

small if it has 1,500 or fewer employees. According to the Commission's most recent *Trends in Telephone Service* data, 758 PSPs reported that they were engaged in the provision of payphone services. Of these 758 payphone service providers, 755 reported that they have 1,500 or fewer employees and 3 reported that, alone or in combination with affiliates, they have more than 1,500 employees. Consequently, the Commission estimates that there are 755 or fewer PSPs that may be affected by the rules.

20. *Interexchange Carriers.* Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to providers of interexchange services. The closest applicable definition under the SBA rules is for Wired Telecommunications Carriers. Under that SBA definition, such a business is small if it has 1,500 or fewer employees. According to the most recent *Telephone Trends Report* data, 204 carriers reported that their primary telecommunications service activity was the provision of interexchange services. Of these 204 carriers, 163 reported that they have 1,500 or fewer employees and 41 reported that, alone or in combination with affiliates, they have more than 1,500 employees. Consequently, we estimate that there are 163 or fewer small entity IXC's that may be affected by the rules.

21. *Operator Service Providers.* Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to operator service providers. The closest applicable definition under the SBA rules is for Wired Telecommunications Carriers. Under that SBA definition, such a business is small if it has 1,500 or fewer employees. According to the Commission's most recent *Telephone Trends Report* data, 21 companies reported that they were engaged in the provision of operator services. Of these 21 companies, 20 reported that they have 1,500 or fewer employees and one reported that, alone or in combination with affiliates, it had more than 1,500 employees. Consequently, the Commission estimates that there are 20 or fewer local resellers that may be affected by the rules.

22. *Prepaid Calling Card Providers.* The SBA has developed a definition for small businesses within the category of Telecommunications Resellers. Under that SBA definition, such a business is small if it has 1,500 or fewer employees. According to the Commission's most recent *Telephone Trends Report* data, 21 companies reported that they were engaged in the provision of prepaid

calling cards. Of these 21 companies, 20 reported that they have 1,500 or fewer employees and one reported that, alone or in combination with affiliates, it had more than 1,500 employees. Consequently, the Commission estimates that there are 20 or fewer local resellers that may be affected by the rules.

Description of Projected Reporting, Recordkeeping, and Other Compliance Requirements

23. *Final Rules.* The new rules the Commission adopts will enable a PSP to identify SBRs that are not compensating it and to challenge the payments in instances where the PSP may believe that the data provided by other facilities-based long distance carriers are out of proportion to the data provided by the final SBR in the call path. The new rules will have no adverse impact on small carriers. Specifically, the new rules contain reporting obligations for an "Intermediate Carrier" (defined as any facilities-based long distance carrier in the call path that switches coinless payphone calls to another facilities-based long distance carrier). The new rules require each "Intermediate Carrier" to maintain, and provide to the PSP, a quarterly report that includes, for each facilities-based long distance carrier to which the Intermediate Carrier switched a toll-free or access code call: (1) A list of all the facilities-based long distance carriers to which the Intermediate Carrier switched toll-free and access code calls dialed from each of that payphone service provider's payphones; (2) a list of all the toll-free and access code numbers dialed from each of that payphone service provider's payphones that all local exchange carriers have delivered to the Intermediate Carrier and that the Intermediate Carrier switched to the identified facilities-based long distance carriers; (3) the volume of calls for each toll-free and access code number, e.g., "800" and "888" numbers, that the Intermediate Carrier has received from each of that PSP's payphones, identified by their ANIs, and switched to the facilities-based long distance carrier; and (4) the name, address, telephone number and other identifying information for the person or persons for each of the facilities-based long distance carriers that serve as the Intermediate Carrier's contact at each listed facilities-based long distance carrier.

24. Our rules also require a "Completing Carrier" (defined as a long distance carrier or switch-based long distance reseller that completes a coinless access code or subscriber toll-

free payphone call) to establish a call-tracking system, subject to an auditing requirement to ensure accuracy, to track coinless access code or subscriber toll-free payphone calls to completion, and to compensate the PSP for these calls on a quarterly basis. With its payment, the Completing Carrier must include a sworn declaration from its Chief Financial Officer certifying that the payment amount is accurate and is based on 100 percent of actual calls completed. To support this certification, the Completing Carrier also must submit quarterly reports to the PSP, which must include the following information: (1) A list of the toll-free and access numbers dialed from each payphone and the ANI for each payphone; (2) the volume of calls for each listed number that the completing carrier completed; (3) the name, address, and phone number of the person or persons responsible for handling the completing carrier's payphone compensation; and (4) the carrier identification code of all facilities-based long distance carriers that routed calls to the SBR.

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

25. The RFA requires an agency to describe any significant, specifically small business, alternatives that it has considered in reaching its proposed approach, which may include the following four alternatives (among others): (1) The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance or reporting requirements under the rule for small entities; (3) the use of performance, rather than design, standards; and (4) an exemption from coverage of the rule, or any part thereof, for small entities.

26. The new rules impose a minimal burden on the facilities-based long distance carrier to compensate PSPs for all calls that are completed on that facilities-based carrier's platform. As the record indicates, facilities-based long distance carriers in the call path already collect the data necessary to comply with these reporting requirements as part of their own call tracking and billing systems. Thus, the Commission does not impose any new collecting responsibilities, and we find that the additional reporting obligations the new rules impose are minimal in nature. Furthermore, the facilities-based long distance carrier that does not wish to establish its own call tracking system may instead enter into private