

the Environmental Protection Agency (EPA or Agency) to establish the Acid Rain Program. The program sets emissions limitations to reduce acidic particles and deposition and their serious, adverse effects on natural resources, ecosystems, materials, visibility, and public health.

The allowance trading component of the Acid Rain Program allows utilities to achieve sulfur dioxide emissions reductions in the most cost-effective way. Allowances are traded among utilities and recorded in EPA's Allowance Tracking System for use in determining compliance at the end of each year. The Acid Rain Program's permitting, allowance trading, and emissions monitoring requirements are set forth in the "core rules" promulgated on January 11, 1993. On August 3, 1998 (63 FR 41358) EPA published a proposal that would amend certain provisions in the permitting and Allowance Tracking System rules for the purpose of improving the operation of the Allowance Tracking System and the allowance market, while still preserving the Act's environmental goals. This document extends the comment period on that notice of proposed rulemaking until September 17, 1998.

**DATES: Comments.** Comments on the August 3, 1998 proposed rule must be received on or before September 17, 1998.

**ADDRESSES: Comments.** Comments should be submitted in duplicate, to: EPA Air Docket, Attention, Docket No. A-98-15, U.S. Environmental Protection Agency, 401 M Street, SW, Washington, DC 20460.

**Docket.** Docket No. A-98-15, containing supporting information used in developing the proposed rule, is available for public inspection and copying between 8:30 a.m. and 3:30 p.m., Monday through Friday, at EPA's Air Docket Section, Waterside Mall, room 1500, 1st Floor, 401 M Street, SW, Washington, DC 20460. A reasonable fee may be charged for copying.

**FOR FURTHER INFORMATION CONTACT:** Donna Deneen, Permits and Allowance Market Branch, Acid Rain Division (6204J), U.S. Environmental Protection Agency, 401 M Street SW, Washington, DC 20460 (202-564-9089).

**SUPPLEMENTARY INFORMATION:** The notice of proposed rulemaking for this action (63 FR 41358, August 3, 1998) provided for a 30 day comment period ending on September 2, 1998, unless a public hearing was requested, in which case the comment period would be extended 15 days until September 17, 1998. The Agency has received a request that the

comment period be extended until September 17, 1998, without a public hearing (see docket Item A-98-15-IV-D-1). That request indicated that in the event EPA declined to extend the comment period in this manner, the request constituted a request for a public hearing, which would have the same effect of extending the comment period.

In the interest of full public participation in this rulemaking, and in recognition that the Agency should not require the public to present testimony at a public hearing for the procedural reason to extend the written comment period, the Agency with this document extends the comment period until September 17, 1998. Because no public hearing was requested by the August 13, 1998 deadline specified in the original document, no public hearing will be held on this rulemaking.

Dated: August 14, 1998.

**Brian McLean,**

*Director, Acid Rain Division.*

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## FEDERAL COMMUNICATIONS COMMISSION

### 47 CFR Parts 36, 54, and 69

[CC Docket Nos. 96-45 and 97-160; DA 98-1587]

#### Model Platform Development

**AGENCY:** Federal Communications Commission.

**ACTION:** Proposed rule.

**SUMMARY:** In the *Universal Service Order*, 62 FR 32862 (June 17, 1997), the Commission stated that it would select a federal mechanism to calculate the forward-looking economic cost of non-rural carriers serving rural, insular, and high cost areas. The Commission determined that it would select the "platform" (fixed assumptions and algorithms) of the mechanism in one stage, and that it would select other parts of the mechanism, including all input values, in a second stage. Three models have been submitted to the Commission for consideration as the platform for the federal mechanism: the Benchmark Cost Proxy Model (BCPM), the HAI Model (HAI), and the Hybrid Cost Proxy Model (HCPM). In an effort to move towards a result that combines the best ideas of all parties considering these complex issues, this document seeks comment on approaches to a model platform that combine specific aspects from the customer location and

outside plant modules of the models under consideration.

**DATES:** Comments are due on or before August 28, 1998 and reply comments are due on or before September 11, 1998.

**ADDRESSES:** One original and six copies of all comments and reply comments should be sent to the Commission's Secretary, Magalie Roman Salas, Office of the Secretary, Federal Communications Commission, 1919 M Street, N.W., Room 222, Washington, D.C. 20554. All filings should reference CC Docket Nos. 96-45 and 97-160, and DA 98-1587. Parties also may file comments electronically via the Internet at: <<http://www.fcc.gov/e-file/ecfs.html>> and <[ckeller@fcc.gov](mailto:ckeller@fcc.gov)>. Only one copy of an electronic submission must be submitted. In completing the transmittal screen, commenters should include their full name, Postal Service mailing address, and the lead docket number for this proceeding, which is Docket No. 96-45. Parties not submitting their comments via the Internet are also asked to submit their comments on diskette. Parties submitting diskettes should submit them to Sheryl Todd, Accounting Policy Division, 2100 M Street, N.W., Room 8606, Washington, D.C. 20554. Such a submission should be on a 3.5 inch diskette formatted in an IBM compatible format using WordPerfect 5.1 for Windows or compatible software. The diskette should be accompanied by a cover letter and should be submitted in "read only" mode. The diskette should be clearly labelled with the party's name, proceeding (including the lead docket number in this case, Docket No. 96-45), type of pleading (comment or reply comment), date of submission, and the name of the electronic file on the diskette. Each diskette should contain only one party's pleadings, preferably in a single electronic file. In addition, parties must send copies to the Commission's copy contractor, International Transcription Service, Inc., 1231 20th Street, N.W., Washington, D.C. 20037.

**FOR FURTHER INFORMATION CONTACT:** Chuck Keller, Common Carrier Bureau, Accounting Policy Division, (202) 418-7400 or Jeff Prisbrey, Common Carrier Bureau, (202) 418-7400.

**SUPPLEMENTARY INFORMATION:** This is a summary of the Commission's document released on August 7, 1998. The full text of this document is available for public inspection during regular business hours in the FCC Reference Center, Room 239, 1919 M Street, N.W., Washington, D.C., 20554. An electronic copy of the complete

document also may be found on the Commission's Universal Service Web Page at <www.fcc.gov/ccb/universal\_service/da981587.pdf>.

## Background

1. In the *Universal Service Order*, 62 FR 32862 (June 17, 1997), the Commission stated that it would select a federal mechanism to calculate the forward-looking economic cost of non-rural carriers serving rural, insular, and high cost areas. The Commission determined that it would select the "platform" (fixed assumptions and algorithms) of the mechanism in one stage, and that it would select other parts of the mechanism, including all input values, in a second stage. Three models have been submitted to the Commission for consideration as the platform for the federal mechanism: the Benchmark Cost Proxy Model (BCPM), the HAI Model (HAI), and the Hybrid Cost Proxy Model (HCPM). These models have been subject to extensive review by Commission staff and outside parties, and thousands of pages of comments have been filed regarding their relative merits and problems. Recent *ex parte* meetings between Commission staff and the model sponsors suggest that certain areas of agreement now exist on the optimal approach to designing a platform for the federal mechanism. In an effort to move towards a result that combines the best ideas of all parties considering these complex issues, this document seeks comment on approaches to a model platform that combine specific aspects from the customer location and outside plant modules of the models under consideration.

## Issues for Comment

2. In a *Further Notice of Proposed Rulemaking (Further NPRM)*, 62 FR 4257 (August 7, 1997), the Commission raised the possibility that the platform for the federal mechanism may represent a synthesis of approaches from different sources. Such a synthesis would capitalize on the strengths of the algorithms and approaches of the models under consideration. As the Commission stated in the *Further NPRM*, the goal of this model development process is to determine the platform design components and input values that will most accurately estimate carriers' forward-looking economic costs. With this goal in mind, we note that a synthesis of the approaches taken in the models under consideration may result in a model platform with significant advantages over each of the individual models.

3. The algorithms that identify customer locations and design outside plant in each of the models under consideration are important in determining the estimated costs for a wire center or study area. One approach that might enhance the accuracy of a model's cost estimate would be a synthesis of HAI's geocoded customer location information, which identifies customer locations by latitude and longitude coordinates, BCPM's assumption that customers that cannot be located precisely are located along roads, HAI's clustering approach, and HCPM's outside plant algorithms, which are able to design outside plant directly, or nearly directly, to latitude and longitude coordinates. This approach could be combined with other aspects of BCPM, HAI, or HCPM to develop a complete model platform. While we seek comment on this possible synthesis and on the specific issues set out below, we note that the Commission may select as part of the federal mechanism other combinations of algorithms not described herein. We therefore also seek comment on any other combinations of algorithms on the record in this proceeding that they believe would most accurately estimate non-rural carriers' forward-looking economic costs of providing the supported services starting July 1, 1999.

4. *Customer Location Data.* HAI uses data provided by PNR Associates to identify customer locations by latitude and longitude (actual geocode data) and creates surrogate geocodes for those customer locations that cannot be identified (surrogate geocode data). HAI then uses an algorithm, also provided by PNR, to identify clusters of customers. BCPM and HCPM, on the other hand, identify customer locations using publicly available data about the number of customers in each Census Block. BCPM combines the Census block data about customer location with road network data, and places customers in microgrids based on the assumption that people are more likely to be located along roads. In the *Further NPRM*, the Commission requested comment on the availability, feasibility, and reliability of using geocode data to determine the distribution of customers in the federal mechanism. Many commenters from across the spectrum of the industry agree that geocode data that identify the actual geographic locations of customers are preferable to algorithms intended to estimate customer locations based on information such as census block data. Although comments on this issue have already been received, this document

provides a final opportunity for parties to comment on how a model platform may use the most accurate customer location data available, which in some cases may be geocode data, in the most effective manner. We also seek comment on how the expenses for obtaining geocode data for high cost universal service mechanisms should be recovered.

5. As many commenters have noted, actual geocode data appear to be incomplete, particularly in low-density areas. A model, therefore, will have to make assumptions about where non-geocoded customers are likely to be located. Currently, the BCPM developers create surrogate geocodes on the assumption that those customers in a census block that cannot be geocoded are distributed along both the internal and peripheral roads in the Census block. HAI believes that a more accurate assumption would place surrogate geocodes along the boundary of that Census block. Another option would be to distribute surrogate geocodes randomly throughout an entire Census block, rather than just along its boundaries or roads. Although comments on this issue have already been received, this document provides a final opportunity for parties to comment on the algorithm or combination of algorithms that would locate most accurately those customers without actual geocodes, and on the empirical basis for such comments. If commenters propose a different approach than one of those described above, we seek detailed comments on how such an approach should be implemented.

6. *Grouping Customers.* After determining where customers are located using actual or surrogate geocodes, a model platform must group customers into serving areas to design feeder and distribution plant efficiently to those customers. In this document, we consider a model platform that groups customers using a clustering approach because it appears to have advantages over gridding approaches. HAI has placed the computer code for its clustering algorithm on the record in this proceeding. We are also releasing a clustering algorithm and a set of cluster outputs generated from sample, surrogate geocode data. These clusters were generated using a clustering algorithm, developed by Commission staff, that differs somewhat from the clustering algorithm used in HAI. We seek comment on the relative merits of HAI's clustering algorithm and the Commission staff's clustering algorithm described in the "Test Data" section, below. We also intend that parties will use these cluster outputs to test the

various algorithms for designing distribution and feeder plant that are discussed herein.

7. *Designing Distribution and Feeder Plant.* After identifying groups of customers, a model must design distribution plant from the digital loop carrier (DLC) or serving area interface (SAI) to the customers, and feeder plant from the central office to the DLC or SAI. In order to design distribution plant, both BCPM and HAI create square or rectangular distribution areas and assume that the customers in each group are uniformly spread throughout the distribution areas. While these approaches create a predictable pattern of customer lots to which the models may design distribution plant, both also appear to distort the actual locations of customers when such locations can be identified with specificity. HCPM appears to be capable of designing plant with less distortion to customer locations. By reducing the size of its microgrids, HCPM can associate those latitude and longitude coordinates of each customer with a small microgrid (the version that is currently available uses grids 360 feet on each side). With customers grouped by a clustering algorithm, HCPM can build loop plant directly to individual microgrids in which customers are located. Thus, HCPM could build plant directly to every customer with an error of no more than a few hundred feet from the actual or surrogate geocode specified for any individual customer. We seek comment on a model that synthesizes this approach with the use of geocode data and a clustering algorithm. We also seek comment on the appropriate microgrid size to utilize in building distribution plant to latitude and longitude

coordinates, and on the methods used by HCPM to subdivide microgrids into lots.

8. The feeder modules of both HAI and BCPM use a modified "pine tree" algorithm that deploys main feeder routes in each of four quadrants surrounding the central office switch, with subfeeder routes connecting each serving area interface to the closest main feeder. In effect, HAI and BCPM build an individual subfeeder route to nearly every serving area (or cluster). The feeder module of HCPM allows for more sharing among subfeeder routes by using a modified "spanning tree" algorithm. The spanning tree algorithm finds the minimum distance necessary to connect a set of remote locations to a central point. As applied to feeder plant, this algorithm connects SAI to the switch. HCPM has modified the spanning tree algorithm to consider explicitly the amount of traffic that must be carried and factors such as the costs of cable and structures. We seek comment on these different approaches to designing feeder plant, including on the feeder algorithm that should be used if the Commission also adopts a model platform that includes HCPM's distribution algorithm.

9. *Test Data.* As noted above, to enable parties to evaluate fully the synthesis discussed herein, particularly the HCPM distribution and feeder algorithm, the Bureau has made available on the Commission's World Wide Web site a set of sample geocode data and customer clusters, and the clustering algorithm used to generate those clusters. In addition, an interface that converts the output of the HCPM clustering algorithm to an appropriate input for the HCPM distribution and

feeder algorithms has been placed on the public record. These latter algorithms overlay a grid on top of each cluster, and then assign each customer location in the cluster to a microgrid cell within the grid for the purpose of building distribution plant. A similar interface could be used for HAI's cluster data point outputs, or any other set of clustering outputs. The interface and test data are available via the World Wide Web at [http://www.fcc.gov/Bureaus/Common\\_Carrier/Other/hcpm](http://www.fcc.gov/Bureaus/Common_Carrier/Other/hcpm). The sample geocode data represent points randomly distributed within the census blocks of several wire centers. Groups of the sample geocode data have been identified according to a clustering algorithm developed by Commission staff. By making a set of sample geocode points publicly available and grouping them into clusters, we hope to facilitate evaluation and analysis of this particular synthesis. We note that these data could also be used to evaluate other potential approaches.

#### **List of Subjects**

##### *47 CFR Part 36*

Reporting and recordkeeping requirements and Telephone.

##### *47 CFR Part 54*

Universal service.

##### *47 CFR Part 69*

Communications common carriers.

Federal Communications Commission.

**James D. Schlichting,**

*Acting Chief, Common Carrier Bureau.*

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