

January 8, 2002

**NOTICE OF *EX PARTE*
PRESENTATION**

Magalie Roman Salas
Secretary
Federal Communications Commission
445 – 12th Street, SW, Room TW A325
Washington, DC 20554

Re: *2000 Biennial Regulatory Review – Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2 (Phase 2 Order)*
CC Docket No. 00-199

Dear Ms. Salas:

The attached written *Ex Parte* Presentation, in the above-referenced proceeding, was submitted to Mr. Clifford M. Rand, Deputy Division Chief, Accounting Safeguards Division, Common Carrier Bureau, on January 8, 2002. In accordance with Commission Rule 1.1206(b)(1),¹ this Notice and the referenced *Ex Parte* Presentation are being filed with you electronically. Should you have questions, please contact me at (202) 326-7300.

Sincerely,

Lawrence E. Sarjeant
Vice President - Law
and General Counsel

attachment

cc: Clifford M. Rand

¹ 47 C.F.R. § 1.1206(b)(1).

January 8, 2002

EX PARTE PRESENTATION

Clifford M. Rand
Deputy Division Chief
Accounting Safeguards Division, CCB
Federal Communications Commission
445 – 12th Street, SW, Room 6 C464
Washington, DC 20554

Re: *2000 Biennial Regulatory Review – Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2 (Phase 2 Order)*
CC Docket No. 00-199

Dear Mr. Rand:

The United States Telecom Association wishes to express its appreciation, on behalf of its members, for the time that the Accounting Safeguards Division staff has spent considering industry suggestions for streamlining incumbent local exchange carrier (ILEC) accounting and reporting requirements. Below are two items for which the ILEC industry would like to provide additional information for Federal Communications Commission (Commission) consideration.

Item 1 – Account 3400 The industry greatly supports the Commission's desire to eliminate accounting details that are no longer necessary. The *Phase 2 Order* no longer requires the Class B Account 3400. However, the Class B companies are now ordered to implement a Class A account, Account 3410, but for only a portion of what was in Account 3400. The revised rules map the remaining portion of what used to be in Account 3400 (leasehold improvements) to Account 2682, which is also a Class A account. Rather than require Class B companies to implement Class A accounts, both Class B and Class A USTA members believe that retaining the 3400 account at this time would be a simpler solution.

Item 2 – ARMIS 43-04 The industry applauds the streamlining that has been adopted for the ARMIS 43-04 report. Effective April 1, 2003, Class B mid-size companies will no longer need to report any ARMIS 43-04 information; however, the *Phase 2 Order* requires these companies to make system changes to their ARMIS processes in order to file this report on April 1, 2002. Since the Commission has determined that it is no longer necessary for mid-size companies to report this information, USTA believes that it was not the Commission's intent to burden these companies with streamlining modifications and would request that the Commission consider not requiring Class B mid-size companies to file the ARMIS 43-04 on April 1, 2002.

Clifford M. Rand
January 8, 2002
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Thank you for your consideration. Should you have questions concerning the two items discussed in this presentation, please do not hesitate to contact me at (202) 326-7300.

Sincerely,

Lawrence E. Sarjeant
Vice President - Law
and General Counsel