

and 4.00 percent during any years preceding the benefit's placement in pay status. The lump sum interest assumptions represent a decrease (from those in effect for October 1998) of 0.25 percent for the period during which a benefit is in pay status; they are otherwise unchanged.

The PBGC has determined that notice and public comment on this amendment are impracticable and contrary to the public interest. This finding is based on the need to determine and issue new interest assumptions promptly so that the assumptions can reflect, as accurately as possible, current market conditions.

Because of the need to provide immediate guidance for the valuation of

benefits in plans with valuation dates during November 1998, the PBGC finds that good cause exists for making the assumptions set forth in this amendment effective less than 30 days after publication.

The PBGC has determined that this action is not a "significant regulatory action" under the criteria set forth in Executive Order 12866.

Because no general notice of proposed rulemaking is required for this amendment, the Regulatory Flexibility Act of 1980 does not apply. See 5 U.S.C. 601(2).

List of Subjects in 29 CFR Part 4044

Pension insurance, Pensions.
In consideration of the foregoing, 29 CFR part 4044 is amended as

follows:

PART 4044—ALLOCATION OF ASSETS IN SINGLE-EMPLOYER PLANS

1. The authority citation for part 4044 continues to read as follows:

Authority: 29 U.S.C. 1301(a), 1302(b)(3), 1341, 1344, 1362.

2. In appendix B, a new entry is added to Table I, and Rate Set 61 is added to Table II, as set forth below. The introductory text of each table is republished for the convenience of the reader and remains unchanged.

Appendix B to Part 4044—Interest Rates Used to Value Annuities and Lump Sums

TABLE I.—ANNUITY VALUATIONS

[This table sets forth, for each indicated calendar month, the interest rates (denoted by i_1 , i_2 , * * *, and referred to generally as i_t) assumed to be in effect between specified anniversaries of a valuation date that occurs within that calendar month; those anniversaries are specified in the columns adjacent to the rates. The last listed rate is assumed to be in effect after the last listed anniversary date.]

For valuation dates occurring in the month—			The values of i_t are:			
			i_t	for t =	i_t	for t =
	*	*	*	*	*	*
November 19980530	1–25	.0525	>25 N/A N/A

[In using this table: (1) For benefits for which the participant or beneficiary is entitled to be in pay status on the valuation date, the immediate annuity rate shall apply; (2) For benefits for which the deferral period is y years (where y is an integer and $0 < y \leq n_1$), interest rate i_1 shall apply from the valuation date for a period of y years, and thereafter the immediate annuity rate shall apply; (3) For benefits for which the deferral period is y years (where y is an integer and $n_1 < y \leq n_1 + n_2$), interest rate i_2 shall apply from the valuation date for a period of $y - n_1$ years, interest rate i_1 shall apply for the following n_1 years, and thereafter the immediate annuity rate shall apply; (4) For benefits for which the deferral period is y years (where y is an integer and $y > n_1 + n_2$), interest rate i_3 shall apply from the valuation date for a period of $y - n_1 - n_2$ years, interest rate i_2 shall apply for the following n_2 years, interest rate i_1 shall apply for the following n_1 years, and thereafter the immediate annuity rate shall apply.]

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		i_1	i_2	i_3	n_1	n_2
	*	*	*	*	*	*	*	*
61	11–1–98	12–1–98	3.75	4.00	4.00	4.00	7	8

Issued in Washington, DC, on this 8th day of October 1998.

David M. Strauss,

Executive Director, Pension Benefit Guaranty Corporation.

[FR Doc. 98-27660 Filed 10-14-98; 8:45 am]

BILLING CODE 7708-01-P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 69

[CC Docket No. 96-262, FCC 98-257]

Access Charge Reform

AGENCY: Federal Communications Commission.

ACTION: Final rule; petition for rulemaking.

SUMMARY: The ceilings for the presubscribed interexchange carrier charge (PICC) are scheduled to increase for all classes of customers on January 1, 1999. For the reasons set forth in this Order, we delay this increase until July 1, 1999.

EFFECTIVE DATE: November 16, 1998.

FOR FURTHER INFORMATION CONTACT: Tamara Preiss, 418-1505. TTY: (202) 418-0484.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Third Order on Reconsideration, released October 5, 1998. The full text of this Order is available for inspection and copying during normal business hours

in the FCC Public Reference Room (Room 230), 1919 M Street, NW., Washington, DC 20554. The complete text of this Order may also be purchased from the Commission's copy contractor, International Transcription Service, 1231 20th Street, NW., Washington, DC 20036.

Regulatory Flexibility Analysis

In the *Access Charge Reform Order*, 62 FR 31040 (June 6, 1997), we conducted a Final Regulatory Flexibility Analysis as required by Section 604 of the Regulatory Flexibility Act (RFA), as amended by the Contract with America Advancement Act of 1996, Public Law 104-121, 110 Stat. 847 (1996). The RFA requires that a regulatory flexibility analysis be prepared for notice-and-

comment rulemaking proceedings, unless the agency certifies that "the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities." 5 USC 605(b). In this *Third Order on Reconsideration* we have revised the rules to postpone the scheduled increases to PICC ceilings from January 1, 1999, to July 1, 1999. We hereby certify that this postponement will not have a significant economic impact on a substantial number of small entities, because the action merely maintains the *status quo* concerning the maximum PICCs that price cap LECs may charge customers. The present action also, therefore, does not affect the previous FRFA. The Commission will send a copy of this *Third Order on Reconsideration*, including this certification, to the Chief Counsel for Advocacy of the Small Business Administration.

Paperwork Reduction Act Analysis

The decision contained herein has been analyzed with respect to the Paperwork Reduction Act of 1995, Pub. L. 104-13, and does not contain new and/or modified information collections subject to Office of Management and Budget review.

Summary of Report and Order

1. In the *Access Charge Reform Order*, 62 FR 31040 (June 6, 1997), we adopted common line rate structure modifications that permit price cap local exchange carriers (LECs) to shift from a rate structure that recovers a significant portion of non-traffic sensitive common line costs through per-minute carrier common line charges to one that recovers these costs through flat-rated charges. The rate structure we adopted retained the existing \$3.50 ceiling on the subscriber line charge (SLC) for primary residential and single-line business lines and increased the SLC ceilings on other lines to permit LECs to recover a greater amount of the common line costs through flat-rated charges assessed on end users. To the extent that SLC ceilings prevent price cap LECs from recovering their allowed common line revenues from end users, price cap LECs may recover the shortfall, subject to a maximum charge, through PICCs. The PICC is a flat, per-line charge assessed on the end user's presubscribed interexchange carrier.

2. In order to provide price cap LECs, interexchange carriers (IXCs), and end users with adequate time to adjust to the new rate structure, we adopted an approach that phases in the PICC. We also established several different categories of PICCs, setting an initial cap

for primary residential and single-line business lines at \$0.53 per month for the first year, equal to the amount assessed IXCs in the past for those lines for purposes of the former High Cost Fund. We set initial ceilings on the PICCs for non-primary residential lines at \$1.50 per month and for multi-line business lines at \$2.75 per month. On January 1, 1999, the PICC ceilings are scheduled to increase by the following amounts: \$0.50 plus inflation for primary residential and single-line business lines, \$1.00 plus inflation for non-primary residential lines, and \$1.50 plus inflation for multi-line business lines. See 47 CFR 69.153.

3. On our own motion, we postpone the scheduled increase of the PICC ceilings from January 1, 1999 to July 1, 1999. (The filing of a petition for reconsideration tolls the thirty-day period our rules provide for *sua sponte* reconsideration. See 47 CFR 1.108, *Central Florida Enterprises, Inc. v. FCC*, 598 F.2d 37, 48 n.51 (D.C. Cir. 1978), *cert. dismissed*, 441 U.S. 957 (1979), *cert. denied*, 460 U.S. 1084 (1983); *Radio Americana, Inc.*, 44 F.C.C. 2506, 2510 (1961).) In the *Access Charge Reform Order*, we established a system that enables access charges better to reflect the costs underlying those charges. We remain convinced that recovery of non-traffic sensitive costs through flat charges, rather than minute-of-use charges, on IXCs is the appropriate recovery mechanism for these costs. We believe, however, that we should postpone implementation of the next round of shifts from per-minute charges to PICCs.

4. Other adjustments to access charges, most notably those involving universal service and the reductions associated with the annual application of our price cap formula, take effect on July 1, 1999. Earlier this year, we extended from January 1, 1999 until July 1, 1999 the implementation date for the revised mechanism for determining universal service high cost support for non-rural carriers. Under current rules, interstate access charges are to go down at that time to reflect the universal service support that incumbent LECs receive through the new high cost support mechanism. Also on July 1, 1999, price cap LECs' annual access tariffs will become effective. See 47 CFR 61.43. These new tariffs will reflect a downward adjustment of the price cap indices due in large part to the "X-Factor" and the low inflation experienced in the economy as a whole. See 47 CFR 61.45.

5. If the scheduled increases in the PICC ceilings were not delayed, PICCs that would increase on January 1, 1999

may be reduced due to the new universal service support mechanism and the X-Factor adjustment both taking effect on July 1, 1999. The imposition of higher PICCs on January 1 followed by decreases just six months later will increase consumer confusion and frustration. We instead prefer to minimize rate churn, and so postpone the scheduled increase to the PICC ceilings.

Ordering Clauses

6. Accordingly, it is ordered that, pursuant to sections 4(i), and 201-205 of the Communications Act, 47 USC 154(i), and 201-205, and § 1.108 of the Commission's rules, 47 CFR 1.108, we hereby amend § 69.153 as set forth below.

7. It is further ordered that the provisions of this Order will be effective November 11, 1998.

List of Subjects in 47 CFR Part 69

Communications common carriers.
Federal Communications Commission.
Magalie Roman Salas,
Secretary.

Rule Changes

PART 69—ACCESS CHARGES

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

Authority: 47 U.S.C. 154, 201, 202, 203, 205, 218, 254, 403.

2. Section 69.153 is amended by revising paragraphs (c) introductory text, (c)(2), (d)(1) introductory text, (d)(1)(ii), (d)(2) introductory text, (d)(2)(ii), and (e) to read as follows:

§ 69.153 Presubscribed interexchange carrier charge (PICC).

* * * * *

(c) The maximum monthly PICC for primary residential subscriber lines and single-line business subscriber lines shall be the lower of:

(1) * * *

(2) \$0.53. On July 1, 1999, this amount shall be adjusted by the inflation factor computed under paragraph (e) of this section, and increased by \$0.50. On July 1, 2000, and in each subsequent year, this amount shall be adjusted by the inflation factor computed under paragraph (e) of this section, and increased by \$0.50.

(d) * * *

(1) The maximum monthly PICC for non-primary residential subscriber lines shall be the lower of:

(i) * * *

(ii) \$1.50. On July 1, 1999, this amount shall be adjusted by the inflation factor computed under

paragraph (e) of this section, and increased by \$1.00. On July 1, 2000, and in each subsequent year, this amount shall be adjusted by the inflation factor computed under paragraph (e) of this section, and increased by \$1.00.

(2) If the maximum monthly PICC for non-primary residential subscriber lines is determined using paragraph (d)(1)(i) of this section, the maximum monthly PICC for multi-line business subscriber lines shall equal the maximum monthly PICC of non-primary residential subscriber lines. Otherwise, the maximum monthly PICC for multi-line business lines shall be the lower of:

(i) * * *

(ii) \$2.75. On July 1, 1999, this amount shall be adjusted by the inflation factor computed under paragraph (e) of this section, and increased by \$1.50. On July 1, 2000, and in each subsequent year, this amount shall be adjusted by the inflation factor computed under paragraph (e) of this section, and increased by \$1.50.

(e) For the PICC ceiling for primary residential subscriber lines and single-line business subscriber lines under paragraph (c)(2) of this section, non-primary residential subscriber lines under paragraph (d)(1)(ii) of this section, and multi-line business subscriber lines under paragraph (d)(2)(ii) of this section:

(1) On July 1, 1999, the ceiling will be adjusted to reflect inflation as measured by the change in GDP-PI for the 18 months ending March 31, 1999.

(2) On July 1 of each subsequent year, the ceiling will be adjusted to reflect inflation as measured by the change in GDP-PI for the 12 months ending on March 31 of the year the adjustment is made.

(3) On July 1 of each subsequent year, the ceiling will be adjusted to reflect inflation as measured by the change in GDP-PI for the 12 months ending on March 31 of the year the adjustment is made.

* * * * *

[FR Doc. 98-27676 Filed 10-14-98; 8:45 am]

BILLING CODE 6712-01-P

OFFICE OF PERSONNEL MANAGEMENT

48 CFR Parts 1609, 1632 and 1652

RIN 3206-A116

Federal Employees Health Benefits Program Improving Carrier Performance; Conforming Changes

AGENCY: Office of Personnel
Management.

ACTION: Final rule.

SUMMARY: The Office of Personnel Management (OPM) is issuing a final regulation that implements OPM's initiative to ensure high quality customer service to its enrollees in the Federal Employees Health Benefits (FEHB) Program by establishing a performance evaluation program that will hold community-rated carriers accountable for their performance. The regulation would enable OPM to better manage carriers' performance in key contract areas, including customer service measures, information and reporting requirements, and significant events that might affect service to enrollees.

EFFECTIVE DATE: November 16, 1998.

FOR FURTHER INFORMATION CONTACT: Mary Ann Mercer (202) 606-0004.

SUPPLEMENTARY INFORMATION: On July 16, 1998, OPM issued a proposed regulation in the **Federal Register** (63 FR 38360) that would amend the Federal Employees Health Benefits Acquisition Regulation (FEHBA) to underscore accountability for customer service and contractual compliance among the Federal Employees Health Benefits (FEHB) Program community-rated carriers. Such a program is already in place for experience-rated carriers. OPM has identified certain carrier obligations that, when unmet, can delay or keep customer service goals from being met. Percentage factors will be assigned to two overall categories, Customer Service and Critical Contract Compliance Requirements. The Contracting Officer will assign a percentage factor for each category based on the carrier's record in meeting its obligations during the contract year. The percentage factor will be applied to each community-rated carrier's total annual FEHB premium. The total amount withheld from a carrier cannot exceed one percent of premium paid for any contract year. Accurate and timely performance by carriers will facilitate the Program meeting its customer service standards.

OPM received comments from sixteen insurance carriers, one Government agency, and one health plan trade association. The majority of the commenters were in favor of the proposed regulations, although each had specific areas of concern, which are addressed below.

Comments focused on uncertainty regarding the amount of money at potential risk; subjectivity of the FEHB Program Carrier Evaluation rating system; the percentage of premium used; the absence of weights for each

category; the rating of performance elements when there is a nonoccurrence of an event; and other sources than total premium for the withhold. Some commenters had the perception that the withhold is a penalty rather than an incentive or that OPM might unilaterally withhold amounts for items not previously agreed to by contract. Others were more concerned about the absence of notification to carriers of withdrawal of funds, and the lack of an appeals process.

Numerous carriers felt the rating categories outlined in the proposed regulation and provided in detail in draft separately to carriers as the FEHB Program Carrier Evaluation form were subjective and had no assigned weights to the items of the performance standards. OPM considered the comments and made the following changes to the FEHB Program Carrier Evaluation form. Each item of the performance standard was ranked and assigned a weight, and components within such elements were reviewed and streamlined to make the form more functional and objective. The total Customer Service and Critical Contract Compliance Requirements percentage factors remain unchanged at a maximum of one percent of total premium.

Items of the standard, Meeting Customer Service Performance Standards, were ranked as follows: (1) Timely Closure on Rates and Benefits Consistent with Policy Guidelines; (2) Customer Information; (3) Meeting Customer Service Performance Standards; (4) Cooperation in Surveys; (5) Paperless Enrollment/Enrollment Reconciliation, and; (6) Reconsideration/Disputed Claims. The Critical Contract Compliance Requirements were ranked: (1) Timeliness of Submissions; (2) Notification of Changes in Contract Administrators, and; (3) Notification of Changes in Name or Ownership or Transfer of Assets, and Notification of Other Significant Events.

One commenter expressed concern about how carriers would be rated for the nonoccurrence of an event, such as would likely occur in the Critical Contract Compliance Requirements. Carriers will be evaluated on each item of the performance category and it is expected that, in most cases, the performance factor percentage applied to carriers' total premium will be substantially less than one percent. If an event does not occur, no deduction will be taken.

OPM has considered the carriers' comments about using contingency reserves as the source of the withhold,