

propose changes in attribution principles.

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Subpart C—Rules Applicable to Requests for Establishing or Changing the Mail Classification Schedule

4. Revise § 3001.63 to read as follows:

§ 3001.63 Filing of prepared direct evidence.

(a) General requirements. Simultaneously with the filing of the formal request for a recommended decision under this subpart, the Postal Service shall file all of the prepared direct evidence upon which it proposes to rely in the proceeding on the record before the Commission to establish that the mail classification schedule or changes therein proposed by the Postal Service are in accordance with the policies and the applicable criteria of the Act. Such prepared direct evidence shall be in the form of prepared written testimony and documentary exhibits which shall be filed in accordance with § 3001.31.

(b) Requests affecting more than one subclass. Each formal request filed under this subpart affecting more than one subclass or special service is subject to the requirements of §§ 3001.53(b) and (c).

[FR Doc. 02–32707 Filed 12–27–02; 8:45 am]

BILLING CODE 7710–FW–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[KY 125–2–200308(b); FRL–7431–1]

Approval and Promulgation of Implementation Plans for Kentucky: Air Permit Regulations

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The EPA is proposing to approve revisions to the State Implementation Plan (SIP) of the Commonwealth of Kentucky which separate rule 401 KAR 50:035 into several rules based on the type of air permit, and renumber and rewrite in plain English rule 401 KAR 50:032 and the resulting rules from 401 KAR 50:035. The EPA is also removing 401 KAR 50:030 from the Kentucky SIP and correcting typographical errors in a separate, related action addressing rule 401 KAR 52:080, “Regulatory limit on potential to emit.” In the Final Rules section of this **Federal Register**, the EPA

is approving the State’s SIP revision as a direct final rule without prior proposal because the Agency views this as a noncontroversial submittal and anticipates no adverse comments. A detailed rationale for the approval is set forth in the direct final rule. If no significant, material, and adverse comments are received in response to this rule, no further activity is contemplated. If EPA receives adverse comments, the direct final rule will be withdrawn and all public comments received will be addressed in a subsequent final rule based on this rule. The EPA will not institute a second comment period on this document. Any parties interested in commenting on this document should do so at this time.

DATES: Written comments must be received on or before January 29, 2003.

ADDRESSES: All comments should be addressed to: Michele Notarianni, Air Planning Branch, U.S. Environmental Protection Agency Region 4, 61 Forsyth Street, SW, Atlanta, Georgia 30303–8960. (404/562–9031 (phone) or notarianni.michele@epa.gov (e-mail).)

Copies of the Commonwealth’s submittal are available at the following addresses for inspection during normal business hours: Environmental Protection Agency, Region 4, Air Planning Branch, 61 Forsyth Street, SW, Atlanta, Georgia 30303–8960. (Michele Notarianni, 404/562–9031, notarianni.michele@epa.gov)

Commonwealth of Kentucky, Division for Air Quality, 803 Schenkel Lane, Frankfort, Kentucky 40601–1403. (502/573–3382)

FOR FURTHER INFORMATION CONTACT: Michele Notarianni at the address listed above or 404/562–9031 (phone) or notarianni.michele@epa.gov (e-mail).

SUPPLEMENTARY INFORMATION: For additional information see the direct final rule which is published in the Rules section of this **Federal Register**.

Dated: December 16, 2002.

A. Stanley Meiburg,

Acting Regional Administrator, Region 4.

[FR Doc. 02–32777 Filed 12–27–02; 8:45 am]

BILLING CODE 6560–50–P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 54

[CC Docket Nos. 96–45, 98–171, 90–571, 92–237, 99–200, 95–116, 98–170; FCC 02–329]

Federal-State Joint Board on Universal Service

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: In this document, the Commission seeks comment on specific aspects of three connection-based proposals to further refine the record in its proceeding to revisit its universal service contribution methodology.

DATES: Comments are due on or before January 29, 2003. Reply comments are due on or before February 28, 2003. Written comments by the public on the proposed information collections are due on or before January 14, 2003. Written comments must be submitted by the Office of Management and Budget (OMB) on the proposed information collections on or before February 28, 2003.

ADDRESSES: All filings must be sent to the Commission’s Secretary, Marlene Dortch, Office of the Secretary, Federal Communications Commission, 445 12th Street, SW., Washington, DC 20554. See **SUPPLEMENTARY INFORMATION** for filing instructions.

FOR FURTHER INFORMATION CONTACT: Diane Law Hsu, Acting Deputy Chief, Wireline Competition Bureau, Telecommunications Access Policy Division, (202) 418–7400.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission’s Second Further Notice of Proposed Rulemaking (*Second Further NPRM*) in CC Docket Nos. 96–45, 98–171, 90–571, 92–237, 99–200, 95–116, 98–170; FCC 02–329 released on December 13, 2002. The full text of this document is available for public inspection during regular business hours in the FCC Reference Center, Room CY–A257, 445 12th Street, SW., Washington, DC 20554. This *Second Further NPRM* contains proposed information collection(s) subject to the Paperwork Reduction Act of 1995 (PRA). It has been submitted to the Office of Management and Budget (OMB) for review under the PRA. OMB, the general public, and other Federal agencies are invited to comment on the proposed information collections contained in this proceeding.

Paperwork Reduction Act

The *Second Further NPRM* contains a proposed information collection. The Commission, as part of its continuing effort to reduce paperwork burdens, invites the general public and OMB to comment on the information collection(s) contained in this *Second Further NPRM*, as required by the PRA, Pub. L. 104–13. Public and agency comments on the proposed information collections are due on or before January 14, 2003. Written comments must be submitted by the Office of Management

and Budget (OMB) on the proposed and/or modified information collections on or before February 28, 2003. Comments should address: (a) Whether the proposed collection of information is 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.
OMB Control Number: 3060-1009.

Title: Telecommunications Reporting Worksheet, CC Docket No. 96-45.

Form No.: FCC Form 499 (499-A, 499-Q, 499-M).

Type of Review: Proposed Revised Collection.

Respondents: Business or other for-profit; Not for Profit Institutions.

Title	Number of respondents	Est. time per response	Total annual burden
1. Connections Based Methodology	5,500	11.5 ¹	427,936
Total Annual Burden	\$0		427,936
2. Splitting Connection-Based Methodology	5,500	11.5 ²	867,472
Total Annual Burden	\$0		867,472
3. Telephone Number-Based Assessments	5,500	11.5 ³	461,290
Total Annual Burden			461,290
Cost to Respondents			\$0

¹ 11.5 hrs for 5,500 respondents for the annual filing. 13.3 hrs for 2,285 respondents for each monthly filing, if adopted.

² 11.5 hrs for 5,500 respondents for the annual filing. 28.1 hrs for 2,385 respondents for each monthly filing, if adopted.

³ 11.5 hrs for 5,500 respondents for the annual filing. 10.7 hrs for 3,100 respondents for each monthly filing, if adopted.

Needs and Uses: The Commission has issued a Second Further Notice of Proposed Rulemaking which seeks comment on whether to return a revenue-based system and specific aspects of three connection-based proposals in the record. First, the Commission seeks comment on a contribution methodology that would impose a minimum contribution obligation on all interstate telecommunications carriers, and a flat charge for each end-user connection, depending on the nature or capacity of the connection. Next, the Commission seeks comment on a proposal to assess all connections based purely on capacity. Finally, the Commission seeks comment on a proposal to assess providers of switched connections based on their working telephone numbers. The Commission is also seeking comment on whether to use a modified FCC Form 499-M, the Telecommunications Reporting Worksheet (OMB 3060-1009), to serve as the appropriate means for the collection of contribution information. The Universal Service Company (Administrator) would use information filed on connections and capacity or revenues to determine the universal service contribution factor. Section 254 of the Act requires carriers providing interstate telecommunications services to contribute to universal service. Currently, respondents file their end-user telecommunications revenues on a quarterly basis in FCC Form 499-Q, and

on an annual basis in FCC Form 499-A.

Synopsis of Second Further Notice of Proposed Rulemaking

I. Introduction

1. In the *Second Further NPRM*, we seek to further refine the record in the contribution methodology proceeding. Although the interim measures we adopt in the companion Order will improve the current contribution methodology, they do not address our concerns regarding the long-term viability of any revenue-based system. In the *First Further NPRM*, 67 FR 1125, March 13, 2002, we observed that interstate telecommunications revenues are becoming increasingly difficult to identify as customers migrate to bundled packages of interstate and intrastate telecommunications and non-telecommunications products and services. This has increased opportunities to mischaracterize revenues that should be counted for contribution purposes. Such mischaracterization may result in decreases in the assessable revenue base. Increased competition also is placing downward pressure on interstate rates and revenues, which also contributes to the decline in the contribution base. For example, traditional long-distance providers increasingly are entering local markets at the same time that competitive and incumbent local exchange carriers are increasingly providing long-distance services. Customers also are migrating to

mobile wireless and Internet-based services. As we recently noted, these changes have led to fluctuations in the contribution base and rising contribution obligations.

2. The Commission initiated this proceeding to consider alternatives or modifications to a revenue-based system. An analysis of the record reveals interest in a connection-based methodology that would assess carriers based on their provision of connectivity to interstate networks, regardless of how many minutes of use or revenues are derived from a connection. A substantial number of parties across various industry segments now support adoption of a connection-based assessment methodology. In addition, four out of five state members of the Federal-State Joint Board on Universal Service (Joint Board) recommend adoption of a connection-based system for calculating universal service contributions, while the fifth member proposes assessing contributions on a combination of connections, capacity, and terminating minutes of use.

3. Although many parties agree that a connection-based contribution methodology will best ensure the long-term viability of the Commission's universal service mechanisms as the telecommunications marketplace continues to evolve, they differ on how best to implement such a mechanism. Key areas of disagreement include whether to make the provider of the end-user connection (most often the local exchange carrier) solely

responsible for contributions or whether that responsibility should be shared between the access (e.g., local exchange carrier) and transport (e.g., interexchange carrier) providers. Commenters also disagree on how best to calculate assessments for higher-capacity connections. Moreover, parties have expressed concern that they cannot estimate assessments for multi-line business connections without access to more reliable data on the number and capacity of non-switched (e.g., special access or private line) connections. We conclude that it is appropriate to further study long-term reforms of the contribution methodology.

II. Overview

4. In this *Second Further NPRM*, we seek to further refine the record in this proceeding. We are hopeful that we will adopt additional modifications to our contribution methodology to ensure the continued viability of universal service as the marketplace continues to develop.

5. First, we ask commenters to discuss whether the changes to the revenue-based methodology adopted herein are sufficient to ensure the long-term viability of universal service as the telecommunications marketplace evolves. Should any additional modifications to the revenue-based system be made? For example, we seek comment on whether bundling of local and long distance services raises any unique problems for wireline carriers in identifying interstate telecommunications revenues and how such problems should be addressed.

6. In addition, although we have increased the mobile wireless safe harbor to 28.5 percent, we note that some commenters assert that, using certain methodologies, mobile wireless carriers are capable of determining their actual interstate end-user telecommunications revenues. If a revenue-based system is retained, we seek comment on whether we should abolish the safe harbor for mobile wireless carriers and, if so, how such carriers should determine their actual interstate end-user telecommunications revenues. We specifically seek comment on whether minutes of use is an appropriate proxy for determining interstate revenues for mobile wireless providers. We also request comment on whether the originating cell site and the terminating area code or NPA of a call reasonably approximates the jurisdictional nature of traffic for reporting purposes. In addition, we seek comment on whether it would be appropriate to include both outgoing and incoming calls in mobile wireless

provider traffic studies and whether and how to include roaming and international minutes in such studies. We seek comment on burdens presented by proposed methodologies to determine interstate revenues and particularly invite comment from smaller mobile wireless providers on whether they face unique difficulties in identifying interstate telecommunications revenues. We also ask commenters to discuss whether other CMRS carriers, such as paging and analog SMR carriers, are able to determine their actual interstate end-user telecommunications revenues and whether those safe harbors should also be abolished. We seek comment on how eliminating the safe harbors would affect wireless carriers whose contributions to universal service are *de minimis*.

7. Although the actions taken today will improve the operation of our revenue-based methodology in the near term, we remain concerned that any contribution system based on interstate telecommunications revenues will be dependent on the ability of contributors to distinguish between interstate and intrastate telecommunications and non-telecommunications revenues. Several commenters have argued that a connection-based mechanism may be the best alternative to ensure the long-term viability of the Commission's universal service mechanisms as the telecommunications marketplace continues to evolve. We, therefore, seek additional comment on three specific connection-based proposals.

8. In the *First Further NPRM*, we sought comment on a specific proposal to base contributions on the number and capacity of connections a contributor provides to interstate networks, rather than revenues. Since that time, a number of parties across various industry segments, as well as four out of five state members of the Joint Board, have supported adoption of a connection-based assessment methodology and have proposed their own variations of connection-based proposals. Proponents of a connection-based methodology argue that such a system would provide a sufficient and predictable funding source for universal service in a telecommunications marketplace increasingly characterized by new and innovative bundles of intrastate and interstate telecommunications and non-telecommunications products and services, and increased competition between wireline and wireless technology platforms. These commenters point out that the number of connections historically has been

more stable than end-user interstate telecommunications revenues. Commenters also point out that connection-based assessments would eliminate the need for contributors to distinguish between interstate and intrastate revenues, or revenues from telecommunications and non-telecommunications services, as is required under the current methodology. These commenters therefore argue that connection-based assessments would better accommodate new services and technologies as they develop. Such a framework also may be more economically efficient than the current revenue-based methodology, because connection-based assessments are less likely to create inefficient incentives for end users to curtail their usage of interstate telecommunications networks.

9. The proponents of certain connection-based proposals argue that their proposals would be consistent with the requirement of section 254(d) that every telecommunications carrier that provides interstate telecommunications services contribute to the Commission's universal service mechanisms on an equitable and nondiscriminatory basis. However, several other parties have expressed concerns that such proposals in the record would be inconsistent with this statutory mandate. We specifically take note of arguments that specific connection-based proposals in the record may be inconsistent with section 254(d)'s requirement that every provider of interstate telecommunications service contribute on an equitable basis.

10. We conclude it is appropriate to further develop the record on aspects of certain proposals to assess universal service contributions on the number and capacity of connections. We also conclude it is appropriate to continue refining our analysis of the potential impacts on contributors, and, ultimately, consumers, of the various proposals. In this *Second Further NPRM*, we seek comment on specific measures the Commission could take to ensure that a connection-based contribution methodology would be consistent with the Act. First, we seek comment on a contribution methodology that would impose a minimum contribution obligation on all interstate telecommunications carriers, and a flat charge for each end-user connection, depending on the nature or capacity of the connection. Next, we seek comment on a proposal to assess all connections based purely on capacity (without regard to distinctions between residential/single-line business and multi-line business connections),

and share contribution obligations for each switched end-user connection between access and transport providers. Finally, we seek comment on a proposal to assess providers of switched connections based on their number of working telephone numbers.

11. We invite commenters to discuss potential advantages and disadvantages of each approach, and whether each satisfies the requirements of section 254 that “[e]very telecommunications carrier that provides interstate telecommunications services * * * contribute, on an equitable and nondiscriminatory basis, to the specific, predictable, and sufficient [universal service support] mechanisms.” We urge commenters to submit data and analysis on assessment levels under each approach. We further request comment on the relative contribution obligations of different industry segments under each approach. We ask commenters to address the potential impacts of the different methodologies on consumers, both generally and also on residential consumers that place no long-distance calls. What would be the impact of each of the proposals on the average residential customer and on residential customers generally? Would the typical residential customer pay more, less, or approximately the same amount of pass-through charges to different carriers than they do today?

12. Commenters should also describe and estimate the costs associated with the implementation of each proposal, including the cost of any necessary billing system changes. We also invite comment on the reporting obligations associated with each of the proposals discussed below and ask that commenters quantify, to the extent possible, the burdens associated with each proposal and compare the relative burdens. We seek comment on whether it would be appropriate to require contributors to report their number and capacity of end-user connections and/or numbers on a monthly basis, or whether less frequent reporting would be adequate. We particularly invite comment on the potential administrative burdens associated with each of these proposals from entities that are “small business concerns” under the Small Business Act. We also seek comment on whether to continue basing contributions to the Telecommunications Relay Service, Numbering Administration, Local Number Portability and wireline regulatory fees programs on annual revenue data, or whether contributions to these mechanisms also should be based on connections and/or numbers.

III. Procedural Matters

A. Initial Regulatory Flexibility Act Analysis

13. As required by the Regulatory Flexibility Act (RFA), the Commission has prepared this Initial Regulatory Flexibility Analysis (IRFA) on the possible significant economic impact on small entities of policies and rules proposed in this Second Further Notice of Proposed Rulemaking. Written public comments are requested on this IRFA. Comments must be identified as responses to the IRFA and must be filed by the deadlines for comments on the *Second Further NPRM* provided below.

1. Need for and Objectives of the Proposed Rules

14. The assessment and recovery of universal service contributions are governed by the statutory framework established by Congress in the Act. Section 254(b) instructs the Commission to establish universal service support mechanisms with the goal of ensuring the delivery of affordable telecommunications services to all Americans, including consumers in high-cost areas, low-income consumers, eligible schools and libraries, and rural health care providers. Section 254(d) of the Act states that “[e]very telecommunications carrier that provides interstate telecommunications services shall contribute, on an equitable and nondiscriminatory basis, to the specific, predictable, and sufficient mechanisms established by the Commission to preserve and advance universal service.”

15. Consistent with section 254 of the Act and as noted in the companion Order, we take interim measures to maintain the viability of universal service in the near term—a fundamental goal of this Commission—while we consider further long-term reforms. As discussed in further detail in the companion Order, although the interim measures we adopt today will improve the current contribution methodology, they do not address our concerns regarding the long-term viability of any revenue-based system. We therefore conclude that it is appropriate to further study long-term reforms of the contribution methodology.

16. Therefore, in this *Second Further NPRM*, we seek comment on specific aspects of three connection-based proposals in the record. First, we ask for comment on a proposed contribution methodology that would impose a minimum contribution obligation on all interstate telecommunications carriers and flat charge for each end-user connection depending on the nature or

capacity of the connection. Next, we seek comment on a proposal to assess all connections based purely on capacity. Under this proposal, contribution obligations for each switched end-user connection would be shared between access and transport providers. Finally, we seek comment on a proposal to assess providers of switched connections based on their working telephone numbers.

2. Legal Basis

17. The legal basis as proposed for this *Second Further NPRM* is contained in sections 4(i), 4(j), 201–205, 254, and 403 of the Communications Act of 1934, as amended.

3. Description and Estimate of the Number of Small Entities To Which the Proposed Rules Will Apply

18. 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 proposals 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.” A small organization is generally “any not-for-profit enterprise which is independently owned and operated and is not dominant in its field.” Nationwide, as of 1992, there were approximately 275,801 small organizations. “Small governmental jurisdiction” generally means “governments of cities, counties, towns, townships, villages, school districts, or special districts, with a population of less than 50,000.” As of 1992, there were approximately 85,006 governmental entities, total, in the United States. This number includes 38,978 cities, counties, and towns; of these, 37,566, or 96%, have populations of fewer than 50,000. The Census Bureau estimates that this ratio is approximately accurate for all governmental entities. Thus, of the 85,006 governmental entities, we estimate that 81,600 (96%) are small entities. In addition, the term “small business” has the same meaning as the term “small business concern” under the Small Business Act, unless the Commission has developed one or more definitions that are appropriate to its activities. Under the Small Business Act, a “small business concern” is one that: (1) Is independently owned and operated; (2) is not dominant in its field of operation; and (3) meets any additional criteria established by the Small Business Administration (SBA).

19. We have included small incumbent local exchange carriers in

this present RFA analysis. As noted above, a "small business" under the RFA is one that, *inter alia*, meets the pertinent small business size standard (e.g., a telephone communications business having 1,500 or fewer employees), and "is not dominant in its field of operation." The SBA's Office of Advocacy contends that, for RFA purposes, small incumbent local exchange carriers are not dominant in their field of operation because any such dominance is not "national" in scope. We have therefore included small incumbent local exchange carriers in this RFA analysis, although we emphasize that this RFA action has no effect on Commission analyses and determinations in other, non-RFA contexts.

20. *Wireline Carriers and Service Providers (Wired Telecommunications Carriers)*. The SBA has developed a small business size standard for Wired Telecommunications Carriers, which consists of all such companies having 1500 or fewer employees. According to Census Bureau data for 1997, there were 2,225 firms in this category, total, that operated for the entire year. Of this total, 2,201 firms had employment of 999 or fewer employees, and an additional 24 firms had employment of 1,000 employees or more. Thus, under this size standard, the great majority of firms can be considered small.

21. *Local Exchange Carriers, Interexchange Carriers, Competitive Access Providers, Operator Service Providers, Payphone Providers, and Resellers*. Neither the Commission nor SBA has developed a definition particular to small local exchange carriers (LECs), interexchange carriers (IXCs), competitive access providers (CAPs), operator service providers (OSPs), payphone providers or resellers. The closest applicable definition for these carrier-types under 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 our most recent data, there are 1,329 incumbent LECs, 532 CAPs, 229 IXCs, 22 OSPs, 936 payphone providers and 710 resellers. Of these, an estimated 1,024 incumbent LECs, 411 CAPs, 181 IXCs, 20 OSPs, 933 payphone providers, and 669 resellers reported that they have 1,500 or fewer employees; 305 incumbent LECs, 121 CAPs, 48 IXCs, 2 OSPs, 3 payphone providers, and 41 resellers reported that, alone or in combination with affiliates, they have more than 1,500 employees. We do not have data specifying the number of these carriers that are not independently owned and operated, and therefore we are unable to estimate with

greater precision the number of these carriers that would qualify as small business concerns under SBA's definition. Consequently, most incumbent LECs, IXCs, CAPs, OSPs, payphone providers and resellers are small entities that may be affected by the proposed rules discussed in this Order.

22. *Wireless Service Providers*. The SBA has size standards for wireless small businesses within the two separate Economic Census categories of Paging and of Cellular and Other Wireless Telecommunications. For both of those categories, the SBA considers a business to be small if it has 1,500 or fewer employees. According to the most recent *Trends in Telephone Report* data, 1,761 companies reported that they were engaged in the provision of wireless service. Of these 1,761 companies, an estimated 1,175 reported that they have 1,500 or fewer employees and 586 reported that, alone or in combination with affiliates, they have more than 1,500 employees. Consequently, we estimate that most wireless service providers are small entities that may be affected by the proposed rules discussed herein.

23. *Broadband Personal Communications Service (PCS)*. The broadband PCS spectrum is divided into six frequency 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 \$40 million or less in the three previous calendar years. For Block F, an additional classification for "very small business" was added and is defined as an entity that, together with affiliates, has average gross revenues of not more than \$15 million for the preceding three calendar years. These standards defining "small entity" in the context of broadband PCS auctions have been approved by the SBA. No small businesses within the SBA-approved definition bid successfully for licenses in Blocks A and B. There were 90 winning bidders that qualified as small entities in the Block C auctions. A total of 93 small and very small business bidders won approximately 40 percent of the 1,479 licenses for Blocks D, E, and F. On March 23, 1999, the Commission re-auctioned 347 C, D, E, and F Block licenses; there were 48 small business winning bidders. On January 26, 2001, the Commission completed the auction of 422 C and F Broadband PCS licenses in Auction No. 35. Of the 35 winning bidders in this auction, 29 qualified as "small" or "very small businesses." Based on this information, we conclude that the number of small broadband PCS

licensees will include the 90 winning C Block bidders, the 93 qualifying bidders in the D, E, and F blocks, the 48 winning bidders in the 1999 re-auction, and the 29 winning bidders in the 2001 re-auction, for a total of 260 small entity broadband PCS providers, as defined by the SBA small business size standards and the Commission's auction rules. Consequently, we estimate that 260 broadband PCS providers are small entities that may be affected by the proposed rules discussed herein.

24. *Narrowband PCS*. To date, two auctions of narrowband PCS licenses have been conducted. Through these auctions, the Commission has awarded a total of 41 licenses, out of which 11 were obtained by small businesses. For purposes of the two auctions that have already been held, small businesses were defined as entities with average gross revenues for the prior three calendar years of \$40 million or less. To ensure meaningful participation of small business entities in the auctions, the Commission adopted a two-tiered definition of small businesses in the *Narrowband PCS Second Report and Order*, 65 FR 35843, June 6, 2000. A small business is an entity that, together with affiliates and controlling interests, has average gross revenues for the three preceding years of not more than \$40 million. A very small business is an entity that, together with affiliates and controlling interests, has average gross revenues for the three preceding years of not more than \$15 million. These definitions have been approved by the SBA. In the future, the Commission will auction 459 licenses to serve MTAs and 408 response channel licenses. There is also one megahertz of narrowband PCS spectrum that has been held in reserve and that the Commission has not yet decided to release for licensing. The Commission cannot predict accurately the number of licenses that will be awarded to small entities in future auctions. However, four of the 16 winning bidders in the two previous narrowband PCS auctions were small businesses, as that term was defined under the Commission's Rules. The Commission assumes, for purposes of this FRFA, that a large portion of the remaining narrowband PCS licenses will be awarded to small entities. The Commission also assumes that at least some small businesses will acquire narrowband PCS licenses by means of the Commission's partitioning and disaggregation rules.

25. *Specialized Mobile Radio (SMR)*. The Commission awards "small entity" and "very small entity" bidding credits in auctions for Specialized Mobile Radio (SMR) geographic area licenses in

the 800 MHz and 900 MHz bands to firms that had revenues of no more than \$15 million in each of the three previous calendar years, or that had revenues of no more than \$3 million in each of the three previous calendar years, respectively. In the context of both the 800 MHz and 900 MHz SMR service, the definitions of "small entity" and "very small entity" have been approved by the SBA. These bidding credits apply to SMR providers in the 800 MHz and 900 MHz bands that either hold geographic area licenses or have obtained extended implementation authorizations. We do not know how many firms provide 800 MHz or 900 MHz geographic area SMR service pursuant to extended implementation authorizations, nor how many of these providers have annual revenues of no more than \$15 million. One firm has over \$15 million in revenues. We assume, for our purposes here, that all of the remaining existing extended implementation authorizations are held by small entities, as that term is defined by the SBA. The Commission has held auctions for geographic area licenses in the 800 MHz and 900 MHz SMR bands. There were 60 winning bidders that qualified as small and very small entities in the 900 MHz auctions. Of the 1,020 licenses won in the 900 MHz auction, bidders qualifying as small and very small entities won 263 licenses. In the 800 MHz SMR auction, 38 of the 524 licenses won were won by small and very small entities. Consequently, we estimate that there are 301 or fewer small entity SMR licensees in the 800 MHz and 900 MHz bands that may be affected by the proposed rules discussed herein.

26. *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). For purposes of this FRFA, we will use the SBA's size standard applicable to wireless service providers, *supra*—an entity employing no more than 1,500 persons. There are approximately 1,000 licensees in the Rural Radiotelephone Service, and the Commission estimates that almost all of them qualify as small entities under the SBA's size standard. Consequently, we estimate that there are 1,000 or fewer small entity licensees in the Rural Radiotelephone Service that may be affected by the proposed rules discussed herein.

27. *Air-Ground Radiotelephone Service.* The Commission has not adopted a definition of small entity

specific to the Air-Ground Radiotelephone Service. For purposes of this FRFA, we will use the SBA's size standard applicable to wireless service providers, *supra*—an entity employing no more than 1,500 persons. 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.

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

28. Should the Commission decide that fundamental reform of the existing contribution methodology is needed, the associated rule changes potentially could modify the reporting and recordkeeping requirements of telecommunications service providers regulated under the Communications Act. Under a connection-based mechanism, we potentially could require telecommunications service providers to file additional and/or different monthly or quarterly reports. Any such reporting requirements potentially could require the use of professional skills, including legal and accounting expertise. Without more data, we cannot accurately estimate the cost of compliance by small telecommunications service providers. In this IFRA, we therefore seek comment on the frequency with which carriers should submit reports to USAC, the types of burdens carriers will face in periodically submitting reports to USAC, and whether the costs of such reporting are outweighed by the potential benefits of the possible reforms. Entities, especially small businesses and small entities, more generally, are encouraged to quantify the costs and benefits of the reporting requirement proposals.

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

29. The RFA requires an agency to describe any significant 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.

30. The *Second Further NPRM* seeks comment on a number of connection-based alternatives to modify the existing contribution methodology system. Although the proponents of specific connection-based proposals argue that they would be consistent with the requirements of section 254(d) of the Act that every telecommunications carrier that provides interstate telecommunications services contribute to the Commission's universal service mechanisms on an equitable and nondiscriminatory basis, several other parties have expressed concerns that the connection-based proposals in the record would be inconsistent with the statutory mandate. We specifically take note of those commenters that argue that the connection-based proposals in the record would result in inequitable contributions.

31. We therefore believe it is appropriate to further develop the record on aspects of certain proposals to assess universal service contributions at least in part on the number and capacity of connections. We also believe it is appropriate to continue refining our analysis of the potential impacts on consumers and contributors, including small entities, of adopting such a methodology. In this *Second Further NPRM*, we seek comment on specific measures the Commission could take to ensure that a connection-based contribution methodology would be consistent with these statutory mandates. The Commission will also consider additional significant alternatives developed in the record.

32. Wherever possible, the *Second Further NPRM* seeks comment on how to reduce the administrative burden and cost of compliance for small telecommunications service providers. For example, we seek comment on the operation of a *de minimis* exemption under the various connections-based proposals. We also seek comment on the appropriate frequency and content of reporting under a connection-based methodology. We specifically seek comment from contributors that are small entities under the Small Business Act.

6. Federal Rules That May Duplicate, Overlap, or Conflict With the Proposed Rules

33. None.

B. Initial Paperwork Reduction Act of 1995 Analysis

34. The *Second Further NPRM* contains a proposed information collection. As part of a continuing effort to reduce paperwork burdens, we invite the general public and the Office of

Management and Budget (OMB) to take this opportunity to comment on the information collections contained in this *Second Further NPRM*, as required by the Paperwork Reduction Act of 1995, Pub. L. 104-13. Public and agency comments are due January 14, 2003; OMB comments are due February 28, 2003. Comments should address: (a) Whether the proposed collection of information is 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.

C. Comment Filing Procedures

35. Pursuant to §§ 1.415 and 1.419 of the Commission's rules, interested parties may file comments January 29, 2003. Reply comments are due on or before February 28, 2003. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies.

36. 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, U.S. 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 to 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.

37. Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to

experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Vistrionix, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, NE., Suite 110, Washington, DC 20002. The filing hours at this location are 8 a.m. to 7 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW., Washington, DC 20554. All filings must be addressed to the Commission's Secretary, Marlene H. Dortch, Office of the Secretary, Federal Communications Commission. In addition to filing comments with the Secretary, a copy of any comments on the information collection(s) contained herein should be submitted to Judith B. Herman, Federal Communications Commission, Room 1-C804, 445 12th Street, SW., Washington, DC 20554, or via the Internet to JBoley@fcc.gov and to Kim A. Johnson, OMB Desk Officer, 10236 NEOB, 725 17th Street, NW., Washington, DC 20503, or via the Internet to Kim_A_Johnson@omb.eop.gov.

38. Parties also must send three paper copies of their filing to Sheryl Todd, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission, 445 12th Street SW., Room 5-B540, Washington, DC 20554. In addition, commenters must send diskette copies to the Commission's copy contractor, Qualex International, Portals II, 445 12th Street, SW., Room CY-B402, Washington, DC 20054.

D. Ex Parte Presentations

39. This is a permit but disclose rulemaking proceeding. Ex parte presentations are permitted, except during the Sunshine Agenda period, provided that they are disclosed as provided in the Commission's rules.

IV. Ordering Clauses

40. It is further ordered that, pursuant to the authority contained in sections 4(i), 4(j), 201-205, 254, and 403 of the Communications Act of 1934, as amended, this Second Further Notice of Proposed Rulemaking is adopted.

41. The Commission's Consumer and Governmental Affairs Bureau, Reference Information Center, shall send a copy of this Second Further Notice of Proposed Rulemaking, including the Initial

Regulatory Flexibility Analysis, to the Chief Counsel for Advocacy of the Small Business Administration.

List of Subjects in 47 CFR Part 54

Reporting and recordkeeping requirements, Telecommunications, Telephone.

Federal Communications Commission.

William F. Caton,

Deputy Secretary.

[FR Doc. 02-32926 Filed 12-27-02; 8:45 am]

BILLING CODE 6712-01-P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

49 CFR Part 533

[Docket No. 2002-11419; Notice 3]

RIN 2127-A170

Light Truck Average Fuel Economy Standards Model Years 2005-07; Correction

AGENCY: National Highway Traffic Safety Administration (NHTSA), Department of Transportation.

ACTION: Notice of proposed rulemaking; correction.

SUMMARY: This document corrects the preamble to a proposed rule published in the *Federal Register* of December 16, 2002, regarding the establishment of corporate average fuel economy standards for light trucks manufactured in model years (MY) 2005 through 2007. This correction adds a request for the submission of additional written copies of comments directly to the agency to facilitate reviewing the comments and meeting the statutory deadline for issuance of the final rule.

FOR FURTHER INFORMATION CONTACT: Kenneth Katz, 202-366-0846.

Correction

In proposed rule FR Doc. 02-31522, beginning on page 77015 in the issue of December 16, 2002, make the following correction, in the **SUPPLEMENTARY INFORMATION** section. On page 77029 in the 1st column, add after 4th paragraph under the subject heading "How Do I Prepare and Submit Comments?" the following:

"In addition, given the statutory deadline for issuance of the final rule, we request that, for those comments of 4 or more pages in length, you send 10 additional copies, as well as one copy on computer disc, to: Mr. Kenneth Katz, Lead Engineer, Fuel Economy Division,