

been expanded to include ten automated reports³ filed by Tier 1 LECs.⁴ The Form M is a 53 page report containing 6 schedules of corporate information, 33 schedules of financial data, and 6 schedules of statistical data. It is filed annually in paper form by communications common carriers having operating revenues in excess of \$100 million.⁵ Carriers currently filing Form M include the Tier 1 LECs, AT&T, Alascom, and Comsat.

3. When the Commission established ARMIS in 1987, it directed the Common Carrier Bureau to (1) review the Form M to determine which schedules were no longer necessary, which schedules needed revision, and which new schedules must be added to satisfy our data collection needs; and (2) to assess which schedules must be mechanized and to incorporate them into the automated reporting system.⁶ The two most important Form M schedules, the balance sheet and income statement, were incorporated into the automated system in the initial development in 1987. Twelve other schedules were incorporated into ARMIS in 1992.⁷ The actions we propose below will complete the revision and automation of Form M.

³ The ten ARMIS Reports are: the Quarterly Report (43-01); the USOA Report (43-02); the Joint Cost Report (43-03); the Access Report (43-04); the Forecast Report (495-A); the Actual Usage Report (495-B); the Quarterly Service Quality Report (43-05); the Semi-Annual Service Quality Report (43-06); the Infrastructure Report (43-07); and the Operating Data Report (43-08).

⁴ Tier 1 LECs are defined as those local exchange carriers having more than \$100 million in annual revenues from regulated services. See Commission Requirements for Cost Support Material to be filed with Access Tariff on March 1, 1985, Public Notice, Mimeo No. 2133, released January 25, 1985.

⁵ Section 219 of the Communications Act of 1934, as amended, 47 U.S.C.A. §219, authorizes the Commission to require annual reports to be filed by carriers subject to its jurisdiction. The annual reporting requirement is set forth in Section 43.21 of the Commission's Rules, 47 C.F.R. §43.21. Section 1.785 of the Rules, 47 C.F.R. §1.785, specifies that telephone companies shall file the required annual report on Form M. The actual contents of Form M are established from time to time by the Common Carrier Bureau, pursuant to delegated authority.

⁶ ARMIS Order at 5774-5.

⁷ See Revision of ARMIS USOA Report (FCC Report 43-02) for Tier 1 Telephone Companies, Memorandum Opinion and Order, 7 FCC Rcd 1083 (1992).

II. DISCUSSION

A. Schedules to be eliminated.

4. We propose to eliminate the following Form M schedules:⁸

Schedule A-4, Voting Powers and Elections
Schedule B-4, Uncollectible Accounts
Schedule B-5a, Analysis of Telecommunications Plant in Service Retired
Schedule B-6a, Analysis of Entries in Property Held for Future Telecommunications Use
Schedule B-6b, Analysis of Telecommunications Plant Adjustment
Schedule I-2, Special Expenses Attributable to Formal Regulatory Cases
Schedule I-5c, Federal Excise Taxes Collected from Users of Respondent's Services
Schedule I-6, Advertising
Schedule I-7, Membership Fees and Dues
Schedule I-10, Analysis of Dividend and Interest Income
Schedule I-11, Analysis of Extraordinary Items
Schedule S-5, Interstate Private Line Statistics
Schedule S-6, Overseas Telephone and Related Services

We have reviewed all of the Form M schedules in light of our current regulatory program. We believe that we no longer need to collect the information on these thirteen schedules each year, from each carrier. Rather, our regulatory requirements for this information can be satisfied by requesting, as needed, specific data from individual carriers. We request comment on this proposal. Interested persons favoring retention of a particular schedule are asked to describe with specificity the reasons why they believe the Commission should continue to require all carriers filing Form M to submit that schedule, and to give examples of instances in which that schedule has been useful.

B. Schedules to be incorporated into ARMIS

5. We are proposing to retain and automate the following Form M schedules:⁹

Schedule A-1, Identity of Respondent

⁸ Form M schedules discussed in the text of this order are designated by their current numbers. For a complete list of the current Form M schedules, see Appendix A.

⁹ These schedules will be renumbered as shown in Appendix B.

Schedule A-2, Control Over Respondent
Schedule A-3, Board of Directors and General Officers
Schedule A-5, Stockholders
Schedule A-6, Important Changes During the Year
Schedule B-5b, Analysis of Entries in Accumulated
Depreciation
Schedule B-5c, Bases of Charges for Depreciation
Schedule B-7, Capital Leases
Schedule B-8, Deferred Charges
Schedule B-9, Accounts Payable
Schedule B-10, Long-term debt
Schedule B-13, Deferred Credits
Schedule B-14, Capital Stock
Schedule B-15, Capital Stock and Funded Debt Reacquired and
Retired During the Year
Schedule I-5a, Other Operating Taxes
Schedule I-5b, Prepaid Taxes and Tax Accruals
Schedule I-8, Special Charges
Schedule I-9, Donations or Payments for Services Rendered by
Persons other than Employees

We have determined that we still need to routinely collect the data in these schedules in order to monitor the carriers' operations for regulatory purposes. We invite comment on this determination. Interested persons favoring elimination of a particular schedule are requested to explain in detail why they believe the Commission does not need regular submission of that schedule.

C. Revisions to Contents of Schedules

6. We propose to revise six Form M schedules. Schedule A-1, Identity of Respondent, will be revised to require the carrier to report its state of incorporation and the states in which it operates. We propose to revise Schedule B-5b, Analysis of Entries in Accumulated Depreciation, by requiring additional detail regarding retirements of telephone plant. We will revise Schedule B-9, Accounts Payable, so as to require carriers to report the accounts payable data for affiliates only. We will add to Schedule B-14, Capital Stock, a column to indicate whether the class of stock in question has voting rights. Schedule I-8, Special Charges, will require additional detail regarding lobbying expenses. We propose to revise Schedule I-9, Donations or Payments for Services Rendered by Persons Other Than Employees, by requiring the carriers to report recipients to whom \$10,000 or more was paid for membership fees and dues.

7. We believe that the proposed additions to these schedules will enhance our ability to monitor the carriers' operations. We also believe that the proposed deletions will not adversely affect our regulatory programs. We request comment on these proposed changes.

D. New Schedule.

8. We propose a new schedule which will enable us to collect aggregate

data on plant investment and accumulated depreciation for each jurisdiction. We have routinely been requiring carriers, through special requests, to submit for each jurisdiction aggregate data on telephone plant additions, retirements, salvage, cost of removal, and plant and reserve balances. Commission staff regularly uses this information in prescribing and updating depreciation rates. Including this information in Form M will make this information readily available to the Commission, allow for reconciliation with depreciation study data, and eliminate the need for repeated special requests. We invite comment on this proposed new schedule.

E. Revised Format of Form M

9. Appendix C to this Order contains a complete set of all Form M schedules which will be incorporated into ARMIS. Appendix D contains the instructions for these forms. We request comment from interested persons on (1) the proposed tables, particularly with respect to the format for the reporting of data; and (2) the proposed instructions related to each of the tables.

10. All of the newly-automated Form M schedules will become part of the ARMIS USOA Report, FCC Report 43-02. All of the tables and schedules in FCC Report 43-02 will be renumbered as indicated in Appendix B.¹⁰ After these proposed changes become effective, FCC Reports 43-02 and 43-08,¹¹ together, will be the new Form M. Tier 1 LECs will file both diskette and paper copies of these reports, as they do for all ARMIS reports. Carriers not required to participate in ARMIS will file paper copies only of the same reports.

III. OTHER MATTERS

11. Copies of the Appendices to this OIC may be purchased from the Commission's copy contractor for records duplication, Downtown Copy Center, (202) 452-1422, 1990 M Street, N. W., Washington, D. C., 20036. The Appendices are also available for public inspection and copying during normal business hours in the public reference room of the Commission's Accounting and Audits Division, 2000 L Street, N. W., Room 812, Washington, D. C. Implementation of the modified requirements will be subject to approval by the Office of Management and Budget as prescribed by the Paperwork Reduction Act of 1980.

IV. PLEADING CYCLE

12. Interested parties may submit comments on the proposed revisions to ARMIS and the Annual Report Form M by November 17, 1992. Replies must be filed by December 2, 1992.

¹⁰ In renumbering the tables in FCC Report 43-02, we have combined Form M Schedules B-3a and B-3b into a single table, Investments in Affiliated Companies. We have also combined Form M Schedules B-11 and B-12 into a single table, Net Deferred Income Taxes. (All four of these schedules are already automated.)

¹¹ FCC Report 43-08 contains four previously-automated Form M statistical schedules.

V. ORDERING CLAUSE

13. Accordingly, IT IS ORDERED, pursuant to Sections 219 and 4(i) of the Communications Act of 1934, as amended, 47 U.S.C. §§219, 154(i), and Sections 43.21, 1.785, 0.91 and 0.291 of the Commission's Rules, 47 C.F.R. §§43.21, 1.785, 0.91 and 0.291, that comment IS INVITED regarding the proposed revisions to FCC Reports No. 43-02 and 43-08, and Annual Report Form M, as described herein.

FEDERAL COMMUNICATIONS COMMISSION


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