

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of )  
 )  
The Pay Telephone Reclassification and ) CC Docket No. 96-128  
Compensation Provisions of the )  
Telecommunications Act of 1996 )

**MOTION FOR EXTENSION OF TIME**

McLeodUSA Telecommunications Services, Inc. (“McLeodUSA”), through its undersigned counsel and pursuant to Section 1.46 of the Commission’s Rules, 47 C.F.R. § 1.46, hereby requests an extension of time to file a Systems Audit Report as required by Section 64.1320(f) of the Commission’s rules and the Report and Order released in *The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, FCC 03-235, CC Docket No. 96-128 (rel. October 3, 2003) (“*Report and Order*”). Specifically, McLeodUSA seeks a 60-day extension, until September 1, 2005, of the July 1, 2005 reporting deadline.<sup>1</sup> In addition, McLeodUSA respectfully requests the Commission accept this late-filed motion for the reasons stated herein.<sup>2</sup>

Under the Commission’s rules, Completing Carriers were required to file a System Audit Report regarding the Completing Carrier’s compliance with section 64.1310(a)(1) on July 1, 2004.<sup>3</sup> One year after filing the System Audit Report, Completing Carriers are required to

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<sup>1</sup> The Office of Management and Budget approved the Commission’ Order on May 5, 2004, which set the July 1, 2004 reporting deadline. *See* OMB No. 3060-1046 and *The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, Report and Order, FCC 03-235, CC Docket No. 96-128 (rel. October 3, 2003). Subsequent annual reporting deadlines are triggered by this July 1, 2004 date.

<sup>2</sup> 47 C.F.R. § 1.46 requires a motion for an extension of time to be filed seven days before the filing deadline.

<sup>3</sup> *See* 47 C.F.R. § 64.1320(b).

engage an independent third party auditor to: (1) verify that no material changes have occurred concerning the Completing Carrier's compliance with the criteria of the prior year's System Audit Report; or (2) if a material change has occurred concerning the Completing Carrier's compliance with the prior year's System Audit Report, verify that the material changes do not affect compliance with the audit criteria . . . .<sup>4</sup>

For the annual audit requirement, the Commission envisioned a streamlined process whereby the Completing Carrier would represent that no material changes have occurred and the auditor could verify the accuracy of such statement.<sup>5</sup> The Commission recognized, however, that such a streamlined process would only apply after the initial System Audit Report was filed.<sup>6</sup>

On July 30, 2004, McLeodUSA filed its initial System Audit Report with the Commission.<sup>7</sup> The audit was performed by Deloitte & Touche LLP ("Deloitte"), an independent third-party auditor. McLeodUSA has reengaged Deloitte to perform the annual audit. However, due to a miscommunication between the parties, the audit has not yet been completed.

There is good cause to grant an extension of time. Currently, McLeodUSA has an audited call tracking system in place and has been making timely compensation payments to PSPs and submitting the required call reports to PSPs on a quarterly basis. No PSP will be harmed by the delay in McLeodUSA's submission of its annual System Audit Report. McLeodUSA already has an audited payphone tracking system in place, does not have any material changes to the system, and does not anticipate the verification will require significant time. Therefore, McLeodUSA is requesting a filing deadline of September 1, 2005.

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<sup>4</sup> 47 C.F.R. § 64.1320(f).

<sup>5</sup> *Report and Order*, fn. 120.

<sup>6</sup> *Id.*

<sup>7</sup> On June 21, 2004, McLeodUSA, through its counsel, filed for an extension of time to file its System Audit Report by July 31, 2004.

To the extent necessary, McLeodUSA requests a waiver of any late filing penalty set out in the October 2003 Order.<sup>8</sup> McLeodUSA submits that no one will be harmed by the late-filed Systems Audit Report. As explained above, McLeodUSA already operates an audited call tracking and payment system that ensures that PSPs are properly compensated. In fact, McLeodUSA has been making payments and submitting reports to PSPs in accordance with the Commission's rules. Thus, the Commission should waive any penalty.

McLeodUSA has attempted in good faith to meet the July 1, 2005 deadline; however, for the reasons described herein, McLeodUSA requires additional time. Accordingly, McLeodUSA hereby respectfully requests a 60-day extension of the reporting deadline, until September 1, 2005, to submit the Systems Audit Report in accordance with the Commission's rules.

Respectfully submitted,



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Dated: July 12, 2005

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<sup>8</sup> The Commission stated that "the current base penalty for failure to file required forms or information with the Commission is \$3,000." FCC 03-235 at ¶ 44.