

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

In the matter of)	
)	
Federal-State Joint Conference)	WC Docket No. 02-269
On Accounting Issues)	
)	
2000 Biennial Regulatory Review –)	CC Docket No. 00-199
Comprehensive Review of the Accounting)	
Requirements and ARMIS Reporting)	
Requirements for Incumbent Local)	
Exchange Carriers: Phase II)	
)	
Jurisdictional Separations Reform and)	CC Docket No. 80-286
Referral to the Federal-State Joint Board)	
)	
Local Competition and Broadband Reporting)	CC Docket No. 99-301

ORDER

Adopted: December 17, 2003

Released: December 23, 2003

By the Commission:

1. In this order, we extend on an interim basis from January 1, 2004 through June 30, 2004 the current suspension of the implementation of four accounting and reporting requirement rule modifications previously adopted by the Commission. As detailed below, the purpose of this extension is to avoid undue burdens on the affected carriers, the Commission, the state regulatory commissions and the public generally were there to be no extension at this time. Further, this interim extension will afford the Commission more time meaningfully to consider comments filed pursuant to recent recommendations by the Federal-State Joint Conference on Accounting Issues (Joint Conference).¹

2. On November 12, 2002, the Commission released an Order that suspended the implementation of the following four accounting and reporting requirement rule changes until July 1, 2003: (1) the consolidation of Accounts 6621 through 6623 into Account 6620, with subaccounts for wholesale and retail; (2) the consolidation of Account 5230, Directory revenue, into Account 5200 Miscellaneous revenue; (3) the consolidation of the depreciation and amortization expense accounts (Accounts 6561 through 6565) into Account 6562, Depreciation and amortization expenses; (4) the

¹ *Federal-State Joint Conference on Accounting Issues*, Order, 17 FCC Rcd 17025 (2002) (*Convening Order*); *Federal-State Joint Conference on Accounting Issues*, Order, WC Docket No. 02-269, FCC 02-291 (October 17, 2002) (Order establishing membership of Joint Conference); Letter from Federal-State Joint Conference on Accounting Issues to Marlene H. Dortch, Secretary, FCC (Oct. 9, 2003) (*Joint Conference Recommendation*) (submitting proposed recommendations to Commission's accounting rules).

revised “Loop Sheath Kilometers” data collection in Table II of ARMIS Report 43-07.² The Commission adopted these accounting rules and reporting requirements as part of the Commission’s biennial review of accounting requirements and Automated Reporting Management Information System (ARMIS) reporting.³

3. The Commission suspended implementation of these four accounting and reporting requirement rule changes in order to allow the recently-established Joint Conference to review these rules and requirements before carriers were required to implement them. In a public notice released December 12, 2002, the Joint Conference sought public comment on several accounting and reporting requirement issues, including those accounting and reporting requirements whose implementation was suspended by the Commission on November 12, 2002.⁴

4. Subsequently, the Commission found that further suspension of these accounting and reporting changes would allow the Joint Conference more time to better formulate its recommendations to the Commission. On June 24, 2003, the Commission released a second Order deferring the implementation of the four accounting and reporting rule changes described above from July 1, 2003 to January 1, 2004.⁵

5. On October 9, 2003, the Joint Conference submitted its recommendations to the Commission. On December 23, 2003, the Commission adopted a Notice of Proposed Rulemaking seeking comment on the Joint Conference’s recommendations.⁶ That Notice also seeks comment on a proposal to defer implementation of the four accounting and reporting changes described above until January 1, 2005. There will not be sufficient time to receive and consider the comments of interested parties before January 1, 2004, the date on which the current deferral expires. We believe that good cause exists for ordering an interim deferral without first requesting notice and comment.⁷ Were this deferral not ordered, the affected carriers would be required to implement the rule changes before the Commission and the public meaningfully could consider the Joint Conference’s recommendations, or the proposed deferral to January 1, 2005. Additionally, the affected carriers would be required to revise their procedures for preparing books and reports for the upcoming fiscal year, only to revise them once again upon the potential adoption of changes pursuant to the Joint Conference’s recommendations. Moreover, state regulatory commissions, which also review the accounts and reports for their own regulatory purposes, and the public generally, benefit from the streamlined review that is made possible by a settled

² *Federal-State Joint Conference on Accounting Issues*, Order, 17 FCC Rcd 23243 (2002) (*First Suspension Order*).

³ *2000 Biennial Regulatory Review – Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2; Amendments to the Uniform System of Accounts for Interconnection; Jurisdictional Separations Reform and Referral to the Federal-State Joint Board; and Local Competition and Broadband Reporting*, CC Docket Nos. 00-199, 97-212, 80-286, 99-301, Report and Order and Further Notice of Proposed Rulemaking, 16 FCC Rcd 19911 (2001), *on recon.*, *2000 Biennial Regulatory Review – Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers*, CC Docket No. 00-199, Order on Reconsideration, 17 FCC Rcd 4766 (2002).

⁴ *Federal-State Joint Conference on Accounting Issues*, Public Notice, 17 FCC Rcd 24902 (2002).

⁵ *Federal-State Joint Conference on Accounting Issues*, Order, 18 FCC Rcd 12636 (2003) (*Second Suspension Order*). The Commission noted that the Joint Conference could need additional time beyond the six-month extension granted to complete its work, and that a further extension could be necessary. *See id.* at 12637 para. 5 n.8.

⁶ *Federal-State Joint Conference on Accounting Issues*, Notice of Proposed Rulemaking, FCC 03-326 (rel. Dec. 23, 2003).

⁷ The Administrative Procedure Act provides that notice and comment is not necessary where “good cause” exists. 5 U.S.C. § 553(b).

mechanism of preparing annual books and reports. Finally, we believe that the foregoing reasons also provide good cause for allowing this deferral to become effective before January 1, 2004 and on less than 30 days' publication in the Federal Register.⁸ Absent this early effectiveness, all of the burdens described above would result.

6. Accordingly, IT IS ORDERED that, pursuant to sections 1, 4(i), 4(j), 5(c), 201, 202, 219 and 220 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 154(j), 155(c), 201, 202, 219 and 220, section 1.3 of the Commission's rules, 47 C.F.R. § 1.3, sections 553(b) and 553(d)(3) of the Administrative Procedure Act, 5 U.S.C. § 553(b), 553(d)(3), implementation of certain rule modifications described in paragraph 2, above, IS SUSPENDED from January 1, 2004 through June 30, 2004.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary

⁸ The Administrative Procedure Act provides that a rule change may become effective before the usual 30-days pre-publication in the Federal Register where "good cause" exists. 5 U.S.C. § 553(d)(3).