

(c) \* \* \*

(158) Addition of supplement C to the "Guideline on Air Quality Models", correction of conversion factor in the manufacture of high-density polyethylene, polypropylene and polystyrene resins, and clarification for the test method used for determining the VOC content of coatings and inks submitted by the Tennessee Department of Environment and Conservation on February 27, 1997, and May 8, 1997.

(i) Incorporation by reference.

(A) Tennessee regulation 1200-3-9-.01(1)(f) effective December 28, 1996.

(B) Tennessee regulations 1200-3-18-.39(5)(a)(2) and 1200-3-18-.81(2) (a) and (b) effective April 16, 1997.

(ii) Other material. None.

[FR Doc. 97-19937 Filed 7-28-97; 8:45 am]

BILLING CODE 6560-50-P

## FEDERAL COMMUNICATIONS COMMISSION

### 47 CFR Parts 61 and 69

[CC Docket Nos. 96-262, 94-1, 91-213, 96-263; FCC 97-158]

#### Access Charge Reform; Price Cap Performance Review for Local Exchange Carriers; Transport Rate Structure and Pricing; Usage of the Public Switched Network by Information Service and Internet Access Providers

AGENCY: Federal Communications Commission.

ACTION: Final rule; Correction.

**SUMMARY:** This document contains corrections to the summary of the Commission's Report and Order reforming access charges published in the **Federal Register** of June 11, 1997 (62 FR 31868).

**EFFECTIVE DATE:** June 11, 1997.

**FOR FURTHER INFORMATION CONTACT:** Richard Lerner, Attorney, Common Carrier Bureau, Competitive Pricing Division, (202) 418-1520, email: rlerner@fcc.gov.

**SUPPLEMENTARY INFORMATION:** The Commission published a summary of the Access Charge Reform First Report and Order (released May 7, 1997) in the **Federal Register** issue of June 11, 1997, in FR Doc. 97-14628 (62 FR 31868). The summary outlines an order that revised the current interstate access charge rules in order to promote local competition and to comply with the Telecommunications Act of 1996. This summary was published with some typographical mistakes and minor omissions. This document corrects those mistakes and omissions. The

publication on June 11, 1997 of the Access Charge Reform First and Order summary (62 FR 3188), which was the subject of FR Doc. 97-14628, is corrected as follows:

1. On page 31868, in the first column, lines 4 and 5, replace "[CC Docket Nos. 96-262, 94-1, 91-213, 96-263; FCC 97-158]" with "[CC Docket Nos. 96-262, 94-1, 91-213, 95-72; FCC 97-158]".

2. On page 31868, in the first column under DATES:, line 27, replace "and 69.156" with "69.201, 69.203, 69.204 and 69.205".

3. On page 31931, in the first column, paragraph (i)(l), line 16, replace the phrase "formula in § 61.44(b)" with "formula in § 61.45(c) and, pursuant to § 61.45(b), application of the formula in § 61.44(b)".

4. On page 31931, in the first column, paragraph (i)(1), lines 22 and 23, replace the phrase "formula in § 61.44(b)" with "formulas in § 61.44(b) and § 61.45(c)".

5. On page 31931, in the first column, paragraph (i)(2), line 2, replace "paragraphs (b) and (c)" with "paragraph (b)".

6. On page 31931, in the first column, paragraph (i)(2), line 15, replace "application of the formula" with "application, pursuant to § 61.45(b), of the formula".

7. On page 31931, in the second column, paragraph (j), line 3, replace "paragraphs (i)(1) and (i)(2)" with "paragraphs (i)(1) and (i)(1) of this section and § 61.47(i)(1) and (i)(2)".

8. On page 31931, in the second column, paragraph (j), line 4, insert "(1)" after "local exchange carriers shall".

9. On page 31931, in the second column, paragraph (j), line 41, insert the following text after the word "targeting":

"(2) not include the amount of any exogenous adjustments reflected in the z component of the formulas in §§ 61.44(b) and 61.45(c). Any such exogenous adjustments shall be reflected in the various PCIs and SBIs in the same manner as they would if there were no targeting".

10. On page 31931, in the third column, paragraph #5, lines 2 and 3, replace "revising paragraphs (d) and (e) and adding new paragraphs (g) and (h)" with

"redesignating the introductory text of paragraph (d) as the introductory text of paragraph (d)(1) and revising it, adding new paragraph (d)(2), redesignating paragraph (e) as paragraph (e)(1) and revising it, and adding new paragraphs (e)(2), (g) and (h)".

11. On page 31932, in the first column, paragraph (i)(1), line 3, add

"and subject to the limitations of § 61.45(j)," after "paragraph (a) of this section,".

12. On page 31932, in the second column, line 4, remove "and (i)(1)" and replace with "and the formula in § 61.44(b) and from the application of the provisions of § 61.45(i)(1)".

13. On page 31932, in the second column, paragraph (i)(2), line 3, add "and subject to the limitations of § 61.45(j)" after "paragraph (a) of this section,".

14. On page 31932, in the second column, paragraph (i)(2), line 11, replace "61.45(b), (i)(1) and (i)(2)" with "61.45(b) and the formula in § 61.44(b) and from the application of the provisions of § 61.45 (i)(1) and (i)(2)".

15. On page 31932, in the second column, paragraph (i)(3), lines 6-8, remove the following phrase: "and from the application of § 61.45(b) to the basket described in § 61.42(d)(3)".

16. On page 31932, in the second column, paragraph (i)(4), lines 6-8, remove the following phrase: "and from the application of § 61.45(b) to the basket described in § 61.42(d)(3)".

17. On page 31937, in the third column, paragraph (d)(2)(i), lines 4 and 5, replace "this part and part 61" with "parts 61 and 69".

18. On page 31938, in the first column, paragraph c in § 69.155, line 2, add "s" to the end of "paragraph".

19. On page 31938, in the third column, amendment #24, line 3, replace "paragraph designation" with "designator".

Federal Communications Commission.

**William F. Caton,**

*Acting Secretary.*

[FR Doc. 97-19911 Filed 7-28-97; 8:45 am]

BILLING CODE 6712-01-P

## FEDERAL COMMUNICATIONS COMMISSION

### 47 CFR Part 69

[CC Docket Nos. 96-262, 94-1, 91-213, 96-263; FCC 97-247]

#### Access Charge Reform; Price Cap Performance Review for Local Exchange Carriers; Transport Rate Structure and Pricing; Usage of the Public Switched Network by Information Service and Internet Access Providers

AGENCY: Federal Communications Commission.

ACTION: Final rule; sua sponte reconsideration.

**SUMMARY:** The Federal Communications Commission here reconsiders on its own

motion five specific issues addressed in its First Report and Order in this proceeding. First, the Commission corrects errors in the rules adopted in the First Report and Order in this proceeding that could permit rural incumbent local exchange carriers (rural incumbent LECs) to recover twice a portion of their local switching costs, that could be interpreted to require carriers to deduct a potentially improper long term support amount from the base factor portion of their common-line revenue requirement, and that could result in improper calculation of annual access minutes-of-use calculated by LECs for use in setting per-minute charges for shared multiplexers on the end office side of the tandem switch.

Second, the Commission clarified the steps non-price cap LECs should take to reassign the costs of trunk ports and multiplexers used at the tandem switch, and the costs of DS1/voice grade multiplexers used at the local switch, from the transport interconnection charge (TIC) rate element to the tandem switching rate element and the local switching rate element, respectively.

Third, the Commission clarified that price cap carriers may vary their tandem-switching charge in accordance with the part 61 price cap rules, even after reassigning to the tandem-switching rate element the portion of tandem switching costs now recovered through the TIC.

Fourth, the Commission revised its rules to revise the triggering point at which a price cap carrier should begin calculating its SLC based on average per-line common line revenues permitted under the price cap rules.

Fifth, the Commission reinstated a portion of its rules relating to general support facilities that we erroneously deleted in the First Report and Order.

**EFFECTIVE DATE:** The amendments to § 69.307(c) shall become effective August 28, 1997. The amendments to §§ 69.1(c), 69.106(b), 69.111(g)(4), 69.111(l)(1), 69.152(b), and 69.502(c) shall become effective January 1, 1998.

**FOR FURTHER INFORMATION CONTACT:** Rich Lerner or Richard Cameron, 202-418-1530.

**SUPPLEMENTARY INFORMATION:** Adopted: July 10, 1997; Released: July 10, 1997.

1. On May 7, 1997, we adopted the First Report and Order in this proceeding<sup>1</sup> and the Report and Order in our related Universal Service proceeding.<sup>2</sup> On our own motion, and

upon further consideration of some of the issues addressed in our *Access Reform Order*, we take this opportunity to revise or clarify certain of our actions.<sup>3</sup>

### **I. DEM Weighting, Long Term Support, and Local Switching**

2. *DEM Weighting.* In our *Universal Service Order*, among other actions, we provided that, on January 1, 1998, eligible rural telephone company study areas with fewer than 50,000 lines would begin receiving local switching support from the new universal service support mechanisms in an amount equal to the implicit support they formerly received from dial equipment minute-of-use (DEM) weighting.<sup>4</sup> We did not make clear in the *Access Reform Order*, however, how the switching rates for both incumbent LECs subject to price cap regulation and those that are not subject to price cap regulation would be affected by the new universal service mechanisms. The obvious solution is to permit rural incumbent LECs to recover these switching costs either from universal service support mechanisms or from interstate access charges, but not to permit recovery of these costs from both sources duplicatively.

3. The rules adopted to implement our *Access Reform Order* provide that the per-minute local switching charge to be imposed by incumbent LECs not subject to price cap regulation "shall be computed by dividing the projected annual revenue requirement for the Local Switching element by the projected annual access minutes of use for all interstate or foreign services that use local exchange switching facilities."<sup>5</sup>

4. On further consideration of our revisions to § 69.106, we recognize that, absent further clarification, rural incumbent LECs not subject to price cap regulation may have the opportunity to recover twice a portion of their local switching costs. DEM weighting

<sup>3</sup> See 47 CFR 1.108.

<sup>4</sup> 47 CFR 54.301. The jurisdictional separations process currently allocates local switching costs between the state and interstate jurisdictions on the basis of relative DEM. Carrier study areas with fewer than 50,000 lines receive support, until December 31, 1997, from DEM weighting, which shifts additional local switching costs to the interstate jurisdiction by multiplying the carrier's interstate DEM by a factor of up to 3.0. Until December 31, 1997, these weighted local switching costs will continue to be recovered from interexchange carriers through per-minute access charges for use of the local switch. Beginning in January 1998, rural incumbent LECs will receive explicit support from the new universal service support mechanisms equal to the amount previously collected as a result of DEM weighting. *Universal Service Order* at ¶¶303-04.

<sup>5</sup> 47 CFR 69.106(b).

increases the interstate local switching revenue requirement when costs are separated in part 36 between the intrastate and interstate jurisdictions.<sup>6</sup> Although the *Universal Service Order* established a new mechanism for providing to carriers the amount of support that was formerly received from DEM weighting, it preserved the use of DEM weighting in assigning local switching revenue requirement to the interstate jurisdiction. Thus, if a rural incumbent LEC were to use the entire DEM-weighted interstate component of the part 36 local switching revenue requirement in setting access charges for local switching under § 69.106, it would have the opportunity to recover twice that portion of the interstate revenue requirement attributable to DEM-weighting. Specifically, the rural incumbent LEC would receive compensation for the DEM-weighted component of local switching from universal service support mechanisms, and also would be able to continue to set the local switching element of its access charges to recover the portion of its interstate revenue requirement attributable to DEM-weighting. Clearly, we did not intend our rules to permit such a result.

5. On our own motion, therefore, we take this opportunity to reconsider this issue and revise § 69.106.<sup>7</sup> We clarify that, in setting its per-minute access charge for local switching under § 69.106, each rural incumbent LEC not subject to price cap regulation must exclude from its local switching interstate revenue requirement any high-cost support attributable to DEM weighting.

6. Similarly, to the extent that any price cap LEC receives high-cost support attributable to DEM-weighting under § 54.301, we require such price cap LEC, in its access tariff filed reflecting its receipt of support under § 54.301, to make a downward exogenous adjustment to its traffic sensitive basket price cap index (PCI) and to its common line basket PCI to reflect the recovery of this amount from the new high-cost support mechanism. These exogenous adjustments must be made after the exogenous adjustments required when the price cap LEC reallocates the costs of line ports to the common line basket in accordance with the *Access Reform Order*.<sup>8</sup> The exogenous downward adjustment to each basket must be in proportion to the local switching costs contained within that basket. For

<sup>6</sup> 47 CFR 36.125.

<sup>7</sup> See 47 CFR 1.108.

<sup>8</sup> *Access Reform Order* at ¶¶125-135.

<sup>1</sup> Access Charge Reform, First Report and Order, 62 FR 31838 (June 11, 1997) (*Access Reform Order*).

<sup>2</sup> Federal-State Joint Board on Universal Service, Report and Order, 62 FR 32862 (June 17, 1997) (*Universal Service Order*).

example, if a price cap LEC makes exogenous adjustments to reallocate 30 percent of its local switching costs contained within the traffic sensitive basket to the common line basket, reflecting the costs of its line ports, it must then make a downward exogenous adjustment to the common line basket in an amount equal to 30 percent of the support it receives under § 54.301 and a downward exogenous adjustment to the traffic sensitive basket in an amount equal to the remaining 70 percent.

7. Long Term Support. We also modify the language of § 69.502(c) to clarify the per-line support amount that carriers should use in making deductions from the base factor portion of the common line element. In the *Universal Service Order*, we did not adopt the Joint Board's recommendation that, for the three years beginning January 1, 1998, high-cost support be calculated for rural incumbent LECs based on historic high-cost loop support, DEM weighting, and long term support (LTS) amounts.<sup>9</sup> Instead, consistent with the recommendation of the State High Cost Report<sup>10</sup> and of many commenters, high-cost support attributable to the former LTS mechanism may increase based on changes in the nationwide average loop cost.<sup>11</sup> We therefore replace the phrase "frozen per-line support" in § 69.502 with the phrase "per-line support."

8. Other Local Switching Issues. In the *Access Reform Order*, we directed incumbent LECs to set per-minute rates for the transmission component of tandem-switched transport using "the total actual voice-grade minutes of use, geographically averaged on a study-area-wide basis, that the incumbent [LEC] experiences based on the prior year's annual use,"<sup>12</sup> or averaged on a zone-wide basis where the incumbent LEC has implemented density pricing zones.<sup>13</sup> In new § 69.111(l), however, we directed incumbent LECs to develop per-minute charges for the shared multiplexers used on the end office side of the tandem switch, using as a denominator "the projected annual access minutes of use calculated for purposes of recovery of common transport costs in paragraph (c) of this section."<sup>14</sup> We will delete the word "projected" from this sentence of our

rules. Paragraph (c) does not require a projection, but instead calls for the use of the prior year's historical data. For clarity, we also delete the extraneous phrase "by the serving wire center side of the tandem switch" from this section.

## II. TIC Reduction for Non-Price Cap Incumbent LECs

9. In our *Access Reform Order*, we took steps to adopt a cost-based transport rate structure and to comply with the remand order issued by the United States Court of Appeals for the District of Columbia Circuit in *Competitive Telecommunications Ass'n v. FCC (CompTel)*.<sup>15</sup> In complying with the *CompTel* remand, we took steps to eliminate or substantially reduce the transport interconnection charge (TIC), which we originally created as part of our interim transport rate structure.<sup>16</sup>

10. We reassigned portions of the TIC to other rate elements, some of which were created in the *Access Reform Order* only for price cap carriers. In creating the new rate elements established for multiplexers used at the tandem switch, we "direct[ed] incumbent LECs to establish separate rate elements for the multiplexing equipment on each side of the tandem switch."<sup>17</sup> This language potentially may be unclear, especially in light of subsequent language directing only "price cap LECs [to] reallocate revenues" to these rate elements.<sup>18</sup> As an initial matter, therefore, we here clarify that these rate elements apply only to price cap incumbent LECs.

11. We specifically directed carriers to reassign certain TIC amounts to newly created rate elements for trunk ports and multiplexers used at the tandem switch<sup>19</sup> and for DS1/voice grade multiplexers used at the local switch.<sup>20</sup> Because these rate elements were created only for price cap carriers, however, we take this opportunity to clarify the application of this section of our *Access Reform Order* with respect to incumbent LECs not subject to price cap regulation.

12. In access tariffs filed to become effective January 1, 1998, incumbent LECs not subject to price cap regulation should assign TIC amounts attributable to trunk ports and multiplexers used at

the tandem switch to the tandem switching rate element. Even though the specific rate elements created for these amounts do not yet exist for non-price cap carriers, the amounts involved relate broadly to the use of the tandem switch. Similarly, in access tariffs filed to become effective January 1, 1998, incumbent LECs not subject to price cap regulation should assign TIC amounts attributable to DS1/voice grade multiplexers used at analog local switches to the local switching rate element for recovery. Even though the specific rate elements created for these amounts do not yet exist for non-price cap carriers, the amounts involved relate broadly to the use of analog local switches. We will consider whether these amounts should be further reallocated to individual rate elements in our upcoming rulemaking proceeding addressing access charge reform for rate-of-return carriers.

## III. Reallocation of Tandem Switching Costs

13. Section 69.1(c) of our rules<sup>21</sup> limits the extent to which certain part 69 pricing rules apply to incumbent LECs subject to price cap regulation. Under the terms of § 69.1(c), while a price cap LEC uses these part 69 rules, *inter alia*, to set initial charges for new rate elements, the price cap LEC thereafter has discretion to vary these charges, subject to the limitations of the relevant price cap index and any applicable service category banding constraints.

14. Section 69.111(g) governs the reallocation by all carriers of tandem switching amounts currently being recovered through the TIC to the tandem switching rate element. As our rules are currently constructed, § 69.1(c) limits the extent to which § 69.111(g)(1) applies to price cap carriers, as described above, but §§ 69.111(g)(2) and 69.111(g)(3) are not so limited. We therefore revise § 69.1(c) to clarify that §§ 69.111(g)(2) and 69.111(g)(3) apply to price cap carriers only to the same extent as § 69.111(g)(1). To reallocate tandem switching amounts as described in § 69.111(g), price cap LECs must make downward exogenous adjustments to the interconnection charge service band index (SBI) and corresponding upward exogenous adjustments to the tandem-switched transport SBI at the times and in the amounts prescribed in § 69.111(g)(1-3).<sup>22</sup> Thereafter, they may vary the tandem-switching charge in

<sup>9</sup> *Universal Service Order* at ¶¶297-99, 305-306.

<sup>10</sup> State Members' Report on the Use of Cost Proxy Models, dated March 26, 1997 (contained in the record of Federal-State Joint Board on Universal Service, CC Docket No. 96-45).

<sup>11</sup> *Universal Service Order* at ¶¶305-306. See 47 CFR 54.303.

<sup>12</sup> 47 CFR 69.111(c).

<sup>13</sup> 47 CFR 69.111(c)(2)(ii).

<sup>14</sup> 47 CFR 69.111(l)(1).

<sup>15</sup> 87 F.3d 522 (D.C. Cir. 1996).

<sup>16</sup> *Access Reform Order* at ¶¶210-243. The TIC was created as part of the interim transport rate structure adopted in Transport Rate Structure and Pricing, Report and Order and Further Notice of Proposed Rulemaking, 57 FR 54717 (November 20, 1992).

<sup>17</sup> *Access Reform Order* at ¶170.

<sup>18</sup> *Id.* at ¶ 173.

<sup>19</sup> *Access Reform Order* at ¶¶171-173.

<sup>20</sup> *Access Reform Order* at ¶¶218-219.

<sup>21</sup> 47 CFR 69.1(c).

<sup>22</sup> See *Access Reform Order* at ¶ 228.

accordance with the part 61 price cap rules.

#### IV. Common Line Issues

15. In the *Access Reform Order*, we directed each price cap carrier to calculate its subscriber line charge (SLC) based on the full average per-line interstate allocation of the common line revenue requirement, until its primary interexchange carrier charge (PICC) assessed on multi-line business (MLB) lines no longer recovers any common line revenues. At that time, we directed the price cap carrier to begin calculating the SLC based on average per-line common line revenues permitted under our price cap rules.<sup>23</sup> In certain situations, when the MLB PICC no longer recovers common line revenues, recalculation of the SLC may in turn create a common line residual to be recovered by the MLB PICC, making it impossible for the price cap LEC to develop a proper rate. Accordingly, we reconsider this aspect of our PICC rules, and take this opportunity to revise the triggering point at which a price cap carrier should begin calculating its SLC based on average per-line common line revenues permitted under the price cap rules. A price cap carrier should make this change in its SLC calculation when the maximum PICC assessed on primary residential lines, plus the maximum SLC on those lines, recovers the full amount of its per-line common line price cap revenues.

#### V. General Support Facilities

16. We also here reinstate portions of § 69.307(c), relating to general support facilities (GSF), that were erroneously deleted in the *Access Reform Order*. We will address GSF cost allocation issues in a future order in this proceeding.

#### VI. Final Regulatory Flexibility Analysis

17. In the *Access Reform Order*, we conducted a Final Regulatory Flexibility Analysis, as required by section 603 of the Regulatory Flexibility Act, as amended by the Contract With America Advancement Act of 1996, Public Law 104-121, 110 Stat. 847 (1996).<sup>24</sup> The changes we adopt in this Order do not affect that analysis.

#### VII. Ordering Clauses

18. Accordingly, it is ordered, pursuant to sections 1-4, 201-205, 251, 254, 303, and 405 of the Communications Act of 1934, as amended, 47 U.S.C. 151-154, 201-205, 251, 254, 303 and 405, and pursuant to

section 1.108 of the Commission's rules, 47 CFR § 1.108, that this Order on Reconsideration is adopted.

19. It is further ordered that § 69.307(c) of the Commission's rules, 47 CFR § 69.307(c) is amended as set forth below, effective August 28, 1997.

20. It is further ordered that §§ 69.1(c), 69.106(b), 69.111(g)(4), 69.111(l)(1), 69.152(b), and 69.502(c) of the Commission's rules, 47 CFR 69.1(c), 69.106(b), 69.111(g)(4), 69.111(l)(1), 69.152(b), and 69.502(c), are amended as set forth below, effective January 1, 1998.

#### List of Subjects in 47 CFR Part 69

Communications common carriers, Telephone.

Federal Communications Commission.

**William F. Caton,**

*Acting Secretary.*

47 CFR, Part 69, is amended as follows:

#### PART 69—ACCESS CHARGES

1. The authority citation for part 69 continues to read as follows:

**Authority:** 47 U.S.C. 154(i) and (j), 201, 202, 203, 205, 218, 254, and 403.

2. Section 69.1(c) is revised to read as follows:

##### § 69.1 Application of access charges.

(c) The following provisions of this part shall apply to telephone companies subject to price cap regulation only to the extent that application of such provisions is necessary to develop the nationwide average carrier common line charge, for purposes of reporting pursuant to §§ 43.21 and 43.22 of this chapter, and for computing initial charges for new rate elements: §§ 69.3(f), 69.106(b), 69.106(f), 69.106(g), 69.109(b), 69.110(d), 69.111(c), 69.111(g)(1), 69.111(g)(2), 69.111(g)(3), 69.111(l), 69.112(d), 69.114(b), 69.114(d), 69.125(b)(2), 69.301 through 69.310, and 69.401 through 69.412. The computation of rates pursuant to these provisions by telephone companies subject to price cap regulation shall be governed by the price cap rules set forth in part 61 of this chapter and other applicable Commission rules and orders.

3. Section 69.106(b) is revised to read as follows:

##### § 69.106 Local switching.

(b) The per minute charge described in paragraph (a) of this section shall be computed by dividing the projected annual revenue requirement for the

Local Switching element, excluding any local switching support received by the carrier pursuant to § 54.301 of this chapter, by the projected annual access minutes of use for all interstate or foreign services that use local exchange switching facilities.

\* \* \* \* \*

4. Sections 69.111 (g)(4) and (l)(1) are revised to read as follows:

##### § 69.111 Tandem Switched Transport and Tandem Charge.

\* \* \* \* \*

(g) \* \* \*

(4) A local exchange carrier that is subject to price cap regulation as that term is defined in § 61.3(x) of this chapter shall calculate its tandem switching revenue requirement as used in this paragraph by dividing the tandem switching revenue requirement that was included in the original interconnection charge by the original interconnection charge, and then multiplying this result by the annual revenues recovered through the interconnection charge, described in § 69.124, as of June 30, 1997. A local exchange carrier that is subject to price cap regulation as that term is defined in § 61.3(x) of this chapter shall then make downward exogenous adjustments to the service band index for the interconnection charge service category (defined in § 61.43(e)(2)(vi) of this chapter) and corresponding upward adjustments to the service band index for the tandem-switched transport service category (defined in § 61.43(e)(2)(v) of this chapter) at the times and in the amounts prescribed in paragraphs (g)(1) through (g)(3) of this section.

\* \* \* \* \*

(l) \* \* \*

(1) Local exchange carriers must establish a traffic-sensitive charge for DS3/DS1 multiplexers used on the end office side of the tandem switch, assessed on purchasers of common transport to the tandem switch. This charge must be expressed in dollars and cents per access minute of use. The maximum charge shall be calculated by dividing the total costs of the multiplexers on the end office-side of the tandem switch by the annual access minutes of use calculated for purposes of recovery of common transport costs in paragraph (c) of this section. A similar charge shall be assessed for DS1/voice-grade multiplexing provided on the end-office side of analog tandem switches.

\* \* \* \* \*

5. Section 69.152(b) is revised to read as follows:

<sup>23</sup> E.g., *Access Reform Order* at ¶ 102.

<sup>24</sup> *Access Reform Order* at ¶¶ 419-440.

**§ 69.152 End user common line for price cap local exchange carriers.**

\* \* \* \* \*

(b) Except as provided in paragraphs (d) through (i) of this section, the maximum single line rate or charge shall be computed:

(1) By dividing one-twelfth of the projected annual revenue requirement for the End User Common Line element by the projected average number of local exchange service subscriber lines in use during such annual period, only so long as a per-minute carrier common line charge is assessed or the maximum PICC assessed on primary residential lines, plus the maximum end user common line charge for primary residential lines, does not recover the full amount of its per-line common line price cap revenues; (and/or)

(2) by dividing one-twelfth of the projected annual revenues permitted for the common line basket under the Commission's price cap rules, as set forth in Part 61 of this chapter, by the projected average number of local exchange service subscriber lines in use during such annual period, if no per-minute carrier common line charge is assessed and the maximum PICC assessed on primary residential lines, plus the maximum end user common line charge for primary residential lines, recovers the full amount of its per-line common line price cap revenues.

\* \* \* \* \*

6. Section 69.307(c) is added to read as follows:

**§ 69.307 General support facilities.**

\* \* \* \* \*

(c) All other General Support Facilities investments shall be apportioned among the interexchange category, the billing and collection category, and Common Line, Local Switching, Information, Transport, and Special Access elements on the basis of Central Office Equipment, Information Origination/Termination Equipment, and Cable and Wire Facilities, combined.

7. Section 69.502(c) is revised to read as follows:

**§ 69.502 Base factor allocation.**

\* \* \* \* \*

(c) The portion of per-line support that carriers receive pursuant to § 54.303.

[FR Doc. 97-19912 Filed 7-28-97; 8:45 am]

BILLING CODE 6712-01-P

**INTERNATIONAL DEVELOPMENT COOPERATION AGENCY****Agency for International Development**

**48 CFR Parts 701, 702, 703, 704, 705, 706, 708, 709, 711, 715, 716, 717, 719, 722, 724, 725, 726, 728, 731, 732, 733, 734, 736, 749, 750, 752, 753, and Appendices A, C, G, and H to Chapter 7**

[AIDAR Notice 97-1]

RIN 0412-AA30

**Miscellaneous Amendments to Acquisition Regulations**

**AGENCY:** Agency for International Development (USAID), IDCA.

**ACTION:** Final rule.

**SUMMARY:** The USAID Acquisition Regulation (AIDAR) is being amended to implement the Agency's new regulation on Source, Origin, and Nationality; to reflect the omission of authority for the Agency's Disadvantaged Enterprises Program in the 1996 and 1997 Appropriations Acts; to remove certification requirements not approved by the Head of the Agency in accordance with the Federal Acquisition Reform Act of 1996 (now known as the Clinger-Cohen Act of 1996); and to incorporate numerous administrative changes which correct mistakes, clarify or simplify policies or procedures currently in the AIDAR, and bring the AIDAR into compliance with Agency policies. This regulatory action was subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993.

**EFFECTIVE DATE:** August 28, 1997.

**FOR FURTHER INFORMATION CONTACT:** M/OP/P, Ms. Diane M. Howard, (703) 875-1310.

**SUPPLEMENTARY INFORMATION:** The specific changes being made to the USAID Acquisition Regulation (AIDAR) in this amendment are broad in scope, ranging from correcting typographical errors published over the past several years to implementing statutory requirements such as the loss of the Agency's Disadvantaged Enterprises Program (DEP) and removing unnecessary certification requirements.

**A. Source, Origin, and Nationality**

USAID published its final rule on Source, Origin, and Nationality, 22 CFR Part 228, on October 15, 1996 (61 FR 53615, corrected at 61 FR 54849 and 55361, and 62 FR 314). The AIDAR implements this regulation by revising section 702.170-15 and several sections in subpart 725.70, removing the clauses

at 752.7004 (this number is used for a new clause as described in amendment 63) and 752.7017, and by adding clauses 752.255-70 and 752.225-71.

**B. Disadvantaged Enterprises Program (DEP)**

For years, USAID was required by law to ensure that at least 10% of its funds for development assistance or for assistance for famine recovery and development in Africa went to small disadvantaged business enterprises; however, not until FY 1990 did Congress provide the Agency with statutory authority to limit full and open competition solely for the purpose of meeting this set-aside requirement. AIDAR 706.302-71 was amended to implement the statutory authority. Statutory authority continued to be provided each year after that until FY 1996, when Congress did not provide the Agency with the statutory authority or impose the 10% "set-aside" requirement. Since the FY 1997 Appropriations Act did not include the authority, either, and indications are that the authority is not expected to be reinstated, we are amending the AIDAR to restrict the use of the authority in 706.302-71 to use other than full and open competition to award contracts to eligible disadvantaged business concerns (as defined in 726.7002) only to contracts funded from those fiscal years for which the statutory authority was provided. Subparts 706.302-71 and 726.70, and sections 705.207, 706.302-5, 726.7001, 726.7003, and 726.7007 are amended accordingly.

**C. Contractor Certification Requirements**

Section 4301 of the Clinger-Cohen Act required the removal of contractor and offeror certification requirements that are not: (1) Specifically imposed by statute, or (2) justified by the Senior Procurement Executive and approved by the Agency Head. On October 10, 1996, the USAID Administrator approved the retention of the AIDAR certifications found at sections 715.413-2 (which is also amended to remove paragraph (c) since the Procurement Integrity Certification requirement was removed from the FAR), 752.7001, and 752.7016(c)(3) (other certifications required in AIDAR Appendices D and J are addressed in a separate Final Rule). The certifications in 752.226-2(c)(3) and 752.7004(b)(5) are removed as described in B and A above, respectively (for the latter, the entire clause is removed and a new clause without certification requirements is added at 752.225-70). Section 752.7033(a) is amended to remove the physician's certification and