

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

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<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*).

North 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

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<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.

procedures.”<sup>11</sup> The administrators propose that a data collection agent should perform a variety of functions, including 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

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

<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.

Telecommunications Reporting Worksheet.<sup>16</sup> Such an approach will ensure that telecommunications carriers and other providers 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

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

<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).

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 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.

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<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**

**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)