

**FEDERAL COMMUNICATIONS COMMISSION**

[CC Docket No. 96-45; DA 97-2392]

**Universal Service****AGENCY:** Federal Communications Commission.**ACTION:** Notice.**FOR FURTHER INFORMATION CONTACT:**

Diane Law, Common Carrier Bureau, Accounting and Audits Division, Universal Service Branch, (202) 418-7400, or via E-mail to "dlaw@fcc.gov".

**SUPPLEMENTARY INFORMATION:**

Released: November 13, 1997.

In this Public Notice, the Accounting and Audits Division announces the proposed universal service contribution factors for the first quarter of 1998.

In the *Universal Service Order* released on May 8, 1997, the Commission established new federal universal service support mechanisms consistent with the Telecommunications Act of 1934, as amended. (See Federal-State Joint Board on Universal Service, CC Docket No. 96-45, *Report and Order*, FCC 97-157 (62 FR 32862, June 17, 1997)). The Commission required all

telecommunications carriers that provide interstate telecommunications services, providers of interstate telecommunications, and payphone service providers to contribute to the federal universal service support mechanisms. The Commission found that contributions for the schools, libraries, and rural health care programs would be based on interstate, intrastate, and international end-user telecommunications revenues. The Commission also found that contributions for the high cost, rural, and insular and low-income programs would be based on interstate and international end-user telecommunications revenues.

On July 18, 1997, the Commission released an Order directing the National Exchange Carrier Association (NECA) to create an independently functioning not-for-profit subsidiary, the Universal Service Administrative Company (USAC), through which it will administer temporarily certain aspects of the federal universal service support mechanisms. The Commission also directed NECA to create two independent, not-for-profit entities, Schools and Libraries Corporation and Rural Health Care Corporation, to administer certain aspects of the

schools, libraries, and rural health care programs of the federal support mechanisms. The Commission instructed USAC, Schools and Libraries Corporation, and Rural Health Care Corporation to submit projections of demand and administrative expenses for their respective programs for the first quarter of 1998 to the Commission at least sixty days before the start of the first quarter of 1998. USAC also must compile total interstate, intrastate, and international end-user telecommunications revenues and submit that information to the Commission. The Commission stated that it would publish these figures and the proposed quarterly contribution factors in a Public Notice. (See Changes to the Board of Directors of the National Exchange Carrier Association, Inc., Federal-State Joint Board on Universal Service, *Report and Order and Second Order on Reconsideration*, FCC 97-253 (62 FR 41294, August 1, 1997)).

On October 31, 1997, USAC, Schools and Libraries Corporation, and Rural Health Care Corporation submitted projections of demand and administrative expenses for their respective programs for the first quarter of 1998. Those figures are as follows:

Program	Program demand (million)	Administrative expenses	Interest income	Total program costs (millions)
Schools and Libraries Program .....	\$299.1	\$2.7 million .....	(\$1.8 million) .....	\$300.0
Rural Health Care Program .....	98.4	2.2 million .....	(605,000) .....	100.0
High Cost Program .....	434.0	1.1 million .....	(2.8 million) .....	432.3
Low Income Program .....	135.7	600,000 .....	(900,000) .....	136.0
Totals .....	967.2	6.6 million .....	(6.1 million) .....	968.3

Based on information contained in the Universal Service Worksheets, FCC Form 457, USAC submitted the following information regarding end-user telecommunications revenues on November 13, 1997:

Total Interstate and International End-User Telecommunications Revenues from January 1, 1997-June 30, 1997: \$35.001 billion;

Total Interstate, Intrastate, and International End-User Telecommunications Revenues from January 1, 1997-June 30, 1997: \$89.827 billion.

To calculate the proposed quarterly contribution factors, the Bureau divided the combined total demand projections by the appropriate six-month contribution base. Based on USAC's recommendation, to account for possible uncollectible contributions and possible errors in the projections of

demand and administrative expense, the Accounting and Audits Division decreased the contribution base totals submitted by USAC by two percent. Based on the figures submitted by USAC, Schools and Libraries Corporation, and Rural Health Care Corporation, the proposed contribution factors for the first quarter of 1998 are as follows:

Contribution factor for interstate and international end-user telecommunications revenues: 0.0166. This figure was calculated by dividing \$568 million total projected demand for the high cost and low income programs by \$34,301 million interstate and international end-user telecommunications revenues. \$34,301 million is 98 percent of the reported \$35.001 billion interstate and international end-user

telecommunications revenues contribution base.

Contribution factor for interstate, intrastate, and international end-user telecommunications revenues: 0.0045. This figure was calculated by dividing \$400 million total projected demand for the schools, libraries, and rural health care programs by \$88,030 million interstate, intrastate, and international end-user telecommunications revenues. \$88,030 million is 98 percent of the reported \$89.827 billion interstate, intrastate, and international end-user telecommunications revenues contribution base.

If the Commission takes no action regarding the proposed contribution factors by November 28, 1997, the proposed contribution factors will be deemed approved by the Commission. Until November 28, 1997, the Commission reserves the right to modify

these contribution factors and set the projections of demand and administrative expenses at amounts that the Bureau determines will serve the public interest. Once the proposed contribution factors are deemed approved by the Commission or are modified and approved in a subsequent Public Notice, USAC shall use the approved contribution factors to calculate and bill first quarter universal service contributions. USAC will send all contributors a quarterly bill for the federal universal service support mechanisms in December of 1997. Contributors must submit their first quarter universal service contribution to USAC within thirty days of the date listed on their quarterly bill. Payments must be sent to the address specified on the quarterly bill.

Federal Communications Commission.

**Timothy A. Peterson,**

*Deputy Division Chief, Common Carrier Bureau.*

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## FEDERAL COMMUNICATIONS COMMISSION

### Public Information Collections Approved by Office of Management and Budget

November 20, 1997.

The Federal Communications Commission (FCC) has received Office of Management and Budget (OMB) approval for the following public information collections pursuant to the Paperwork Reduction Act of 1995, Public Law 104-13. An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid control number. For further information contact Shoko B. Hair, Federal Communications Commission, (202) 418-1379.

#### Federal Communications Commission

*OMB Control No.:* 3060-0803.

*Expiration Date:* 05/31/98.

*Title:* Tariff Review Plan Revisions.

*Form No.:* N/A.

*Respondents:* Business or other for-profit.

*Estimated Annual Burden:* 16 respondents (estimated annual responses: 71); 25 hours per response (avg.); 1776 total annual burden hours.

*Estimated Annual Reporting and Recordkeeping Cost Burden:* \$0.

*Frequency of Response:* One-time requirement.

*Description:* In the Tariff Review Plan (TRP) Revision, the Commission initiates the necessary revisions to the TRPs under which incumbent price cap local exchange carriers (LECs) should make their access filing to take effect on January 1, 1998. This filing is necessary so that incumbent price cap LECs can adjust their rates in response to the *First Report and Order* (rel. May 16, 1997) and the *Second Order on Reconsideration* (rel. October 9, 1997) in CC Docket No. 96-262. Sections 201, 202, 203, 204 and 205 of the Communications Act of 1934, as amended, 47 U.S.C. Sections 201, 202, 203, 204 and 205, require that common carriers establish just and reasonable charges, practices and regulations for the telecommunications services provided. The tariff schedules containing those charges, practices and regulations must be filed with the FCC, and the FCC is required to determine whether such schedules are just, reasonable, and not unduly discriminatory. The Commission is granted broad authority to require the submission of data showing the value of the property used to provide these services. 47 U.S.C. Section 213. Pursuant to its statutory mandate to assure just, reasonable, and nondiscriminatory charges for interstate telephone service, the FCC has adopted specific rules regarding the determination of the range of rates charged by local exchange carriers (LECs) to interexchange carriers (IXCs) transporting long distance calls. The IXCs use local networks of LECs to originate or terminate long distance calls. 47 CFR Part 69. The TRP material submitted by the Local Exchange Carrier is used by the FCC to determine whether its interstate access rates are just and reasonable as required by the Communications Act of 1934, as amended. Obligation to respond: mandatory. Contact Shoko Hair (202-418-1379) for copies of the TRP Revision displaying the OMB control number and expiration date and required PRA statements.

*OMB Control No.:* 3060-0804.

*Expiration Date:* 05/31/98.

*Title:* Universal Service—Health Care Providers Universal Service Program.

*Form No.:* FCC Forms 465, 466, 467, and 468.

*Respondents:* Business or other for-profit.

*Estimated Annual Burden:* 15,400 respondents; 2.5 hours per response (avg.); 117,000 total annual burden hours.

*Estimated Annual Reporting and Recordkeeping Cost Burden:* \$0.

*Frequency of Response:* On occasion.

*Description:* The Telecommunications Act of 1996 (1996 Act) directed the Commission to initiate a rulemaking to reform our system of universal service by preserving and advancing universal service markets toward competition, and to benefit everyone. Congress placed on the Commission the duty to implement these principles in a manner consistent with the pro-competition purposes of the Act. To fulfill that mandate, on March 8, 1996, the Commission adopted a Notice of Proposed Rulemaking (NPRM) in CC Docket No. 96-45 implementing the Congressional directives set out in section 254 of the Communications Act of 1934, as amended by the 1996 Act. On May 8, 1997, the Commission adopted rules providing support for all telecommunications services, limited distance charges, and Internet access for all eligible health care providers. In an effort to implement these requirements and obligations the Commission has received OMB approval for the following forms to administer the health care providers universal service program: *FCC Form 465* "Description of Services Requested and Certification." All health care providers requesting services eligible for universal service support must file a "Description of Services and Certification" form with the Administrator.

Filing this form is the first step a health care providers must take to participate in the universal service program. The Administrator will then post a description of the services sought on a website for all potential competing service providers to see and respond to as if they were requests for proposals (RFPs). 47 CFR 54.603(b)(2), 47 CFR 54.615(c). *FCC Form 466* "Services Ordered and Certification." All health care providers ordering services that are eligible for universal service support must file a "Services Ordered and Certification" form with the Administrator. 47 CFR 54.603(b)(4). Form 466, "Services Ordered and Certification," will be used to ensure health care providers have selected the most cost-effective method of providing the requested services as set forth in 47 CFR 54.603(b)(4). FCC Form 466 is also the means by which an applicant informs the Administrator that it has entered a contract with a telecommunications service provider for services that are supported under the universal services support program. The administrator must receive this form before it can commit universal service funds to support the services for which the applicant has contracted. *FCC Form 467* "Receipt of Service Confirmation."