and revenues into exactly two portions: (1) costs and revenues subject to the state regulatory jurisdiction and (2) costs and revenues subject to the interstate regulatory jurisdiction. The Separations Manual is part of this Commission's Rules and Regulations, and this Commission is responsible for its administration. Changes in the Separations Manual, however, are required by law to be referred to a Federal State Joint Board consisting of three members of this Commission and four state commissioners.³⁷

33 Bell Atlantic Petition at 6; BellSouth Petition at 7; Pacific Bell Petition at 21; and, USTA Reply at 3.

34 Bell Atlantic Petition at 6.

35 BellSouth Petition at 7.

36 Pacific Bell Petition at 21.

37 47 USC §410(c).

22. Collection of the information requested in the "state" columns on the ARMIS reports is an important aspect of our role as administrator of the manual. It seems obvious that, if we are charged with assuring that the separations process is being conducted properly, we should at all times be aware of and be able to apprise the public of the results of that process. Knowledge of the costs and revenues which are allocated to the state jurisdiction by the separations process is also essential to the deliberations of the Joint Board. It would, for example, be difficult to determine whether an unexpected change in state regulated costs was caused by the Separations Manual, or by some unrelated process without knowing the amounts actually assigned by operation of the Separations Manual to the state.

23. We could, of course, derive the data in the "state" column by subtracting the amounts reported as assigned to the interstate jurisdiction from the amounts reported as being subject to separations.³⁸ However, the reports will be more legible and convenient to those who use them if each cost allocation process for which results are reported is displayed fully, than if users are required to calculate a column of data for themselves.

24. Furthermore, requiring carriers to report the results of each cost allocation process for each final cost objective imposes a necessary discipline on the companies in the preparation of their reports. In the case of jurisdictional separations, it assures that they will monitor their own processes and make certain that the amounts they report to this Commission as regulated costs and revenues and the amounts they report to the states do indeed add up to the total amounts which are subject to separation.

25. We find the arguments advanced by the LECs on this issue to be quite unpersuasive. Their position is, in essence, that they should not have to report the amounts assigned to the state jurisdiction because persons who look at the reports might not understand that those amounts are likely to differ from the amounts actually used in the development of rates for intrastate services. They fear they will have to explain themselves to state regulators and members of the public. This is simply not a good reason for us to remove from our reports information that we have found to be useful and necessary in the discharge of our regulatory responsibilities. Furthermore, we doubt that state regulators, who are well aware of the manner in which costs assigned to their jurisdiction are taken into account in their own ratemaking processes, will be confused by the data in our reports. Carriers who are truly concerned about confusion on the part of the general public are free to attach a suitable explanation to the paper copies of their reports.

38 No party objects to the reporting of total amounts subject to separations or to the reporting of amounts assigned to the interstate jurisdiction.

D. Reporting of Data on Study Area Basis

1. Introduction

26. The Quarterly Report, the Joint Cost Report, and the Access Report all must be submitted by each company for each study area, as well as for the total company. A study area generally consists of a telephone company's service area within a given state, although there are instances in which a company has more than one study area in a particular state.³⁹

2. Pleadings of the Parties

27. The LECs argue that revenue and rate of return data should be filed at the level of geographic aggregation at which the reporting company files its access tariffs, rather than by study area. They claim that aggregated access tariffs may produce a mismatch between revenues and costs at the study area level, thereby producing misleading information. They also argue that monitoring and rate of return enforcement is accomplished at the access tariff level, and therefore, no purpose will be served by the requirement to report at the study area level.

28. Western Union supports study area reporting, arguing that the Cost Support Order⁴⁰ adopting the 1988 TRP requires study area data as well as more aggregated data. Western Union notes that in our 1988 Filing Petitions Order⁴¹ this Commission denied petitions filed by Bell Atlantic and NYNEX seeking waiver of that requirement on the grounds that neither LEC had shown that the factors used to calculate cost and demand did not vary from state to state. Western Union alleges that, since none of the petitioning parties in the instant proceeding has made such a showing, their petitions should be denied.

39 Study area boundaries were frozen by the Commission as they existed on November 15, 1984. 47 C.F.R. Part 67, Subpart G (Glossary) and 47 C.F.R. Part 36, Subpart H (Glossary).

40 Commission Requirements for Cost Support Material to be Filed With 1988 Annual Access Tariffs, Mimeo No. 4219, released July 30, 1987 (1988 Cost Support Order).

41 Annual 1988 Access Tariff Filing Petitions for Waiver, M0&0, released September 3, 1987 (1988 Filing Petitions Order).

29. In response to Western Union, UTS argues that Western Union's assertion that disaggregated cost and demand data are required is inapposite to UTS's request for reconsideration of the requirement that revenue and return data be reported by study area.⁴²

3. Discussion

30. In the ARMIS Order we considered tariff level reporting but found that study area-level reporting was essential to the development of a continuous data series.⁴³ We found that, if we allowed LECs to combine or divide study areas, we would have to require them to file matching restatements of previous years' data each time they made such a combined or divided filing. We further found that such an alternative would be unnecessarily burdensome for our staff and for the carriers. The LECs have advanced no new arguments which would convince us that our need for a data base that is stable over time is outweighed by their concerns about possible misconstruction of study area data by users of the reports. We therefore decline to reconsider our requirements for reporting of data on a study area basis.

E. Confidential Treatment of Data

1. Introduction

31. The ARMIS reports will be routinely available to the public in both paper and machine readable form. The ARMIS Order states that companies that believe they will experience competitive harm through the release to the public of information contained in the reports should follow the procedures established by our Rules for requesting confidential treatment of such information.⁴⁴ The Order also clarifies that, in the case of automated filings, companies seeking confidential treatment of a portion of a report must provide two copies of both the paper and the computer media submissions. The first copy must contain all required information in both the paper and the computer media submissions, while the second copy may contain only the information for which the carrier is not requesting confidential treatment.⁴⁵

42 UTS Reply at 2. See also Bell Atlantic Reply at 2 (agreeing to report cost and revenue data by study area, but arguing against reporting rate of return on that basis.)

43 ARMIS Order, ¶¶26-27, 2 FCC Rcd at 5770.

44 See 47 C.F.R. §§0.459 et seq.

45 ARMIS Order, ¶¶47-50, 2 FCC Rcd at 5770.

2. Pleadings of the Parties

32. In its petition, BellSouth requests that this Commission automatically accord confidential treatment to forecast data. BellSouth argues that all of the criteria for such treatment are met in these data, because the data are sensitive and would not otherwise be available to the public. BellSouth notes that other firms in the competitive telecommunications market do not disclose such data. BellSouth claims that it would be far more efficient to automatically treat these data as confidential than it would be to treat repeated requests for confidential treatment individually. Bell Atlantic, Contel, and USTA request that automatic proprietary treatment be given to all data that are not subject to tariff.

3. Discussion

33. This Commission has well-established rules and procedures which allow persons submitting information to request confidential treatment of ~~the~~ information at the time the information is submitted. Because we find those rules and procedures entirely adequate to protect the interests of the LECs, we decline to depart from those procedures in the manner requested by the LECs.

34. The LECs do not allege that they will suffer competitive harm if they are required to follow our usual procedures with respect to allegedly proprietary data contained in their ARMIS reports. Rather, they appear to believe that there is some way in which we can determine once for all time whether a particular line or column of data is entitled to confidential treatment. This belief reflects a mistaken interpretation of the Freedom of Information Act (FOIA) and of our Rules implementing the FOIA. We are required by law to consider every request for inspection of our records. Even if we have designated a record as one that is not routinely available for public inspection,⁴⁶ someone may still request to see that record. Our rules state that when such a request is made we "will weigh the policy considerations favoring non-disclosure against the reasons cited for permitting inspection in the light of the facts of the particular case."⁴⁷ It is entirely possible that a record once withheld from public inspection may later be made available. This is particularly likely in the case of allegedly confidential commercial or financial information, which may be rendered non-confidential by the passage of time or by its availability elsewhere. Thus, there is no advantage in terms of administrative convenience to be gained by declaring any data to be "automatically" confidential.

46 See 47 C.F.R. § 0.457.

47 Id.

F. Filing dates

1. Introduction

35. The ARMIS Order established filing dates for all the reports adopted by that Order. The Quarterly Report must be submitted every March 31, June 30, September 30, and December 31. The Joint Cost, USOA and Access Reports must be submitted every April 1.⁴⁸ These filing dates allow carriers three months after the close of the reporting period to prepare their reports. The text of the ARMIS Order adopted a filing date for the Joint Cost Forecast Report of September 1 of the year prior to that in which the forecasts are to be used. The text of the rules changes adopted by the ARMIS Order, however, adopted a filing date of December 1. That Order also established June 1, 1988 as the filing date for the initial Joint Cost Forecast Report.

2. Pleadings of the Parties

36. Seven parties request revision of the filing dates for one or more of the ARMIS reports. With respect to the Joint Cost forecast material the commenters note a conflict between the filing date specified in Appendix E of the Order and the date specified in the body of the Order. Bell Atlantic and BellSouth request that the Joint Cost Forecast Report be filed concurrently with the Tariff Review Plans. Moreover, two Petitioners request that the June 1 filing date for the 1988 forecast data be changed to allow filing of the initial forecast with the 1989 forecast data. With respect to the Access Report the parties argue that the current April 1 filing date provides the carriers with insufficient time to compile and edit the data for accuracy. Four commenters request the filing date for the Access Report be changed to June 30, one commenter suggests May 1, and one recommends July 1. Contel requests that all filing dates be left open pending publication of our report specifications, allowing time for comment on those specifications. Contel also requests that the Quarterly Report filing requirements be revised so that the filing is required only twice each year.

3. Discussion

37. We agree with the petitioning parties that clarification of the filing date for the Joint Cost Forecast Report is necessary. In its Joint Cost Forecast Order⁴⁹ the Bureau divided the Joint Cost Forecast Report into

48 ARMIS Order, ¶54, 2 FCC Rcd at 5770.

49 Automated Reporting Requirements for Certain Class A and Tier 1 Telephone Companies (Part 31, 43, 67, and 69 of the FCC's Rules, DA 88-808 (released May 31, 1988) (Joint Cost Forecast Order)).

two reports: the Forecast Report and the Actual Usage Report. The Forecast Report requires the carrier to report the usage forecasts and to develop, based on the forecasts, the investment allocations to regulated and nonregulated that they must use to support their proposed access tariffs for the next year. The Actual Usage Report requires the carriers to report the actual levels of regulated and nonregulated usage for the previous year. The logical date for filing the Forecast Report is the date coinciding with the filing of the annual Tariff Review Plans. The logical date for the filing of the Actual Usage Report is the filing date of the USOA, Joint Cost, and Access Reports since all of these reports concern the results of the preceding calendar year. Therefore, the filing dates are revised and clarified as follows: the Forecast Report will be filed with the Tariff Review Plans and the Actual Usage Report will be filed with the USOA, Joint Cost, and Access Reports. The rules changes required to implement these filing dates are set forth in the Attachment.

38. In its Joint Cost Forecast Order the Bureau postponed the filing of the 1988 forecasts from June 1 to June 30 to allow the carriers sufficient time to prepare their reports in accordance with the Order. We believe that any additional postponement of the filing date would unnecessarily delay our review of the forecasts. We attach some urgency to the receipt of this data because it has a direct bearing on our staff's current investigation of the allocations of cost to nonregulated activities that the carriers made in their 1988 access tariff cost support filings. We therefore deny the requests to further postpone the filing date for the 1988 Joint Cost Forecast Report.

39. We believe that the April 1 date for filing the Access Report is reasonable. That date requires only that annual data be completed and suitable for filing three months after the end of the annual filing period. Quarterly Reports are due on March 31, June 30, September 30, and December 31 of each year for the preceding quarter. We also believe that three months is sufficient to tabulate, organize and file the quarterly data submissions with the Commission.

40. We disagree with Contel's argument that submission of these data would be sufficient for the Commission's purposes if filed twice annually. In our NPRM in this proceeding, we proposed monthly filings of these data. However, in an effort to lessen the burden on the LECs we adopted a quarterly reporting requirement, with the stipulation that if quarterly reporting proves to be insufficient, we would consider monthly reporting. We found that we needed at least quarterly filing of these data in order to assess LEC requests for "mid-course corrections" of their access tariff rates. We continue to believe that timely information is essential to our understanding of industry trends and to proper evaluation of proposed rate changes. We are not convinced the biannual filings would meet our needs; we therefore retain the current filing schedule for the quarterly report.

G. Elimination of Redundant Forms

41. The LECs suggest elimination of our current reporting forms in an expeditious manner. Some even suggest that we publish dates by which individual forms will be eliminated. Specifically, petitioners request abandonment of FCC Forms M, 901, and 492, claiming that these forms are now largely redundant. To the extent that Form 492 requires information not on the Quarterly Report, they suggest adding such information to the Quarterly Report.

42. On December 2, 1987, this Commission released a Notice of Proposed Rulemaking in which we propose to eliminate FCC Form 901.⁵⁰ In that proceeding we stated that "By replacing the monthly reporting requirement with the newly established quarterly reporting requirement,⁵¹ we will avoid a redundant filing requirement." Comments were filed on January 15, 1988, and Reply Comments were filed on February 9, 1988. We expect to act on this matter in the near future, and our decision therein will resolve the ~~issue~~ raised in this proceeding.

43. Part of Form M has already been replaced by the ARMIS USOA Report. This Commission's staff is now reviewing FCC Form M to determine whether some revision is required. Until that effort is completed, we will not disturb the current requirement for filing that form.

44. The purpose of FCC Form 492 is to monitor rate of return and refunds. The rules for restating results for a rate of return enforcement period are, without modification, incompatible with the rules that apply to our Quarterly Report. Thus, we do not believe that there would be any benefit to carriers or to the public by simply adding the Form 492 requirements to the ARMIS Order reporting requirements. We will, therefore, retain Form 492.

H. Reporting Joint Cost Allocations by Allocation Method

1. Introduction

45. The Joint Cost Report contains the following column headings: solely assigned to regulated, solely assigned to nonregulated, allocated to regulated, allocated to nonregulated, total nonregulated.

50 Elimination of FCC Form 901, Monthly Form Required from Telephone Companies, CC Docket No. 87-503, FCC 87-349.

51 This refers to the quarterly reporting requirement in ARMIS.

2. Pleadings of the parties

46. The LECs draw our attention to the fact that the column headings in the Joint Cost Report do not conform to the language used in the Joint Cost Order. The Joint Cost Order established a hierarchy of allocation methods for dividing costs between regulated and nonregulated operations. Direct assignment was the most preferred method, followed by direct attribution, indirect attribution, and finally, allocation using a general allocator.⁵² The LECs propose that the column headings for "solely assigned" be renamed "assigned and attributed," and defined to include costs that were directly assigned, directly attributed, and indirectly attributed.⁵³ The column headed "allocated" would be redefined to include all generally allocated costs under this proposal.

3. Discussion

47. We agree with the parties that the choice of column headings ~~in~~ the Joint Cost Report should be amended. Our column headings obscured important information by lumping together cost allocations based on cost causation with those based on a general allocator. However, the LECs' proposed headings also would blur a significant distinction between cost allocation methodologies that is made in Section 64.901 of our Rules by combining direct assignment, direct attribution and indirect attribution. Directly assigned costs, which are the basis of the allocation of other costs, will certainly be subject to separate scrutiny when the carrier's cost allocations are reviewed. As the LECs have noted, levels of generally allocated costs are also of particular interest in monitoring compliance with the Joint Cost Order. We believe that, at least at this time, directly and indirectly attributed costs can be reported together without impairing our ability to review the carriers' cost allocations.

48. Accordingly, we are amending our Joint Cost Report so that the column headings will read: directly assigned to regulated, directly assigned to nonregulated, attributed to regulated, attributed to nonregulated, generally allocated to regulated, generally allocated to nonregulated, total regulated, total nonregulated, adjustments, and subject to separation.

52 See CFR 47 §64.901.

53 See USTA Petition at 10.

IV. THE WESTERN UNION PETITION

A. Introduction

49. The Quarterly Report contains, in addition to cost, revenue, and return data, a Demand Analysis Table on which LECs are to report certain operating statistics used in monitoring access charges.⁵⁴ The Access Report requires annual reporting of the following separations factors: directory assistance weighted standard work seconds, calls received over toll directory assistance trunks, and directory assistance calls.

B. Pleadings of the parties

1. The Western Union petition

50. Western Union contends that the Demand Analysis Table does not contain sufficient information to permit users and this Commission to adequately review cost separations and allocations. Western Union urges us to include channel terminations,⁵⁵ circuits and interoffice airline miles for all interoffice mileage bands on the Quarterly Report.⁵⁶ The petition also asks that we amend the Access Report to include the following factors: working loops employed to allocate exchange line cable and wire facilities, information origination/termination equipment, and exchange-line circuit equipment; interexchange circuit miles employed to allocate interexchange

54 The form calls for the following data to be submitted quarterly, with monthly detail: Common Line demand- minutes of use (premium originating, premium terminating, nonpremium originating, nonpremium terminating) and Switched Traffic Sensitive Demand- minutes of use (premium, nonpremium.) The following data are to be submitted quarterly: carrier common line originating minutes of use, carrier common line terminating minutes of use, single-line business customer premises terminations (CPTs), residence CPT lifeline, residence CPT non-lifeline, multiline business CPTs, centrex-CO and similar lines, special access lines subject to surcharge, and total access lines.

55 According to Western Union, channel terminations should be segregated between collocated and non-collocated, because working loops used for cost allocation purposes are required only where the termination does not involve a connection between LEC and an interexchange carrier or customer on the same premises. Western Union Petition at 3, n.1.

56 Western Union states that these data should be shown for metallic, 2-wire and 4-wire telegraph and voice grade, WATS, audio part time, audio program, video part time, video, high capacity, DDS and wideband services.

cable and wire facilities; and circuit terminations used to allocate interexchange circuit equipment.⁵⁷

51. In support of its petition, Western Union states that this Commission has often expressed concern about whether the data used to allocate costs between the regulatory jurisdictions and among services are consistent with actual and forecast demand quantities. Western Union argues that basic facilities counts and demand quantities must be reported if this Commission is to be able to test for inconsistencies between cost and revenue data. Western Union contends that the burden of reporting the information it proposes will be slight.

2. Oppositions

52. USTA, Pacific, NYNEX, and Bell Atlantic oppose the Western Union petition. USTA argues that Western Union is asking for the reporting of data that is burdensome, unnecessarily detailed for a quarterly submission, and duplicative of other Commission activity. USTA notes that Western Union has raised its concerns, which focus on private line reporting, on a number of previous occasions, and that those concerns have been or are being addressed in other proceedings before this Commission. Pacific states that this Commission has recently rejected, on the grounds that the data would serve no useful purpose, a similar petition by Western Union for inclusion of additional data in the cost support material to be filed with the LECs' annual access tariffs⁵⁸. Pacific contends that data which are not useful in reviewing access tariffs are beyond the purposes of the automated reporting system.

53. Bell Atlantic notes that this Commission is addressing production of data similar to that sought by Western Union in another proceeding.⁵⁹ Bell Atlantic states that we have asked certain LECs to provide, through sampling, a special study of the numbers of circuits and terminations used for various types of special access services, and that the purpose of this request was to determine whether the demand quantities used by the carriers to develop special access revenue requirements are consistent with the demand quantities used to develop special access rates. Bell Atlantic

57 Western Union notes that these factors should be the actual quantities for the reporting period, so that they can be compared to the actual demand quantities for the same period.

58 Pacific cites Commission Requirements for Cost Support Material To Be Filed With 1988 Annual Access Tariffs, 2 FCC Rcd 5178 (1987).

59 Bell Atlantic cites Request for Information Concerning Local Exchange Carrier Special Access Demand Quantities, 2 FCC Rcd 3236 (1987).

argues that this Commission should not require inclusion in the ARMIS reports of the data requested by Western Union until it has completed this study.

54. Bell Atlantic also challenges Western Union's position that the burden of supplying the data at issue would be slight. Bell Atlantic notes that the data request in the Special Access investigation was originally disapproved⁶⁰ by the Office of Management and Budget(OMB) under provisions of the Paperwork Reduction Act, and that this Commission, after overriding the OMB disapproval, met with the affected carriers and modified its information request.⁶¹ Bell Atlantic states that the current study is taking more than one year, and that preparation and submission of the data requested by Western Union would require 240 person hours and 120 hours of computer time each quarter.

3. Reply

55. In its reply, Western Union argues that this Commission has never ruled that the data requested by Western Union should not be collected. Western Union notes that the order cited by the LECs as denying Western Union's petition to have this data included in the Tariff Review Plan was issued by the Chief, Common Carrier Bureau, and not by this Commission.⁶² Moreover, states Western Union, when it petitioned for inclusion of similar data in the reports used to monitor rate of return, this Commission denied its request on the grounds that Western Union should have been seeking its desired relief in the ARMIS proceeding.

56. Western Union also argues that the ongoing Special Access study will not provide enough information to permit a determination of whether costs have been properly allocated. Western Union notes that it has detailed the alleged deficiencies of that study in its pending Application for Review of the Bureau's 1987 access tariff order.

57. Western Union contends that the data it requests is well within the stated purposes of the instant proceeding. It states that one of those purposes was to collect data needed to evaluate the result of jurisdictional separations, that the report forms as adopted require such data only for switched access, and that it is hardly beyond the scope of the proceeding to collect similar data for special access.

60 Id. at 3240, n. 22.

61 Id. at 3238.

62 Western Union also states, in this regard, that its Application for Review of the Bureau's December 31, 1986 decision not to investigate the 1987 access tariff filings has yet to be acted on by this Commission.

58. In response to Bell Atlantic's contention that the submission of the requested data would be extremely burdensome, Western Union asserts that these data are used by the LECs to update their separations allocations, which in turn must be done in order to comply with this Commission's rate of return reporting requirements. Western Union claims that, if an LEC is not generating these data now, at least for internal purposes, it must not be following the proper separation rules in developing its reports.

C. Discussion

59. We agree with Western Union that the types of data it believes should be incorporated into the Quarterly Report and the Access Report are not beyond the intended scope of our automated reporting system. However, we believe that it would be premature, before completion of the Bureau's Special Access Study, to attempt to determine precisely what data should be included in our automated reports. We therefore deny Western Union's petition without prejudice. Western Union may, if it wishes, renew its petition upon completion of that study.

V. OTHER ISSUES

1. Introduction

60. The petitioning parties have made numerous recommendations regarding specific changes to each of the ARMIS Reports. A large number of the recommendations are of a technical or editorial nature.

2. Pleadings of the Parties

61. BellSouth states that the Commission is currently revising the rate base and net income determination principles that apply to dominant carriers and argues that the inclusion of items such as "cash working capital" and "deferred charges" in rate of return calculations be deferred until an order has been released in CC Docket No. 86-497.⁶³

62. Bell Atlantic states that the Access Report is inconsistent with the manner in which Bell Atlantic currently accounts for and reports its separations data.⁶⁴ It notes that it is working with other carriers under

63 BellSouth Petition, p.7. The Commission released an order in CC Docket No. 86-497 on December 24, 1987.

64 Bell Atlantic Petition at 8.

the auspices of USTA to revise the Access Report to be acceptable to all carriers and to meet the Commission's needs.⁶⁵ BellSouth, GTE, USTA and UTS request that we clarify whether booked or adjusted data are required in the ARMIS Reports. The parties contend that the ARMIS Order and its appendices are unclear as to whether we contemplate inclusion of booked figures, based on unadjusted accounting entries; or adjusted figures, based on entries determined after separations adjustments. They are of the opinion that a combination of both booked and adjusted entries would give the best results for analysis.

63. GTE states that there is an apparent inconsistency between the Quarterly Report and the Access Report and the 1988 Tariff Review Plan in the treatment of deregulated customer premises equipment (CPE) under Part 36.⁶⁶ The inconsistency, according to GTE, arises from the Quarterly and Access Reports following the Part 36, Section 36.142(b) assignment of detariffed CPE to the state jurisdiction during the separations process, while the TRP removes detariffed CPE before separations.⁶⁷ GTE proposes that the TRP be modified to conform to the Quarterly and Access Report.

64. Pacific Bell states that selected data items proposed in the ARMIS Reports do not apply to all the columns. For example, it argues that since certain lines on the Quarterly Report only apply to the interstate jurisdiction, only these data should be reported from column g (Interstate) through column n (Non-Access).⁶⁸ Pacific Bell also argues that the line "Allowance for Funds Used During Construction" (AFUDC) should not be required for carriers for whom AFUDC is not recognized as revenue for ratemaking purposes.⁶⁹ It makes similar arguments for changes in the Joint and Access Reports.⁷⁰

65. Pacific Bell also requests a number of clarifications and adjustments to the demand data required on the Quarterly Report.⁷¹ It asks

65 Id.

66 Commission Requirements for Cost Support Material to be filed with 1988 Annual Access Tariffs, released July 30, 1987.

67 Id.

68 Pacific Bell Petition at 5-9.

69 Id. at 10.

70 Id. at 15-21.

71 Id. at 12-14.

that provision be made to adjust the demand data to reflect subsequent prior period adjustments. It also suggests that we revise the format to reflect the 24 month prior period in a manner consistent with Form EC1051, revise the instructions for line 3, 4, and 6, eliminate lines 7 and 8 as redundant, and clarify lines 9 through 15.

66. Southwestern Bell notes some lines and columns of the Joint Cost Report which it believes contain technical inaccuracies.⁷² It gives as an example the description of column j, calling for "that portion of each account which must be allocated between state and interstate jurisdictions." According to Southwestern Bell, this description does not exactly fit the separations treatment of accounts 2211, 2212, and 2215, since they are aggregated in account 2210 before being separated. Southwestern Bell also states that a line for account 7991 "Other Nonregulated Revenues" should be added under the revenue category "Miscellaneous Revenues."

67. USTA raises many of the same issues identified above.⁷³ In addition it states that the demand data in the Quarterly Report must be modified because it relies upon an entry for the line termination rate and the rate has been eliminated as access tariff rate element in 1988.⁷⁴ It recommends that this Commission work with the industry to develop a revised demand data table. USTA states that the Access Report should be modified because the lines do not take into account the fact that Parts 36 and 69 are not defined at the same level of detail. It suggests that the columns "unseparated" and "interstate" use level of detail required by Part 36, and that the columns "interstate access" and "nonaccess" use the level of detail required by Part 69.⁷⁵ The USTA Petition also includes a list of minor technical issues that it states should be addressed.⁷⁶ These issues includes, for example the misclassification of account 7370 (special charges) as an extraordinary item in the Quarterly and Joint Cost Reports, the substitution of account 6230 for 6223 in the USOA Report, and the addressing of certain stock ownership of carriers which relates to the Rural Telephone Bank. Finally, USTA summarized all its suggested changes in the ARMIS Reports in an attachment to it Reply.⁷⁷

72 Southwestern Bell Petition at 6-8.

73 USTA Petition at 2-16.

74 Id. at 10.

75 Id. at 12.

76 Id. Attachment.

77 USTA Reply, Attachment R1.

68. UTS also raises many of the issues identified above. It argues that the Quarterly Report should be modified to require that traffic sensitive demand be based on a billing analysis.⁷⁸ UTS also argues that the Access Report requires excessive amounts of detail. It suggests that, for example, lines 94-96, which show central office expenses, be combined into one line because all central office expense is allocated on the basis of total central office equipment investment. It recommends that we work with the industry to reduce the amount of detail required in the Access Report.⁷⁹

69. Several LECs also call our attention to problems concerning the manner in which the reporting forms ask companies to calculate net investment. Bell Atlantic notes that the source data specified for the figures to be reported on the "beginning net investment" and "ending net investment" lines are not, in fact, beginning and ending of period data, but average data. Bell Atlantic suggests that we delete these lines from the forms because they will provide the Commission with no useful data.⁸⁰ Southwestern Bell and Bell Atlantic also observe that "average net investment" is calculated differently on the ARMIS forms than it is on FCC Form 492, the quarterly Rate of Return Report.⁸¹ They urge that we resolve this conflict by using the Form 492 method on the ARMIS reports.

70. Western Union objects to the UTS suggestion that central office expenses be aggregated, arguing that it has submitted a petition for reconsideration⁸² of the specific amendment to Part 69 that allocates central office expense on the basis of total central office equipment investment.⁸³

3. Discussion

71. Since the release of the ARMIS Order we have discovered a number of problems with the integration of Parts 32, 36, 64, and 69 in the ARMIS Reports. The petitions of the parties to this proceeding have added

78 UTS Petition at 5.

79 Id. at 6.

80 Bell Atlantic Petition at 5, n.16.

81 See 47 C.F.R. §65.600. For discussion of the relationship between Form 492 and the ARMIS reports, see ¶ 4⁴, above.

82 Western Union Petition for Reconsideration and Request for Expedited Treatment, CC Docket No. 87-113, filed September 23, 1987.

83 Western Union Opposition at 3.

substantially to the number of areas that must be investigated and, if necessary, revised. We believe that these problems can be most effectively addressed in consultation with filing companies, users, and interested parties, on a report by report basis. Accordingly, we direct the Common Carrier Bureau to review each report and to issue a revised version of each report by Public Notice on or before the following dates: (1) Quarterly Report - October 31, 1988; (2) USOA Report - November 15, 1988; (3) Joint Cost Report - December 30, 1988; and (4) Access Report - January 15, 1989.⁸⁴

72. Carriers required to file a Quarterly Report on June 30, 1988 will use the form issued in the ARMIS Order, Appendix A, as modified by this Order. Where a technical problem precludes the entry of a complete and accurate answer, a footnote should be entered indicating the exact nature of the problem. Where no entry is possible, a zero and an explanatory footnote should be entered. For example, the lines on the Quarterly Report's Demand Analysis Table call for terminating minutes of use to be calculated as terminating revenue divided by the terminating line rate. Since the 1988 access tariff structure no longer includes a terminating rate element, no entry for terminating minutes of use is possible until the Quarterly Report is revised.

VI. PAPERWORK REDUCTION ACT

73. The proposal contained herein has been analyzed with respect to the Paperwork Reduction Act of 1980 and found to impose a modified information collection requirement on the public. Implementation of any new or modified requirement will be subject to approval by the Office of Management and Budget as prescribed by the Act.

84 The ARMIS Order directed the staff to issue by, July 1, 1988, the complete details of the USOA, Joint Cost and Access Reports. The schedule we are adopting herein supersedes the July 1, 1988 date.

VII. ORDERING CLAUSES

74. IT IS ORDERED, pursuant to Sections 4(i), 4(j), 201-205, 219, 220 and 405 of the Communications Act of 1934, 47 U.S.C. 154(i), 154(j), 201-205, 219, 220 and 405, that the Petitions for Reconsideration filed in this proceeding ARE GRANTED IN PART and DENIED IN PART as provided herein.

75. IT IS FURTHER ORDERED, That Part 43 of the Commission's Rules, 47 C.F.R. Part 43, IS AMENDED, as set forth in the Appendix hereto, effective 30 days from publication of the text thereof in the Federal Register.

FEDERAL COMMUNICATIONS COMMISSION

Donna R. Searcy
Secretary

APPENDIX

Part 43, Reports of Communications Common Carriers and Certain Affiliates is amended as follows:

43.21 Annual Reports of Carriers and Affiliates

* * * *

(e) Each communications common carrier required by order to file a manual allocating its costs between regulated and nonregulated operations shall file, coincident with its Annual Access Tariff Review Plan, a forecast of regulated and nonregulated use of network plant for the following calendar year; and, a report of the actual use of network plant investment for the same reporting period on or before April 1 of the following year.

* * * *