

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)
)
2000 Biennial Regulatory Review -) CC Docket No. 00-229
Telecommunications Service Quality)
Reporting Requirements)

**COMMENTS OF THE RURAL LOCAL EXCHANGE CARRIERS
ON THE INITIAL REGULATORY FLEXIBILITY ANALYSIS**

The 40 rural local exchange carriers listed in Attachment A (collectively, the "Rural LECs"), by their attorney, respectfully submit these comments concerning the Initial Regulatory Flexibility Analysis (IRFA) contained in Appendix D to the Notice of Proposed Rulemaking (NPRM), FCC 00-399, released November 9, 2000, in the captioned proceeding.¹ In their Comments filed today, the Rural LECs request the Commission to refrain from imposing service quality reporting requirements on small local exchange carriers (LECs). The Rural LECs submit these IRFA comments to emphasize how burdensome it would be for small LECs to file service quality reports. Many small LECs would need to collect the necessary data and generate the reports by hand. Any reporting requirement, no matter how

¹ 2000 Biennial Regulatory Review - Telecommunications Service Quality Reporting Requirements, CC Docket No. 00-229, Notice of Proposed Rulemaking, FCC 00-399 (rel. Nov. 9, 2000) [hereinafter NPRM].

streamlined, would place a disproportionate burden on small LECs.

Background

The Rural LECs are small LECs serving rural areas of Colorado, Idaho, Illinois, Iowa, Maine, Nebraska, Ohio, Oklahoma, South Dakota, Virginia and Washington. None of the Rural LECs currently files service quality reports at the state level. For some, the respective state regulatory commissions may request to review service quality data; or the LECs may need to file formal reports if their performance fails to meet some specific standards. Regardless of which type of state regulations apply to which of the Rural LECs, any federal reporting requirements would be a new burden for which there is no justification, as explained below.

The Initial Regulatory Flexibility Analysis

In the IRFA, the Commission asks about: (1) the costs of compliance; (2) whether all LECs should file reports; and (3) whether certain carriers should be exempt. The Rural LECs respond to each of these issues in their Comments, which are incorporated by reference. Their responses are summarized below.

1. The increased cost, if any, to smaller LECs to file service quality reports

As demonstrated in the Rural LECs' Comments, many small LECs would need to collect service quality data by hand and manually generate the requisite reports. These procedures could readily consume 1 or 2 hours a day for a small LEC. On an annual basis, the reports could therefore consume about 260 to 520 hours of staff time. If we were to estimate that half of the small LECs nationwide (i.e., 650 LECs) would need to use such manual procedures, the total annual cost nationwide would be \$2.5 million to \$5 million for the 650 small LECs alone (assuming a \$15 per hour cost of staff time). The costs for the other 650 or so small LECs to comply with any reporting requirements would need to be added to this estimate. Further details concerning the burden for small LECs to comply with service quality reporting requirements are given in the Rural LECs' Comments.

2. The benefit of giving consumers access to service quality data from all carriers providing local exchange service in their area, including small entities

The Rural LECs oppose service quality reporting requirements for small LECs. As noted above, such requirements would be unduly burdensome for small LECs. In addition, the Commission has not noted any performance problems involving

small LECs that would warrant the monitoring of their performance via service quality reports. In other words, the burden of producing service quality reports would outweigh any benefit to consumers.

Nevertheless, if the Commission were to require small LECs to file service quality reports, all competing wireline and wireless carriers should also be required to file service quality reports. And in particular, if competing wireless carriers are required to file service quality reports, the performance measurements should include data that is of particular interest to wireless consumers, such as transmission quality. Measurements of installation intervals, for example, would likely be less important to a wireless consumer than information about sound quality, calls being dropped and holes in the wireless carrier's service area.

3. Whether certain entities should be exempt from service quality reporting requirements

The current service quality reporting requirements do not apply to small LECs. If the Commission were to simply streamline the current service quality reporting requirements, they would still not apply to small LECs, so there would be no need to exempt them.

However, if the Commission were to extend the service quality reporting requirements to include small LECs, the Rural LECs would support exempting LECs in either of two ways. First, a LEC could be exempted if it is not subject to a threshold number of performance complaints at the relevant state commissions. The reporting threshold could be set at a percentage of the number of customers served by a particular LEC. For example, a LEC that is subject to service quality complaints filed at the relevant state commission by no more than 10% of its customers in any calendar year could be exempted from the FCC's reporting requirements. This exemption would be consistent with the Commission's goal of ensuring quality service,² because the Commission would still have the opportunity to monitor the service quality of those LECs for which it is an issue. Second, LECs that have fewer than 1,500 employees - corresponding to the SBA's definition of "small business"³ - could be exempt from reporting requirements. This exemption would be consistent with the Commission's goal to "not increase" its reporting requirements,⁴ and to minimize the costs imposed on small LECs.⁵

² NPRM para. 11.

³ See id. app. D, sec. III.

⁴ Id. para. 15.

⁵ Id. para. 29.

ATTACHMENT A

RURAL LOCAL EXCHANGE CARRIERS

Arlington Telephone Company
Armour Independent Telephone Co.
Beresford Municipal Telephone Company
Big Sandy Telecom Inc.
Bridgewater-Canistota Telephone Co.
China Telephone Co.
Chouteau Telephone Company
Clarks Telecommunications Co.
Columbine Telecom Company
Consolidated Telco, Inc.
Consolidated Telephone Company
C-R Telephone Company
Eastern Nebraska Telephone Company
Ellensburg Telephone Company
Fremont Telecom
Great Plains Communications, Inc.
K & M Telephone Company, Inc.
Kadoka Telephone Co.
Kennebec Telephone Company, Inc.
Maine Telephone Co.
Northeast Nebraska Telephone Company
Northland Telephone Company of Maine, Inc.
Odin Telephone Exchange Inc.
Peoples Mutual Telephone Company
RC Communications, Inc.
Roberts County Telephone Cooperative Association
Rock County Telephone Company
Sidney Telephone Company
Southeast Nebraska Telephone Company
Standish Telephone Co.
Stanton Telecom, Inc.
Sunflower Telephone Company Inc.
The Blair Telephone Company
The Columbus Grove Telephone Company
The El Paso Telephone Company
The Nebraska Central Telephone Company
The Orwell Telephone Company
Union Telephone Company of Hartford
Western Iowa Telephone Association
YCOM Networks