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January 24, 2001

The Honorable John McCain
Chairman
The Honorable Ernest F. Hollings
Ranking Member
Committee on Commerce, Science, and Transportation
United States Senate

The Honorable Billy Tauzin
Chairman
The Honorable John D. Dingell
Ranking Minority Member
Committee on Energy and Commerce
House of Representatives

Subject: Federal Communications Commission: Promotion of Competitive Networks
in Local Telecommunications Markets

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Federal Communications Commission (FCC), entitled: "Promotion of Competitive Networks in Local Telecommunications Markets" (WT Docket No. 99-217; CC Docket No. 96-98; CC Docket No. 88-57; FCC 00-366). We received the rule on November 27, 2000. It was published in the Federal Register as a final rule on January 11, 2001. 66 Fed. Reg. 2322.

The final rule implements measures to ensure that competing telecommunications providers are able to provide service to customers in multiple tenant environments.

Enclosed is our assessment of the FCC's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review indicates that the FCC complied with the applicable requirements.

If you have any questions about this report, please contact James W. Vickers, Assistant General Counsel, at (202) 512-8210. The official responsible for GAO evaluation work relating to the subject matter of the rule is John Anderson,

Managing Director, Physical Infrastructure. Mr. Anderson can be reached at (202) 512-2834.

Kathleen E. Wannisky
Managing Associate General Counsel

Enclosure

cc: Ms. Diane Cornell
Associate Bureau Chief
Wireless Telecommunications Bureau
Federal Communications Commission

ENCLOSURE

ANALYSIS UNDER 5 U.S.C. § 801(a)(1)(B)(i)-(iv) OF A MAJOR RULE
ISSUED BY THE
FEDERAL COMMUNICATIONS COMMISSION
ENTITLED
"PROMOTION OF COMPETITIVE NETWORKS IN
LOCAL TELECOMMUNICATIONS MARKETS"
(WT DOCKET NO. 99-217; CC DOCKET NO. 96-98;
CC DOCKET NO. 88-57; FCC 00-366)

(i) Cost-benefit analysis

The FCC is not required to prepare and did not prepare a cost-benefit analysis for the final rule.

(ii) Agency actions relevant to the Regulatory Flexibility Act, 5 U.S.C. §§ 603-605, 607, and 609

The FCC prepared both an Initial Regulatory Flexibility Analysis and a Final Regulatory Flexibility Analysis in connection with the proposed rulemaking and the final rule, respectively.

The analyses comply with the requirements of the Act, including the reasons and legal basis for the rule, a description and number of the small entities affected by the rule, and the steps taken to minimize the impacts on small entities.

The FCC does not anticipate that the final rule will have a significant adverse economic impact on small entities but expects that small communications carriers that previously were unable to serve customers in multiple tenant environments may now be able to do so.

Following the Initial Regulatory Flexibility Analysis, the Small Business Administration commented that the FCC had not proposed a sufficient number of alternatives to minimize the impact on small entities. The FCC responded that it had proposed one definitional issue and one possible exception to assist small entities and that the Act does not require a discussion of a minimum of four alternatives for each of the possibly affected entities.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

As an independent regulatory agency, the FCC is not subject to the Unfunded Mandates Reform Act of 1995.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 et seq.

The final rule was issued using the notice and comment procedures contained at 5 U.S.C. 553. On August 2, 1999, the FCC published a Notice of Proposed Rulemaking in the Federal Register. 64 Fed. Reg. 41887. The FCC received 438 formal comments and 252 reply comments on the proposed rule, which are discussed in the preamble.

Paperwork Reduction Act, 44 U.S.C. §§ 3501-3520

The final rule contains information collections that are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act. The preamble to the final rule contains the information required to be submitted to OMB. The estimated burden of the collections is 571,350 hours annually at an estimated annual cost of \$11,427,000.

Statutory authorization for the rule

The final rule is promulgated under the authority of sections 1, 2(a), 4(j), 4(i), 7, 201, 202, 205, 221, 224, 251, 303, and 405 of the Communications Act of 1934, as amended, 47 U.S.C. 151, 152(a), 154(i), 154(j), 157, 201, 202, 205, 221, 224, 251, 303, and 405.

Executive Order No. 12866

As an independent regulatory agency, the FCC is not subject to the review requirements of the order.