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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)

Common Carrier Bureau Seeks Comment on)
Proposed Streamlined ARMIS 43-04)
(Jurisdictional Separations) Report)

CC Docket No. 80-286

**COMMENTS
OF THE
UNITED STATES TELECOM ASSOCIATION**

The Commission's recent decision adopting the recommendation of the Federal-State Joint Board to impose an interim freeze of certain jurisdictional cost categories and allocation factors provides a perfect opportunity to streamline the current separations reporting requirements.¹ USTA strongly supports the efforts of the Common Carrier Bureau to eliminate reporting of items that are no longer required based on the freeze.² In fact, the Commission's proposal here provides an opportunity to address additional streamlining and consolidation of the ARMIS reports. These reports have outlived their usefulness and the information collected is not required to meet the Commission's statutory obligations under the Telecommunications Act of 1996. Less burdensome and less costly alternatives should be employed.

First, all mid-sized incumbent LECs should be relieved of all ARMIS reporting requirements. As USTA has stated previously, the Commission has already concluded that mid-

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LIST A B C D E

¹ Common Carrier Bureau Seeks Comment on Proposed Streamlined ARMIS 43-04 (Jurisdictional Separations) Report, Public Notice, DA 01-1496 (rel. June 22, 2001).

² The United States Telecom Association (USTA) is the nation's oldest trade association for the local exchange carrier (LEC) industry. USTA represents more than 1,200 telecommunications companies worldwide that provide a full array of voice, data and video services over wireline and wireless networks. Among USTA's members are those incumbent LECs subject to the Automated Reporting and Information Management System (ARMIS) requirements, most of which are no longer relevant in today's competitive communications environment.

sized LECs qualify for reduced regulation based on the different needs and circumstances of these carriers.³

Second, as recommended by USTA, the ARMIS reports 43-01, 43-02 (Schedules B1 and B11), 43-03 and 43-04 should be consolidated into a single report at an operating telephone company level.⁴ This step alone would reduce the number of pages to be filed from 191 to five, reduce the Part 69 reporting categories currently contained in the 43-01 from sixteen to six and employ a Class B level of detail that is more consistent with the streamlining proposed by the Commission for the Phase 2 accounting requirements.⁵ As originally proposed by USTA, the consolidated report would contain four Tables: Statement of Income, Balance Sheet, Separations and Access and Statistical/Price Cap Data. However, USTA noted that if the Commission adopted a separations freeze, the Separations and Access Table would no longer be necessary.

The format would be consistent with the 43-01 report. The consolidated report would eliminate cash flow information that is already available from existing external reports, the demand data from Table 2 of the 43-01 that is already available in the Tariff Review Plan process, streamline the 43-02 and eliminate the 495 A and B reports. This change would substantially reduce the volume and complexity of the current ARMIS financial reports and significantly minimize the reporting burden by eliminating much of the current duplicative reporting requirements.

Third, within the context of the Bureau's proposal, USTA recommends the following revisions to provide additional simplification:

³ Comments of USTA, CC Docket No. 00-199, Dec. 21, 2000.

⁴ *Id.* See also, USTA Reply Comments filed Jan. 30, 2001 and *Ex Parte* Letter filed June 9, 2000.

⁵ Commission Seeks Further Comment in Phase 2 of the Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers, Public Notice, DA 01-1403 (rel. June 8, 2001).

- Eliminate lines 9001 through 9009 in the proposed report. The data in these lines is currently reported to NECA and most of it is included in the Universal Service Monitoring Report. The Monitoring Report contains information necessary to monitor the impact of the various universal service support mechanisms as well as the contribution mechanisms. It incorporates data from several sources including NECA and the Universal Service Administrative Corporation (USAC). It is the most appropriate source for comprehensive universal service data.
- By adding three additional columns to the proposed report, Total, Nonregulated and Adjustments, the Commission could eliminate the 43-01 report. This would be a significant step toward simplification and provide much-needed administrative relief from burdensome, duplicative and unnecessary regulation.
- The proposed column “c” should be labeled “non-interstate” instead of “state”. Renaming this column will avoid confusion since the data does not reflect actual state results. In order to provide actual state results, additional calculations must be performed based on specific state requirements.

Finally, the Commission should take this opportunity to eliminate the “local calls” column on the 43-08 report. A special study is required to calculate local calls volumes based on dial equipment minutes identified in the Part 36 separations process. As a result of the adoption of the separations freeze, this study will also be frozen. Since the values will be available for the year 2000 reporting period, reporting carriers should no longer be required to continue to report the same information on future ARMIS reports.

The Commission's decision to impose an interim freeze of certain separations cost categories and allocation factors should result in a reduction of reporting requirements imposed on certain incumbent LECs. The Bureau should take this opportunity to simplify and/or eliminate all of the reports that are no longer required.

Respectfully submitted,

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