

FSG	FSC	Noun name
	4920	Aircraft maintenance and repair shops specialized equipment.
	4930	Lubrication and fuel dispensing equipment.
	4935	Guided missile maintenance, repair, and checkout specialized equipment.
	4940	Miscellaneous maintenance and repair shop specialized equipment.
	4960	Space vehicle maintenance, repair, and checkout specialized equipment.
54	All	Prefabricated structures and scaffolding.
61	All	Electric wire, and power and distribution equipment.
66	All	Instruments and laboratory equipment.
70	All	Information technology equipment.
71	All	Furniture.
73	All	Food preparation and serving equipment.

(e) The appropriate disposal condition code from the following table must be assigned to each item record, report, or listing of excess personal property:

Disposal condition code	Expanded definition
1	Property which is in new condition or unused condition and can be used immediately without modifications or repairs.
4	Property which shows some wear, but can be used without significant repair.
7	Property which is unusable in its current condition but can be economically repaired.
X	Property which has value in excess of its basic material content, but repair or rehabilitation is impractical and/or uneconomical.
S	Property which has no value except for its basic material content.

Dated: July 20, 1999.

David J. Barram,

Administrator of General Services.

[FR Doc. 99-19098 Filed 7-27-99; 8:45 am]

BILLING CODE 6820-24-P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 3

[IB Docket No. 98-96, FCC 99-150]

Biennial Review

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: This document further streamlines the authorization and regulation of privately owned accounting authorities that settle accounts for maritime mobile, maritime satellite, aircraft and hand-held terminal radio services. The Commission concluded that there is no need for the Commission to act as an accounts clearinghouse for maritime and satellite

communications and that the private authorities that the Commission has certified, acting under regulations prescribed by the Commission and under its oversight, can successfully settle all accounts for U.S. users of these radio services. The Commission also concluded that Commission withdrawal as an accounting authority will promote competition among private authorities. The Commission initiated this proceeding pursuant to the Telecommunications Act of 1996, which directs the Commission to undertake a review every even-numbered year of all regulations that apply to providers of telecommunications services to determine whether any such regulation is no longer necessary.

DATES: Effective August 27, 1999.

FOR FURTHER INFORMATION CONTACT: John Copes, Attorney-Advisor, Multilateral and Development Branch, Telecommunications Division, International Bureau, (202) 418-1478.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's R&O, FCC 99-150, adopted on June 21, 1999, and released on July 13, 1999. The full text of this R&O is available for inspection and copying during normal business hours in the Federal Communications Commission, Reference Information Center (Room CY-A257), 445 12th St., SW, Washington, DC 20554. The complete text of the R&O may also be purchased from the Commission's copy contractor, International Transcription Service, Inc., 1231 20th St., NW, Washington, DC 20036, (202) 857-3800.

Summary of R&O

1. In July 1998, the Commission adopted a Notice of Proposed Rulemaking (63 FR 39800, July 24, 1998) (NPRM) to streamline further the regulations and authorization of privately owned accounting authorities that settle accounts in the maritime mobile and maritime mobile-satellite radio services. Maritime mobile satellites are also used to provide satellite-based aviation services and

services to hand-held radio terminals. In that connection the Commission proposed to withdraw from performing the functions of an accounting authority and, instead, to rely solely upon the private accounting authorities to settle accounts for U.S. users of maritime and satellite communications. The Commission also proposed to amend its rules to make explicit the fact that certified accounting authorities are required, in settling accounts, to deal with the public on a reasonable and nondiscriminatory basis. The Commission also inquired into whether it should designate a new entity to perform the function of "accounting authority of last resort" the Commission has traditionally performed whereby it settles accounts for all users who have not designated an accounting authority at the time they made the radio communication.

2. On June 21, 1999, the Commission adopted a Report and Order and Further Notice of Proposed Rulemaking (FCC 99-150) to make final the proposals in its July 1999 NPRM and to institute a transition period leading to the handing over of its functions to private accounting authorities. A proposed rule relating to this proceeding is published elsewhere in this issue of the **Federal Register**. In the R&O portion of the document, the Commission affirmed its proposal to withdraw from performing the functions of an accounting authority and to rely solely upon the private accounting authorities to provide account-settlement services for maritime and satellite communications. The Commission made clear that it will continue to operate as administrator of all U.S.-certified accounting authorities and the basic rules and procedures for certifying accounting authorities and will continue to oversee the operation of all certified accounting authorities.

3. The Commission has also made final its proposal to amend section 3.10(e) of its rules (47 CFR 3.10(e)) to make clear that private accounting authorities are required to serve the public on a reasonable and

nondiscriminatory basis in their performance of their accounts-settlement services. The rules had already required private accounting authorities to deal with their customers in a reasonable manner. The Commission concluded, however, that it would be desirable upon its withdrawal as an accounting authority to make explicit the fact that such reasonable treatment requires accounting authorities to offer their services to the public upon a reasonable request therefore, without undue discrimination against any customer or class of customer, and to charge reasonable and nondiscriminatory fees for service.

4. The Commission, however, concluded that, notwithstanding the general requirement for nondiscriminatory treatment, it should continue to exempt one "grandfathered" entity from the requirement to serve all comers. Prior to 1996, when the Commission adopted formal rules governing the certification and authorization of private accounting authorities, the Commission had certified a variety of such entities on an interim basis. Under those interim certification procedures, the Commission had allowed one entity to become an accounting authority to provide account-settlement services solely for its own ships. At the time the Commission adopted formal certification rules that imposed upon private authorities the requirement to treat all users in a reasonable manner (section 3.10(e)), the Commission decided to exempt that entity from the obligation of section 3.10(e) to allow it to continue to provide services only for its own ships. The Commission noted that the grandfathered entity had become an accounting authority solely to serve its own ships and had stated that it has no interest in providing account-settlement services as a business. The Commission concluded that, because it had become an accounting authority before there was a requirement to serve all users, it would be a hardship to require the entity to change its operation under the 1996 rules. Because it believes that the amendment of Section 3.10(e) does not substantively alter the obligations contained in the prior wording of Section 3.10(e), the Commission had proposed to continue the exemption under the amended rule section.

Regulatory Flexibility Act

5. As required by the Regulatory Flexibility Act, 5 U.S.C. 603, we prepared an Initial Regulatory Flexibility Analysis (IRA) of the possible impact on small entities of the

proposals contained in the July 1999 NPRM in this proceeding. We received no comments on the IRFA. After reviewing comments on the proposals in the NPRM, we have prepared a Final Regulatory Flexibility Analysis (FRFA) on the rules adopted by the R&O. The FRFA is contained in Attachment B.

6. Accordingly, *it is ordered*, pursuant to Sections 4(i), 4(j), 11, 201-205 and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. 154(i), 154(j), 161, 201-205 and 303(r), that this R&O *is hereby adopted*.

7. *It is further ordered* that section 3.10(e) is amended to read as shown in Attachment A.

8. *It is further ordered* that the Office of Public Affairs, Reference Operations Division, *shall send* a Copy of this R&O, including the regulatory flexibility certification, to the Chief Counsel for Advocacy of the Small Business Administration.

Final Regulatory Flexibility Analysis

9. As required by the RFA, 5 U.S.C. 603, the Commission included an Initial Regulatory Flexibility Analysis (IRFA) in the NPRM in this proceeding. The Commission sought written public comment on the proposals in the NPRM, including comment on the IRFA. This FRFA conforms to the RFA.

A. Need for, and Objectives of, the Rule Adopted Here

10. This R&O adopts an amendment to Section 3.10 of the Commission's Rules and Regulations to clarify that the section obligates private accounting authorities certified by the Federal Communications Commission to deal with the public on a non-discriminatory basis. We do not believe that this amendment changes the substance of the rule that the Commission adopted in 1996, which implicitly required such non-discriminatory treatment, but believe that it is desirable to make private accounting authorities' obligations as clear as possible.

11. The R&O also adopts the proposal in the NPRM to continue the exemption for one entity that had previously been certified as a private accounting authority on an interim basis that allows it to provide account-settlement services only for its own vessels. This entity had obtained interim certification before the Commission imposed an obligation for private accounting authorities to provide service to all customers requesting it, and the Commission believes that it would work an undue hardship to require it to change the scope of its operations. We believe that the public has adequate opportunity to obtain service from other private

accounting authorities the Commission has certified and that there is no reason at this time to require this entity to serve all comers.

12. Finally, this R&O adopts the proposal in the NPRM that the Commission will cease to act as an accounting authority, leaving the settlement of maritime and satellite accounts to the private accounting authorities the Commission has certified. We believe that withdrawal of the Commission as an accounting authority will strengthen the system of private accounting authorities the Commission has created over the years and allow such private authorities to become more competitive. We do not see a need for a governmental body to perform account-settlement functions, because these functions have been performed without difficulty by a variety of private authorities, operating under FCC rules for many years. The Commission has concluded that there is no reason for the FCC to continue to settle the accounts for other U.S. government agencies. We find that the agencies have not argued that they have any special needs with respect to the settlement of their radio accounts that cannot be met by private accounting authorities. The Commission did, however, note that the agencies have relied upon the Commission to settle their accounts and conclude that the immediate withdrawal of the Commission as an accounting authority could cause some temporary disruption or curtailment of service to government users. The Commission, therefore, concluded to delay its departure and to institute a transition period. The Commission believes that such transition period will give that agencies time to make all preparations, including any budgetary adjustments, for shift to a private accounting authority. The nature of the transition period will be addressed by the FNPRM.

B. Summary of Significant Issues Raised by Public Comments in Response to the IRFA

13. There were no comments submitted in response to the IRFA. Because the proposed amendment of Section 3.10 made no substantive change to the current obligation of private accounting authorities, the adoption of the proposed amendment will have no significant impact upon any small business entities. Similarly, the proposal to continue to exempt one entity from the obligation to provide service to all users on a non-discriminatory basis does not make a change from the present situation, adoption of the proposal will not have

a significant impact upon a small business. The entity that was exempted is not itself a small business. Because there are many other private accounting authorities who are obligated to serve users on a non-discriminatory basis, allowing the one entity to provide services only to its own vessels will not adversely affect any small businesses that are customers of private accounting authorities. Finally, the decision for the FCC to withdraw as an accounting authority should not have any significant impact upon small business entities. Even without the FCC to settle accounts for users, there will be a sizeable number of private accounting authorities to take over FCC functions.

C. Description and Estimate of the Number of Small Entities to Which Rules Will Apply

14. The Commission has not developed a definition of small entities applicable to licensees in the international services. Therefore, the applicable definition of small entity is generally the definition under the SBA rules applicable to Communications Services, Not Elsewhere Classified (NEC). This definition provides that a small entity is expressed as one with \$11.0 million or less in annual receipts.

15. According to the Census Bureau, there were a total of 848 communications services providers, NEC, in operation in 1992, and a total of 775 had annual receipts of less than \$9.999 million. The Census report does not provide more precise data. The rules proposed in this Notice of Proposed Rulemaking, however, apply only to entities providing account-settlement services for maritime mobile and maritime mobile-satellite radio services. As noted, there are currently only 17 such entities. Small businesses may be able to become accounting clearinghouses, as the establishment of such a function does not appear to involve high implementation costs.

D. Description of Projected Recordkeeping and Other Compliance Requirements

16. The rule amendment adopted in this R&O merely clarifies an existing requirement imposed on accounting authorities. It, therefore, does not alter the reporting, recordkeeping or other compliance requirements of certified accounting authorities in the maritime mobile, maritime mobile-satellite, aeronautical and other satellite-based radio services. The decision to continue the exemption of one currently certified accounting authority from the requirement to serve the public on a non-discriminatory basis affects only

that entity. Further, because it continues the current exemption, it will not alter that entity's recordkeeping or compliance activities. The decision of the Commission to withdraw as an accounting authority will affect both those now certified as accounting authorities and those who may apply for certification in the future. The withdrawal of the Commission will result in the transfer of the accounts that the Commission now settles to the private accounting authorities. This should give each such accounting authority the opportunity to compete for increased business. The withdrawal of the Commission, however, should not increase the recordkeeping and compliance efforts of private accounting authorities.

E. Steps Taken To Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered

17. Because the rule amendment adopted in this R&O did not alter the obligations of any present or future certified private accounting authority, there was no need to take any steps to minimize the impact of the rule. Similarly, the decision of the Commission to continue the exemption for one entity from the obligation to serve the public on a non-discriminatory basis did not change that entity's current obligations, there was no need to take steps to minimize the impact of the exemption on small entities. The decision of the Commission to withdraw as an accounting authority will increase the potential business of currently certified accounting authorities. It also may make additional entities decide that they would like to seek certification as a private accounting authority. Commission withdrawal as an accounting authority will require those who currently rely upon the FCC to settle their maritime and satellite radio accounts will be required to select new accounting authority from among certified accounting authorities. It is conceivable that selection of such an accounting authority may be more difficult for some small entities than others. Because the Commission has delayed the effectiveness of its withdrawal as an accounting authority until the completion of a transition plan, small entities will not have to choose a new authority immediately. Small entities will be able to bring any special needs to the attention of the Commission during the preparation of the transition plan that will be undertaken pursuant to the FNPRM.

Report to Congress

18. The Commission will send a copy of this R&O, including this FRFA, in a report to be sent to Congress pursuant to the Small Business Regulatory Enforcement Fairness Act of 1996, see 5 U.S.C. 801(a)(1)(A). In addition, the Commission will send a copy of the R&O, including this FRFA to the Chief Counsel for Advocacy of the Small Business Administration. A copy of the R&O and FRFA (or summaries thereof) will be Published in the **Federal Register**. See 5 U.S.C. 604(b).

List of Subjects in 47 CFR Part 3

Accounting.

Federal Communications Commission.

William F. Caton,

Deputy Secretary.

Rule Changes

Part 3 of the Commission's Rules and Regulations Title 47 of the Code of Federal Regulations is amended as follows:

PART 3—AUTHORIZATION AND ADMINISTRATION OF ACCOUNTING AUTHORITIES IN MARITIME AND MARITIME MOBILE-SATELLITE RADIO SERVICES

1. The authority citation for Part 3 continues to read as follows:

Authority: 47 U.S.C. 154(i), 154(j) and 303(r).

2. Section 3.10 is amended by revising the first sentence of paragraph (e) to read as follows:

§ 3.10 Basic requirements.

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(e) Applicants must offer their services to any member of the public making a reasonable request therefor, without undue discrimination against any customer or class of customer, and fees charged for providing such services shall be reasonable and non-discriminatory. * * *

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[FR Doc. 99-19065 Filed 7-27-99; 8:45 am]

BILLING CODE 6712-01-P