

Order, adopted reforms to the interstate access rate structure and universal service support mechanisms for rate-of-return carriers. In making these reforms, the Commission created the ICLS mechanism to provide explicit universal service support and adopted rules governing its administration. The Commission now concludes that certain changes to the rules governing ICLS's administration will promote more accurate and efficient distribution of ICLS while minimizing administrative burdens on rate-of-return carriers. In response to the concerns raised by the Joint Petitioners, the Commission grants their request to amend § 54.903(a)(4) of our rules to move the deadline for filing actual common line cost and revenue data from July 31st to December 31st of each year. The Commission also amends § 54.903(a)(3) of our rules to permit rate-of-return carriers to file updates of projected common line cost and revenue data on June 30th of each year. As discussed, these changes will promote more accurate and efficient distribution of ICLS while minimizing administrative burdens on rate-of-return carriers. Additionally, the Commission adopts several minor amendments to §§ 54.307, 54.902, and 54.903 of our rules in response to issues raised by the Joint Petitioners and on our own motion.

2. Summary of Significant Issues Raised by Public Comments

13. In response to the Joint Petitioners' Petition for Reconsideration, the Commission received one comment. However, after careful consideration, the Commission concludes that this comment does not raise significant small business-related issues.

3. Description and Estimate of the Number of Small Entities to Which This Order on Reconsideration Will Apply

14. 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 rules adopted herein. The RFA generally defines the term "small entity" as having the same meaning as the terms "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. A "small business concern" is one which: (1) Is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the Small Business Administration (SBA).

15. In the previous FRFA at paragraphs 289–300 of the *MAG Order*, the Commission described and estimated the number of small entities that would be affected by the new universal service rules. These included local exchange carriers, interexchange carriers, competitive service providers, and providers of wireless telephony, rural radiotelephone service, fixed microwave services, and 39 GHz service. The rule amendment adopted herein may apply to the same entities affected by the rules adopted in that order. The Commission therefore incorporates by reference paragraphs 289–300 of the *MAG Order*.

4. Description of Projected Reporting, Recordkeeping, and Other Compliance Requirements

16. This *Third Order on Reconsideration* makes several changes to the reporting requirements for rate-of-return carriers receiving ICLS, but creates few additional burdens. First, this *Third Order on Reconsideration* changes the existing annual filing date for actual common line cost and revenue data from July 31st to December 31st, but adds no new requirements with respect to that filing. Second, this *Third Order on Reconsideration* changes the existing deadline for filing voluntary corrections to projected common line cost and revenue data from April 10th to June 30th, but adds no new requirements with respect to that filing. The Commission also creates an opportunity for each carrier to voluntarily file an annual update to its projected data, but do not require a carrier to perform the update. In connection with these changes, the Commission also eliminates an existing opportunity for voluntary update of actual common line cost and revenue data on a quarterly basis. Third, the Commission amends our rules to clarify the data required for certain existing filing requirements, but do not require the reporting of any additional data beyond that already filed by carriers. These amendments apply equally to all entities affected, and therefore impose no different burdens on smaller entities.

5. Steps Taken To Minimize the Significant Economic Impact on Small Entities, and Significant Alternatives Considered

17. The RFA requires an agency to describe any significant alternatives that it has considered in developing its 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 and reporting requirements under the rule for such 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 such small entities."

18. The Commission notes that we do not find that this *Third Order on Reconsideration* creates a significant economic impact on small entities. The Commission could therefore meet our obligations under the RFA by certifying that there is no significant economic impact on small entities, rather than including this SFRFA. The Commission nonetheless includes this Supplemental FRFA to demonstrate that we have considered the impact of our action on small entities in adopting this *Third Order on Reconsideration*.

19. As noted, the amendment to our rules adopted in this *Third Order on Reconsideration* does not have a significant impact on small entities. Our actions are intended primarily to reduce administrative burdens on small carriers associated with the ICLS mechanism, while also promoting the accurate and efficient distribution of ICLS. Our actions respond to concerns raised by representatives of small carriers. The Commission does consider alternatives to the actions adopted herein but concluded that these alternatives would not reduce administrative burdens or increase the accuracy of ICLS as effectively as the measures we adopt. These alternatives include retaining the filing requirements currently codified in the Commission's rules, extending the current March 31st date for filing projected cost and revenue data to July 15th, and permitting carriers to update their projected data on a quarterly basis.

6. Report to Congress

20. The Commission will send a copy of this *Third Order on Reconsideration*, including this Supplemental FRFA, in a report to be sent to Congress pursuant to the Congressional Review Act. In addition, the Commission will send a copy of this *Third Order on Reconsideration*, including this Supplemental FRFA, to the Chief Counsel for Advocacy of the Small Business Administration. A copy of the *Third Order on Reconsideration* and Supplemental FRFA (or summaries thereof) will also be published in the **Federal Register**.

B. Paperwork Reduction Act

21. The action contained herein has been analyzed with respect to the Paperwork Reduction Act of 1995 (PRA)