

control spectator craft and provide for the safety of life and property on navigable waters during the event.

### Regulatory Evaluation

This rule is not a significant regulatory action under section 3(f) of Executive Order 12866 and does not require an assessment of potential costs and benefits under section 6(a)(3) of that order. It has been exempted from review by the Office of Management and Budget under that order. It is not significant under the regulatory policies and procedures of the Department of Transportation (DOT) (44 FR 11040; February 26, 1979). The Coast Guard expects the economic impact of this proposal to be so minimal that a full Regulatory Evaluation under paragraph 10e of the regulatory procedures of DOT is unnecessary. Entry into the regulated area will only be prohibited while the race boats are actually competing. Because vessels will be allowed to transit the event area between heats, the impacts on routine navigation are expected to be minimal.

### Small Entities

Under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), the Coast Guard must consider whether this rule will have a significant economic impact on a substantial number of small entities. "Small entities" include independently owned and operated small businesses that are not dominant in their field and that otherwise qualify as "small business concerns" under section 3 of the Small Business Act (15 U.S.C. 632). The Coast Guard expects the economic impact of this rule to be minimal, and certifies under Section 605(b) of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) that this temporary final rule will not have a significant economic impact on a substantial number of small entities because the regulations will only be in effect for a short duration in a limited area.

### Collection of Information

These regulations contain no collection of information requirements under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

### Federalism

The Coast Guard has analyzed this rule under the principles and criteria contained in Executive Order 12612 and has determined that this rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

### Environment

The Coast Guard considered the environmental impact of this rule and concluded that, under section 2.b.2.e(34)(h) of Commandant Instruction M16475.1b (as amended, 61 FR 13564; March 27, 1996), this rule is categorically excluded from further environmental documentation.

### List of Subjects in 33 CFR Part 100

Marine safety, Navigation (water), Reporting and recordkeeping requirements, Waterways.

### Temporary Regulations

In consideration of the foregoing, part 100 of Title 33, Code of Federal Regulations is amended as follows:

#### PART 100—[AMENDED]

1. The authority citation for part 100 continues to read as follows:

**Authority:** 33 U.S.C. 1233; 49 CFR 1.46 and 33 CFR 100.35.

2. A temporary § 100.35–T05–055 is added to read as follows:

#### § 100.35–T05–055 Chesapeake Bay, Kent Island, Maryland.

(a) *Definitions.* (1) *Regulated area:* The waters of the Chesapeake Bay southeast of the William P. Lane Jr. Memorial Bridge (Route 50/301) commencing at a point on the shoreline at latitude 38°58'50" North, longitude 76°20'07" West, thence west to latitude 38°58'50" North, longitude 38°56'07" North, longitude 76°23'00" West, thence south to latitude 76°23'00" West, thence east to the Kent Island shoreline at latitude 38°56'07" North, longitude 76°21'45" West. All coordinates reference Datum: NAD 1983.

(2) *Coast Guard Patrol Commander.* The Coast Guard Patrol Commander is a commissioned, warrant, or petty officer of the Coast Guard who has been designated by the Commander, Coast Guard Activities Baltimore.

(b) *Special Local Regulations.* (1) Except for participants in the Chesapeake Bay Offshore Powerboat Challenge race and vessels authorized by the Coast Guard Patrol Commander, no person or vessel may enter or remain in the regulated area without the permission of the Patrol Commander.

(2) The Patrol Commander will allow vessel traffic to transit the event area between races.

(c) *Effective dates.* This regulation is effective from 10 a.m. to 6 p.m. EDT on July 26 and 27, 1997.

Dated: July 10, 1997.

**Roger T. Rufe, Jr.**

*Vice Admiral, U.S. Coast Guard Commander, 5th Coast Guard District.*

[FR Doc. 97–19406 Filed 7–23–97; 8:45 am]

BILLING CODE 4910–14–M

## FEDERAL COMMUNICATIONS COMMISSION

### 47 CFR Parts 32, 43, and 64

[CC Docket No. 96–193; FCC 97–145]

### Reform of Filing Requirements and Carrier Classifications; Anchorage Telephone Utility, Petition for Withdrawal of Cost Allocation Manual

AGENCY: Federal Communications Commission.

ACTION: Final rule.

**SUMMARY:** In this Report and Order (*Order*), the Commission revised the rules governing filing requirements for cost allocation manuals (CAMs) and Automated Reporting Management Information System (ARMIS) reports so that these rules are in accord with the 1996 Act. Specifically, the Order: provides for a uniform filing date of April 1 for all ARMIS reports; reduces the 60-day notice period for a carrier to make changes to its CAM to 15 days; makes permanent our interim rules for measuring inflation, used to adjust the threshold revenue values in our rules; permits carriers to file the interstate carrier quarterly report on an annual basis; and eliminates the supplemental reporting requirement.

This *Order* also addresses a Motion for Reconsideration filed by Anchorage Telephone Utility (ATU). On June 22, 1995, ATU filed a petition seeking a declaratory ruling that it is not required to file ARMIS reports or, in the alternative, a waiver of these filing requirements or rulemaking to amend the Commission's filing requirements. In its Petition for Reconsideration, ATU argues that the Commission should require only incumbent local exchange carriers with more than 2% of the nation's access lines to comply with the CAM and ARMIS filing requirements. In this *Order*, the Commission denies ATU's Petition for Reconsideration and retains the \$107 million annual revenue threshold (adjusted annually for inflation, and since raised to \$109 million) indicating which incumbent local exchange carriers must comply with the Commission's CAM and ARMIS reporting and filing requirements. However, because ATU sufficiently demonstrated that its annual revenues may soon decrease to a level

below the filing and reporting threshold, the Commission granted ATU a limited two-year waiver of the ARMIS reporting requirements.

**EFFECTIVE DATE:** August 25, 1997.

**FOR FURTHER INFORMATION CONTACT:** Warren Firschein, Accounting and Audits Division, Common Carrier Bureau, (202) 418-0844.

**SUPPLEMENTARY INFORMATION:** On September 12, 1996, the Commission released an Order and Notice of Proposed Rulemaking (the *Order and NPRM*) (61 FR 50266, September 25, 1996) modifying the rules as directed by the 1996 Act to require only annual ARMIS reports and annual cost allocation manual revisions. Furthermore, because the 1996 Act did not specify how the Commission should measure inflation in adjusting annual revenue thresholds used to define (or identify) those incumbent local exchange carriers that must file these annual reports, the Commission adopted interim rules that adjust those thresholds for inflation using a generally-available inflation index. The *Order and NPRM* sought comment on additional modifications to the rules, such as whether the Commission should modify or eliminate the 60-day advance notice requirement for cost allocation manual revisions as well as which permanent inflation measure the Commission should incorporate into the rules pertaining to carrier classification and reporting requirements.

#### **Paperwork Reduction Analysis**

*OMB Control No.:* 3060-0470.

*Expiration Date:* 08/31/98.

*Title:* Computer III Remand

Proceeding: Bell Operating Company Safeguards and Tier 1 Local Exchange Company Safeguards and Implementation of further Cost Allocation Uniformity.

*Form No.:* N/A.

*Estimated Annual Burden:* 18 respondents; 300 hours per response (avg.) x 2 responses annually; 10,800 total annual burden hours.

*Estimated Annual Reporting and Recordkeeping Cost Burden:* \$0.

*Frequency of Response:* On occasion.

*Needs and Uses:* In the Report and Order, the Commission revised these rules to: (1) Provide for a uniform filing date of April 1 for all ARMIS reports; (2) reduce the 60-day notice period for a carrier to make changes to its CAM to 15 days; (3) make permanent the Commission's interim rules for measuring inflation, used to adjust the threshold revenue values in part 43 and §§ 32.11 and 64.904 of the rules; (4) permit carriers to file § 43.22 interstate

carrier quarterly report on an annual basis; and (5) eliminate the § 43.21(b) supplemental reporting requirement. The cost allocation manual is reviewed by the Commission to ensure that all costs are properly classified between regulated and nonregulated activities. The 15-day notice requirement provides the Commission with sufficient time to determine whether further information is required to facilitate its review process and, if necessary, to issue a temporary stay until the carrier submits additional information concerning proposed changes.

Public reporting burden for the collection of information is as noted above. Send comments regarding the burden estimate or any other aspect of the collection of information, including suggestions for reducing the burden to Performance Evaluation and Records Management, Washington, DC 20554. An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid control number.

*Regulatory Flexibility Analysis:* We have determined that section 605(b) of the Regulatory Flexibility Act of 1980, 5 U.S.C. 605(b), does not apply to these rules because they will not have a significant economic impact on the carriers that must comply with our filing and reporting requirements. This *Order* adjusts our filing and reporting threshold for inflation and allows carriers to file ARMIS reports on an annual basis. As such, it prevents additional carriers from becoming subject to these filing and reporting requirements solely due to the cumulative effect of inflationary pressure. It also reduces the regulatory burden on those carriers that must comply with our ARMIS filing requirements by allowing these reports to be filed only once per year. Accordingly, we certify that the rules adopted or modified in this *Order* will not have a significant economic impact on a significant number of small entities.

#### **Ordering Clause**

Accordingly, *it is ordered* that, pursuant to sections 402(b)(2)(B) and 402(c) of the Telecommunications Act of 1996, Pub. L. 104-104, and sections 1, 4, 201-205, 215, 218, 220 of the Communications Act of 1934, as amended, 47 U.S.C. 151(a), 154, 201-205, 215, 218 and 220, and section 553(b)(B) of the Administrative Procedure Act, 5 U.S.C. 553(b)(B), parts 32, 43, and 64 of the Commission's rules, 47 CFR parts 32, 43, and 64 are amended.

*It is further ordered* that, pursuant to sections 402(b)(2)(B) of the Telecommunications Act of 1996, Public Law 104-104, and sections 1, 4, 201-205, 215, 218, 220 of the Communications Act of 1934, as amended, 47 U.S.C. 151(a), 154, 201-205, 215, 218 and 220, the Petition for Reconsideration by Anchorage Telephone Utility is denied.

#### **List of Subjects**

##### **47 CFR Part 32**

Communications common carriers, Reporting and recordkeeping requirements, Telephone, Uniform System of Accounts.

##### **47 CFR Part 43**

Communications common carriers, Radio, Reporting and recordkeeping requirements, Telegraph, Telephone.

##### **47 CFR Part 64**

Civil defense, Claims, Communications common carriers, Computer technology, Credit, Foreign relations, Individuals with disabilities, Political candidates, Radio, Reporting and recordkeeping requirements, Telegraph, Telephone.

Federal Communications Commission.

**William F. Caton,**  
*Acting Secretary.*

#### **Rules Changes**

Parts 32, 43 and 64 of title 47 of the Code of Federal Regulations are amended to read as follows:

#### **PART 32—UNIFORM SYSTEM OF ACCOUNTS FOR TELECOMMUNICATIONS COMPANIES**

1. The authority citation for part 32 is revised to read as follows:

**Authority:** 47 U.S.C. 154(i), 154(j) and 220; Telecommunications Act of 1996, Pub. L. 104-104, sec. 402(c), 110 Stat. 56 (1996) as amended unless otherwise noted.

2. Section 32.11 is amended by revising paragraphs (a)(1) and (a)(2) to read as follows:

##### **§ 32.11 Classification of companies.**

(a) \* \* \*

(1) *Class A.* Companies having annual revenues from regulated telecommunications operations that are equal to or above the indexed revenue threshold.

(2) *Class B.* Companies having annual revenues from regulated telecommunications operations that are less than the indexed revenue threshold.

\* \* \* \* \*

3. Section 32.9000 is amended by adding the definition of "indexed

revenue threshold for a given year" in alphabetical order to read as follows:

**§ 32.9000 Glossary of terms.**

\* \* \* \* \*

*Indexed revenue threshold for a given year* means \$100 million, adjusted for inflation, as measured by the Department of Commerce Gross Domestic Product Chain-type Price Index ("GDP-CPI"), for the period from October 19, 1992 to the given year. The indexed revenue threshold for a given year shall be determined by multiplying \$100 million by the ratio of the annual value of the GDP-CPI for the given year to the estimated seasonally adjusted GDP-CPI on October 19, 1992. The indexed revenue threshold shall be rounded to the nearest \$1 million. The seasonally adjusted GDP-CPI on October 19, 1992 is determined to be 100.69.

\* \* \* \* \*

**PART 43—REPORTS OF COMMUNICATION COMMON CARRIERS AND CERTAIN AFFILIATES**

1. The authority citation for part 43 is revised to read as follows:

**Authority:** 47 U.S.C. 154; Telecommunications Act of 1996, Pub. L. 104-104, secs. 402 (b)(2)(B), (c), 110 Stat. 56 (1996) as amended unless otherwise noted. 47 U.S.C. 211, 219, 220 as amended.

2. Section 43.01 is amended by revising paragraph (b) and adding new paragraph (c) to read as follows:

**§ 43.01 Applicability.**

\* \* \* \* \*

(b) Except as provided in paragraph (c) of this section, carriers becoming subject to the provisions of the several sections of this part for the first time, shall, within thirty (30) days of becoming subject, file the required data as set forth in the various sections of the part.

(c) Carriers becoming subject to the provisions of §§ 43.21 and 43.43 for the first time, because their annual operating revenues equal or exceed the indexed revenue threshold for a given year, shall begin collecting data pursuant to such provisions in the calendar year following the publication of that indexed revenue threshold in the **Federal Register**. With respect to such initial filing of reports by any carrier, pursuant to the provisions of § 43.21 (d), (e), (f), (g), (h), (i), (j), and (k), the carrier is to begin filing data for the calendar year following the publication of that indexed revenue threshold in the **Federal Register** by April 1 of the second calendar year following

publication of that indexed revenue threshold in the **Federal Register**.

3. Section 43.21 is amended by revising the first two sentences of paragraph (a), removing paragraph (b), redesignating paragraphs (c) through (g) as paragraphs (b) through (f), revising the newly redesignated paragraphs (b), and (c), the introductory text of (e), and paragraph (f), and adding new paragraphs (g), (h), (i), (j), and (k) to read as follows:

**§ 43.21 Annual reports of carriers and certain affiliates.**

(a) Communication common carriers having annual operating revenues in excess of the indexed revenue threshold, as defined in § 32.9000, and certain companies (as indicated in paragraph (b) of this section) directly or indirectly controlling such carriers shall file with the Commission annual reports or an annual letter as provided in this section. Except as provided in paragraph (b) of this section, each annual report required by this section shall be filed no later than April 1 of each year, covering the preceding calendar year. \* \* \*

(b) Each company, not itself a communication common carrier, that directly or indirectly controls any communication common carrier that has annual operating revenues equal to or above the indexed revenue threshold, as defined in § 32.9000, shall file annually with the Commission, not later than the date prescribed by the Securities and Exchange Commission for its purposes, two complete copies of any annual report Forms 10-K (or any superseding form) filed with that Commission.

(c) Each miscellaneous common carrier (as defined by § 21.2 of this chapter) with operating revenues for a calendar year in excess of the indexed revenue threshold, as defined in § 32.9000, shall file with the Common Carrier Bureau Chief a letter showing its operating revenues for that year and the value of its total communications plant at the end of that year. This letter must be filed no later than April 1 of the following year. Those miscellaneous common carriers with annual operating revenues that equal or surpass the indexed revenue threshold for the first time may file the letter up to one month after publication of the adjusted revenue threshold in the **Federal Register**, but in no event shall such carriers be required to file the letter prior to April 1.

\* \* \* \* \*

(e) Each local exchange carrier with annual operating revenues equal to or above the indexed revenue threshold

shall file, no later than April 1 of each year, reports showing:

\* \* \* \* \*

(f) Each local exchange carrier with operating revenues for the preceding year that equal or exceed the indexed revenue threshold shall file, no later than April 1 of each year, a report showing for the previous calendar year its revenues, expenses, taxes, plant in service, other investment and depreciation reserves, and such other data as are required by the Commission, on computer media prescribed by the Commission. The total operating results shall be allocated between regulated and nonregulated operations, and the regulated data shall be further divided into the following categories: State and interstate, and the interstate will be further divided into common line, traffic sensitive access, special access and nonaccess.

(g) Each local exchange carrier for whom price cap regulation is mandatory and every local exchange carrier that elects to be covered by the price cap rules shall file, by April 1 of each year, a report designed to capture trends in service quality under price cap regulation. The report shall contain data relative to network measures of service quality, as defined by the Common Carrier Bureau, from the previous calendar year on a study area basis.

(h) Each local exchange carrier for whom price cap regulation is mandatory shall file, by April 1 of each year, a report designed to capture trends in service quality under price cap regulation. The report shall contain data relative to customer measures of service quality, as defined by the Common Carrier Bureau, from the previous calendar year on a study area basis.

(i) Each local exchange carrier for whom price cap regulation is mandatory shall file, by April 1 of each year, a report containing data from the previous calendar year on a study area basis that are designed to capture trends in telephone industry infrastructure development under price cap regulation.

(j) Each local exchange carrier with annual operating revenues that equal or exceed the indexed revenue threshold shall file, no later than April 1 of each year, a report containing data from the previous calendar year on an operating company basis. Such report shall contain statistical data designed to monitor network growth, usage, and reliability.

(k) Each designated interstate carrier with operating revenues for the preceding year that equal or exceed the indexed revenue threshold shall file, no

later than April 1 of each year, a report showing for the previous calendar year its revenues, expenses, taxes, plant in service, other investment and depreciation reserves, and such other data as are required by the Commission, on computer media prescribed by the Commission. The total operating results shall be allocated between regulated and nonregulated operations, and the regulated data shall be further divided into the following categories: State and interstate, and the interstate will be further divided into common line, traffic sensitive access, special access, and nonaccess.

**§ 43.22 [Removed]**

4. Section 43.22 is removed.

5. Paragraph (a) of § 43.43 is revised to read as follows:

**§ 43.43 Reports of proposed changes in depreciation rates.**

(a) Each communication common carrier with annual operating revenues that equal or exceed the indexed revenue threshold, as defined in § 32.9000, and that has been found by this Commission to be a dominant carrier with respect to any communications service shall, before making any change in the depreciation rates applicable to its operated plant, file with the Commission a report furnishing the data described in the subsequent paragraphs of this section, and also comply with the other requirements thereof.

\* \* \* \* \*

**PART 64—MISCELLANEOUS RULES RELATING TO COMMON CARRIERS**

1. The authority citation for part 64 is revised to read as follows:

**Authority:** 47 U.S.C. 154; Telecommunications Act of 1996, Pub. L. 104-104, secs. 402 (b)(2)(B), (c), 110 Stat. 56 (1996), as amended unless otherwise noted. 47 U.S.C. 201, 218, 226, 228, as amended unless otherwise noted.

2. Section 64.903 is amended by revising the introductory text of paragraph (a) and paragraph (b) to read as follows:

**§ 64.903 Cost allocation manuals.**

(a) Each local exchange carrier with annual operating revenues that equal or exceed the indexed revenue threshold, as defined in § 32.9000 of this chapter, shall file with the Commission within 90 days after the publication of that threshold in the **Federal Register**, a manual containing the following information regarding its allocation of costs between regulated and nonregulated activities:

\* \* \* \* \*

(b) Each carrier shall ensure that the information contained in its cost allocation manual is accurate. Carriers must update their cost allocation manuals at least annually, except that changes to the cost apportionment table and to the description of time reporting procedures must be filed at least 15 days before the carrier plans to implement the changes. Annual cost allocation manual updates shall be filed on or before the last working day of each calendar year. Proposed changes in the description of time reporting procedures, the statement concerning affiliate transactions, and the cost apportionment table must be accompanied by a statement quantifying the impact of each change on regulated operations. Changes in the description of time reporting procedures and the statement concerning affiliate transactions must be quantified in \$100,000 increments at the account level. Changes in cost apportionment tables must be quantified in \$100,000 increments at the cost pool level. The Chief, Common Carrier Bureau may suspend any such changes for a period not to exceed 180 days, and may thereafter allow the change to become effective or prescribe a different procedure.

\* \* \* \* \*

3. Paragraph (a) of § 64.904 is revised to read as follows:

**§ 64.904 Independent Audits.**

(a) Each local exchange carrier required to file a cost allocation manual, by virtue of having annual operating revenues that equal or exceed the indexed revenue threshold for a given year or by order of the Commission, shall have an audit performed by an independent auditor on an annual basis, with the initial audit performed in the calendar year after the carrier is first required to file a cost allocation manual. The audit shall provide a positive opinion on whether the applicable data shown in the carrier's annual report required by § 43.21(e)(2) of this chapter present fairly, in all material respects, the information of the carrier required to be set forth therein in accordance with the carrier's cost allocation manual, the Commission's Joint Cost Orders issued in conjunction with CC Docket No. 86-111 and the Commission's rules and regulations including §§ 32.23 and 32.27 of this chapter, 64.901, and 64.903 in force as of the date of the auditor's report. The audit shall be conducted in accordance with generally accepted auditing standards, except as otherwise

directed by the Chief, Common Carrier Bureau.

\* \* \* \* \*

[FR Doc. 97-19534 Filed 7-23-97; 8:45 am]

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**FEDERAL COMMUNICATIONS COMMISSION**

**47 CFR Part 73**

[MM Docket No. 96-164; RM-8847]

**Radio Broadcasting Services; Parker, AZ**

**AGENCY:** Federal Communications Commission.

**ACTION:** Final rule.

**SUMMARY:** This document allots Channel 230C3 to Parker, Arizona, as that community's second local FM transmission service in response to a petition filed by Rick L. Murphy. See 61 FR 4114, August 7, 1996. Coordinates used for Channel 230C3 at Parker are 34-08-48 and 114-17-12. As Parker, Arizona, is located within 320 kilometers (199 miles) of the Mexico border, the Commission obtained the concurrence of the Mexican government to the allotment of Channel 230C3 at that community. With this action, the proceeding is terminated.

**DATES:** Effective September 2, 1997. The window period for filing applications for Channel 230C3 at Parker, Arizona, will open on September 2, 1997, and close on October 3, 1997.

**FOR FURTHER INFORMATION CONTACT:** Nancy Joyner, Mass Media Bureau, (202) 418-2180. Questions related to the window application filing process for Channel 230C3 at Parker, Arizona, should be addressed to the Audio Services Division, (202) 418-2700.

**SUPPLEMENTARY INFORMATION:** This is a synopsis of the Commission's Report and Order, MM Docket No. 96-164, adopted July 9, 1997, and released July 18, 1997. The full text of this Commission decision is available for inspection and copying during normal business hours in the FCC's 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 contractors, International Transcription Service, Inc., 2100 M Street, NW., Suite 140, Washington, DC 20037, (202) 857-3800.

**List of Subjects in 47 CFR Part 73**

Radio broadcasting.