

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

In the Matter of	)	
	)	
Revision of ARMIS Annual Summary Report	)	
(FCC Report 43-01), ARMIS USOA Report	)	
(FCC Report 43-02), ARMIS Joint Cost Report	)	
(FCC Report 43-03), ARMIS Access Report	)	
(FCC Report 43-04), ARMIS Service Quality	)	
Report (FCC Report 43-05), ARMIS Customer	)	CC Docket No. 86-182
Satisfaction Report (FCC Report 43-06),	)	
ARMIS Infrastructure Report (FCC Report 43-07),	)	
ARMIS Operating Data Report (FCC Report 43-08),	)	
ARMIS Forecast of Investment Usage Report	)	
(FCC Report 495A), and ARMIS Actual Usage of	)	
Investment Report (FCC Report 495B) for Certain	)	
Class A and Tier 1 Telephone Companies	)	

**ORDER**

Adopted: December 8, 2004

Released: December 8, 2004

By the Chief, Industry Analysis and Technology Division:

**I. INTRODUCTION**

1. In this Order, we revise two of the Automated Reporting Management Information System (ARMIS) reports<sup>1</sup> to implement an OMB Notice<sup>2</sup> and a recent Commission order.<sup>3</sup> In addition, we clarify definitions and descriptions in several ARMIS reports to ensure consistency among reports and to improve the understanding of existing requirements. Finally, we adopt other minor, technical changes

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<sup>1</sup> The ARMIS reporting requirements were established by the Commission in 1987 to facilitate the timely and efficient analysis of carrier costs and revenue, to provide an improved basis for audits and other oversight functions, and to enhance the Commission's ability to quantify the effects of alternative policy proposals. Additional ARMIS Reports were added in 1991 and 1992. Carriers must submit the ARMIS reports to the Commission annually on or before April 1.

<sup>2</sup> See *Notices – Office of Management and Budget – Standards for Defining Metropolitan and Micropolitan Statistical Areas*, 65 Fed. Reg. 82228 (2000) (*OMB Notice*).

<sup>3</sup> See *Report and Order in CC Docket No. 98-117, Fifth Memorandum Opinion and Order in AAD File No. 98-43*, 14 FCC Rcd 11443 (1999) (*ARMIS Review Order*).

to the ARMIS reports pursuant to the authority delegated to the Wireline Competition Bureau in the *ARMIS Order*<sup>4</sup> and section 0.291 of the Commission's rules.<sup>5</sup>

2. Because these changes are minor and, in most cases made pursuant to the recommendations of the carriers filing the reports, we find good cause to conclude that notice and comment procedures of the Administrative Procedure Act are unnecessary.<sup>6</sup>

## II. DISCUSSION

### A. General

3. This Order implements changes to two ARMIS reports as necessitated by the redefinition of Standard Metropolitan Statistical Areas.<sup>7</sup> In addition, this Order provides improved definitions, descriptions, and instructions that will lead to greater clarity and consistency in reporting by incumbent local exchange carriers. In the following sections, we discuss the more important modifications. The Appendix contains a complete listing of the revisions that we make to ARMIS reports. Detailed instructions for the completion of the reports, which incorporate the changes made in this Order, are available for public inspection in the Commission's Reference Information Center at Portals II, 445 Twelfth Street, S.W., Room CY-A257, Washington, D.C. 20554 and from Best Copy and Printing, Inc., Portals II, 445 Twelfth Street, S.W., CY-B402, Washington, D.C. 20554. Copies of the detailed instructions may also be obtained over the Internet, from the Commission's web site, at the web address: <<http://www.fcc.gov/wcb/armis/instructions/>>.

### B. FCC Report 43-01 - The Annual Summary Report

4. FCC Report 43-01, the Annual Summary Report, summarizes the carriers' accounting and cost allocation data prescribed in Parts 32, 36, 64, 65, and 69 of the Commission's rules.<sup>8</sup> In this Order, we modify the instructions for Row 1970, in Table I, Cost and Revenue, to reflect time periods and multiplicative factors to be applied to 2004 data. Part I of the Appendix to this Order contains revisions to this report.

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<sup>4</sup> *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 No. 86-182, Report and Order, 2 FCC Rcd 5770 (1987), *modified on recon.*, 3 FCC Rcd 6375 (1988) (*ARMIS Order*).

<sup>5</sup> 47 C.F.R. § 0.291. In this Order, we revise or clarify all ten ARMIS Reports: FCC Report 43-01, the Annual Summary Report, FCC Report 43-02, the USOA Report, FCC Report 43-03, the Joint Cost Report, FCC Report 43-04, the Access Report, FCC Report 43-05, the Service Quality Report, FCC Report 43-06, the Customer Satisfaction Report, and FCC Report 43-07, the Infrastructure Report, FCC Report 43-08, the Operating Data Report, FCC Report 495A, the Forecast of Investment Usage Report, and FCC Report 495B, the Actual Usage of Investment Report.

<sup>6</sup> See 5 U.S.C. § 553(b)(3)(B) (providing that notice and comment are not required "when the agency for good cause finds (and incorporates the finding and a brief statement therefore in the rules issued) that notice and public procedure thereon are impractical, unnecessary or contrary to the public interest.")

<sup>7</sup> *OMB Notice*, at 21.

<sup>8</sup> 47 C.F.R. Parts 32, 36, 64, 65, and 69.

**C. FCC Report 43-02 - The USOA Report**

5. FCC Report 43-02, the Uniform System of Accounts (USOA) Report, provides the annual operating results of the carriers' activities for accounts as specified in the USOA.<sup>9</sup> This Order modifies the General Instructions for Table C-5, Important Changes During the Year, to require that carriers file Annual SEC 10K Reports with the Commission electronically, rather than by paper copy.<sup>10</sup> Part II of the Appendix to this Order contains revisions to this report.

**D. FCC Report 43-04 - The Access Report**

6. FCC Report 43-04, the Access Report, details carriers' revenues, expenses, taxes, plant in service, other investment and depreciation reserves by study area, pursuant to section 43.21(f) of the Commission's rules.<sup>11</sup> In this Order, we clarify instructions for Rows 1216 and 3090. Part IV of the Appendix to this Order contains the revisions to this report.

**E. FCC Report 43-05 - The Service Quality Report**

7. FCC Report 43-05, the Service Quality Report, measures carrier trends in service quality under price-cap regulation by study area, pursuant to section 43.21(g) of the Commission's rules.<sup>12</sup> In this Order we make several minor clarifying changes to this report, in Table II, Installation and Repair Intervals (Local Service), Row 0140, and Table III, Common Trunk Blockage, Row 0180. Further, we modify the instructions for Table II, Column (ad) and Table IV, Total Switch Downtime, Row 0200, to incorporate the new definitions for Metropolitan Statistical Areas.<sup>13</sup> Part V of the Appendix to this Order contains the revisions to this report.

**F. FCC Report 43-07 - The Infrastructure Report**

8. FCC Report 43-07, the Infrastructure Report, details carrier trends in telephone industry infrastructure development under price-cap regulation by study area, pursuant to section 43.21(i) of the Commission's rules.<sup>14</sup> In this Order we make several minor clarifying changes to this report, and modify the instructions for Table I, Switching Equipment, Column (b), to incorporate the new definitions for Metropolitan Statistical Areas.<sup>15</sup> Also, to insure consistency in calculations between this report and FCC Report 43-08, the Operating Data Report, we direct that in Table II, Rows 0320, 0321, 0322, and 0323, the quantities of facilities are to be reported in whole numbers. Part VII of the Appendix to this Order contains the revisions to this report.

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<sup>9</sup> 47 C.F.R. Part 32.

<sup>10</sup> *ARMIS Review Order*, 14 FCC Rcd at 11453-54, paras. 18-20.

<sup>11</sup> 47 C.F.R. § 43.21(f).

<sup>12</sup> 47 C.F.R. § 43.21(g).

<sup>13</sup> *OMB Notice*, at 21.

<sup>14</sup> 47 C.F.R. § 43.21(i).

<sup>15</sup> *OMB Notice*, at 21.

### III. PAPERWORK REDUCTION ACT

9. The modifications to the information collections contained herein are contingent upon approval of the Office of Management and Budget.

### IV. ORDERING CLAUSE

10. Accordingly, IT IS ORDERED, pursuant to the authority contained in sections 1, 4(i), 4(j), 201-205, 215, 218, 219, and 220 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 154(j), 201-205, 215, 218, 219, and 220, and sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, that FCC Report 43-01, the Annual Summary Report, FCC Report 43-02, the USOA Report, FCC Report 43-03, the Joint Cost Report, FCC Report 43-04, the Access Report, FCC Report 43-05, the Service Quality Report, FCC Report 43-06, the Customer Satisfaction Report, FCC Report 43-07, the Infrastructure Report, FCC Report 43-08, the Operating Data Report, FCC Report 495A, the Forecast of Investment Usage Report, and FCC Report 495B, the Actual Usage of Investment Report ARE REVISED, as set forth above and in the Appendix to this Order, effective for filings due April 1, 2005.

FEDERAL COMMUNICATIONS COMMISSION

Rodger A. Woock  
Chief, Industry Analysis and Technology Division

**PART I — Summary of changes to FCC Report 43-01 (The Annual Summary Report)****A. Table I – Cost and Revenue***Report Definition – Row Instructions*

1. Row 1970 - The definition of this row is revised to read: “Common Line Support-Long Term - Enter the amount of long-term support (LTS), which is a portion of the carrier’s Universal Service contribution payment submitted to NECA pursuant to Section 69.612(a). The amount reported in this row is calculated as follows: Total Interstate and International End User Telecommunications Revenue (less International Exception Revenue) from January 1, 2003 to December 31, 2003 times 0.003548 (the LTS portion of the annualized Universal Service contribution factor). The revenues to be used in this calculation are as reported to NECA on April 1, 2004 on FCC Form 499A, line 420, columns (d) + (e). This item is reported as a negative amount. **Note:** Carriers that are in the Common Line Pool will report zero.”

**B. Table II – Demand Analysis***Report Definition – General Instructions*

1. Add the following: “Any row/column data entry which contains UNE data must be accompanied by an explanatory footnote identifying the types of UNEs (e.g., “UNE-P”) that are included.”

**PART II — Summary of changes to FCC Report 43-02 (The USOA Report)****A. Table C-5 – Important Changes During the Year***Report Definition – General Instructions*

1. The following “Notice” is changed: “NOTICE: All carriers that file this table are required to electronically file a copy of the Annual SEC Form 10-K Report (at the holding company level) with the FCC (see FCC ARMIS Reports - Procedures, section G4). This requirement is in accordance with the Report and Order in *Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase I*, CC Docket No. 99-253, FCC 00-78 (adopted March 2, 2000).

**B. Table B-1 – Balance Sheet Accounts***Report Definition – Form*

1. The following row titles are changed:
  - a. Row 1350, Other current assets,
  - b. Row 2003, Telecommunications plant under construction (TPUC),
  - c. Row 2110, Land and Support Assets,
  - d. Row 2341, Large private branch exchanges,
  - e. Row 2410, Cable and Wire Facilities,
  - f. Row 2680, Amortizable Tangible Assets,
  - g. Row 2681, Capital leases, and
  - h. Row 4361, Deferred tax regulatory adjustment – net.
2. The following section titles are changed:
  - a. “Plant” is changed to “Property, Plant and Equipment”,
  - b. “TPIS - General Support” is changed to “TPIS - General Support Assets”,
  - c. “TPIS - Central Office ” is changed to “TPIS - Central Office Assets”,
  - d. “TPIS - Information Origination/Termination” is changed to “TPIS - Information Origination/Termination Assets”, and
  - e. “TPIS - Cable & Wire” is changed to “TPIS - Cable and Wire Assets”.

*Report Definition – Row Instructions*

3. The following row titles in the row instructions are changed:
  - a. Row 2110, Land and Support Assets, and
  - b. Row 2680, Amortizable Tangible Assets.

**C. Table B-5 – Analysis of Entries in Accumulated Depreciation***Report Definition – Form*

1. The following row titles are changed as follows:
  - a. Row 0350 - Large private branch exchanges, and
  - b. Row 0450 - Intrabuilding network cable.

*Report Definition – Row Instructions*

2. The following row title in the row instruction is changed as follows:
  - a. Row 0350 - Large private branch exchanges.

**D. Table I-1 – Income Statement Accounts***Report Definition – Form*

1. The following row titles are changed:
  - a. Row 5280, Nonregulated operating revenue,
  - b. Row 5300, Uncollectible revenue,
  - c. Row 6122, Furniture and artworks expense,
  - d. Row 6510, Other Property, Plant and Equipment Expenses,
  - e. Row 7250, Provision for deferred operating income taxes-net, and
  - f. Row 7910, Income effects of jurisdictional ratemaking differences-net.

*Report Definition – Row Instructions*

2. The following row titles in the row instructions, add “Expenses” to the title: Rows 6110, 6120, 6210, 6230, 6310, 6410, 6510, 6530, 6560, 690, 6610, 6620, 700, and 710.
3. The following row titles in the row instructions, add “expense” to the title: Rows 615, 625, 635, 6212, 6232, 665, 675, and 685.

**PART III — Summary of changes to FCC Report 43-03 (The Joint Cost Report)****A. Table I – Regulated/Nonregulated Data***Report Definition – Summary*

1. The following “Notice” is changed: “NOTICE: The ARMIS Joint Cost Report collects the results of the regulated/nonregulated cost allocation procedures as specified in Part 64, Subpart I of the Commission's Rules. The ARMIS Joint Cost Report specifies information requirements in a consistent format and is essential for the FCC to monitor revenue requirements, rate of return, jurisdictional separations and access charges. As required by Part 64.904, local exchange carriers that file this report must provide a copy of the independent auditor’s opinion with this report, every two years. The carrier has the option to do an attest engagement or biennial financial audit, as stated in the above rule. The independent auditor’s opinion must indicate the two calendar years that were audited. For further information, refer to the FCC’s Responsible Accounting Officer Letter 31 (DA 00-2385, released December 21, 2000) and FCC ARMIS Reports - Procedures, section G5. The independent auditor’s opinion will be provided by the BellSouth, Qwest, SBC, and Verizon companies for the odd years (2001, 2003, 2005, etc.). Your response is mandatory.

*Report Definition – Form*

2. The following row titles are changed:
  - a. Row 5040, Private line revenue,
  - b. Row 6510, Other property, plant and equipment expenses, and
  - c. Row 2362, Other terminal equipment.



**PART IV – Summary of changes to FCC Report 43-04 (The Access Report)****A. Table I – Separations and Access Table***Report Definition – Row Instructions*

1. Row 1216 - The definition of this row is revised to read: “Dial Equipment Minutes, as defined in Section 36.125(a)(3), used to calculate the interstate allocation factor pursuant to Section 36.125(i).”
2. Row 3090 - The definition of this row is revised to read: “Accumulated amortization of capital leases associated with General Support Facilities and which accumulated amortization is allocated pursuant to Sections 36.505(a), 69.2(z), and 69.301(a).”

**PART V – Summary of changes to FCC Report 43-05 (The Service Quality Report)***General Instructions*

1. Add the following paragraph at the end of the section: “In Tables II, IV.A, and V, any row/column data entry which contains UNE data must be accompanied by an explanatory footnote identifying the types of UNEs (e.g., “UNE-P”) that are included.”

**A. Table II – Installation and Repair Intervals (Local Service)***Report Definition – Row/Column Instructions*

1. Row 0140 - Total Access Lines - The definition of this row is revised to read: “Total end-of-year, in-service access lines in the study area. Access lines include all classifications of local exchange telephone service including, but not limited to, individual lines, party line access, PBX access, Centrex access, Coin access, Foreign Exchange access, and WATS access, but do NOT include official/company circuits in the access line counts. Access lines, as defined herein, is a more inclusive term than billable access lines as defined in the ARMIS 43-01 Report. See row instructions for Rows 2090 through 2140 of the ARMIS 43-01 Report for the definition of billable access lines. Enter in whole numbers.”
2. Column (ad) - MSA - The definition of this column is revised to read: “MSAs, or Metropolitan Statistical Areas, are designated by the Office of Management and Budget in a list following each decennial census. An MSA is a Core - Based Statistical Area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting. See 65 Fed. Reg. 82228 (2000). This amount represents all residential customers located within MSAs in the study area served by the reporting carrier.”

**B. Table III – Common Trunk Blockage***Report Definition – Row Instructions*

1. Row 0180 - Total Trunk Groups - The definition of this row is revised to read: “Enter the total number of common trunk groups in service at the end of the year for which the reporting carrier is responsible. Common trunk groups are trunk groups between the ILEC end office and the ILEC access tandem that carry Feature Group B, C and D access traffic. Do not count connections between host and remote switches. IntraLATA traffic may also be carried on these groups. Enter in whole numbers.”

**C. Table IV – Total Switch Downtime***Report Definition – Row Instructions*

1. Row 0200 - MSA - The definition of this row is revised to read: “This row represents all MSAs served within the study area. MSAs, or Metropolitan Statistical Areas, are designated by the Office of Management and Budget in a list released following each decennial census. An MSA is a Core - Based Statistical Area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting. See 65 Fed. Reg. 82228 (2000). Use the rounding conventions specified in the column instructions when entering these data.”

**PART VI – Summary of changes to FCC Report 43-06 (The Customer Satisfaction Report)**

**A. Table I – Summary Customer Satisfaction Survey**

*Report Definition – Form and Row Instructions*

1. The following row is removed:
  - a. Row 0020 - Reserved

**PART VII – Summary of changes to FCC Report 43-07 (The Infrastructure Report)***Report Definition – Summary*

1. In the paragraph immediately following the table of contents, make the following changes: “All kilometers and access lines must be entered in whole numbers. All switches, tandems, hosts, remotes, interfaces, circuit lines, carrier links, terminations, channels, copper pairs, and fiber strands must be entered in whole numbers.”

*Report Definition – General Instructions*

2. Add the following sentence to the existing sentence, so that the combined material reads thus: “For the purposes of this report, the terms access lines, lines, and lines in service are used interchangeably. Any row/column data entry which contains UNE data must be accompanied by an explanatory footnote identifying the types of UNEs (e.g., “UNE-P”) that are included.”

**A. Table I – Switching Equipment***Report Definition – Column Instructions*

1. Column (b) - Within MSA - The definition of this column is revised to read: “This column represents all MSAs served within the study area. MSAs, or Metropolitan Statistical Areas, are designated by the Office of Management and Budget in a list following each decennial census. An MSA is a Core - Based Statistical Area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting. See 65 Fed. Reg. 82228 (2000). Enter the facilities within any MSA in the Study Area in this column.”

**B. Table II – Transmission Facilities***Report Definition – Row Instructions*

1. Row 0320 - Total Sheath Kilometers - The definition of this row is revised to read: “The total length in kilometers of all loop and interoffice cables (Plant in Service – Account 2410) without regard to the number of pairs. Use whole numbers. Row 0320 shall equal the sum of Rows 0321, 0322, and 0323.”
2. Row 0321 - Copper - The definition of this row is revised to read: “Enter the number of sheath kilometers of twisted pair copper cable. Use whole numbers.”
3. Row 0322 - Fiber - The definition of this row is revised to read: “Enter the number of sheath kilometers of fiber. Use whole numbers.”
4. Row 0323 - Other - The definition of this row is revised to read: “Enter the number of sheath kilometers of aluminum, coaxial, and all other sheath kilometers not included in Rows 0321 or 0322. Use whole numbers.”

**PART VIII – Summary of changes to FCC Report 43-08 (The Operating Data Report)****A. Table II – Switched Access Lines in Service***Report Definition – General Instructions*

1. Add the following at the end of the current text: “Any row/column data entry which contains UNE data must be accompanied by an explanatory footnote identifying the types of UNEs (e.g., “UNE-P”) that are included.”

**B. Table III – Access Lines in Service by Customer***Report Definition – Form*

1. The top-level column heading “Business Switched Access Lines” is extended to the right so that it includes Column (fe), Payphone Lines.

*Report Definition – General Instructions*

2. Add the following at the end of the current text: “Any row/column data entry which contains UNE data must be accompanied by an explanatory footnote identifying the types of UNEs (e.g., “UNE-P”) that are included.”

**PART IX – Summary of changes to FCC Report 495A (The Forecast of Investment Usage Report)***Report Definition – Summary*

1. The first paragraph is revised to read: “This document contains the Report Definition for FCC Report 495A, the Forecast of Investment Usage Report. The following three tables and associated instructions implement the requirement that certain telephone plant investment used for both regulated and nonregulated purposes be assigned to cost categories and allocated on the basis of forecasted regulated and nonregulated use. This report provides the forecast and resulting investment allocations incorporated in a carrier's cost support for its access tariffs. Mid-sized incumbent local exchange carriers, as defined by Section 32.9000, are relieved from filing this report.”
2. The following is added to the table of contents: “The FCC Report 495A contains the following tables:”

**PART X – Summary of changes to FCC Report 495B (The Actual Use of Investment Report)***Report Definition – Summary*

1. The first paragraph is revised to read: “This document contains the Report Definition for FCC Report 495B, the Actual Usage of Investment Report. The following three tables and the associated instructions implement the requirement for reporting the actual investment and usage data for those cost categories that are allocated on the basis of a forward looking investment allocator. The purpose of this report is to enable the Commission's staff to monitor actual and forecasted investment use, as directed in CC Docket 86-111. Mid-sized incumbent local exchange carriers, as defined by Section 32.9000, are relieved from filing this report.”
2. The following is added to the table of contents: “The FCC Report 495B contains the following tables:”