

**FEDERAL COMMUNICATIONS COMMISSION****47 CFR Part 32**

[CC Docket No. 95-60; FCC 97-188]

**Uniform System of Accounts for Class A and Class B Telephone Companies To Raise the Expense Limit for Certain Items of Equipment From \$500 to \$750****AGENCY:** Federal Communications Commission.**ACTION:** Final rule.

**SUMMARY:** In this Report and Order (*Order*), the Commission raises the expense limit specified in its rules regarding Instructions for telecommunications plant accounts from \$500 to \$2,000, with one exception related to personal computers recorded in Account 2124, General purpose computers. The purpose of the expense limit is to reduce the cost of maintaining property records for the acquisition, depreciation, and retirement of a multitude of low-cost, high-volume assets. The Commission also adopts a five-year amortization period during which incumbent local exchange carriers (ILECs) may recover the undepreciated portion of embedded assets affected by this rule change. We will allow carriers to implement these changes effective January 1, 1998.

**DATE EFFECTIVE:** January 23, 1998.**FOR FURTHER INFORMATION CONTACT:**

Warren Firschein, Accounting and Audits Division, Common Carrier Bureau, (202) 418-0844.

**SUPPLEMENTARY INFORMATION:** On March 1, 1994, USTA filed a Petition for Rulemaking to raise the expense limit in Section 32.2000(a)(4) from \$500 to \$2,000. USTA also requested that the carriers be permitted to amortize the net book cost of embedded assets that were purchased at prices ranging from \$500 to \$2,000 over each company's remaining asset life for accounts covered by the expense limit, which it indicated would result in amortization periods of three to five years. On March 23, 1994, the Commission issued a Public Notice inviting comments on USTA's petition. After reviewing the comments, the Commission issued the *Notice* in which it proposed to raise the expense limit to \$750. Moreover, on May 31, 1994, USTA filed a Petition for Rulemaking to Amend Part 32 of the Commission's Rules to eliminate detailed property records for Accounts 2115, Garage work equipment; 2116, Other work equipment; 2122, Furniture; 2123.1, Office support equipment; 2123.2, Company communications

equipment; and the personal computers and peripheral devices recorded in 2124, General purpose computers. In place of detailed property records, USTA requested that the Commission permit carriers to adopt a vintage amortization level ("VAL") process. Under this process, a carrier would not track an asset over its life through a continuing property record system. Instead, it would assign each asset a life and retire the asset from its books of account at the end of the assigned life, regardless of whether it was still used in providing telecommunications service. A Public Notice inviting comments on this petition was released on May 10, 1995. All comments were taken under consideration. By raising the expense limit from \$500 to \$2,000 for Accounts 2115, 2116, 2122, 2123 and 2124 (except for PC components) in this *Order*, the Commission has greatly reduced the number of items carriers will need to capitalize. Accordingly, the May 31, 1994 petition is dismissed.

**Regulatory Flexibility Analysis**

We have determined that Section 605(b) of the Regulatory Flexibility Act of 1980, 5 U.S.C. 605(b), does not apply to the rules adopted in this *Order* because they will not have a significant economic impact on a significant number of small entities. Even if a substantial number of small entities were affected by the rules, there would not be a significant economic impact on those entities. These rules govern the accounting treatment of specific assets, in particular, whether their costs are expensed or capitalized. Capitalization is more administratively burdensome because it requires additional recordkeeping over a period of years. Because we are raising the limit under which items are expensed, the effect of this *Order* is to reduce regulatory burdens for all companies that use our Part 32 accounts.

**Ordering Clause**

Accordingly, *It Is Ordered*, pursuant to Sections 4(i), 4(j), 218, and 220 of the Communications Act of 1934, as amended, 47 U.S.C. 154(i), 154(j), 218, and 220, Part 32, Uniform System of Accounts for Telecommunications Companies, of the Commission's Rules IS AMENDED, as set forth below, effective January 23, 1998. Affected parties may elect to implement these changes on January 1, 1998.

**List of Subjects in 47 CFR Part 32**

Communications common carriers, Reporting and recordkeeping requirements, Telephone, Uniform System of Accounts.

Federal Communications Commission.

**William F. Caton,**  
*Acting Secretary.*

**Rule Changes**

Part 32 of title 47 of the CFR is amended as follows:

**PART 32—UNIFORM SYSTEM OF ACCOUNTS FOR TELECOMMUNICATIONS COMPANIES**

1. The authority citation for Part 32 is revised to read as follows:

**Authority:** 47 U.S.C. 154(i), 154(j) and 220 as amended, unless otherwise noted.

2. Section 32.2000 is amended by revising paragraph (a)(4) to read as follows:

**§ 32.2000 Instructions for telecommunications plant accounts.**

(a) \* \* \*

(4) The cost of the individual items of equipment, classifiable to Accounts 2112, Motor vehicles; 2113, Aircraft; 2114, Special purpose vehicles; 2115, Garage work equipment; 2116, Other work equipment; 2122, Furniture; 2123, Office equipment; and 2124, General purpose computers, costing \$2,000 or less or having a life less than one year shall be charged to the applicable Plant Specific Operations Expense accounts, except for personal computers falling within Account 2124. Personal computers classifiable to Account 2124, with a total cost for all components, including initial operating software, of \$500 or less shall be charged to the applicable Plant Specific Operations Expense accounts. If the aggregate investment in the items is relatively large at the time of acquisition, such amounts shall be maintained in an applicable material and supplies account until items are used.

\* \* \* \* \*

[FR Doc. 97-19351 Filed 7-22-97; 8:45 am]

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**FEDERAL COMMUNICATIONS COMMISSION****47 CFR Part 63**

[FCC 97-243]

**Notification of Common Carriers of Service Disruptions****AGENCY:** Federal Communications Commission.**ACTION:** Final rule.

**SUMMARY:** The Commission's regulations require carriers to notify Commission headquarters when certain service outages occur, but permit carriers to

notify the Commission's facility at Grand Island, Nebraska on a "secondary basis." The Commission has closed the Nebraska facility and is designating as the secondary facility "the FCC's Columbia Operations Center in Columbia, Maryland, or such other facility which the Commission may designate by regulation or (in the case of emergency) by public announcement." The order also clarifies that notification of the secondary facility is appropriate only when there is a telephone outage or similar emergency in Washington, DC.

**EFFECTIVE DATE:** July 23, 1997.

**FOR FURTHER INFORMATION CONTACT:** Andre Rausch, 202-418-7277, Network Services Division, Common Carrier Bureau.

**SUPPLEMENTARY INFORMATION:** This is a summary of the Commission's Order in FCC 97-243, adopted July 3, 1997, and released July 11, 1997. This item is available for inspection and copying during normal business hours in the Network Services Division Reference Room (Room 220), 2000 M Street, NW., Washington DC, or a copy may be purchased from the duplicating contractor, International Transcription Service, Inc. (202) 857-3800, 1231 20th Street, NW., Washington, DC 20036. The Order will be published in the FCC Record.

### Regulatory Flexibility Analysis

The Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, does not apply to this proceeding because the Commission is adopting this rule without notice and comment. See 5 U.S.C. 603(a) and 604(a). Notice and comment are not required because the Commission is modifying a "rule of agency organization, procedure, or practice." See 5 U.S.C. 553(b)(A). Moreover, the Commission has found that notice and comment are unnecessary here. See 5 U.S.C. 553(b)(B).

### Ordering Clauses

Accordingly, it is ordered, pursuant to Sections 1, 4(i), 201-205 and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 201-205, and 303(r), that part 63 of the Commission's Rules, 47 CFR 63.100 is amended as set forth below, effective July 23, 1997.

### List of Subjects in 47 CFR Part 63

Communications common carriers, Reporting and recordkeeping requirements.

Federal Communications Commission.

**William F. Caton,**

*Acting Secretary.*

### Rule Changes

Part 63 of title 47 is amended as follows:

#### **PART 63—EXTENSION OF LINES AND DISCONTINUANCE, REDUCTION, OUTAGE AND IMPAIRMENT OF SERVICE BY COMMON CARRIERS; AND GRANTS OF RECOGNIZED PRIVATE OPERATING AGENCY STATUS**

1. The authority citation for part 63 continues to read as follows:

**Authority:** 47 U.S.C. 151, 154(i), 154(j), 201-205, 218, 403 and 533, unless otherwise noted.

2. Section 63.100 is amended as follows:

a. In paragraph (b) remove the third sentence and add two sentences in its place;

b. In paragraph (c) remove the third sentence and add two sentences in its place;

c. In paragraph (d) remove the third sentence and add two sentences in its place;

d. In paragraph (e) remove the third sentence of the introductory text and add two sentences in its place;

e. In paragraph (e)(2) remove the first sentence and add two sentences in its place; and

f. In paragraph (h)(2) remove the second sentence and add two sentences in its place.

#### **§ 63.100 Notification of service outage.**

\* \* \* \* \*

(b) \* \* \* Notification must be served on the Commission's Duty Officer, on duty 24 hours a day in the FCC's Communications and Crisis Management Center in Washington, DC. Notification may be served on the Commission's Watch Officer on duty at the FCC's Columbia Operations Center in Columbia, MD, or at such other facility designated by the Commission by regulation or (at the time of the emergency) by public announcement only if there is a telephone outage or similar emergency in Washington, DC.

\* \* \*

(c) \* \* \* Notification must be served on the Commission's Duty Officer, on duty 24 hours a day in the FCC's Communications and Crisis Management Center in Washington, DC. Notification may be served on the Commission's Watch Officer on duty at the FCC's Columbia Operations Center in Columbia, MD, or at such other facility designated by the Commission

by regulation or (at the time of the emergency) by public announcement only if there is a telephone outage or similar emergency in Washington, DC.

\* \* \*

(d) \* \* \* Notification must be served on the Commission's Duty Officer, on duty 24 hours a day in the FCC's Communications and Crisis Management Center in Washington, DC. Notification may be served on the Commission's Watch Officer on duty at the FCC's Columbia Operations Center in Columbia, MD, or at such other facility designated by the Commission by regulation or (at the time of the emergency) by public announcement only if there is a telephone outage or similar emergency in Washington, DC.

\* \* \*

(e) \* \* \* Notification must be served on the Commission's Duty Officer, on duty 24 hours a day in the FCC's Communications and Crisis Management Center in Washington, DC. Notification may be served on the Commission's Watch Officer on duty at the FCC's Columbia Operations Center in Columbia, MD, or at such other facility designated by the Commission by regulation or (at the time of the emergency) by public announcement only if there is a telephone outage or similar emergency in Washington, DC.

\* \* \*

\* \* \* \* \*

(2) If there is to be a report to the Commission, a written or oral report will be given by the NCS within 120 minutes of an outage to the Commission's Duty Officer, on duty 24 hours a day in the FCC's Communications and Crisis Management Center in Washington, DC. Notification may be served on the Commission's Watch Officer on duty at the FCC's Columbia Operations Center in Columbia, MD, or at such other facility designated by the Commission by regulation or (at the time of the emergency) by public announcement only if there is a telephone outage or similar emergency in Washington, D.C.

\* \* \*

\* \* \* \* \*

(h) \* \* \*  
(2) \* \* \* Notification must be served on the Commission's Duty Officer, on duty 24 hours a day in the FCC's Communications and Crisis Management Center in Washington, DC. Notification may be served on the Commission's Watch Officer on duty at the FCC's Columbia Operations Center in Columbia, MD, or at such other facility designated by the Commission by regulation or (at the time of the emergency) by public announcement

only if there is a telephone outage or similar emergency in Washington, DC.

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[FR Doc. 97-19354 Filed 7-22-97; 8:45 am]

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## INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

### Agency for International Development

#### 48 CFR Chapter 7, Appendix D

[AIDAR Notice 97-2]

RIN 0412-AA-31

#### Direct USAID Contracts for Personal Services Abroad

**AGENCY:** Agency for International Development, IDCA.

**ACTION:** Final rule.

**SUMMARY:** The AID Acquisition Regulation is being amended by revising and updating Appendix D, "Direct-USAID Contracts with a U.S. Citizen or a U.S. Resident Alien for Personal Services Abroad" in its entirety.

**DATES:** This rule is effective August 22, 1997.

**FOR FURTHER INFORMATION CONTACT:** M/OP/P, Mrs. Patricia L. Bullock, (703) 875-1534.

**SUPPLEMENTARY INFORMATION:** Specific changes to Appendix D include: (1) Removing the justification requirement for advisory and assistance services; (2) changing references to USAID's Handbook system, when possible, to the respective numbered reference in the Automated Directive System (ADS); (3) changing language to reflect the new identification of work in the New Management System (NMS); (4) revision of the Cover Page to reflect the coding in the NMS, as well as other administrative changes; (5) changing the class justification to apply only to those USPSCs contracted for in the Cooperating Country, and requiring the PSCs recruited outside the Cooperating Country be publicized on the Internet; (6) a clarification regarding who a USPSC may supervise; (7) removal of Prompt Pay language; (8) revising physical fitness and health room privileges by correcting amounts to be reimbursed for medicals for children 12 or under; (9) provision of a consumables allowance where appropriate; (10) revision of awards language to allow non-monetary awards; (11) adding the requirement that all USPSC positions must be classified and that approvals are required for certain positions; (12) incorporation of an optional schedule to be used for USPSCs when it is

anticipated that incremental recurring cost funding will occur; (13) changing FS-1 salary to ES-6; and (14) adding guidance regarding subcontracting.

The changes being made by this rule are not considered "significant" under FAR 1.301 or FAR 1.501, and public comments have not been solicited. This rule will not have an impact on a substantial number of small entities or require any information collection, as contemplated by the Regulatory Flexibility Act or the Paper Work Reduction Act respectively. Because of the nature and subject matter of this rule, use of the proposed rule/public comment approach was not considered necessary. We decided to issue as a final rule; however, we welcome public comment on the material covered by this rule or any other part of the AIDAR at anytime. Comments or questions may be addressed as specified in the **FOR FURTHER INFORMATION CONTACT** section of the Preamble.

Accordingly, for the reasons set forth above and under the authority of 22 U.S.C. 2381, as amended and E.O. 12163 of Sept. 29, 1979, Appendix D of 48 CFR Chapter 7 is revised to read as follows:

#### **APPENDIX D—DIRECT USAID CONTRACTS WITH A U.S. CITIZEN OR A U.S. RESIDENT ALIEN FOR PERSONAL SERVICES ABROAD**

1. *General.* (a) *Purpose.* This appendix sets forth the authority, policy, and procedures under which USAID contracts with a U.S. citizen or U.S. resident alien for personal services abroad.

(b) *Definitions.* (1) *Personal services contract (PSC)* means a contract that, by its express terms or as administered, make the contractor personnel appear, in effect, Government employees (see FAR 37.104).

(2) *Employer-employee relationship* means an employment relationship under a service contract with an individual which occurs when, as a result of the contract's terms or the manner of its administration during performance, the contractor is subject to the relatively continuous supervision and control of a Government officer or employee.

(3) *Non-person services contract* means a contract under which the personnel rendering the services are not subject either by the contract's terms or by the manner of its administration, to the supervision and control usually prevailing in relationships between the Government and its employees.

(4) *Independent contractor relationship* means a contract relationship in which the contractor is not subject to the supervision and control prevailing in relationships between the Government and its employees. Under this relationship, the Government does not normally supervise the performance of the work, control the days of the week or hours of the day in which it is to be performed, or the location of performance.

(5) *Resident hire* means a U.S. citizen who, at the time of hire as a PSC, resides in the

cooperating country as a spouse or dependent of a U.S. citizen employed by a U.S. government agency or under any U.S. government-financed contract or agreement, or for reasons other than for employment with a U.S. government agency or under any U.S. government-financed contract or agreement. A U.S. citizen for purposes of this definition also includes persons who at the time of contracting are lawfully admitted permanent residents of the United States.

(6) *U.S. resident alien* means a non-U.S. citizen lawfully admitted for permanent residence in the United States.

(7) *Abroad* means outside the United States and its territories and possessions.

(8) *USAID direct-hire employees* means civilian employees appointed under USAID Handbook 25 procedures or superseding Automated Directive System (ADS) Chapters.

2. *Legal Basis.* (a) Section 635(b) of the Foreign Assistance Act of 1961, as amended (hereinafter referred to as the "FAA") provides the Agency's contracting authority.

(b) Section 636(a)(3) of the FAA (22 U.S.C. 2396(a)(3)) authorizes the Agency to enter into personal services contracts with individuals for personal services abroad and provides further that such individuals " \* \* \* shall not be regarded as employees of the U.S. Government for the purpose of any law administered by the Civil Service Commission." <sup>1</sup>

3. *Applicability.* (a) This appendix applies to all personal services contracts with U.S. citizens or U.S. resident aliens to provide assistance abroad under Section 636(a)(3) of the FAA.

(b) *This appendix does not apply to:*

(1) *Nonpersonal services contracts with U.S. citizens or U.S. resident aliens; such contracts are covered by the basic text of the FAR (48 CFR Chapter 1) and the AIDAR (48 CFR Chapter 7).*

(2) *Personal services contracts with individual Cooperating Country Nationals (CCNs) or Third Country Nationals (TCNs). Such contracts are covered by Appendix J of this chapter.*

(3) *Other personal services arrangements covered by USAID Handbook 25—Employment and Promotion or superseding ADS Chapters.*

(4) *Interagency agreements (e.g., PASAs and RSSAs covered by ADS 306—Interagency Agreements.*

4. *Policy.* (a) *General.* USAID may finance, with either program or operating expense (OE) funds, the cost of personal services contracts as part of the Agency's program of foreign assistance by entering into a direct contract with an individual U.S. citizen or U.S. resident alien for personal services abroad.

(1) *Program funds.* Under the authority of Section 635(h) of the FAA, program funds may be obligated for periods up to five years where necessary and appropriate to the accomplishment of the tasks involved.

(2) *Operating Expense Funds.* Pursuant to USAID budget policy, OE funded salaries and other recurrent cost items may be forward funded for a period of up to three (3) months

<sup>1</sup> The Civil Service Commission is now the Federal Office of Personnel Management.