

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

In the Matter of)
)
Amendment of Sections 0.11, 0.231, and 1.8002 of) MD Docket No. 04-251
the Commission's Rules)

ORDER

Adopted: July 2, 2004

Released: January 7, 2005

By the Commission:

1. By this Order, we amend our rules to clarify the responsibilities of the Managing Director with respect to financial management matters and with respect to implementation of the Commission's directives in a recent Order released October 3, 2003 concerning the administration of the Universal Service Fund (USF) and Telecommunications Relay Services Fund (TRS Fund).¹ The rules adopted herein are intended to provide clear direction to the Managing Director to respond quickly and efficiently to matters concerning the proper accounting and reporting for the Commission's financial transactions and compliance with relevant and applicable federal financial management and reporting statutes. In addition, we amend our rules to authorize the Billing and Collection Agent for North American Numbering Plan Administration and the Administrators of the USF and the TRS Fund to issue FCC Registration Numbers for carriers who have not previously been assigned one.

2. First, we amend section 0.11 of our rules to state clearly that the Managing Director responsibilities include accounting for the financial transactions of the Commission and preparation of financial statements and reports. This rule merely codifies actual Commission practice.

3. Further, we clarify the Managing Director's authority to determine programs and accounts included in the Commission's annual financial statements. The Office of Management

¹ See Application of Generally Accepted Accounting Principles for Federal Agencies and Generally Accepted Government Auditing Standards to the Universal Service Fund and Application of Generally Accepted Accounting Principles for Federal Agencies and Generally Accepted Government Auditing Standards to the Telecommunications Relay Services Fund, Order, 18 FCC Rcd 19911 (rel. October 3, 2003) (GovGAAP Order).

and Budget (OMB) specifies the form and content of agency financial statements through issuance of OMB Bulletins, pursuant to its authority under the Chief Financial Officers Act of 1990, as amended, 31 U.S.C. §§ 331(e) and 3512(d). Under that authority, OMB requires all agencies to follow the Federal Accounting Standards Advisory Board's Statement of Federal Financial Accounting Concepts No. 2 (SFFAC No. 2), which contains criteria for determining whether programs should be included on an agency's financial statement. Under SFFAC No. 2's "conclusive criterion," organizations, programs, and accounts listed on the United States Budget, such as the Universal Service Fund and the TRS Fund, must be included in an agency's financial statement. In addition, organizations, programs, and accounts may be included in the financial statements after weighing the indicative criteria contained in SFFAC No. 2.² From time to time, new organizations, programs, and accounts must be evaluated to determine whether they should be accounted for on the Commission's financial statements. We hereby amend section 0.231 to delegate authority to the Managing Director, after seeking the opinion of the General Counsel, to determine the organizations, programs (including funds), and accounts that are required to be included in the financial statements of the Commission. This rule change also codifies existing practice.

4. In addition, in the GovGAAP Order, the Commission adopted a rule that states, "[i]n administering the Universal Service Fund, the Administrator shall also comply with all relevant and applicable federal financial management and reporting statutes."³ A similar rule was adopted for the Telecommunications Relay Services Fund Administrator.⁴ The Commission also stated that, as appropriate under federal law, the Commission will apply relevant provisions of similar laws that may be enacted in the future. To better assure comprehensive and consistent management of the agency's financial responsibilities and compliance with all Federal financial management requirements, we delegate specific authority to the Managing Director, after seeking the opinion of the General Counsel, to direct that all organizations, funds, and accounts accounted for on the financial statements of the Commission comply with all relevant and applicable federal financial management and reporting statutes.

5. Finally, we amend section 1.8002 to authorize the Administrators of the USF and TRS Fund and the Billing and Collection Agent of North American Numbering Plan Administration to issue FCC Registration Numbers (FRNs) to debtors or contributors who have not previously received FRNs. This rule change will help expedite the debt collections processes at the USF, TRS Fund, and North American Numbering Plan Administration and eliminate the need for the FCC staff alone to issue FRNs when contributors and debtors have failed to obtain

² Organizations, programs (including funds), and accounts included in the FCC's financial statements are collectively referred to as Reporting Components.

³ GovGAAP Order at Appendix A; 47 C.F.R. § 54.702(n).

⁴ See 47 C.F.R. § 64.604(c)(5)(iii)(H).

and FRN as mandated by our rules.

6. The rule amendments adopted herein involve rules of agency organization, procedure, or practice, and the notice and comment and effective date provisions of the Administrative Procedure Act are therefore inapplicable. 5 U.S.C. § 553(b)(3)(A), (d).

7. ACCORDINGLY, IT IS ORDERED, That pursuant to sections 4(i), 4(j), 5(c), 303(r), 47 U.S.C. §§ 154(i), 154(j), 155(c), 251(e), 303(r) of the Communications Act of 1934, as amended, 47 C.F.R. Parts 0 and 1 ARE AMENDED as set forth below, effective upon publication in the Federal Register.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary

APPENDIX

Part 0 of Title 47 of the Code of Federal Regulations is amended to read as follows:

1. The authority citation for Part 0 continues to read as follows:

AUTHORITY: Secs. 5, 48 Stat. 1068, as amended; 47 U.S.C. 155.

2. Section 0.11 is amended by substituting new sub-subparagraph (8)

Plan and manage the administrative affairs of the Commission with respect to the functions of personnel and position management; labor-management relations; training; budget and financial management; accounting for the financial transactions of the Commission and preparation of financial statements and reports; information management and processing; organization planning; management analysis; procurement; office space management and utilization; administrative and office services; supply and property management; records management; personnel and physical security; and international telecommunications settlements.

* * * * *

3. Section 0.231 is amended by adding new subparagraph (j)

The Managing Director or his designee is delegated the authority, after seeking the opinion of the General Counsel, to determine, in accordance with generally accepted accounting principles for federal agencies the organizations, programs (including funds), and accounts that are required to be included in the financial statements of the Commission.

* * * * *

4. Section 0.231 is amended by adding new subparagraph (k)

The Managing Director, or his designee, after seeking the opinion of the General Counsel, is delegated the authority to direct all organizations, programs (including funds), and accounts that are required to be included in the financial statements of the Commission to comply with all relevant and applicable federal financial management and reporting statutes.

* * * * *

Part 1 of Title 47 of the Code of Federal Regulations is amended to read as follows:

5. Section 1.8002 is amended by adding new subparagraph (e)

An FRN may be assigned by the Billing and Collection Agent for North American Numbering Plan Administration and the Administrators of the Universal Service Fund and the Telecommunications

Relay Services Fund. In each instance, the Billing and Collection Agent for North American Numbering Plan Administration and the Administrators of the Universal Service Fund and the Telecommunications Relay Services Fund shall promptly notify the entity of the assigned FRN.