

*et al.*'s last comment submission and a total of 45 days from the March 1 filing of all but one of the other comments. We believe that this is ample time to prepare and submit reply comments in this proceeding.

10. Accordingly, it is ordered that the MMTC *et al.*'s request for consideration of their comments *nunc pro tunc* is granted.

11. It is further ordered that the Motion for Extension of Time filed by the NAB *et al.* is granted in part and denied in part.

12. It is therefore ordered that the date for filing reply comments in this proceeding is extended to April 15, 1999.

13. This action is taken pursuant to authority found in sections 4(i) and 303(r) of the Communications Act of 1934, as amended, 47 USC 154(i) and 303(r), and 0.204(b), 0.283 and 1.46 of the Commission's rules, 47 CFR 0.204(b), 0.283 and 1.46.

#### List of Subjects

##### 47 CFR Part 0

Organization and functions (Government agencies).

##### 47 CFR Part 73

Radio, Equal employment opportunity, Reporting and recordkeeping requirements, Television.

##### 47 CFR Part 76

Cable television, Equal employment opportunity, Reporting and recordkeeping requirements.

Federal Communications Commission.

**Roy J. Stewart,**

Chief, Mass Media Bureau.

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## FEDERAL COMMUNICATIONS COMMISSION

### 47 CFR Part 69

[CC Docket No. 97-181; FCC 99-28]

#### Defining Primary Lines

**AGENCY:** Federal Communications Commission.

**ACTION:** Proposed rule.

**SUMMARY:** The Federal Communications Commission has adopted a location-based definition of "primary residential line." Under this definition, one residential line that a price cap local exchange carrier (LEC) provides to a particular location will be considered

primary. Any other residential lines the price cap LEC provides to the same location shall be deemed non-primary residential lines. This definition will facilitate implementation of the Commission's access charge rules, which set higher caps for the subscriber line charges (SLCs) and presubscribed interexchange carrier charges (PICCs) that price cap LECs may assess on non-primary residential lines and multi-line business lines than on primary residential lines and single line business lines. The Commission issues a Further Notice of Proposed Rulemaking in which we tentatively conclude that individuals with speech or hearing disabilities should have access at primary-line rates to one residential line per location for use with a TTY, regardless of whether another line at the location is also treated as primary for residents without such disabilities. We seek comment on this tentative conclusion, and several proposals for implementing it.

**DATES:** Comments are due on or before April 9, 1999, and reply comments are due on or before April 26, 1999.

**ADDRESSES:** The entire file is available for inspection and copying weekdays from 9:00 a.m. to 4:30 p.m. in the Commission's Reference Center, 445 Twelfth Street SW, Washington, DC 20554. Copies may be purchased from the Commission's duplicating contractor, ITS Inc., 1231 Twentieth St., NW, Washington, DC 20036, (202) 857-3800.

**FOR FURTHER INFORMATION CONTACT:** Neil Fried, Common Carrier Bureau, (202) 418-1520; TTY: (202) 418-0484.

#### SUPPLEMENTARY INFORMATION:

##### A. Background

1. To provide interstate telecommunications services, interexchange carriers (IXCs) usually rely on some of the telephone infrastructure that incumbent LECs use to provide local telephone service. The incumbent LEC's local loop, for example, connects a customer to the LEC network so that the customer can make and receive intrastate calls. The incumbent LEC's local loop also connects the customer to the networks of IXCs so that the customer can make and receive interstate calls. Consequently, a portion of the costs an incumbent LEC incurs in providing this common infrastructure is allocated to intrastate service and recovered pursuant to state regulation, and a portion is allocated to interstate service and recovered pursuant to regulations of the Federal Communications Commission.

2. The Commission adopted uniform access charge rules in 1983 to govern the way incumbent LECs recover that portion of the costs of the common infrastructure allocated to interstate service. Under these rules, the Commission allows incumbent LECs to recover some of the interstate costs of providing the local loop through a flat, monthly end-user common line charge (EUCL)—sometimes called a SLC—that they assess on end users. The Commission limited the amount of the SLC, however, because of concerns that an excessively high SLC might cause end users to disconnect their telephone service. The Commission allowed the incumbent LECs to recover the remainder of their interstate costs attributable to the local loop through a per-minute carrier common line charge (CCLC) that they assess on IXCs.

3. Under principles of cost-causation, it is most economically efficient for incumbent LECs to recover the costs of providing interstate access in the same way that they incur them. Under such principles, incumbent LECs should recover their traffic-sensitive costs of interstate access through per-minute charges, and should recover their non-traffic-sensitive costs through flat charges. The incumbent LECs' costs of providing the local loop do not change with the number, length, or type of telephone calls customers make, and so are non-traffic sensitive. Because of the cap on SLCs, however, incumbent LECs recover some of these non-traffic-sensitive loop costs through the traffic sensitive CCLC. In its May 1997 *Access Charge Reform Order*, the Commission decided to phase out the CCLC for price cap LECs on the grounds that recovering the non-traffic-sensitive loop costs through traffic-sensitive charges is economically inefficient.

4. To provide price cap LECs with a means to recover some of the loop costs they previously recovered in the CCLC, the Commission raised the price cap LECs' SLC caps for non-primary residential lines and multi-line business lines, but chose not to raise the price cap LECs' SLC caps for primary residential lines and single line business lines. For 1999, the SLC cap for price cap LECs is \$3.50 per month for each primary residential and single line business line, \$6.07 per month for each non-primary residential line, and \$9.20 per month for each multi-line business line. To address concerns that charging a higher SLC for non-primary residential lines sold by price cap LECs might encourage subscribers to obtain their additional residential lines from resellers, the Commission decided in

the *Access Charge Reform Order* to allow price cap LECs to charge the higher SLC to carriers that resell price-cap LECs' lines if the lines are non-primary.

5. Because the SLC caps on residential and single line business lines would prevent most price cap LECs from recovering through the SLC all the costs they formerly recovered through the CCLC, the Commission also created the PICC: a flat, per-line charge that price cap LECs may assess on an end user's presubscribed IXC. As with the SLC, the Commission set higher PICC caps for non-primary residential lines and multi-line business lines than for primary residential lines and single line business lines. Through June 30, 1999, the PICC cap is \$0.53 per month for each primary residential and single line business line, \$1.50 per month for each non-primary residential line, and \$2.75 per month for each multi-line business line. As a result of the various caps, the lines of customers that subscribe to single residential or business lines are not assessed the entire cost of the loops. Until the access reform rate structure is fully phased in, these lines are subsidized by customers that subscribe to multiple business lines. The Commission has adopted a location-based definition of "primary residential line." Under this definition, one residential line that a price cap local exchange carrier (LEC) provides to a particular location will be considered primary. Any other residential lines the price cap LEC provides to the same location shall be deemed non-primary residential lines.

## B. Discussion

6. In establishing different SLCs and PICCs for primary and non-primary residential lines, we cited the important universal service goal of subsidizing rates for at least one line so that consumers have access to the telephone network. It has come to our attention that when one or more members of a residence have hearing or speech disabilities, the members of the residence often subscribe to one line dedicated for a traditional telephone and one line for a text telephone (TTY), which uses graphic communication in the transmission of coded signals through a wire or radio communication system. See 47 CFR 64.601(8). The residents can use the TTY to communicate directly with other TTYS, or can use the TTY in conjunction with Telecommunications Relay Services (TRS) and "two-line" voice or hearing carryover.

7. Telecommunications Relay Services (TRS) are telephone transmission services that enable an individual who has a hearing or speech disability to communicate by wire or radio with a hearing individual in a manner that is functionally equivalent to the way an individual who does not have a hearing or speech disability communicates using voice telephone services by wire or radio. See 47 CFR 64.601(7). Voice carryover (VCO) is a form of TRS that allows users with hearing disabilities to speak directly to a hearing person, while the TRS communication assistant (CA) types what is said to the TTY user. Hearing carryover (HCO) is a form of TRS that allows persons with speech disabilities to listen to the person they are calling, while typing their statements for the CA to read aloud to the voice telephone user. See 47 CFR 64.601(6), (9). "Two line" VCO and HCO are versions of these services that use two telephone lines and conference calling functions to increase the transparency of the CA and improve the functional equivalency of these services. Thus, in residences where one family member has a hearing or speech disability, two lines may be necessary for all the residents to have access to telephone service.

8. We believe that it is important to ensure that consumers with hearing or speech disabilities have access to the telephone network at primary-line rates, but we lack a detailed record in the present proceeding to determine how to address this issue. We tentatively conclude that individuals with speech or hearing disabilities served by price cap LEC lines should have access to the telecommunications network at primary line rates. Moreover, if we extend the non-primary line rate structure to rate-of-return LECs, we tentatively conclude that individuals with hearing or speech disabilities served by rate-of-return LEC lines should receive similar treatment. We seek comment on these tentative conclusions. In addition, we seek comment on other technologies or services that require an additional line to permit consumers with disabilities to access the telephone network and on whether those additional lines should also receive primary line rates. We believe that our tentative conclusions above are consistent with the Commission's mandate to ensure that all Americans have access to telecommunications services, and with the policy goals underlying the Commission's decision to cap primary residential SLCs and PICCs at lower levels than are applicable to other lines.

9. One way to ensure that consumers with hearing or speech disabilities have access to the telephone network at primary-line rates would be to treat as primary one residential line per location that is used by such individuals in conjunction with a TTY, regardless of whether another line at the location is also treated as primary for residents without such disabilities. We seek comment on such an approach, and how it might be implemented.

10. Another approach would be to subsidize more explicitly the difference in charges that would apply when the TTY-dedicated line is deemed non-primary as opposed to primary. We seek comment on such an approach, and how it might be implemented. In particular, we seek comment on whether the subsidies for such an approach should come from the TRS Fund or the more general Universal Service Fund. We also seek comment on the implications of section 225(d)(1)(D), which "require[s] that users of telecommunications relay services pay rates no greater than the rates paid for functionally equivalent voice communication services with respect to such factors as the duration of the call, the time of day, and the distance from point of origination to point of termination." 47 U.S.C. 225(d)(1)(D).

11. In many cases, the only change necessary to make a telephone line more easily accessible to an individual with a disability is to add a piece of consumer premises equipment (CPE), such as a TTY. Consequently, carriers may have no readily apparent means of determining which lines are being used by individuals with disabilities. We seek comment on whether carrier records indicate the presence at a location of certain CPE such as TTYS. We also seek comment on whether self-certification would be an appropriate means for carriers to identify the relatively small universe of customers to which either the definitional or funding approaches would apply, and if so, how such self-certification could be implemented. We note that many IXCs offer qualified TTY users the opportunity to self-certify to receive toll discounts, in recognition of the longer calling times associated with TTY use. For the sake of a clear record and so that all parties understand the issues involved, we also ask commenters to describe the developments in technology and services associated with TTYS, TRS, and "two-line" voice or hearing carryover. Parties should also address the extent to which any of these proposals would affect small business entities, including new entrants.

## C. Procedural Matters

### 1. Ex Parte

12. This matter shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's revised *ex parte* rules. Parties making oral *ex parte* presentations are reminded that memoranda summarizing the presentations must contain summaries of the substance of the presentations and not merely a listing of the subjects discussed. More than a one or two sentence description of the views and arguments presented is generally required. See 47 CFR 1.1206(b)(2), as revised. Other rules pertaining to oral and written presentations are set forth in Section 1.1206(b), as well.

### 2. Initial Regulatory Flexibility Act Analysis

13. As required by the RFA, the Commission has prepared an Initial Regulatory Flexibility Analysis (IRFA) of the possible significant economic impact on small entities by the policies and rules proposed in the *Further Notice of Proposed Rulemaking (Further Notice)*. Written public comments are requested on the IRFA. These comments must be filed in accordance with the same filing deadlines for comments on the rest of the *Further Notice*, but they must have a separate and distinct heading, designating the comments as responses to the IRFA. The Commission will send a copy of the *Further Notice*, including the IRFA, to the Chief Counsel for Advocacy of the Small Business Administration. In addition, the *Further Notice* and IRFA (or summaries thereof) will be published in the **Federal Register**.

14. *Need for and Objectives of the Proposed Rules:* In the *Access Reform Order*, the Commission set lower SLC and PICC caps for primary residential lines and single line business lines than for non-primary residential lines and multi-line business lines. The *Report and Order* in this proceeding promulgates definitions of "primary residential line" and "single line business line" to promote uniformity in the way price cap LECs assess SLCs and PICCs. The *Further Notice* seeks comment on how to apply the primary line distinction to TTY lines used by individuals with speech or hearing disabilities.

15. *Legal Basis:* The proposed action is authorized by sections 1, 2, 4(i), 4(j), 201–205, 218–220, 225, and 254 of the Communications Act as amended, 47 U.S.C. 151, 152, 154(i), 154(j), 201–205, 218–220, 225, and 254.

16. *Description and Estimate of the Number of Small Entities To Which the Proposed Rules Will Apply:* The RFA directs agencies to provide, where feasible, a description of the type and number of small entities that our proposed rules may affect. See 5 U.S.C. 603(b)(3). The proposals set forth in the proceeding may have a significant economic impact on a substantial number of small entities identified by the SBA. Because one of the proposals is to use a funding mechanism, such as the Universal Service Fund, we provide estimates of the number of small entities potentially affected across many sectors of the telecommunications industry. A definitional approach, on the other hand, would affect only price cap LECs. Consequently, the rules we eventually adopt may affect significantly fewer small entities than we describe here.

17. The most reliable source of information regarding the total numbers of certain common carrier and related providers nationwide, as well as the numbers of commercial wireless entities, appears to be data the Commission publishes annually in its *Telecommunications Industry Revenue* report, regarding the Telecommunications Relay Service (TRS). According to data in the most recent report, there are 3,459 interstate carriers. We further describe and estimate the number of small entities that may be affected by the proposed rules, if adopted. We ask parties to comment on the number of small carriers that they believe will be affected by rules regarding the primary-line treatment of TTY lines used by individuals with speech or hearing disabilities. Wherever possible, commenters should break their estimates into categories and subcategories similar to those we discuss here.

18. *Telephone Companies* (SIC 4813). We shall continue to exclude small incumbent LECs from the definitions of "small entity" and "small business concern," but nonetheless consider the impact on small incumbent LECs in our IRFA. Accordingly, our use of the terms "small entities" and "small businesses" does not encompass "small incumbent LECs." We use the term "small incumbent LECs" to refer to any incumbent LECs that arguably might be defined by SBA as "small business concerns."

19. *Total Number of Telephone Companies Affected.* The proposals herein may have a significant effect on a substantial number of the small entity telephone companies identified by SBA. The U.S. Bureau of the Census reports

that, at the end of 1992, there were 3,497 firms engaged in providing telephone services for at least one year. 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, PCS providers, covered SMR providers, and resellers. Although it seems certain that some of the 3,497 telephone service firms are not "independently owned and operated," are dominant in their field, or have more than 1,500 employees, we will assume for present purposes that they qualify as small entities or small incumbent LECs. Thus, we estimate that the rules we eventually adopt following the *Further Notice* will affect no more than 3,497 small entity telephone companies and small incumbent LECs.

20. *Wireline Carriers and Service Providers.* SBA has developed a definition of small entities for telephone communications companies other than radiotelephone (wireless) companies. The Census Bureau reports that 2,321 such telephone companies were in operation for at least one year at the end of 1992. All but 26 of the 2,321 non-radiotelephone companies listed by the Census Bureau were reported to have fewer than 1,000 employees. Because we lack more specific data, we will assume for present purposes that the 26 companies have fewer than 1,500 employees. Although it seems certain that some of the 2,321 carriers are not independently owned and operated, or are dominant in their field, 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 the SBA's definition. Consequently, we estimate that the rules we eventually adopt will affect no more than 2,321 small entity wireline companies and small incumbent LECs.

21. *Local Exchange Carriers.* Neither the Commission nor the SBA has developed a definition of small LEC. The closest applicable definition under SBA rules is for telephone communications companies other than radiotelephone (wireless) companies. According to our most recent data, 1,371 carriers reported that they were engaged in the provision of local exchange services. Although it seems certain that some of these carriers are not independently owned and operated, are dominant in their field, or have more than 1,500 employees, we are unable at this time to estimate with greater precision the number of LECs that

would qualify as small business concerns under SBA's definition. Consequently, we estimate that the rules we eventually adopt following the *Further Notice* will affect no more than 1,371 small entity LECs and small incumbent LECs.

22. *Interexchange Carriers.* Neither the Commission nor SBA has developed a definition of small IXC. The closest applicable definition under SBA rules is for telephone communications companies other than radiotelephone (wireless) companies. According to the most recent *Telecommunications Industry Revenue* data, 143 carriers reported that they were engaged in the provision of interexchange services. Although it seems certain that some of these carriers are not independently owned and operated, or have more than 1,500 employees, we are unable at this time to estimate with greater precision the number of IXCs that would qualify as small business concerns under SBA's definition. Consequently, we estimate that the rules we eventually adopt following the *Further Notice* will affect no more than 143 small entity IXCs.

23. *Competitive Access Providers.* Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to providers of competitive access services (CAPs). The closest applicable definition under SBA rules is for telephone communications companies other than radiotelephone (wireless) companies. According to the most recent *Telecommunications Industry Revenue* data, 109 carriers reported that they were engaged in the provision of competitive access services. Although it seems certain that some of these carriers are not independently owned and operated, or have more than 1,500 employees, we are unable at this time to estimate with greater precision the number of CAPs that would qualify as small business concerns under SBA's definition. Consequently, we estimate that the rules we eventually adopt following the *Further Notice* will affect no more than 109 small entity CAPs.

24. *Operator Service Providers.* Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to providers of operator services. The closest applicable definition under SBA rules is for telephone communications companies other than radiotelephone (wireless) companies. According to the most recent *Telecommunications Industry Revenue* data, 27 carriers reported that they were engaged in the provision of operator services. Although some of these companies may not be

independently owned and operated, or may have more than 1,500 employees, we are unable at this time to estimate with greater precision the number of operator service providers that would qualify as small business concerns under SBA's definition. Consequently, we estimate that the rules we eventually adopt following the *Further Notice* will affect no more than 27 small entity operator service providers.

25. *Pay Telephone Operators.* Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to pay telephone operators. The closest applicable definition under SBA rules is for telephone communications companies other than radiotelephone (wireless) companies. According to the most recent *Telecommunications Industry Revenue* data, 441 carriers reported that they were engaged in the provision of pay telephone services. We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of pay telephone operators that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 441 small entity pay telephone operators that may be affected by the proposed rules, if adopted.

26. *Resellers (including debit card providers).* Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to resellers. The closest applicable SBA definition for a reseller is a telephone communications company other than radiotelephone (wireless) companies. According to the most recent *Telecommunications Industry Revenue* data, 339 reported that they were engaged in the resale of telephone service. We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of resellers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 339 small entity resellers that may be affected by the proposed rules, if adopted.

27. *Radiotelephone (Wireless) Carriers.* The Census Bureau reports that there were 1,178 companies in operation for at least one year at the end of 1992 that meet the SBA's definition of radiotelephone company. The Census Bureau also reported that all but 12 of

those radiotelephone companies had fewer than 1,000 employees. Because we lack more specific data, we will assume for present purposes that the remaining 12 companies have fewer than 1,500 employees. Although it seems certain that some of the wireless carriers are not independently owned and operated, we are unable at this time to estimate with greater precision the number of radiotelephone carriers and service providers that would qualify as small business concerns under SBA's definition. Consequently, we estimate that the rules we eventually adopt following the *Further Notice* will affect no more than 1,178 small entity radiotelephone companies.

28. *Cellular Licensees.* Neither the Commission nor the SBA has developed a definition of small entities applicable to cellular licensees. Therefore, the applicable definition of small entity is the definition under the SBA rules applicable to radiotelephone (wireless) companies, as discussed. We note that there are 1,758 cellular licenses, although a cellular licensee may own several licenses. According to the most recent *Telecommunications Industry Revenue* data, 804 carriers reported that they were engaged in the provision of either cellular service or Personal Communications Service (PCS) services, which are placed together in the data. We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of cellular service carriers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 804 small cellular service carriers that may be affected by the proposed rules, if adopted.

29. *Mobile Service Carriers.* Neither the Commission nor the SBA has developed a definition of small entities applicable to mobile service carriers. Therefore, the applicable definition of small entity is the definition under the SBA rules applicable to radiotelephone (wireless) companies. The most recent *Telecommunications Industry Revenue* data shows that 172 carriers reported that they were engaged in the provision of either paging or "other mobile" services. Consequently, we estimate that there are fewer than 172 small mobile service carriers that may be affected by the proposed rules, if adopted.

30. *Paging Services.* The Commission has adopted a two-tier definition of small businesses in the context of auctioning licenses in the paging

service. A small business is defined as either (1) a entity that, together with its affiliates and controlling principals, has average gross revenues for the three preceding years of not more than \$3 million; or (2) an entity that, together with affiliates and controlling principals, has average gross revenues for the three preceding calendar years of not more than \$15 million. The SBA has approved this definition for paging companies. The Commission estimates that the total current number of paging carriers is approximately 600. In addition, the Commission anticipates that a total of 16,630 non-nationwide geographic area licenses will be granted or auctioned. The geographic area licenses will consist of 2,550 Major Trading Area (MTA) licenses and 14,080 Economic Area (EA) licenses. In addition to the 47 Rand McNally MTAs, the Commission is licensing Alaska as a separate MTA and adding three MTAs for the U.S. territories, for a total of 51 MTAs. No auctions of paging licenses have been held yet, and there is no basis to determine the number of licenses that will be awarded to small entities. Given the fact that no reliable estimate of the number of paging licensees can be made, we assume, for purposes of the IRFA, that all of the current licensees and the 16,630 geographic area paging licensees either are or will consist of small entities, as that term is defined by the SBA.

31. *Broadband PCS Licensees.* The broadband PCS spectrum is divided into six frequency blocks designated A through F, and the Commission has held auctions for each block. The Commission defined "small entity" for Blocks C and F as an entity that has average gross revenues of less than \$40 million in the three previous calendar years. For Block F, the Commission added a classification for "very small business," which the Commission defined as an entity that, together with its affiliates, has average gross revenues of not more than \$15 million for the preceding three calendar years. The SBA has approved these regulations defining "small entity" in the context of broadband PCS auctions. We do not have sufficient data to determine how many small entities under the SBA-approved definition bid successfully for licenses in Blocks A and B. As of now there are 90 non-defaulting winning bidders that qualified as small entities in the Block C auctions. A total of 93 small and very small business bidders qualify as small entities for Blocks D, E, and F. Based on this information, we conclude that the rules we eventually adopt following the *Further Notice* will

affect no more than 183 non-defaulting winning bidders that qualify as small entities in the C, D, E, and F Block broadband PCS auctions.

32. *Narrowband PCS.* The Commission has auctioned nationwide and regional licenses for narrowband PCS. There are 11 nationwide and 30 regional licensees for narrowband PCS. The Commission does not have sufficient information to determine whether any of these licensees are small businesses within the SBA-approved definition for radiotelephone companies. At present, there have been no auctions held for the major trading area (MTA) and basic trading area (BTA) narrowband PCS licenses. The Commission anticipates a total of 561 MTA licenses and 2,958 BTA licenses will be awarded by auction. Such auctions have not yet been scheduled, however. Given that nearly all radiotelephone companies have no more than 1,500 employees and that no reliable estimate of the number of prospective MTA and BTA narrowband licensees can be made, we assume, for purposes of the IRFA, that all of the licenses will be awarded to small entities, as that term is defined by the SBA.

33. *Rural Radiotelephone Service.* The Commission has not adopted a definition of small entity specific to the Rural Radiotelephone Service. A significant subset of the Rural Radiotelephone Service is the Basic Exchange Telephone Radio Systems (BETRS). We will use the SBA's definition applicable to radiotelephone companies. There are approximately 1,000 licensees in the Rural Radiotelephone Service, and we estimate that almost all of them qualify as small entities under the SBA's definition.

34. *Specialized Mobile Radio.* Pursuant to Section 90.814(b)(1) of the Commission's Rules, the Commission has defined "small entity" for geographic area 800 MHz and 900 MHz SMR licenses as firms that had average gross revenues of no more than \$15 million in the three previous calendar years. This regulation defining "small entity" in the context of 800 MHz and 900 MHz SMR has been approved by the SBA. We do not know how many firms provide 800 MHz or 900 MHz geographic area SMR service, nor how many of these providers have annual revenues of no more than \$15 million. The Commission recently held auctions for geographic area licenses in the 900 MHz SMR band. There were 60 winning bidders who qualified as small entities under the Commission's definition in

the 900 MHz auction. Based on this information, we conclude that the rules we eventually adopt following the *Further Notice* will affect no more than 60 small entity geographic area SMR licensees. A total of 525 licenses were auctioned for the upper 200 channels in the 800 MHz geographic area SMR auction. There were 62 qualifying bidders, of which 52 were small businesses. The Commission has not yet determined how many licenses will be awarded for the lower 230 channels in the 800 MHz geographic area SMR auction. There is no basis to estimate, moreover, how many small entities within the SBA's definition will win these lower channel licenses. We assume that, for purposes of our evaluations in the IRFA, all of the current specialized mobile radio licensees are small entities, as the SBA defines that term.

35. *220 MHz Service.* The 220 MHz service has both Phase I and Phase II licenses. Phase I licensing was conducted by lotteries in 1992 and 1993. There are approximately 1,515 such non-nationwide licensees and four nationwide licensees currently authorized to operate in the 220 MHz band. The Commission has not developed a definition of small entities specifically applicable to such incumbent 220 MHz Phase I licensees. To estimate the number of such licensees that are small businesses, we apply the definition under the SBA rules applicable to Radiotelephone Communications companies. According to the Bureau of the Census, only 12 radiotelephone firms out of a total of 1,178 such firms that operated during 1992 had 1,000 or more employees. Therefore, if this general ratio continues to 1999 in the context of Phase I 220 MHz licensees, we estimate that nearly all such licensees are small businesses under the SBA's definition.

36. The Phase II 220 MHz service is a new service, and is subject to spectrum auctions. In the 220 MHz *Third Report and Order* we adopted criteria for defining small businesses and very small businesses for purposes of determining their eligibility for special provisions such as bidding credits and installment payments. We have defined a small business as an entity that, together with its affiliates and controlling principals, has average gross revenues not exceeding \$15 million for the preceding three years. Additionally, a very small business is defined as an entity that, together with its affiliates and controlling principals, has average gross revenues that are not more than \$3 million for the preceding

three years. The SBA has approved these definitions. An auction of Phase II licenses commenced on September 15, 1998, and closed on October 22, 1998. 908 licenses were auctioned in 3 different-sized geographic areas: three nationwide licenses, 30 Regional Economic Area Group Licenses, and 875 Economic Area (EA) Licenses. Of the 908 licenses auctioned, 693 were sold. Companies claiming small business status won: one of the Nationwide licenses, 67% of the Regional licenses, and 54% of the EA licenses. As of January 22, 1999, the Commission announced that it was prepared to grant 654 of the Phase II licenses won at auction. A re-auction of the remaining, unsold licenses is likely to take place during calendar year 1999.

**37. Mobile Satellite Services (MSS).** The Commission has not developed a definition of small entities applicable to licensees in the international services. Therefore, the applicable definition of small entity is the definition under the SBA rules applicable to Communications Services, Not Elsewhere Classified (NEC). This definition provides that a small entity is one with \$11.0 million or less in annual receipts. According to the Census Bureau, there were a total of 848 communications services, NEC, in operation in 1992, and a total of 775 had annual receipts of less than \$9.999 million. Mobile Satellite Services or Mobile Satellite Earth Stations are intended to be used while in motion or during halts at unspecified points. These stations operate as part of a network that includes a fixed hub or stations. The stations that are capable of transmitting while a platform is moving are included under section 20.7(c) of the Commission's rules as mobile services within the meaning of sections 3(27) and 332 of the Communications Act. Those MSS services are treated as CMRS if they connect to the Public Switched Network (PSN) and also satisfy other criteria of Section 332. Facilities provided through a transportable platform that cannot move when the communications service is offered are excluded from Section 20.7(c). The MSS networks may provide a variety of land, maritime and aeronautical voice and data services. There are eight mobile satellite licensees. At this time, we are unable to make a precise estimate of the number of small businesses that are mobile satellite earth station licensees.

**38. Air-Ground Radiotelephone Service.** The Commission has not adopted a definition of small business specific to the Air-Ground Radiotelephone Service, which is

defined in section 22.99 of the Commission's rules. Accordingly, we will use the SBA's definition applicable to radiotelephone companies. There are approximately 100 licensees in the Air-Ground Radiotelephone Service, and we estimate that almost all of them qualify as small under the SBA definition.

**39. Fixed Microwave Services.** Microwave services include common carrier, private-operational fixed, and broadcast auxiliary radio services. At present, there are approximately 22,015 common carrier fixed licensees and 61,670 private operational-fixed licensees and broadcast auxiliary radio licensees in the microwave services. The Commission has not yet defined a small business with respect to microwave services. For purposes of the IRFA, we will use the SBA's definition applicable to radiotelephone companies. We estimate, for this purpose, that all of the Fixed Microwave licensees (excluding broadcast auxiliary licensees) would qualify as small entities under the SBA definition for radiotelephone companies, and may be affected by the rules we eventually adopt to the extent that they contribute to the Universal Service or TRS funds.

**40. Wireless Communications Services.** This service can be used for fixed, mobile, radiolocation and digital audio broadcasting satellite uses. The Commission defined "small business" for the wireless communications services (WCS) auction as an entity with average gross revenues of \$40 million for each of the three preceding years, and a "very small business" as an entity with average gross revenues of \$15 million for each of the three preceding years. The Commission auctioned geographic area licenses in the WCS service. In the auction, there were seven winning bidders that qualified as very small business entities, and one that qualified as a small business entity. We conclude that the number of geographic area WCS licensees affected includes these eight entities.

**41. Cable System Operators (SIC 4841).** The SBA has developed a definition of small entities for cable and other pay television services that includes all such companies generating less than \$11 million in revenue annually. This definition includes cable systems operators, closed circuit television services, direct broadcast satellite services, multipoint distribution systems, satellite master antenna systems, and subscription television services. According to the Census Bureau, there were 1,758 total cable and other pay television services and 1,423 had less than \$11 million in

revenue. We note that cable system operators are included in our analysis due to their ability to provide telephony.

**42.** The Commission has developed with the SBA's approval our own definition of a small cable system operator for the purposes of rate regulation. Under the Commission's rules, a "small cable company," is one serving fewer than 400,000 subscribers nationwide. Based on our most recent information, we estimate that there were 1,439 cable operators that qualified as small cable system operators at the end of 1995. Since then, some of those companies may have grown to serve over 400,000 subscribers, and others may have been involved in transactions that caused them to be combined with other cable operators. Consequently, we estimate that there are fewer than 1,439 small entity cable system operators that may be affected by the decisions and rules adopted in the Order. We conclude that only a small percentage of these entities currently provide qualifying "telecommunications services" required by the Act and, therefore, estimate that the number of such entities affected are significantly fewer than noted.

**43.** The Act also contains a definition of small cable system operator, which is "a cable operator that, directly or through an affiliate, serves in the aggregate fewer than 1 percent of all subscribers in the United States and is not affiliated with any entity or entities whose gross annual revenues in the aggregate exceed \$250,000,000." The Commission has determined that there are 61,700,000 subscribers in the United States. Therefore, we found that an operator serving fewer than 617,000 subscribers shall be deemed a small operator, if its annual revenues, when combined with the total annual revenues of all of its affiliates, do not exceed \$250 million in the aggregate. Based on available data, we find that the number of cable operators serving 617,000 subscribers or fewer total 1,450. We do not request nor do we collect information concerning whether cable system operators are affiliated with entities whose gross annual revenues exceed \$250,000,000, and thus are unable at this time to estimate with greater precision the number of cable system operators that would qualify as small cable operators under the definition in the Act.

**44. Direct Broadcast Satellites (DBS).** Because DBS provides subscription services, DBS falls within the SBA definition of Cable and Other Pay Television Services (SIC 4841). As of

December 1996, there were eight DBS licensees. The Commission, however, does not collect annual revenue data for DBS and, therefore, is unable to ascertain the number of small DBS licensees that could be impacted by these rules. Although DBS service requires a great investment of capital for operation, we acknowledge that there are several new entrants in this field that may not yet have generated \$11 million in annual receipts, and therefore may be categorized as a small business, if independently owned and operated.

45. *International Services.* The Commission has not developed a definition of small entities applicable to licensees in the international services. Therefore, the applicable definition of small entity is the definition under the SBA rules applicable to Communications Services, Not Elsewhere Classified (NEC). This definition provides that a small entity is expressed as one with \$11 million or less in annual receipts. According to the Census Bureau, there were a total of 848 communications services, NEC in operation in 1992, and a total of 775 had annual receipts of less than \$9,999 million. We note that those entities providing only international service will not be affected by our rules. We do not, however, have sufficient data to estimate with greater detail those providing both international and interstate services. Consequently, we estimate that there are fewer than 775 small international service entities potentially impacted by our rules.

46. *International Broadcast Stations.* Commission records show that there are 20 international broadcast station licensees. We do not request or collect annual revenue information, and thus are unable to estimate the number of international broadcast licensees that would constitute a small business under the SBA definition. We note that those entities providing only international service will not be affected by our rules. We do not, however, have sufficient data to estimate with greater detail those providing both international and interstate services. Consequently, we estimate that there are fewer than 20 international broadcast stations potentially impacted by our rules.

47. *Description of Projected Reporting, Recordkeeping, and Other Compliance Requirements:* Once we adopt rules regarding the primary-line treatment of TTY lines used by individuals with speech or hearing disabilities, carriers will need to identify such individuals. To do so, carriers may be able to rely on existing mechanisms, such as the toll discount

program. If carriers are unable to use existing mechanisms, they may need to implement a self-certification mechanism. If the Commission adopts a funding approach, carriers may also need to report revenues for the administration of the funding mechanism. Carriers may, however, already be providing some of the necessary information in conjunction with existing funding mechanisms, such as the one currently in place for TRS. Under the funding approach, carriers may also need to provide data on the revenues attributable to TTY lines used by speech or hearing-impaired individuals as primary lines and as non-primary lines. We ask parties to comment on the reporting, recordkeeping, and other compliance requirements they believe will be necessary to implement rules regarding the primary-line treatment of TTY lines used by individuals with speech or hearing disabilities.

48. *Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered:* We have outlined and sought comment on what we believe are the significant possible alternatives for implementing a primary-line definition with respect to TTY lines used by speech-or hearing-disabled individuals. We note that small entities will be largely unaffected by the rules we promulgate following the *Further Notice* because the distinction between primary and non-primary lines applies only to price cap LECs. Depending on the funding mechanism—if any—chosen, however, some small entities may have contribution requirements. We seek comment on any significant alternative compliance or reporting requirements or timetables that take into account the resources available to small entities and accomplish our stated objectives.

49. *Federal Rules that May Overlap, Duplicate, or Conflict with the Proposed Rules.* Because this is the first occasion in which the Commission has attempted to define primary lines, we do not believe that the proposals in the *Further Notice* overlap with or duplicate any existing federal rules. We ask parties to comment on any federal rules that they believe may overlap with, duplicate, or conflict with the approaches we discuss in the *Further Notice*.

### 3. Initial Paperwork Reduction Act Analysis

50. Certain proposals contained in the *Further Notice* may require an information collection. As part of our continuing effort to reduce paperwork burdens, and as required by the

Paperwork Reduction Act of 1995, Public Law No. 104–13, we invite the general public and the OMB to take this opportunity to comment on those information collections. Public and agency comments are due at the same time as other comments on the *Further Notice*; OMB comments are due 60 days from date of publication of the *Further Notice* in the **Federal Register**. Comments should address: (a) whether the proposed information collections are 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.

### 4. Notice and Comment Procedures

51. Pursuant to sections 1.415 and 1.419 of the Commission's Rules, 47 CFR 1.415, 1.419, interested parties may file comments on or before April 9, 1999, and reply comments on or before April 26, 1999. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies.

52. 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 message 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.

53. Parties who choose to file by paper must file an original and four copies of each filing. All filings must be sent to the Commission's Secretary, Magalie Roman Salas, Office of the Secretary, Federal Communications Commission, 445 Twelfth Street SW, Room TW-A325, Washington, DC 20554. In addition, one copy of each



pleading must be filed with the Commission's duplicating contractor, International Transcription Services (ITS), 1231 Twentieth Street, NW, Washington, DC 20036, and one copy with the Chief, Competitive Pricing Division, 445 Twelfth St. SW, Fifth Floor, Washington, DC 20554.

54. Parties are also asked to submit comments and reply comments on diskette. Such diskette submission would be in addition to and not a substitute for the formal filing requirements addressed above. Such a submission should be on a 3.5-inch diskette formatted in an IBM compatible form using MS Dos 5.0 and WordPerfect 5.1 software. The diskette should be submitted in "read only" mode. The diskette should be clearly labeled with the party's name, proceeding, type of pleading (comment or reply comments), and date of submission. The diskette should be accompanied by a cover letter.

55. Written comments by the public on the proposed information collections are due April 9, 1999, and replies are due on or before April 26, 1999. The Office of Management and Budget (OMB) must submit written comments on the proposed information collections on or before 60 days after date of publication in the **Federal Register**. In addition to filing comments with the Secretary, a copy of any comments on the information collections contained herein should be submitted to Judy Boley, Federal Communications Commission, 445 Twelfth St. SW, Washington, DC 20554, Room 1-C804, or via the Internet to [dconway@fcc.gov](mailto:dconway@fcc.gov), and to Timothy Fain, OMB Desk Officer, 10236 NEOB, 725 Seventeenth Street NW, Washington, DC 20503, or via the Internet to [fain\\_t@al.eop.gov](mailto:fain_t@al.eop.gov).

56. Alternative formats (computer diskette, large print, audio cassette and Braille) of the Report and Order and Further Notice of Proposed Rulemaking are available to persons with disabilities by contacting Martha Contee at (202) 418-0260 voice, (202) 418-2555 TTY, or [mcontee@fcc.gov](mailto:mcontee@fcc.gov). The Notice can also be downloaded at: <http://www.fcc.gov/tdf/>.

57. Accordingly, *It is ordered*, pursuant to the authority contained in sections 1, 2, 4(i), 4(j), 201-205, 218-220, 225, and 254 of the Communications Act as amended, 47 U.S.C. 151, 152, 154(i), 154(j), 201-205, 218-220, 225, and 254, a Further Notice of Proposed Rulemaking *is hereby adopted*.

58. *It is further ordered* that the Commission's Office of Public Affairs, References Operations Division, *Shall*

*send* a copy of the Further Notice of Proposed Rulemaking, including the Initial Regulatory Flexibility Analysis, to the Chief Counsel for Advocacy of the Small Business Administration.

Federal Communications Commission.

**Magalie Roman Salas,**

*Secretary.*

[FR Doc. 99-7788 Filed 4-2-99; 8:45 am]

BILLING CODE 6712-01-P

## FEDERAL COMMUNICATIONS COMMISSION

### 47 CFR Part 73

[MM Docket No. 99-90, RM-9528]

#### Radio Broadcasting Services; Socorro, NM

**AGENCY:** Federal Communications Commission.

**ACTION:** Proposed rule.

**SUMMARY:** The Commission requests comments on a petition filed by Mountain West Broadcasting seeking the allotment of Channel 271C2 to Socorro, NM, as the community's second local commercial FM service. Channel 271C2 can be allotted to Socorro in compliance with the Commission's minimum distance separation requirements without the imposition of a site restriction, at coordinates 34-03-42 NL; 106-53-48 WL. Mexican concurrence in the allotment is required since Socorro is located within 320 kilometers (199 miles) of the U.S.-Mexican border.

**DATES:** Comments must be filed on or before May 17, 1999, and reply comments on or before June 1, 1999.

**ADDRESSES:** Federal Communications Commission, 445 12th Street, S.W., Room TW-A325, Washington, DC 20554. In addition to filing comments with the FCC, interested parties should serve the petitioner, or its counsel or consultant, as follows: Victor A. Michael, Jr., President, Mountain West Broadcasting, 6807 Foxglove Drive, Cheyenne, WY 82009 (Petitioner). **FOR FURTHER INFORMATION CONTACT:** Leslie K. Shapiro, Mass Media Bureau, (202) 418-2180.

**SUPPLEMENTARY INFORMATION:** This is a synopsis of the Commission's Notice of Proposed Rule Making, MM Docket No. 99-90, adopted March 17, 1999, and released March 26, 1999. The full text of this Commission decision is available for inspection and copying during normal business hours in the FCC Reference Center (Room 239), 1919 M Street, NW., Washington, DC. The complete text of this decision may also

be purchased from the Commission's copy contractor, International Transcription Services, Inc., (202) 857-3800, 1231 20th Street, NW, Washington, DC 20036.

Provisions of the Regulatory Flexibility Act of 1980 do not apply to this proceeding.

Members of the public should note that from the time a Notice of Proposed Rule Making is issued until the matter is no longer subject to Commission consideration or court review, all *ex parte* contacts are prohibited in Commission proceedings, such as this one, which involve channel allotments. See 47 CFR 1.1204(b) for rules governing permissible *ex parte* contacts.

For information regarding proper filing procedures for comments, see 47 CFR 1.415 and 1.420.

### List of Subjects in 47 CFR Part 73

Radio broadcasting.

Federal Communications Commission.

**John A. Karousos,**

*Chief, Allocations Branch, Policy and Rules Division, Mass Media Bureau.*

[FR Doc. 99-8240 Filed 4-2-99; 8:45 am]

BILLING CODE 6712-01-P

## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

#### 50 CFR Part 223

[I.D. 030399A]

#### Endangered and Threatened Species; Petition to Delist Coho Salmon in Siskiyou County, California

**AGENCY:** National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

**ACTION:** Notification of petition finding.

**SUMMARY:** NMFS has received a petition to delist coho salmon (*Oncorhynchus kisutch*) in Siskiyou County, California, from the endangered species list. NMFS has determined that the petition does not contain any new, substantial scientific or commercial information indicating that the petitioned action may be warranted.

**DATES:** The finding announced in this document was made on March 29, 1999.

**ADDRESSES:** Requests for information concerning this petition should be sent to Chief, Endangered Species Division, Office of Protected Resources, National Marine Fisheries Service, 1315 East West Highway, Silver Spring, MD 20910; telephone: (301)713-1401.