

- expected end-of-life for satellite;
- the approximate dates that any additional C-band satellites with a currently pending application in IBFS are planned for launch to serve the United States market (note whether this satellite is a replacement);
 - whether any additional C-band satellites that do not have a currently pending application in IBFS are planned for launch to serve the United States market and the approximate date of such launch (note whether this satellite is a replacement);
 - for each transponder operating in the 3.7–4.2 GHz range that is operational and legally authorized to serve customers in the United States, for the most recent month,⁶ provide the following:
 - the frequency range of transponder and transponder number;⁷
 - the capacity in terms of the number of megahertz on each transponder that are currently under contract (also provide this data for one month in 2016);⁸
 - For each day in the most recent month, please provide the percentage of each transponder's capacity (megahertz) utilized and the maximum capacity utilized on that day. (Parties should use the most recent month of data and provide the date range at which the data was collected; they may also supplement the data with historical trend data over recent months up to three years if they feel it displays utilization variances);
 - the center frequency and bandwidth of the Telemetry Tracking and Command beam(s); and
 - the call sign and geographic location (using NAD83 coordinates) of each TT&C receive site.

12. The Commission will seek approval from the Office of Management and Budget (OMB) before the information collection becomes effective, and following OMB approval, the Commission will publish notice of the effective date of the information collection and filing deadline in the

⁶ The "most recent month" will be defined in the Bureaus' forthcoming public notice and will be a month following release of this *Order*.

⁷ For purposes of this information collection, "transponder number" refers to a standard 36 megahertz wide transponder and that transponder numbering (1–24) is based on the former center-frequency requirement for C-band space stations. See 47 CFR 25.211(a) (2014). While this rule is no longer in effect, most satellites providing service to the United States in the 3.7–4.2 GHz band are configured in accordance with the transponder plan described in the rule.

⁸ The information collected will provide comparative data of transponder usage over time and allow the Commission and the public to evaluate options for the future use of the 3.7–4.2 GHz band.

Federal Register. The Commission also directs the Bureaus to consider whether additional information should be collected from either FSS earth station operators or satellite licensees and to seek notice and comment regarding the need to initiate a second information collection if such additional information is necessary to supplement the information submitted in this proceeding.

IV. Ordering Clauses

13. *It is further ordered* that pursuant to section 4(i) of the Communications Act of 1934, as amended, that this *Order is adopted* effective upon publication in the **Federal Register**. This *Order* contains information collection requirements subject to the Paperwork Reduction Act of 1995 that are not effective until approved by the Office of Management and Budget.

14. *It is further ordered* that the *notice of inquiry*, GN Docket No. 17–183, *Expanding Flexible Use in the Mid-Band Spectrum Between 3.7–24 GHz*, adopted on August 3, 2017, is terminated as to the 3.7–4.2 GHz band.

Federal Communications Commission.

Marlene Dortch,

Secretary, Office of the Secretary.

[FR Doc. 2018–17296 Filed 8–17–18; 8:45 am]

BILLING CODE 6712-01-P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Parts 51 and 52

[**WC Docket Nos. 17–244, 13–97; FCC 18–95**]

Nationwide Number Portability; Numbering Policies for Modern Communications

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: In this document, the Federal Communications Commission (Commission) adopts final rules based on public comments to promote nationwide number portability. These rules eliminate unnecessary toll interexchange dialing parity requirements and database query requirements that may result in obstacles and inefficiencies in an eventual nationwide number portability regime.

DATES: Effective September 19, 2018.

FOR FURTHER INFORMATION CONTACT: For further information about this proceeding, please contact Sherwin Siy, FCC Wireline Competition Bureau,

Competition Policy Division, Room 5–C225, 445 12th St. SW, Washington, DC 20554, (202) 418–2783, sherwin.siy@fcc.gov. For additional information concerning the Paperwork Reduction Act information collection requirements contained in this document, send an email to PRA@fcc.gov or contact Nicole Ongele at (202) 418–2991.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Report and Order in WC Docket Nos. 17–244 and 13–97; FCC 18–95, adopted July 12, 2018 and released July 13, 2018. The full text of this document is available for public inspection during regular business hours in the FCC Reference Information Center, Portals II, 445 12th Street SW, Room CY–A257, Washington DC 20554. It is available on the Commission's website at <https://docs.fcc.gov/public/attachments/FCC-18-95A1.pdf>.

Synopsis

I. Introduction

1. The systems we use to make and route telephone calls are changing. With this Report and Order (Order), we set the stage for more efficient use of the telecommunications network and pave the way for nationwide number portability (NNP). We eliminate rules that were intended for a market that was divided along more static, segmented categories of telecommunications providers. Those rules are far less applicable to today's more integrated providers and pricing plans, and the North American Numbering Council has identified them as barriers to the achievement of NNP.

2. We forbear from the interexchange dialing parity requirements for competitive local exchange carriers (LECs), creating a more level playing field with the incumbent LECs who received forbearance from the interexchange dialing parity obligations in 2015, and ensuring that both categories of LECs will be able to route calls more efficiently in a future NNP environment. We also ease the requirement that the second-to-last carrier handling a call request query the local number portability database, allowing any carriers earlier in the chain to make the query if they so choose. This greater flexibility allows carriers in the call path to determine who is best placed to bear the costs of performing the query, and also ensures that *any* carrier—including originating carriers—can perform the query, a necessary step in certain NNP solutions.

3. These changes will help set the stage for further progress towards implementation of number portability

on a nationwide basis. The North American Numbering Council (a federal advisory committee to the Commission that provides guidance and recommendations on numbering policy and operations) recently approved a report issued by its Nationwide Number Portability Issues Working Group, which builds upon and refines earlier industry and NANC work, and recommends further inquiry and analysis on several specific questions to further explore NNP. We anticipate that the NANC will continue to assist the Commission in investigating these options and considerations.

II. Background

4. *Interexchange dialing parity requirements.* Dialing parity provisions were originally intended to ensure that incumbent LECs provided the same access to stand-alone long-distance service providers as they did to their own or their affiliates' long-distance offerings. These requirements grew out of the equal access requirements included in the 1982 *Modification of Final Judgment* in the federal antitrust case against AT&T, which imposed these requirements on the Bell Operating Companies (BOCs). The Telecommunications Act of 1996 (1996 Act) incorporated the MFJ's equal access requirements for these former BOCs into the Communications Act (the Act) via section 251(g). The 1996 Act also created more specific, affirmative equal access requirements in § 251(b) that applied to all LECs.

5. In the 2015 *USTelecom Forbearance Order*, the Commission forbore from the "application to incumbent LECs of all remaining equal access and dialing parity requirements for interexchange services, including those under section 251(g) and section 251(b)(3) of the Act." As we observed in the NPRM, this forbearance was well supported by the lessening need for the rules, as stand-alone long-distance services had declined, all-distance calling was growing more prevalent, and consumers were being offered yet more choices in voice service, including increasing growth in interconnected Voice over Internet Protocol (VoIP) services. The 2015 *USTelecom Forbearance Order* left a limited number of toll dialing parity requirements in place, however, primarily for competitive LECs, and for certain customers of incumbent LECs who were then already presubscribed to third-party long-distance services at the time of the Order.

6. *N-1 Requirement.* The N-1 query requirement mandates that the carrier immediately preceding the terminating

carrier (the N-1 carrier) be responsible for ensuring that the local number portability database—the Number Portability Administration Center/Service Management System (NPAC/SMS)—is queried. This requirement is specified in the North American Numbering Council's Architecture and Administrative Plan for Local Number Portability, which is in turn incorporated by reference in § 52.26(a) of the Commission's rules. (We note that § 52.26(c) of our rules provides information on how to obtain a copy of the *NANC Architecture Report and Working Group Report*. This Order updates that information. This simple revision, reflecting the new locations of the reports, does not require notice and comment.) The rule was put in place in part to ensure that the costs of querying the database could be split between originating and interexchange carriers, while ensuring that calls would not be left unqueried. The rule also allowed local number portability to proceed without requiring all carriers across the country to implement it simultaneously.

7. *NNP Notice of Proposed Rulemaking (NPRM).* In 2017, the Commission released the *NNP NPRM* (82 FR 55970) seeking comment on a proposal to forbear from the remaining interexchange dialing parity requirements of the Act, as well as a proposal to eliminate the rules implementing those requirements. We also sought comment on whether we should extend forbearance from the dialing parity requirements to customers with pre-existing stand-alone long-distance carriers, whose plans had been grandfathered in the 2015 *USTelecom Forbearance Order*. We also sought comment on a proposal to eliminate the N-1 requirement for call routing. The *NNP NPRM* generated significant interest from numbering database administrators, trade associations, and service providers, representing the views of incumbent and competitive LECs, interexchange carriers, and carriers who provide both services. We received 21 comments and 11 reply comments in the record in response.

III. Discussion

8. In this Order, we expand the scope of the forbearance issued in the 2015 *USTelecom Forbearance Order*. While that earlier order forbore from applying the dialing parity requirements of the Act to incumbent LECs, the requirements remained in place for competitive LECs, and also for a limited number of customers who were still presubscribed to stand-alone long-distance plans. This Order removes that disparity by applying the forbearance to

these formerly excluded categories. We also ease the N-1 query requirement to ensure that it does not prevent originating carriers, or other carriers earlier than the N-1 carrier in a call flow, from performing the number portability query if they wish. Originating carriers, or parties they contract with, should be able to perform these queries, but if they do not, the responsibility for the query continues to fall upon the N-1 carrier. This change to our rules will allow carriers to have the routing flexibility necessary for certain types of NNP.

9. As explained in the *NNP NPRM*, our legal authority stems directly from section 251(e)(1) of the Communications Act, which gives the Commission "exclusive jurisdiction over those portions of the North American Numbering Plan that pertain to the United States" and provides that numbers must be made "available on an equitable basis." The rule changes addressed in this Order fall squarely within this jurisdiction. In addition, section 10 of the Act states that the Commission shall forbear from applying any regulation or provision of the Act if it determines that: (1) Enforcement of such regulation or provision is not necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with that telecommunications carrier or telecommunications service are just and reasonable and are not unjustly or unreasonably discriminatory; (2) enforcement of such regulation or provision is not necessary for the protection of consumers; and (3) forbearance from applying such provision or regulation is consistent with the public interest. As discussed below, our forbearance from the remaining toll interexchange dialing parity requirements meets these criteria.

A. Forbearance From Toll Interexchange Dialing Parity Requirement and Elimination of Implementing Rules

10. *Forbearance from Interexchange Dialing Parity Provisions for Competitive LECs.* In the *NNP NPRM*, we noted that the same rationales of the 2015 *USTelecom Forbearance Order* seemed to apply to the toll interexchange dialing parity requirements that remained in place for competitive LECs. We sought comment on whether these mandates, located in section 251(b)(3), served any purpose. The overwhelming consensus in the record is that they do not. Wireline customers have more choices, and stand-alone long-distance service is indeed less prevalent and significant than it was in decades past. Customers

for wireline voice services have more choices than they did in the past, including interconnected VoIP from both facilities-based and over-the-top providers. For example, the most recent Voice Telephone Services Report shows that interconnected VoIP subscriptions increased at a compound annual growth rate of 10 percent, while retail switched access lines declined at 12 percent per year from 2013 to 2016. This represents a continuing trend, with reports showing interconnected VoIP subscriptions increasing at a compound annual growth rate of 15 percent and retail switched access declining at 10 percent a year from December 2010 to December 2014. These findings, indicate increased options for consumers besides switched access, regardless of whether they may currently be served by a competitive or an incumbent LEC. The *NNP NPRM* sought comment on whether forbearance from these provisions would affect competitive LECs or their customers. No comments in the record indicate that the remaining dialing parity provisions for competitive LECs aid competition, ensure just and reasonable practices, or prevent unjust or unreasonable discrimination. No comments in the record indicate customer complaints stemming from the 2015 forbearance from these requirements for incumbent LECs, and commenters likewise did not disagree with our finding that extending the forbearance to competitive LECs would produce similarly benign results.

11. We therefore find that enforcement of the section 251(b)(3) dialing parity requirements for competitive LECs is not necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with a telecommunications carrier or telecommunications service are just and reasonable and are not unjustly or unreasonably discriminatory. Nor is their enforcement necessary for the protection of consumers, since consumers can leave their competitive LEC for non-switched access services if that LEC makes choosing a separate long-distance provider difficult. As described in the *2015 USTelecom Forbearance Order*, wireline customers today have more choices than they did in 1982 or 1996, including interconnected VoIP services. Similarly, demand for stand-alone long-distance has continued to decline for both mass-market and business customers.

12. Extending to competitive LECs the forbearance granted in 2015 to incumbent LECs also promotes fairness in the application and enforcement of these requirements that would

otherwise be lacking. Furthermore, forbearing from a requirement that no longer serves its purpose promotes the public interest by reducing the costs of regulatory compliance. We therefore find that forbearing from the dialing parity requirements of section 251(b)(3) serves the public interest.

13. USTelecom notes that extending this forbearance to competitive LECs is not sufficient to achieve NNP. NNP is naturally a multi-stage process requiring a series of changes to various aspects of policy and possible other rules. We recognize this, but as many commenters have pointed out, the stage for NNP can be set incrementally, while forbearing from unnecessary requirements in the interim. As noted in the *NNP NPRM*, forbearing from these requirements could allow for more efficient routing than would otherwise be possible under a number of NNP models. USTelecom itself notes eliminating an unnecessary requirement may increase regulatory flexibility and make a wider range of solutions possible in the future.

14. *Grandfathered dialing parity requirements*. The *NNP NPRM* also sought comment on eliminating the dialing parity requirements that had been “grandfathered” after the adoption of the *2015 USTelecom Forbearance Order*. We find that the number of customers with grandfathered stand-alone long-distance plans continues to decline, and thus extending forbearance from the dialing parity requirements to these plans, as well will further encourage NNP. In the interest of maintaining a level playing field, forbearance applies to all customers. Thus, neither incumbent nor competitive LECs are required to abide by the toll dialing parity requirements for customers who have preexisting stand-alone long-distance plans.

15. WTA and ITTA both note that the same factors that spurred forbearance from the dialing parity requirements in the *2015 USTelecom Forbearance Order* apply even more prominently now: The stand-alone long-distance market remains small, and the number of preexisting plans among incumbent LEC customers will only have fallen since 2015. There is no evidence in the record to indicate that the trends observed in the *2015 USTelecom Forbearance Order* have slowed or reversed course.

16. Although GCI and Aureon argue that the Commission should maintain the exemption from forbearance for preexisting plans in more rural areas, we find the decline in the total number of these plans and our need to modernize our systems to allow for NNP are compelling reasons to extend forbearance. We recognize that there are

a limited number of interexchange carriers in parts of Alaska and Iowa and, in certain cases, the incumbent LEC remains the only option for voice service. We must, however, take these first steps to eliminate outdated and rarely-used regulations if we are to realize the consumer and competitive benefits of NNP.

17. This Order also does not affect the applicability of section 258(a) or our slamming rules, as GCI argues. Section 258(a) prohibits carriers from changing a subscriber's choice of exchange service without going through the proper verification procedures, and also explicitly permits state regulators to enforce anti-slamming provisions. Those provisions continue to operate to prevent incumbent LECs from changing subscribers' selections of other providers without following the necessary verification procedures. While the *2015 USTelecom Forbearance Order* expressed concern that forbearance from equal access requirements might allow increased pressure from incumbent LECs, it did not presume to forbear from section 258, and we do not so presume now. Those anti-slamming provisions continue to operate as before, and will continue to be enforced.

18. *Eliminating toll dialing parity rules*. The *NNP NPRM* also sought comment on eliminating the Commission's toll dialing parity rules promulgated under section 251(b)(3). No commenters found any reason for these rules to stay in place while we forbear from the interexchange dialing parity requirements of section 251(b)(3). We agree that in light of our decision to forbear from section 251(b)(3), there is no sound justification to retain these rules. Therefore, to eliminate any possible confusion and to streamline the Commission's rules, we therefore eliminate those provisions.

B. Allowing Alternatives to N-1 Call Routing

19. The *NNP NPRM* proposed eliminating the N-1 requirement, since it may lead to unnecessary and inefficient routing of calls in an NNP environment. However, as anticipated when it was adopted, and as noted in the record, standardization around having the N-1 carrier perform the number portability database query has allowed for more uniformity and prevented confusion. In the interest of providing flexibility for anticipated changes to the number porting system, while preserving the certainty and stability of existing systems, we ease, but do not eliminate, the rule.

20. We noted in the *NNP NPRM* that preventing queries by the originating carrier could lead to inefficiencies, and that some reports had indicated that eliminating the N-1 rule would be beneficial. However, we are persuaded by the record that carriers will benefit from the certainty of having a default rule that clearly names a responsible party in the absence of an agreement otherwise. We therefore amend our rules to allow upstream carriers to perform number portability database queries, but require the N-1 carriers to perform the queries if the upstream carriers have not.

21. The *NANC Architecture Report* states that an N-1 carrier "is responsible for ensuring queries are performed on an N-1 basis." However, as we have noted, requiring the N-1 carrier to perform the query can lead to inefficiencies in call routing in an NNP environment. Neustar, Incompas, the Voice on the Net Coalition (VON Coalition), and Charter all agree that the N-1 requirement is no longer necessary and urge the Commission to eliminate it to prevent the possible routing complications that could come with NNP. Neustar further points out that the N-1 requirement actually provides little distinction for most calls, since few consumers have an interexchange carrier that is different from their originating (local) provider. In those situations, the N-1 carrier is the originating carrier, meaning that the N-1 requirement is unnecessary. NCTA and Comcast suggest waiting to eliminate the rule until after transition to the new Number Portability Administration Center has occurred, a process that is now complete.

22. Many other commenters urge more caution, however, noting that elimination of the rule without some specification about who must perform the query could lead to confusion and possible call completion issues. Others disagree. In light of the record, we believe it best to chart a middle course: We eliminate any requirement that would prevent an upstream carrier from voluntarily making queries rather than the N-1 carrier. In other words, we revise the N-1 rule as a default in the absence of other agreements. This revision accords with CenturyLink and iconectiv's interpretation of the *NANC Architecture Report* that the current rule for N-1 queries operates as a default rule. Although we disagree with those commenters and find a change is necessary, the result gives carriers the flexibility to efficiently route calls in an NNP environment.

23. Retaining the N-1 rule as a backstop also addresses commenters'

concerns that eliminating the N-1 rule would effectively mandate originating carriers to perform queries, raising their costs due to increased querying and potential upgrades necessary to handle this increased volume. Moreover, we permit, but do not require, originating carriers to make the database query. Should originating carriers decline to perform the number portability database query for interexchange calls, the rule will continue to require interexchange carriers to bear the cost of the query. Furthermore, the N-1 carrier will have fulfilled its responsibility to ensure the query is performed if *any* carrier preceding it in the call flow has already performed the query. While we anticipate that in NNP scenarios this will most likely be the originating carrier, the rule would not prevent other parties from performing the query as well. Therefore, we adjust the N-1 rule, eliminating § 52.26(a)'s incorporation by reference of the *NANC Architecture Report's* version of the rule and amending the rule to allow queries by carriers other than the N-1 carrier.

IV. Procedural Matters

24. *Final Regulatory Flexibility Act Analysis*. Pursuant to the Regulatory Flexibility Act of 1980, as amended, the Commission's Final Regulatory Flexibility Analysis for the *Order* is included in part V.

25. *Paperwork Reduction Act*. This document does not contain new information collection requirements subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. In addition, therefore, it does not contain any new or modified information collection burden for small business concerns with fewer than 25 employees, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, *see* 44 U.S.C. 3506(c)(4).

26. *Congressional Review Act*. The Commission will send a copy of this Report and Order to Congress and the Government Accountability Office pursuant to the Congressional Review Act (CRA), *see* 5 U.S.C. 801(a)(1)(A).

27. *Materials in Accessible Formats*. To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an email to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

28. *Additional Information*. For additional information on this proceeding, contact Sherwin Siy, FCC Wireline Competition Bureau, Competition Policy Division, (202) 418-2783, Sherwin.Siy@fcc.gov.

V. Final Regulatory Flexibility Analysis

29. As required by the Regulatory Flexibility Act of 1980, as amended (RFA), an Initial Regulatory Flexibility Analysis (IRFA) was incorporated in the *NNP NPRM*. The Commission sought written public comment on the proposals in the *NPRM*, including comments on the IRFA. This present Final Regulatory Flexibility Analysis (FRFA) conforms to the RFA.

A. Need for, and Objectives of, the Final Rules

30. In this Order, we modernize our systems by setting the stage for more efficient use of the telecommunications network, and pave the way for nationwide number portability (NNP). We eliminate rules that were intended for a market that was divided along more static, segmented categories of telecommunications providers. Those rules are far less applicable to today's more integrated providers and pricing plans and may lead to complications that stand in the way of achieving NNP.

31. We forbear from the interexchange dialing parity requirements for competitive local exchange carriers (LECs), creating a more level playing field with the incumbent LECs who received forbearance from their interexchange dialing parity obligations through the *2015 USTelecom Forbearance Order*. Specifically, we revise § 51.205 and remove §§ 51.209, 51.213 and 51.215. We also amend § 52.26(a) to allow originating carriers to perform number portability database queries in the Number Portability Administration Center/Service Management System (NPAC/SMS), but require the N-1 carriers to perform the queries if the originating carriers have not. This allows greater flexibility for different carriers to determine who is best placed to bear the cost of performing the query.

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

32. The Commission did not receive comments specifically addressing the rules and policies proposed in the IRFA.

C. Response to Comments by Chief Counsel for Advocacy of the Small Business Administration

33. The Chief Counsel did not file any comments in response to the proposed rules in this proceeding.

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

34. The RFA directs agencies to provide a description and, where

feasible, an estimate of the number of small entities that may be affected by the final rules adopted pursuant to the NNP NPRM. The RFA generally defines the term “small entity” as having the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction.” In addition, the term “small business” has the same meaning as the term “small-business concern” under the Small Business Act. Pursuant to 5 U.S.C. 601(3), the statutory definition of a small business applies “unless an agency, after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the **Federal Register**.” A “small-business concern” is one which: (1) Is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA.

35. *Small Businesses, Small Organizations, Small Governmental Jurisdictions.* Our actions, over time, may affect small entities that are not easily categorized at present. We therefore describe here, at the outset, three comprehensive small entity size standards that could be directly affected herein. First, while there are industry specific size standards for small businesses that are used in the regulatory flexibility analysis, according to data from the SBA’s Office of Advocacy, in general a small business is an independent business having fewer than 500 employees. These types of small businesses represent 99.9% of all businesses in the United States which translates to 28.8 million businesses.

36. Next, the type of small entity described as a “small organization” is generally “any not-for-profit enterprise which is independently owned and operated and is not dominant in its field.” Nationwide, as of Aug 2016, there were approximately 356,494 small organizations based on registration and tax data filed by nonprofits with the Internal Revenue Service (IRS).

37. Finally, the small entity described as a “small governmental jurisdiction” is defined generally as “governments of cities, counties, towns, townships, villages, school districts, or special districts, with a population of less than fifty thousand.” U.S. Census Bureau data from the 2012 Census of Governments indicates that there were 90,056 local governmental jurisdictions consisting of general purpose governments and special purpose

governments in the United States. Of this number there were 37,132 General purpose governments (county, municipal and town or township) with populations of less than 50,000 and 12,184 Special purpose governments (independent school districts and special districts) with populations of less than 50,000. The 2012 U.S. Census Bureau data for most types of governments in the local government category shows that the majority of these governments have populations of less than 50,000. Based on this data we estimate that at least 49,316 local government jurisdictions fall in the category of “small governmental jurisdictions.”

38. *Wired Telecommunications Carriers.* The U.S. Census Bureau defines this industry as “establishments primarily engaged in operating and/or providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired communications networks. Transmission facilities may be based on a single technology or a combination of technologies. Establishments in this industry use the wired telecommunications network facilities that they operate to provide a variety of services, such as wired telephony services, including VoIP services, wired (cable) audio and video programming distribution, and wired broadband internet services. By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry.” The SBA has developed a small business size standard for Wired Telecommunications Carriers, which consists of all such companies having 1,500 or fewer employees. Census data for 2012 shows that there were 3,117 firms that operated that year. Of this total, 3,083 operated with fewer than 1,000 employees. Thus, under this size standard, the majority of firms in this industry can be considered small.

39. *Local Exchange Carriers (LECs).* Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to local exchange services. The closest applicable NAICS Code category is for Wired Telecommunications Carriers, as defined in paragraph 11 of this FRFA. Under that size standard, such a business is small if it has 1,500 or fewer employees. Census data for 2012 show that there were 3,117 firms that operated that year. Of this total, 3,083 operated with fewer than 1,000 employees. The Commission therefore estimates that most providers of local exchange carrier

service are small entities that may be affected by the rules adopted.

40. *Incumbent Local Exchange Carriers (incumbent LECs).* Neither the Commission nor the SBA has developed a small business size standard specifically for incumbent local exchange services. The closest applicable NAICS Code category is Wired Telecommunications Carriers as defined in paragraph 11 of this FRFA. Under that size standard, such a business is small if it has 1,500 or fewer employees. According to Commission data, 3,117 firms operated in that year. Of this total, 3,083 operated with fewer than 1,000 employees. Consequently, the Commission estimates that most providers of incumbent local exchange service are small businesses that may be affected by the rules and policies adopted. One thousand three hundred and seven (1,307) Incumbent Local Exchange Carriers reported that they were incumbent local exchange service providers. Of this total, an estimated 1,006 have 1,500 or fewer employees.

41. *Competitive Local Exchange Carriers (competitive LECs), Competitive Access Providers (CAPs), Shared-Tenant Service Providers, and Other Local Service Providers.* Neither the Commission nor the SBA has developed a small business size standard specifically for these service providers. The appropriate NAICS Code category is Wired Telecommunications Carriers, as defined in paragraph 11 of this FRFA. Under that size standard, such a business is small if it has 1,500 or fewer employees. U.S. Census data for 2012 indicate that 3,117 firms operated during that year. Of that number, 3,083 operated with fewer than 1,000 employees. Based on this data, the Commission concludes that the majority of Competitive LECs, CAPs, Shared-Tenant Service Providers, and Other Local Service Providers are small entities. According to Commission data, 1,442 carriers reported that they were engaged in the provision of either competitive local exchange services or competitive access provider services. Of these 1,442 carriers, an estimated 1,256 have 1,500 or fewer employees. In addition, 17 carriers have reported that they are Shared-Tenant Service Providers, and all 17 are estimated to have 1,500 or fewer employees. In addition, 72 carriers have reported that they are Other Local Service Providers. Of this total, 70 have 1,500 or fewer employees. Consequently, the Commission estimates that most providers of competitive local exchange service, competitive access providers, Shared-Tenant Service Providers, and Other Local Service Providers are small

entities that may be affected by the adopted rules.

42. *Interexchange Carriers (IXCs).* Neither the Commission nor the SBA has developed a definition for Interexchange Carriers. The closest NAICS Code category is Wired Telecommunications Carriers as defined in paragraph 11 of this FRFA. The applicable size standard under SBA rules is that such a business is small if it has 1,500 or fewer employees. According to Commission data, 359 companies reported that their primary telecommunications service activity was the provision of interexchange services. Of this total, an estimated 317 have 1,500 or fewer employees and 42 have more than 1,500 employees. Consequently, the Commission estimates that the majority of interexchange service providers are small entities that may be affected by rules adopted.

43. *Local Resellers.* The SBA has developed a small business size standard for the category of Telecommunications Resellers. The Telecommunications Resellers industry comprises establishments engaged in purchasing access and network capacity from owners and operators of telecommunications networks and reselling wired and wireless telecommunications services (except satellite) to businesses and households. Establishments in this industry resell telecommunications; they do not operate transmission facilities and infrastructure. Mobile virtual network operators (MVNOs) are included in this industry. Under that size standard, such a business is small if it has 1,500 or fewer employees. Census data for 2012 show that 1,341 firms provided resale services during that year. Of that number, all operated with fewer than 1,000 employees. Thus, under this category and the associated small business size standard, the majority of these prepaid calling card providers can be considered small entities.

44. *Toll Resellers.* The Commission has not developed a definition for Toll Resellers. The closest NAICS Code Category is Telecommunications Resellers. The Telecommunications Resellers industry comprises establishments engaged in purchasing access and network capacity from owners and operators of telecommunications networks and reselling wired and wireless telecommunications services (except satellite) to businesses and households. Establishments in this industry resell telecommunications; they do not operate transmission facilities and infrastructure. Mobile virtual network

operators (MVNOs) are included in this industry. The SBA has developed a small business size standard for the category of Telecommunications Resellers. Under that size standard, such a business is small if it has 1,500 or fewer employees. Census data for 2012 show that 1,341 firms provided resale services during that year. Of that number, 1,341 operated with fewer than 1,000 employees. Thus, under this category and the associated small business size standard, the majority of these resellers can be considered small entities. According to Commission data, 881 carriers have reported that they are engaged in the provision of toll resale services. Of this total, an estimated 857 have 1,500 or fewer employees. Consequently, the Commission estimates that the majority of toll resellers are small entities.

45. *Other Toll Carriers.* Neither the Commission nor the SBA has developed a definition for small businesses specifically applicable to Other Toll Carriers. This category includes toll carriers that do not fall within the categories of interexchange carriers, operator service providers, prepaid calling card providers, satellite service carriers, or toll resellers. The closest applicable NAICS Code category is for Wired Telecommunications Carriers as defined above. Under the applicable SBA size standard, such a business is small if it has 1,500 or fewer employees. Census data for 2012 shows that there were 3,117 firms that operated that year. Of this total, 3,083 operated with fewer than 1,000 employees. Thus, under this category and the associated small business size standard, the majority of Other Toll Carriers can be considered small. According to internally developed Commission data, 284 companies reported that their primary telecommunications service activity was the provision of other toll carriage. Of these, an estimated 279 have 1,500 or fewer employees. Consequently, the Commission estimates that most Other Toll Carriers are small entities that may be affected by the rules.

46. *Prepaid Calling Card Providers.* The SBA has developed a definition for small businesses within the category of Telecommunications Resellers. Under that SBA definition, such a business is small if it has 1,500 or fewer employees. According to the Commission's Form 499 Filer Database, 500 companies reported that they were engaged in the provision of prepaid calling cards. The Commission does not have data regarding how many of these 500 companies have 1,500 or fewer employees. Consequently, the Commission estimates that there are 500

or fewer prepaid calling card providers that may be affected by the rules.

47. *Wireless Telecommunications Carriers (except Satellite).* This industry comprises establishments engaged in operating and maintaining switching and transmission facilities to provide communications via the airwaves, such as cellular services, paging services, wireless internet access, and wireless video services. The appropriate size standard under SBA rules is that such a business is small if it has 1,500 or fewer employees. For this industry, Census data for 2012 show that there were 967 firms that operated for the entire year. Of this total, 955 firms had fewer than 1,000 employees. Thus under this category and the associated size standard, the Commission estimates that the majority of wireless telecommunications carriers (except satellite) are small entities. Similarly, according to internally developed Commission data, 413 carriers reported that they were engaged in the provision of wireless telephony, including cellular service, Personal Communications Service (PCS), and Specialized Mobile Radio (SMR) services. Of this total, an estimated 261 have 1,500 or fewer employees. Consequently, the Commission estimates that approximately half of these firms can be considered small. Thus, using available data, we estimate that the majority of wireless firms can be considered small.

48. *Wireless Communications Services.* This service can be used for fixed, mobile, radiolocation, and digital audio broadcasting satellite uses. The Commission defined "small business" for the wireless communications services (WCS) auction as an entity with average gross revenues of \$40 million for each of the three preceding years, and a "very small business" as an entity with average gross revenues of \$15 million for each of the three preceding years. The SBA has approved these definitions.

49. *Wireless Telephony.* Wireless telephony includes cellular, personal communications services, and specialized mobile radio telephony carriers. As noted, the SBA has developed a small business size standard for Wireless Telecommunications Carriers (except Satellite). Under the SBA small business size standard, a business is small if it has 1,500 or fewer employees. According to Commission data, 413 carriers reported that they were engaged in wireless telephony. Of these, an estimated 261 have 1,500 or fewer employees and 152 have more than 1,500 employees. Therefore, a little less

than one third of these entities can be considered small.

50. *Cable and Other Subscription Programming.* This industry comprises establishments primarily engaged in operating studios and facilities for the broadcasting of programs on a subscription or fee basis. The broadcast programming is typically narrowcast in nature (e.g. limited format, such as news, sports, education, or youth-oriented). These establishments produce programming in their own facilities or acquire programming from external sources. The programming material is usually delivered to a third party, such as cable systems or direct-to-home satellite systems, for transmission to viewers. The SBA has established a size standard for this industry stating that a business in this industry is small if it has 1,500 or fewer employees. The 2012 Economic Census indicates that 367 firms were operational for that entire year. Of this total, 357 operated with less than 1,000 employees. Accordingly we conclude that a substantial majority of firms in this industry are small under the applicable SBA size standard.

51. *Cable Companies and Systems (Rate Regulation).* The Commission has developed its own small business size standards for the purpose of cable rate regulation. Under the Commission's rules, a "small cable company" is one serving 400,000 or fewer subscribers nationwide. Industry data indicate that there are currently 4,600 active cable systems in the United States. Of this total, all but nine cable operators nationwide are small under the 400,000-subscriber size standard. In addition, under the Commission's rate regulation rules, a "small system" is a cable system serving 15,000 or fewer subscribers. Current Commission records show 4,600 cable systems nationwide. Of this total, 3,900 cable systems have fewer than 15,000 subscribers, and 700 systems have 15,000 or more subscribers, based on the same records. Thus, under this standard as well, we estimate that most cable systems are small entities.

52. *Cable System Operators (Telecom Act Standard).* The Communications Act of 1934, as amended, also contains a size standard for small cable system operators, which is "a cable operator that, directly or through an affiliate, serves in the aggregate fewer than one percent of all subscribers in the United States and is not affiliated with any entity or entities whose gross annual revenues in the aggregate exceed \$250,000,000 are approximately 52,403,705 cable video subscribers in the United States today. Accordingly, an operator serving fewer than 524,037 subscribers shall be deemed a small

operator if its annual revenues, when combined with the total annual revenues of all its affiliates, do not exceed \$250 million in the aggregate. Based on available data, we find that all but nine incumbent cable operators are small entities under this size standard. We note that the Commission neither requests nor collects information on whether cable system operators are affiliated with entities whose gross annual revenues exceed \$250 million. Although it seems certain that some of these cable system operators are affiliated with entities whose gross annual revenues exceed \$250,000,000, we are unable at this time to estimate with greater precision the number of cable system operators that would qualify as small cable operators under the definition in the Communications Act.

53. *All Other Telecommunications.* "All Other Telecommunications" is defined as follows: "This U.S. industry is comprised of establishments that are primarily engaged in providing specialized telecommunications services, such as satellite tracking, communications telemetry, and radar station operation. This industry also includes establishments primarily engaged in providing satellite terminal stations and associated facilities connected with one or more terrestrial systems and capable of transmitting telecommunications to, and receiving telecommunications from, satellite systems. Establishments providing internet services or voice over internet protocol (VoIP) services via client supplied telecommunications connections are also included in this industry." The SBA has developed a small business size standard for "All Other Telecommunications," which consists of all such firms with gross annual receipts of \$32.5 million or less. For this category, Census Bureau data for 2012 show that there were 1,442 firms that operated for the entire year. Of those firms, a total of 1,400 had annual receipts less than \$25 million. Consequently, we conclude that the majority of All Other Telecommunications firms can be considered small.

E. Description of Projected Reporting, Recordkeeping, and Other Compliance Requirements

54. In this *Order*, we forbear from the toll interexchange dialing parity requirements for competitive LECs creating a more level playing field with the incumbent LECs who received forbearance from their interexchange dialing parity obligations through the 2015 *USTelecom Forbearance Order*.

Specifically, we revise § 51.205 and remove §§ 51.209, 51.215 and 51.215. We also amend the § 52.26(a) requirement that the second-to-last carrier handling a call request is responsible for ensuring that the NPAC/SMS is queried, explaining that carriers earlier in the chain are allowed to make the query if they so choose. The revisions and elimination of rules remove impediments to NNP and do not impose any reporting, recordkeeping, or other compliance requirements.

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

55. The RFA requires an agency to describe any significant, specifically small business alternatives that it has considered in developing its approach, which may include the following four alternatives (among others): "(1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance or reporting requirements under the rule for small entities; (3) the use of performance, rather than design, standards; and (4) an exemption from coverage of the rule, or any part thereof, for small entities."

56. The rules adopted herein remove dialing parity requirements for competitive LECs and allows the second-to-last carrier handling a call request to query the NPAC/SMS in a manner that allows more flexibility. As a result, the economic impact on affected carriers should be minimal because they impose no new requirements.

G. Report to Congress

57. The Commission will send a copy of the *Order*, including this FRFA, in a report to be sent to Congress pursuant to the Congressional Review Act. In addition, the Commission will send a copy of the *Order*, including this FRFA, to the Chief Counsel for Advocacy of the SBA. A copy of the *Order* and FRFA (or summaries thereof) will also be published in the **Federal Register**.

VI. Ordering Clauses

29. *It is ordered*, pursuant to sections 1, 4(i), 10, 201(b), and 251(e) of the Communication Act of 1934, as amended, 47 U.S.C. 151, 154(i), 160, 201(b), and 251(e) that this *Report and Order is adopted*.

30. *It is further ordered* that parts 51 and 52 of the Commission's rules, 47 CFR 51.205, 51.209, 51.213, 51.215, 52.26 are amended as set forth in the

“Final Rules” section below, and that this amendment shall be effective 30 days after publication of this Report and Order in the **Federal Register**.

31. *It is further ordered* that the Commission’s Consumer & Governmental Affairs Bureau, Reference Information Center, shall send a copy of this *Report and Order* to Congress and the Government Accountability Office pursuant to the Congressional Review Act, *see* 5 U.S.C. 801(a)(1)(A).

List of Subjects in 47 CFR Parts 51 and 52

Communications common carriers, Telecommunications, Telephone.

Federal Communications Commission.

Katura Jackson,

Federal Register Liaison Officer, Office of the Secretary.

Final Rules

For the reasons discussed in the preamble, the Federal Communications Commission amends 47 CFR parts 51 and 52 as follows:

PART 51—INTERCONNECTION

- 1. The authority citation for part 51 is revised to read as follows:

Authority: 47 U.S.C. 151–55, 201–05, 207–09, 218, 225–27, 251–52, 271, 332 unless otherwise noted.

- 2. Revise § 51.205 to read as follows:

§ 51.205 Dialing parity: General.

A local exchange carrier (LEC) shall provide local dialing parity to competing providers of telephone exchange service, with no unreasonable dialing delays. Dialing parity shall be provided for originating telecommunications services that require dialing to route a call.

§ 51.209 [Removed]

- 3. Remove § 51.209.

§ 51.213 [Removed]

- 4. Remove § 51.213.

§ 51.215 [Removed]

- 5. Remove § 51.215.

PART 52—NUMBERING

- 6. The authority citation for part 52 is revised to read as follows:

Authority: 47 U.S.C. 151–55, 201–05, 207–09, 218, 225–27, 251–54, 271, 303(r), 332, 1302.

- 7. Amend § 52.26 by:

- a. Revising paragraph (a);
- b. Redesignating paragraphs (b)(1) through (3) as paragraphs (b)(2) through (4);
- c. Adding a new paragraph (b)(1); and

- d. Revising paragraph (c).

The revisions and addition read as follows:

§ 52.26 NANC Recommendations on Local Number Portability Administration.

(a) Local number portability administration shall comply with the recommendations of the North American Numbering Council (NANC) as set forth in the report to the Commission prepared by the NANC’s Local Number Portability Administration Selection Working Group, dated April 25, 1997 (*Working Group Report*) and its appendices, which are incorporated by reference pursuant to 5 U.S.C. 552(a) and 1 CFR part 51. *Except that:* Sections 7.8 and 7.10 of *Appendix D* and the following portions of *Appendix E:* Section 7, Issue Statement I of *Appendix A*, and *Appendix B* in the *Working Group Report* are *not* incorporated herein.

(b) * * *

(1) Each designated N–1 carrier (as described in the *Working Group Report*) is responsible for ensuring number portability queries are performed on a N–1 basis where “N” is the entity terminating the call to the end user, or a network provider contracted by the entity to provide tandem access, unless another carrier has already performed the query;

* * * * *

(c) The Director of the Federal Register approves this incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies of the *Working Group Report* and its appendices can be inspected during normal business hours at the following locations: FCC Reference Information Center, 445 12th Street SW, Room CY–A257, Washington, DC 20554 or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call (202) 741–6030, or go to: <https://www.archives.gov/federal-register/cfr/ibr-locations.html>. The *Working Group Report* and its appendices are also available on the internet at <https://docs.fcc.gov/public/attachments/DOC-341177A1.pdf>.

[FR Doc. 2018–17843 Filed 8–17–18; 8:45 am]

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FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 54

[WC Docket No. 10–90; DA 18–710]

Connect America Fund

AGENCY: Federal Communications Commission.

ACTION: Final action.

SUMMARY: In this document, the Wireline Competition Bureau (WCB), the Wireless Telecommunications Bureau (WTB) (jointly referred to herein as the Bureaus), and the Office of Engineering and Technology (OET) adopt requirements promoting greater accountability for certain recipients of Connect America Fund (CAF) high-cost universal service support, including price cap carriers, rate-of-return carriers, rural broadband experiment (RBE) support recipients, Alaska Plan carriers, and CAF Phase II auction winners. Specifically, the Bureaus and OET establish a uniform framework for measuring the speed and latency performance for recipients of high-cost universal service support to serve fixed locations.

DATES: This final action is effective September 19, 2018.

FOR FURTHER INFORMATION CONTACT: Suzanne Yelen, Wireline Competition Bureau, (202) 418–7400 or TTY: (202) 418–0484.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission’s Order in WC Docket No. 10–90; DA 18–710, adopted on July 6, 2018 and released on July 6, 2018. The full text of this document is available for public inspection during regular business hours in the FCC Reference Center, Room CY–A257, 445 12th Street SW, Washington, DC 20554 or at the following internet address: <https://docs.fcc.gov/public/attachments/DA-18-710A1.pdf>.

I. Introduction

1. In the Order, the Bureaus and OET adopt requirements promoting greater accountability for certain recipients of CAF high-cost universal service support, including price cap carriers, rate-of-return carriers, RBE support recipients, Alaska Plan carriers, and CAF Phase II auction winners. Specifically, the Bureaus and OET establish a uniform framework for measuring the speed and latency performance for recipients of high-cost universal service support to serve fixed locations.

2. The Bureaus and OET also require providers to submit testing results as