

## FEDERAL COMMUNICATIONS COMMISSION

### 47 CFR Part 43

[CC Docket No. 00-229; FCC 00-399]

### 2000 Biennial Regulatory Review—Telecommunications Service Quality Reporting Requirements

**AGENCY:** Federal Communications Commission.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** In this document, the Commission initiates a review of the service quality reporting requirements for incumbent local exchange carriers (LECs). The Commission proposes to eliminate the current service quality reporting and replace these reports with a more streamlined, consumer-oriented, reporting system. The Commission's objectives are to reduce regulatory burdens on carriers, eliminate reporting requirements that are no longer necessary, and better serve consumers.

**DATES:** Comments must be filed on or before January 12, 2001. Reply comments must be filed on or before February 16, 2001. Written comments must be submitted by the Office of Management and Budget (OMB) on the proposed and/or modified information collections on or before February 2, 2001.

**ADDRESSES:** Federal Communications Commission, 445-12th Street, SW, TW-A325, Washington, D.C. 20554. In addition to filing comments with the Office of the Secretary, a copy of any comments on the information collections contained herein should be submitted to Judy Boley, Federal Communications Commission, Room 1-C804, 445 12th Street, SW, Washington, DC 20554, or via the Internet to [jboley@fcc.gov](mailto:jboley@fcc.gov) and to Edward C. Springer, OMB Desk Officer, 10236 NEOB, 725-17th Street, N.W., Washington, DC 20503 or via the Internet to [Edward.Springer@omb.eop.gov](mailto:Edward.Springer@omb.eop.gov).

#### FOR FURTHER INFORMATION CONTACT:

Louise Klees-Wallace at (202) 418-1321 or Mika Savir at (202) 418-0384. For additional information concerning the information collections contained in this document, contact Judy Boley at 202-418-0214, or via the Internet at [jboley@fcc.gov](mailto:jboley@fcc.gov).

**SUPPLEMENTARY INFORMATION:** This *Notice of Proposed Rulemaking* in CC Docket No. 00-229, adopted on November 9, 2000 and released on November 9, 2000, is available for inspection and copying during normal

business hours in the FCC Reference Information Center, Courtyard Level, Suite CY-A257, 445 12th Street, S.W., Washington, D.C. The complete text may also be purchased from the Commission's copy contractor, International Transcription Service, Inc., 1231 20th Street, N.W., Washington, D.C. 20036.

This NPRM contains proposed information collection(s) subject to the Paperwork Reduction Act of 1995 (PRA). It has been submitted to the Office of Management and Budget (OMB) for review under the PRA. OMB, the general public, and other Federal agencies are invited to comment on the proposed information collections contained in this proceeding.

#### Paperwork Reduction Act

This NPRM contains a proposed information collection. The Commission, as part of its continuing effort to reduce paperwork burdens, invites the general public and the Office of Management and Budget (OMB) to comment on the information collection(s) contained in this NPRM, as required by the Paperwork Reduction Act of 1995, Public Law 104-13. Public and agency comments are due January 3, 2001; OMB notification of action is due February 2, 2001. Comments should address: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's burden estimates; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology.

*OMB Control Number:* None.

*Title:* The ARMIS Service Quality Report.

*Form No.:* FCC Report 43-05.

*Type of Review:* New collection.

*Respondents:* Business or other for-profit.

*Number of Respondents:* 12.

*Estimated Time Per Response:* 850.

*Total Annual Burden:* 10,196 hours.

*Cost to Respondents:* \$0.

*OMB Control Number:* 3060-0763.

*Title:* The ARMIS Customer Satisfaction Report.

*Form No.:* FCC Report 43-06.

*Type of Review:* Proposed Revision.

*Respondents:* Business or other for-profit.

*Number of Respondents:* 8.

*Estimated Time Per Response:* 720 hours.

*Total Annual Burden:* 5760 hours.

*Cost to Respondents:* \$0.

*Needs and Uses:* In the NPRM the Commission undertakes a review of its existing service quality requirements contained in its Automated Reporting Management Information System (ARMIS) FCC Report 43-05 (Service Quality) and FCC Report 43-06 (Customer Satisfaction) requirements. ARMIS was implemented to facilitate the timely and efficient analysis of revenue requirements, rates of return and price caps; to provide an improved basis for audits and other oversight functions; and to enhance the Commission's ability to quantify the effects of alternative policy. Among other things, the Commission proposes to reduce its reporting requirements from more than 30 categories of information down to six.

#### Synopsis of the Notice of Proposed Rulemaking:

##### I. Introduction

In this proceeding, the Commission proposes to streamline and reform the existing service quality monitoring program. The Commission proposes to eliminate reporting of many categories of information and thereby reduce the regulatory burden for carriers, as well as to modify how other information is reported so that it will be more useful to consumers and to state and federal regulators.

The Commission undertakes a review of the existing service quality requirements contained in the Automated Reporting Management Information System (ARMIS) 43-05 Report (Service Quality) and ARMIS 43-06 Report (Customer Satisfaction). The Commission proposes to reduce the reporting requirements from more than 30 categories of information down to six.

The Commission also hopes to work with in partnership with the states. The Commission's basic role in the service quality area is to serve as a central clearinghouse for information. States may, and likely will, impose additional service quality reporting and performance requirements on carriers operating within their jurisdictions. The Commission's proposed national monitoring "floor" will represent a uniform framework.

##### II. Discussion

*Categories of performance data.* The Commission proposes to continue

reporting obligations for six categories of service quality information that are important to consumers. The Commission proposes to retain reporting for the following measures: (1) The percentage of installation appointments that are missed; (2) the time it takes to install service; (3) the percentage of lines that have problems, including out of service lines; (4) the time it takes to have out of service lines repaired; (5) the percentage of repair appointments that are missed; and (6) the time it takes to repair service. The Commission seeks comment on this proposal.

With respect to missed installations, the Commission proposes that carriers continue to report the number of missed installation commitments and the total number of installations that occur during the reporting period. Through these two numbers a percentage can be generated that can permit appropriate comparisons among companies by consumers. The Commission seeks comment on this proposal.

With respect to installation intervals, the Commission proposes that carriers continue reporting installation time because consumers should know how long it is likely to take a particular carrier to provide service. The Commission seeks comment, however, on whether installation intervals should be measured in a different way. An average completion time may not provide an accurate picture to consumers because outliers may skew the reported data. The Commission seeks comment on whether carriers should report the number of installation orders for service completed within a specified number of days, such as five working days, instead of the current average interval, and the total number of installation orders.

With respect to trouble reports, or impairments on a customer's line, the Commission seeks comment on whether carriers should report only the number of initial trouble reports and number of out-of-service troubles occurring within the reporting period, as well as the total number of access lines.

An out-of-service trouble means that a consumer cannot make or receive calls. In addition to the inconvenience and potential financial impact of such an outage, this also raises safety concerns because the consumer cannot make 911 emergency calls. The Commission proposes collecting only information on average intervals for out-of-service troubles. The Commission seeks comment on this proposal.

A missed repair commitment occurs when a customer trouble is not repaired on or before the date and time

commitment with the customer. The number of missed repair commitments should have a direct impact on consumers who are waiting for service problems to be fixed. The Commission proposes that carriers report the number of missed repair commitments, and the total number of repair commitments. The Commission seeks comment on this proposal.

Price cap incumbent LECs currently report the average time for repairs. The Commission proposes to continue measuring repair intervals and seeks comment whether this should require an average or some other measure.

The Commission seeks comment on whether there are other types of service quality information that consumers would find useful, and if so, what are the benefits, burdens and feasibility of requiring carriers to collect and disclose such information. The Commission seeks comment, for example, on whether carriers should report the length of time customers wait on hold before speaking to a customer service representative and the length of time a customer has to wait for a call back from a carrier. Commenters should discuss how carriers would collect this information.

*Broadband services.* The Commission seeks comment on whether to gather information and report about service quality in the provision of broadband and other advanced services. The Commission seeks comment on what information in this area consumers would find useful, and what are the costs and benefits of adding any new reporting requirements in this area.

*Disaggregation of information.* Currently, carriers are required to report installation and repair information separately for business and residential customers. The Commission proposes to maintain this aspect of the reporting requirements. A review of data filed to date shows different quality of service performance in the residential market and business markets. Accordingly, the Commission seeks comment on maintaining this disaggregation. Permitting carriers to aggregate business and residential customers into one class could provide a misleading picture of the carrier's performance with respect to each group of customers.

To depict a carrier's service quality in urban and rural areas, the current ARMIS service quality reports disaggregate information into results in "Metropolitan Statistical Areas" (MSAs) and "Non-Metropolitan Statistical Areas" (Non-MSAs). The Commission seeks comment on the proposal that carriers should no longer disaggregate data into MSA and non-MSA categories.

*Types of reporting entities.* Currently, only price cap LECs file the ARMIS 43-05 and 43-06 reports. The Commission does not collect service quality data from small incumbent LECs, including those serving rural areas, nor does the Commission collect this data from competitive LECs (CLECs). The NARUC Service Quality White Paper concludes that service quality data would be more meaningful for all interested parties, including consumers and state commissions, if all LECs—including CLECs—reported such data. The Commission seeks comment on the benefits and costs of imposing the proposed service quality reporting requirements on these carriers. Commenters should discuss whether certain entities could be exempt from service quality reporting requirements without compromising the consumer protection objectives in this proceeding. Commenters also should address how imposition of these requirements on CLECs and smaller LECs fits into the traditional regulatory treatment of these entities, many of which may not have encountered regulatory burdens of this nature at the federal level.

The Commission seeks comment on whether a viable alternative would be voluntary service quality reporting procedures for certain carriers. The service quality program could, for example, establish mandatory service quality reporting for incumbent LECs exceeding a threshold of lines served, such as two percent of the nation's access lines, or annual revenue, and allow voluntary service quality reports for all other carriers, including CLECs.

The Commission seeks comment on whether carriers should be relieved of all mandatory reporting under certain circumstances, and if so, when. For instance, whether a carrier should be relieved of any federal reporting obligation, if there are few or no service quality complaints relating to that carrier pending before a state commission, or if its performance meets a specified benchmark for a period of time. The Commission seeks comment on what the appropriate benchmarks should be.

The Commission notes that resellers and competitors that purchase network elements from an incumbent LEC may have no control over the service quality of the resold service or the purchased elements, which may impact their service to retail customers. Commenters should discuss how, if voluntary or mandatory reporting were extended to a broader class of carriers, service quality measures could take into account problems due to the conduct of the incumbent so that consumers would

receive an accurate picture of the service quality provided by different carriers.

*Frequency of reporting.* Currently, carriers file ARMIS 43–05 reports on an annual basis. The Commission seeks comment on whether it would better serve the consumer protection goals to collect service quality information more frequently than yearly, and how the Commission might accomplish this. Individual states may require more frequent service quality reporting, e.g., quarterly. The Commission seeks comment on whether it should act as a federal clearinghouse for information gathered at the state level.

*Public disclosure of service quality data.* Service quality information can enable consumers to compare carriers in their area and make informed choices between, or among, carriers. The Commission seeks comment on whether an effective method of publicizing service quality data would be for carriers to post service quality data on their web sites. This data would be accessible to the general public, as well as to state commissions and other interested parties. The Commission proposes that carriers would continue to file the service quality reports with the Commission as well, which would continue to be a central clearinghouse for service quality data. The Commission can require carriers to correct inaccurate data, collecting information at the federal level provides some ability to ensure that the information is accurate, which ultimately benefits consumers. The Commission also seeks comment on whether there are other public sources for service quality information. In particular, the extent to which the states collect service quality information, and whether that information is publicly accessible.

*Elimination of other reporting requirements—Interexchange carriers.* In Table I of the ARMIS Report 43–05 Service Quality Report, the Commission currently collects information from price cap incumbent LECs about the installation and repair of access services provided to interexchange carriers. In Table III of the same report, price cap carriers provide information about common trunk group blockage. The Commission seeks comment on whether it should eliminate these categories of information from the service quality reporting program. This information reports the quality of service performed by incumbent LECs to interexchange carriers. The Commission seeks comment on whether interexchange carriers are able to monitor service quality through operation of their

business relationships with the incumbent local exchange carriers.

*Elimination of other reporting requirements—the Network Reliability and Interoperability Council.* The Network Reliability and Interoperability Council (NRIC) was established by the Commission to bring together leaders of the telecommunications industry with academic and consumer organizations to explore and recommend measures that would enhance network reliability. Carriers currently report in ARMIS 43–05, Table IV, the number of switches serving specified numbers of lines and the number of times switches are down from two minutes or longer. The number and duration of switch outages and interoffice transmission facility outages indicates the carrier's performance in providing continual access to the full capabilities and benefits of the network. This data has been gathered in ARMIS as a complement to information collected on large switches by the Network Reliability Council. Together this information has permitted regulators to monitor and assess network reliability, which is important to consumers because such outages affect service in their area. The Commission seeks comment on whether it should continue to collect the information contained in Table IV of ARMIS Report 43–05. The Commission also seeks comment on whether competitive pressures to achieve network reliability in today's marketplace have sufficiently replaced the need for reporting of network reliability data.

*Elimination of other reporting requirements—complaints to federal and state commissions.* Price cap incumbent LECs currently report to the Commission, as part of ARMIS, the number of customer complaints made to federal and state regulators. The Commission seeks comment on the benefits and burdens of requiring companies to continue to file FCC and state complaint information. In addition, the Commission seeks comment on whether carriers should be required to report the number of complaints they receive directly from consumers.

*Elimination of other reporting requirements—customer satisfaction survey.* Price cap LECs currently are required to conduct a survey of their customers' satisfaction and report the results of that survey in ARMIS Report 43–06. The Commission proposes to eliminate this requirement. Actual complaint information may be a better indicator of trends in service quality than a telephone consumer survey. The

Commission seeks comment on this proposal.

*NARUC Service Quality White Paper.* The NARUC Service Quality White Paper contains additional proposals for refining the Commission's service quality monitoring program. These include more detailed measurements related to maintenance and repair intervals, answer time performance, and network performance. The NARUC Service Quality White Paper also proposes that the reports be made available to the public to allow interested parties to assess the data, and to provide consumers with information about their telecommunications carriers. The Commission seeks comment on the proposals in the NARUC Service Quality White Paper.

### III. Conclusion

The Commission is committed to improving the service quality monitoring program to give consumers the ability to compare the service quality of competing carriers. At the same time, it intends to limit the reporting burden on carriers by reducing the categories of reported data. By making available timely and reliable service quality data, the Commission hopes to meet the needs of consumers as competition grows in the local exchange marketplace. The Commission hopes to facilitate market efficiency by ensuring that consumers have the information they need to make informed buying decisions.

### IV. Procedural Matters and Ordering Clauses

#### A. Regulatory Flexibility Act

As required by the Regulatory Flexibility Act (RFA), the Commission has prepared this present Initial Regulatory Flexibility Analysis (IRFA) of any possible significant economic impact on small entities by the policies and rules proposed in this Notice of Proposed Rulemaking (NPRM). Written public comments are requested on this IRFA. Comments must be identified as responses to the IRFA and must be filed by the deadlines for comments on this Notice. The Commission will send a copy of this NPRM, including this IRFA, to the Chief Counsel for Advocacy of the Small Business Administration.

*Need for, and Objectives of, the Proposed Action:* The Commission has initiated this proceeding to determine whether it should improve the current service quality monitoring program. The Commission's goal is to ensure that the monitoring program will be uniform and provide the information needed to carry out statutory and policymaking

responsibilities. The Commission notes that as competition develops in the local exchange market, consumers will benefit from the ability to compare carriers' service quality. This should in turn lead to the availability of higher quality services for consumers.

**Legal Basis:** The legal basis for the action as proposed for this rulemaking is contained in sections 4(i), 4(j), 201(b), 303(r), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. 154(i), 154(j), 201(b), 303(r), and 403.

**Description and Estimate of the Number of Small Entities to which the Proposed Action May Apply:** Currently, only price cap incumbent local exchange carriers (LECs) file service quality reports, the Automated Reporting Management Information System (ARMIS) 43-05 Report (Service Quality) and the ARMIS 43-06 Report (Customer Satisfaction). The Commission seeks comment on whether additional carriers, e.g., all LECs, should comply with the proposed service quality reporting requirements and if compliance should be on a mandatory or voluntary basis. Below is a detailed description of the types of entities that could be required to comply with the proposed reporting requirement (either on a mandatory or voluntary basis).

The RFA directs agencies to provide a description of, and, where feasible, an estimate of the number of small entities that may be affected by the proposed rules, if adopted. To estimate the number of small entities that may be affected by the proposed rules, we first consider the statutory definition of "small entity" under the RFA. The RFA generally defines "small entity" as having the same meaning as the term "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, unless the Commission has developed one or more definitions that are appropriate to its activities. Under the Small Business Act, a "small business concern" is one that: (1) Is independently owned and operated; (2) is not dominant in its field of operation; and (3) meets any additional criteria established by the Small Business Administration (SBA). The SBA has defined a small business for Standard Industrial Classification (SIC) categories 4812 (Radiotelephone Communications) and 4813 (Telephone Communications, Except Radiotelephone) to be small entities when they have no more than 1,500 employees.

The most reliable source of information regarding the total numbers

of common carrier and related providers nationwide, appears to be data the Commission publishes in its *Trends in Telephone Service* report. See FCC, Common Carrier Bureau, Industry Analysis Division, *Trends in Telephone Service*, Table 19.3 (March 2000).

According to data in the most recent report, there are 4,144 interstate carriers. *Id.* These carriers include, *inter alia*, local exchange carriers, wireline carriers and service providers, interexchange carriers, competitive access providers, operator service providers, pay telephone operators, providers of telephone toll service, providers of telephone exchange service, and resellers.

The Commission has included small incumbent LECs in this present RFA analysis. As noted above, a "small business" under the RFA is one that, *inter alia*, meets the pertinent small business size standard (e.g., a telephone communications business having 1,500 or fewer employees), and "is not dominant in its field of operation." See 5 U.S.C. 601(3). The SBA's Office of Advocacy contends that, for RFA purposes, small incumbent LECs are not dominant in their field of operation because any such dominance is not "national" in scope. See letter from Jere W. Glover, Chief Counsel for Advocacy, SBA, to William E. Kennard, Chairman, FCC (May 27, 1999). The Commission has therefore included small incumbent LECs in this RFA analysis, although this RFA action has no effect on the Commission's analyses and determinations in other, non-RFA contexts.

**Total Number of Telephone Companies Affected.** The United States Bureau of the Census (Census Bureau) reports that, at the end of 1992, there were 3,497 firms engaged in providing telephone services, as defined therein, for at least one year. See United States Department of Commerce, Bureau of the Census, 1992 Census of Transportation, Communications, and Utilities: Establishment and Firm Size, at Firm Size 1-123 (1995) (1992 Census). This number contains a variety of different categories of carriers, including local exchange carriers, interexchange carriers, competitive access providers, cellular carriers, mobile service carriers, operator service providers, pay telephone operators, personal communications services (PCS) providers, covered specialized mobile radio (SMR) providers, and resellers. It seems certain that some of those 3,497 telephone service firms may not qualify as small entities or small incumbent LECs because they are not "independently owned and operated."

See 15 U.S.C. 632(a)(1). For example, a PCS provider that is affiliated with an interexchange carrier having more than 1,500 employees would not meet the definition of a small business. It seems reasonable to conclude, therefore, that fewer than 3,497 telephone service firms are small entity telephone service firms or small incumbent LECs that may be affected by the decisions and rules proposed in the Notice.

**Wireline Carriers and Service Providers.** The SBA has developed a definition of small entities for telephone communications companies other than radiotelephone companies. The Census Bureau reports that, there were 2,321 such telephone companies in operation for at least one year at the end of 1992. See 1992 Census at Firm Size 1-123. According to SBA's definition, a small business telephone company other than a radiotelephone company is one employing no more than 1,500 persons. See 13 CFR 121.201, SIC Code 4813. All but 26 of the 2,321 non-radiotelephone companies listed by the Census Bureau were reported to have fewer than 1,000 employees. Thus, even if all 26 of those companies had more than 1,500 employees, there would still be 2,295 non-radiotelephone companies that might qualify as small incumbent LECs. It seems certain that some of these carriers are not independently owned and operated, but we are unable at this time to estimate with greater precision the number of wireline carriers and service providers that would qualify as small business concerns under SBA's definition. Consequently, we estimate that there are fewer than 2,295 small entity telephone communications companies other than radiotelephone companies that may be affected by the decisions and rules proposed in the NPRM.

**Local Exchange Carriers, Interexchange Carriers, Competitive Access Providers, and Resellers.** Neither the Commission nor the SBA has developed a definition of small LECs, interexchange carriers (IXCs), competitive access providers (CAPs), or resellers. The closest applicable definition for these carrier-types under SBA rules is for telephone communications companies other than radiotelephone (wireless) companies. According to recent *Trends in Telephone Service* data, 1,348 incumbent carriers reported that they were in the provision of local exchange services. See FCC, Common Carrier Bureau, Industry Analysis Division, *Trends in Telephone Service*, Table 19.3 (March 2000). According to the most recent *Trends in Telephone Service* data, 212 CAP/CLECs carriers and 10

other LECs reported that they engaged in competitive local exchange services. *Id.* It seems certain that some of these carriers are not independently owned and operated, or have more than 1,500 employees; however, we are unable at this time to estimate with greater precision the number of these carriers that would qualify as small business concerns under SBA's definition. Consequently, the Commission estimates that there are fewer than 1,348 small incumbent LECs, 212 small entity CAPs, and 10 other small entity LECs that may be affected by the rules proposed in the Notice.

**Rural Radiotelephone Service.** The Commission has not adopted a definition of small entity specific to the Rural Radiotelephone Service. *See* 47 CFR 22.99. A significant subset of the Rural Radiotelephone Service is the Basic Exchange Telephone Radio Systems (BETRS). *See* 47 CFR 22.757, 22.759. The Commission will use the SBA's definition applicable to radiotelephone companies, *i.e.*, an entity employing no more than 1,500 persons. *See* 13 CFR 121.201, SIC Code 4812. There are approximately 1,000 licensees in the Rural Radiotelephone Service, and the Commission estimates that almost all of them qualify as small entities under the SBA's definition.

**Description of Proposed Reporting, Recordkeeping, and Other Compliance Requirements:** The focus of this proceeding is whether the Commission should require LECs to report certain service quality information in a more consumer-friendly format instead of the format of the current ARMIS reports. Historically, service quality reporting was limited to the price cap LECs. With the emergence of competition in the local exchange market, service quality information on competitive LECs would permit consumers to compare carriers in their area. The Notice seeks comment on the costs and benefits of imposing new service quality reporting requirements on all LECs. The NPRM seeks comment on whether the Commission should modify its service quality reporting requirements by reducing the quantity of data requested and if all LECs should report this information on a mandatory or voluntary basis.

Commenters should discuss whether state commissions currently require LECs to provide the proposed service quality information. If LECs—other than price cap incumbent LECs—are required to file this service quality information with a state commission, is there an additional cost in preparing and filing the service quality data with the Commission? Commenters should discuss the costs to small entities of

preparing the proposed service quality reports for federal reporting purposes.

The NPRM sets out in detail, and seeks comment on, the types of carriers that should report, frequency of reports, and data to be reported. The NPRM seeks comment on whether there are other types of service quality information that consumers would find useful, and if so, what are the benefits, burdens and feasibility of requiring carriers to collect and disclose such information. Under the proposal, there would be fewer categories of data reported but more carriers may be required to report. Commenters should address the benefit of giving consumers access to service quality data from all carriers providing local exchange service in their area, including small entities, and discuss the increased cost, if any, to smaller LECs.

**Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered:** The RFA requires an agency to describe any significant alternatives that it has considered in reaching its proposed 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. 5 U.S.C. 603(c).

One of the goals in this proceeding is to consider whether consumers should have access to service quality information that can be used to make comparisons between the incumbent LEC and other carriers in their area. Service quality information is of limited use if the consumers do not have comparable information on all carriers in their area, including any small entities that might provide service. With the emergence of competition in the local exchange market, accurate service quality information on all LECs would permit consumers to compare carriers. The Notice seeks comment on the costs and benefits of imposing new service quality reporting requirements on all LECs and on whether all LECs should be required to report service quality data. Under this scenario, small entities may be required to report service quality data. The Commission is seeking to balance the consumers' need for information with the reporting burden on the industry, particularly small entities. Commenters should discuss

how the imposition of service quality reporting on carriers other than price cap incumbent LECs may be burdensome, and the costs of compliance. Commenters should discuss whether certain entities should be exempt from service quality reporting requirements and how that could be done without compromising the goals in this proceeding.

One alternative would be to limit service quality reporting to the incumbent LECs. This alternative, however, would not permit consumers to compare service providers in their area. The Commission observes that the effective functioning of competitive markets is predicated on consumers having access to accurate information. Thus, revising the current service quality reporting requirements may be essential to allow consumers to compare service quality among or between carriers and make informed choices. A second alternative would be to make service quality reporting voluntary for certain carriers. Commenters advocating limiting service quality reporting to price cap LECs should discuss how consumers would have access to service quality data on all LECs in their area if only the price cap LECs were required to file service quality reports. Another alternative would be to limit service quality reporting to carriers whose performance fell below a specified performance benchmark. This alternative would reduce reporting burdens for carriers, including small carriers, that do not have significant service quality problems.

This proposed reporting requirement is less than the current service quality reporting requirement (now limited to price cap LECs). Commenters should discuss whether the proposed reporting requirements should be streamlined for small entities and how this could be done without compromising the goals in this proceeding. Commenters should address any cost savings to small entities resulting from such streamlining.

**Federal Rules that May Duplicate, Overlap, or Conflict With the Proposed Rule:** None.

#### **B. Paperwork Reduction Act**

This NPRM contains a proposed information collection. As part of its continuing effort to reduce paperwork burdens, the Commission invites the general public and the Office of Management and Budget (OMB) to take this opportunity to comment on the information collections contained in the Notice as required by the Paperwork Reduction Act of 1995, Public Law No. 104-13. Public and agency comments

are due January 3, 2001. Written comments must be submitted by OMB on the proposed information collections on or before February 2, 2001.

Comments should address (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's burden estimates; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology.

#### *C. Ex Parte Presentations*

This is a permit-but-disclose rulemaking proceeding subject to "permit-but-disclose" requirements under § 1.1206 of the Commission's rules, as revised. *See* 47 CFR 1.1206. Additional rules pertaining to oral and written presentations are set forth in § 1.1206.

#### *D. Comment Period*

Pursuant to the applicable procedures set forth in §§ 1.415 and 1.419 of the Commission's rules, 47 CFR 1.415, 1.419, interested parties may file comments on or before January 12, 2001. Reply comments are to be filed on or before February 16, 2001. Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>.

Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to

each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to [ecfs@fcc.gov](mailto:ecfs@fcc.gov), and should include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If participants want each Commissioner to receive a personal copy of their comments, an original plus nine copies must be filed. All filings by paper must be sent to the Commission's Secretary: Magalie Roman Salas, Office of the Secretary, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554.

Parties who choose to file by paper should also submit their comments on diskette. Diskettes should be submitted to: Ernestine Creech, Accounting Safeguards Division, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554. The required diskette copies of submissions should be on 3.5 inch diskettes formatted in an IBM compatible format using Word or compatible software. Each diskette should be accompanied by a cover letter and should be submitted in "read only" mode. The diskette should be clearly labeled with the commenter's name, proceeding (CC Docket No. 00-229), type of pleading (comment or reply comment), date of submission, and the name of the electronic file on the

diskette. The label should also include the following phrase "Disk Copy—Not an Original." Each diskette should contain only one party's pleadings, preferably in a single electronic file. In addition, parties who choose to file by paper must send diskette copies to the Commission's copy contractor, International Transcription Service, Inc., 1231 20th Street, N.W., Washington, D.C. 20036. Comments and reply comments will be available for public inspection during normal business hours in the FCC Reference Information Center, Courtyard Level, Suite CY-A257, 445 12th Street, S.W., Washington, D.C.

#### *E. Authority*

The action is authorized under the Communications Act of 1934, sections 4(i), 4(j), 201(b), 303(r), and 403, 47 U.S.C. 154(i), 154(j), 201(b), 303(r), and 403, as amended.

#### *F. Ordering Clauses*

Pursuant to the authority contained in sections 4(i), 4(j), 201(b), 303(r), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. 154(i), 154(j), 201(b), 303(r), and 403, this notice of proposed rulemaking is hereby adopted.

The Commission's Consumer Information Bureau, Reference Information Center, shall send a copy of this notice of proposed rulemaking, including the Initial Regulatory Flexibility Analysis, to the Chief Counsel for Advocacy of the Small Business Administration.

Federal Communications Commission.

**William F. Caton,**

*Deputy Secretary.*

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