

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
FCC Seeks Comment Regarding Possible Revision or Elimination of Rules Under The Regulatory Flexibility Act, 5 U.S.C. Section 610)	CB Docket No. BO 16-251

**Comments of
The Small Company Coalition**

I. INTRODUCTION AND SUMMARY

The Small Company Coalition (SCC) files these comments in response to the Public Notice issued in the above-captioned proceeding.¹

The SCC is an alliance of rural telecommunications and broadband providers as well as supporting vendor companies, and consists of twenty-three members with service areas across the country. Appendix 1 contains a list of the SCC's members

The SCC will provide comment on several items discussed in the *Public Notice*. In the context of the *Public Notice* and the requirements of the Regulatory Flexibility Act (RFA), the SCC will argue that changes need to be made to the Section 54.313 annual eligible telecommunications carrier (ETC) reporting requirements. In addition, the SCC will provide some brief comments on the current payphone compensation rule and its obvious need for rescission.

II. BACKGROUND

A. The Regulatory Flexibility Act

The RFA's main purpose is to assist agencies of the federal government balance the sometimes-competing goals of regulation and the interests of small businesses. The RFA requires a review of rules that "have, or might have, a significant economic impact on a substantial number of small entities." In the *Public Notice*, the Bureau notes the requirements for regulatory review contained in the RFA, including the

¹ *In the Matter of FCC Seeks Comment Regarding Possible Revision or Elimination of Rules Under The Regulatory Flexibility Act, 5 U.S.C. Section 610*, Public Notice, CB Docket No. BO 16-251 (DA 16-792, rel. Dec. 28, 2016) (*Public Notice*)

following that will be the focus of the SCC's comments (1) the continued need for the rule and (2) the complexity of the rule.

B. Annual ETC Reporting – Section 54.313

The Commission adopted Section 54.313 in the *USF/ICC Transformation Order*² in 2011 in order to bring a level of standardized accountability for federal support recipients. Then, the FCC adopted the standardized form for reporting the information required by Section 54.313 – Form 481. Until 2013, when the first Form 481 was filed, state commissions that designate ETCs under their jurisdiction gathered information deemed necessary to discharge duties under Section 54.314 of the Commission's rules. According to the Commission's own data, the current annual reporting burden estimate for the Form 481 is 100 hours, or two and a half standard working weeks.³

Over time, the FCC has revised Section 54.313 and the Form 481 reporting requirements. Most recently, the requirement to submit progress reports on five-year service quality improvement plans was removed from Form 481. In addition, the FCC has proposed to remove several other current Form 481 reporting requirements: outages, unfulfilled service requests, complaints, certification of compliance with service quality standards, and ILEC price offerings.⁴ The remaining reporting requirements for Section 54.313 and Form 481 are:

- Holding company information
- Tribal engagement rules
- Reasonably comparable voice rate certification
- Results of network performance tests
- Reasonably comparable broadband rate certification
- Certification that reasonable steps are being taken to provide service upon reasonable request
- Number, names, and addresses of community anchor institutions newly served
- Certification that bids were offered on any Forms 470 issued
- Financial information
- Alaska-plan carriers must report changes in the availability of backhaul
- Certification for carriers serving areas with no terrestrial backhaul

² *In the Matter of Connect America Fund*, WC Docket No. 10-90, et al., Report and Order and Further Notice of Proposed Rulemaking

³ See OMB control 3060-0986, Paperwork Reduction Act comments sought by the FCC on certain USF data collections, 82 Federal Register p. 18146 (Apr. 17, 2017), 82 FR p. 16037 (Mar. 31, 2017): FCC Supporting Statement (February 2017)

⁴ *In the Matter of Connect America Fund*, WC, Report and Order and Order on Reconsideration, Docket No. 10-90, et al., (FCC 16-33, rel. March 31, 2016) (*RoR USF Reform Order*) at 388

C. Payphone Compensation

The SCC will also comment on the FCC rules contained in Section 64.1300 regarding the payphone compensation obligation and the per-payphone compensation requirement. These rules were adopted in the early 2000s, and according to the *Public Notice*⁵:

The Part 64, Subpart M rules describe payphone compensation obligations between carriers and payphone service providers in the provision of payphone services.

Subsection 64.1300(a) defines a “Completing Carrier” for purposes of determining payphone service compensation requirements and methodology under Subpart M rules.

The Part 64, Subpart M rules describe payphone compensation obligations between carriers and payphone service providers in the provision of payphone services. Section 64.1301 establishes a default compensation amount per payphone per month for access code and subscriber toll-free calls, allocates this monthly amount among the designated payors of per-payphone compensation, sets forth certain compensation offset issues, and provides for the valuation of payphone assets transferred by local exchange carriers to a separate affiliate or division.

III. SECTION 54.313/FORM 481 RECOMMENDATION

The SCC recommends that Section 54.313 of the FCC’s rules, and the associated Form 481 filing requirements only apply to FCC-designated ETCs. First, state commissions have established processes, many of which are still in use despite the adoption of Section 54.313 and Form 481, to gather the information necessary that enable these commissions to discharge their duties under Section 54.314. If they wish to gather any additional information, such as what is required under 54.313, then they are free to do so. Second, much of the burden, according to the SCC’s informal survey, relates not to the inputting of Form 481 data into USAC’s online system, but rather the subsequent filing of the form with the FCC and the relevant state commission or other governmental entity.

In addition, should the Commission decide to continue with Section 54.313 and Form 481’s filing requirements, then the SCC recommends the Commission undertake a detailed and public review of the need and efficacy of requiring RoR regulated carriers to report certain financial information.⁶ Again, considering the purpose of requiring ETCs to provide Form 481 to the relevant state commission/Tribal or other governmental entity to assist in discharging duties under Section 54.314, the privately-held RoR carrier financial data required does not appear to meet this burden as state commissions already, to some extent, have access to this type of financial data or have the means of gaining access. Based on this, the

⁵ *Public Notice* at 27

⁶ 47 CFR § 54.313(f)(2)

SCC recommends that the Commission, at the very least, eliminate the burdensome requirement for privately-held RoR carriers to provide financial information in Form 481.

IV. PAYPHONE COMPENSATION RULES RECOMMENDATION

The SCC believes the payphone compensation rules are a holdover from a bygone time that need to be rescinded. The SCC has been consistent with this recommendation, stating “with payphones driven to near extinction, customer owned coin operated telephones should be eliminated entirely. Just make payphone dial around compensation bill and keep.”⁷ In addition to the rule sections noted in the *Public Notice*, the Commission should also consider revision to or rescission of Section 64.1310 payphone compensation rules. These rules, again relating to a near-extinct service, cause reporting burdens to small carriers and serve next-to-no purpose. All such compensation, much as the Commission has done to RoR ILEC access charges, should be driven to bill and keep.

V. CONCLUSION

The SCC appreciates this opportunity to provide input to the FCC on how to address its rules within the context of the Regulatory Flexibility Act. One of the SCC’s main goals has been and will continue to be to reduce the regulatory burden on small companies. The SCC’s recommendations herein regarding Section 54.313 and Section 64.1300 represent a small, but important, step in reducing this burden. The SCC looks forward to working with the FCC in exploring further ways to decrease the regulatory burden caused by the FCC rules on small telecommunications carriers.

Respectfully Submitted,

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Executive Committee
Small Company Coalition

May 4, 2017

⁷ See e.g., Ex Parte communications from Randy Tyree, GRTyree Consulting, to Marlene Dortch, filed in WC Docket No. 10-90 on December 1, 2016

*Small Company Coalition
Member List*

ILEC Member Companies

Citizens Telephone Company of Kecksburg (PA)
Electra Telephone Company (TX)
Gorham Telephone Company (KS)
Laurel Highland Telephone Company (PA)
Mescalero Apache Telecom, Inc. (NM)
Penasco Valley Telecommunications (NM)
Sacred Wind Communications (NM)
South Canaan Telephone Company (PA)
Valley Telephone Cooperative (TX)
Wheat State Telephone Company (KS)
Yukon-Waltz Telephone Company (PA)

Associate Member Companies

Alexicon Telecommunications Consulting
Blooston, Mordkofsky, Dickens, Duffy & Prendergast
Calix Networks, Inc.
Centerra Corp
CHR Solutions
Genband US LLC
Innovative Solutions
Mapcom Systems, LLC
Netegrity Consultants, LLC
Power & Tel
Sonus
Supply Solutions