within 180 days of public notice of Commission approval. In addition, this notification must occur no later than 30 days after consummation. If parties fail to consummate and notify the Commission within 180 days, or fail to request an extension within the 180 day period, approval of the transfer or assignment will automatically be rescinded.

We conclude that the rule we adopt today will relieve substantial administrative burdens on licensees and the Commission staff by eliminating the need for parties to request extensions of time in all but the rarest circumstances. Because most extension requests are routinely granted, this general extension of the time to consummate transactions will not harm the public interest. Based on our experience, we believe 180 days will be enough time to permit most parties to complete their transactions, and that this time frame is short enough to reasonably ensure that the facts on which the Commission's approval is based will not have changed significantly before the transaction is consummated. At the same time, the requirement that notification occur no later than 30 days after consummation will ensure that ownership information in the Commission's databases remains up to date. We note that this 30-day period is the same amount of time given where transfers and assignments do not require prior Commission approval. We also note that this rule change does not modify our authority to impose additional consummation and notification requirements on specific transactions. For example, it has been our practice to require licensees participating in the Commission's installment payment plan to be current in their payments. Thus, prior to consummation, the transferor or assignor continues to be obligated to meet all payment deadlines. Furthermore, prospective transferees or assignees of licenses subject to installment payments may be required to provide signed loan documents to the Commission prior to consummation of the transaction.

Accordingly, *It is ordered* that, pursuant to section 4(i) of the Communications Act, as amended, 47 U.S.C. 154(i), and section 553(b)(3)(A) of the Administrative Procedure Act, 5 U.S.C. 553(b)(3)(A), § 1.948(d) of the Commission's rules, 47 CFR 1.948(d), is amended as described.

This Order is effective upon publication in the **Federal Register**. As a result, the new rule will apply to all transfers and assignments that are pending or have been approved, but not consummated, at the time of, and after, **Federal Register** publication.

List of Subjects in 47 CFR Part 1

Administrative practice and procedure.

Magalie Roman Salas,

Secretary.

For the reasons set forth in the preamble, amend part 1 of title 47 of the Code of Federal Regulations as follows:

PART 1—PRACTICE AND PROCEDURE

1. The authority citation for part 1.948 continues to read:

Authority: 47 U.S.C. 151, 154(i), 154(j), 155, 225, 303(r), 309.

§ 1.948 [Amended]

2. Revise § 1.948(d) to read as follows:

* * * * *

(d) *Notification of consummation.* In all Wireless Radio Services, licensees are required to notify the Commission of consummation of an approved transfer or assignment using FCC Form 603. The assignee or transferee is responsible for providing this notification, including the date the transaction was consummated. For transfers and assignments that require prior Commission approval, the transaction must be consummated and notification provided to the Commission within 180 days of public notice of approval, and notification of consummation must occur no later than 30 days after actual consummation, unless a request for an extension of time to consummate is filed on FCC Form 603 prior to the expiration of this 180-day period. For transfers and assignments that do not require prior Commission approval, notification of consummation must be provided on FCC Form 603 no later than 30 days after consummation, along with any necessary updates of ownership information on FCC Form 602.

* * * * *

[FR Doc. 99–29783 Filed 11–15–99; 8:45 am]

BILLING CODE 6712–01–P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 54

[CC Docket No. 96–45; FCC 99–256]

Federal-State Joint Board on Universal Service

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: This document concerning the Federal-State Joint Board on Universal Service reconsider the Commission's conclusion in the Universal Service Order that only eligible telecommunications carriers may be credited by the Universal Service Administrative Company (USAC) for serving eligible rural health care providers pursuant to section 254(h)(1)(A) of the Communications Act of 1934, amended. It concludes that all telecommunications carriers that provide supported services to eligible rural health care providers at a discount, pursuant to section 254(h)(1)(A), are entitled to have the total amount of the discount treated as a contribution to the preservation and advancement of universal service.

DATES: Effective November 16, 1999.

FOR FURTHER INFORMATION CONTACT: Linda P. Armstrong, Assistant Division Chief, Common Carrier Bureau, Accounting Policy Division, (202) 418–7400.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Fourteenth Order on Reconsideration in CC Docket No. 96–45 released on November 3, 1999. The full text of this document is available for public inspection during regular business hours in the FCC Reference Center, Room CY–A257, 445 Twelfth Street, SW, Washington, DC, 20554.

I. Introduction

1. In this Order, we reconsider the Commission's conclusion in the *Universal Service Order*, 62 FR 32862 (June 17, 1997), that only eligible telecommunications carriers (ETCs) may be credited by the Universal Service Administrative Company (USAC) for serving eligible rural health care providers pursuant to section 254(h)(1)(A) of the Communications Act of 1934 (Act), as amended. We find that the Commission's initial interpretation of section 254(h)(1)(A) was too narrow, and that the record compels us to reconsider our earlier interpretation. We conclude that all telecommunications carriers that provide supported services to eligible rural health care providers at a discount, pursuant to section 254(h)(1)(A), are entitled to have the total amount of the discount treated as a contribution to the preservation and advancement of universal service. Accordingly, we direct USAC to apply, as a credit against a carrier's universal service contribution obligation, the amount equal to the difference between the lower, urban rate that a carrier charges eligible health care providers for supported telecommunications services

and the higher, rural rates that would normally be charged to these customers. In addition, a telecommunications carrier may request reimbursement if its total universal service credit exceeds its contribution obligation.

2. We emphasize that an entity must be a ''telecommunications carrier'' in order to be able to use discounted service to satisfy its obligation to contribute to universal service. We also reiterate that universal service support is available to reduce the cost of the distance-based component of services that are based on a unit of distance, such as mileage-based charges under section 254(h)(1)(A). We, therefore, direct USAC to treat the requests for support from eligible health care providers receiving telecommunications service from non-ETCs, the same as it treats those from health care providers receiving telecommunications service from ETCs.

II. Telecommunications Carriers Providing Services Pursuant to Section 254(h)(1)(A)

A. Discussion

3. In light of the record developed by USAC, OAT, and other parties regarding the impact of the Commission's interpretation of section 254(h)(1)(A), and facts that were not apparent at the time the Commission adopted the *Universal Service Order*, we reconsider the Commission's initial interpretation of this section of the statute. Our initial interpretation of section 254(h)(1)(A) was based on the statutory language in the context of section 254 as a whole. After taking a fresh look at the statutory language, and considering the arguments set forth in the record, however, we conclude that the Commission read the statute too narrowly when it concluded that ETCs are the only class of telecommunications carriers that may receive any credit against their universal service contribution obligations in exchange for serving rural health care providers at discounted rates. The new interpretation we adopt in this Order fully comports with the language and the structure of the statute.

4. Section 254(h)(1)(A) requires that ''a telecommunications carrier shall'' serve rural health care providers ''at rates that are reasonably comparable to rates charged for similar services in urban areas in that State.'' Thus, section 254(h)(1)(A) imposes a service obligation on *all* telecommunications carriers, not just ETCs. Our rules already reflect this statutory requirement. Section 254(h)(1)(A) further states that ''[a] telecommunications carrier providing service under this paragraph *shall be entitled* to have an amount equal to the difference, if any,'' between the urban and rural rates ''treated as a part of its obligation to participate in the mechanisms to preserve and advance universal service.'' The Commission initially believed that there is some tension between this statement, which seems to indicate that *all* carriers providing discounts to rural health care providers are entitled to be credited for those discounts pursuant to the mechanism established by section 254(h)(1)(A), and section 254(e), which limits the payment of specific federal universal service support to ETCs. In the *Universal Service Order*, the Commission read section 254(e) as the overriding command, thus concluding that only ETCs should ''be eligible to receive support'' for providing discounted services to rural health care providers. Upon reexamination, however, we now conclude that all carriers required to provide discounts are also entitled to have these ''in kind'' contributions recognized as contributions to universal service, and these ''in kind'' contributions may be used to reduce or otherwise satisfy a carrier's obligation to contribute to universal service. We also conclude that acknowledging a telecommunications carrier's contribution in this fashion is not the same as giving a carrier ''specific Federal universal service support,'' and, therefore, is not a violation of section 254(e).

5. The statute is unambiguous in requiring that *all* carriers provide discounts to rural health care providers upon request. Some parties apparently believe that only ETCs are required to provide discounts to rural health care providers, but that view is contradicted by the clear requirement of section 254(h)(1)(A) that ''a telecommunications carrier shall'' provide such discounts. The Commission's original interpretation, we now realize, would lead to the untenable conclusion that, although all carriers must provide discounts, only some of them will have the full value of those discounts recognized as contributions to the preservation and advancement of universal service.

6. The evidence in the record indicating that rural health care providers have had to rely upon non-ETCs for the services that they require highlights this problematic result. For example, OAT notes that in parts of Alaska, Arizona, and the Pacific Basin the carriers designated as ETCs are incapable of providing certain eligible telecommunications services that the health care providers need for the provision of health care services. Several commenters contend that, in some rural areas, only interexchange carriers, which will not generally be designated as ETCs, are capable of offering advanced services such as T–1 or fractional T–1 bandwidth connections. These comments emphasize that our existing rules create an anomaly: ETCs are the only carriers that can be credited for serving eligible health care providers at discounted rates, but these carriers often are incapable of providing the services that are ''necessary for the provision of health care.''

7. We agree with the suggestion of the State of Alaska that the restriction in section 254(e) that limits the receipt of ''specific Federal universal service support'' to ETCs is distinguishable from the provision in section 254(h)(1)(A). Section 254(h)(1)(A) refers not to receipt of support, but to having the amount of the discount ''treated as a service obligation.'' We interpret ''treated as a service obligation'' to mean that the value of any discount given is treated in the same manner as a cash payment into the universal service fund. In other words, we believe that, pursuant to section 254(h)(1)(A), a carrier may contribute to universal service either in cash or in kind, with the in kind contribution being *via* the provision of telecommunications services at reduced rates. Accordingly, if a carrier satisfies its obligation to contribute to universal service by providing telecommunications service at the urban rate to a RHCP, crediting the carrier for the full amount of the discount it provides acknowledges this as a form of payment of the carrier's contribution obligation, consistent with section 254(h)(1)(A), as it is not reasonably viewed as giving the carrier ''specific Federal universal service support.'' Viewed in this way, section 254(e) does not prevent a non-ETC from receiving full credit for its compliance with the requirements of the statute.

8. Section 254(h)(1)(A) provides that each carrier ''shall be entitled to have an amount Equal to the difference, if any,'' between the urban and rural rates ''treated as a part of its obligation to participate in the mechanisms to preserve and advance universal service.'' Thus, we believe we must ensure that every carrier providing discounted service to RHCPs is in some way given credit for the full value of this contribution to universal service. In order to do this, we conclude that each carrier should first be entitled to an offset against its assessed universal service contribution amount. In the event that the value of its ''service

obligation'' exceeds the amount of its required contribution, we conclude that we should refund the difference to the carrier. Such refunds, as noted, would satisfy the carrier's entitlement to have the value of the discount treated as a service obligation; it would not constitute the receipt of specific universal service support. Given the specific statutory obligation to provide discounts, coupled with the specific statutory entitlement to have the value of those discounts treated as universal service contributions, we believe that both offsets, and refunds where necessary, are required in order to satisfy the requirements of section 254(h)(1)(A).

9. We recognize, as we did in our earlier order, that section 254(h)(1)(B), which addresses discounts provided to schools and libraries, provides an explicit exemption from section 214(e), while section 254(h)(1)(A) does not. We nevertheless conclude, as discussed, that no such explicit exemption is necessary in order to implement the offsets and refunds, where necessary. As to offsets, we note that section 254(h)(1)(B) provides for offsets (which we have always interpreted as applying to all carriers) without providing an exemption from section 214(e), offering further evidence that offsets do not constitute the receipt of specific federal universal service support. As to reimbursement, the schools and libraries provision does provide an exemption from 214(e), which raises the issue of whether refunds to non-ETCs pursuant to the RHCP provisions would require a similar exemption. We conclude, however, that no such exemption is necessary.

10. We note first that sections (A) and (B) differ in their description of how carriers will be credited for their contributions made in the form of discounts. Section (B) refers to reimbursement ''utilizing the [universal service] mechanisms,'' but section (A) contains no parallel language, referring instead to the amount of the discount being ''treated as a service obligation.'' And given the directive that carriers ''shall be entitled'' to have the amount of discounts treated as a service obligation, we believe that it would contravene the language and intent of the statute to prohibit some non-ETC carriers from receiving full credit for their participation. Refunds in such instances serve effectively as simply a return of overpayment of a carrier's universal service obligation, rather than as receipt of universal service support, making an exception to section 254(e) unnecessary.

11. The record supports the conclusion that the Commission's initial interpretation of section 254(h)(1)(A) produces results that are inconsistent with the statutory goals. It is a well-settled rule of statutory construction that the plain language of a statute must not be applied in a manner that produces results that are inconsistent with the clear intent of Congress. To the extent that a statutory provision is reasonably subject to more than one interpretation, we must choose the one that produces results most consistent with the underlying statutory purpose. We agree with the parties who argue that it is ''counterproductive'' to the 1996 Act's goal of competition to permit only ETCs to receive support for serving health care providers. The Secretary of Health and Human Services previously observed that ''[i]f these additional [non-eligible] providers cannot provide discounted service, there will be no price competition in most rural areas.'' USAC and several of the commenters have since documented the lack of significant competition, and the negative impact that it has had on the competitive bidding process and the RHCPs' ability to select the most cost effective method of satisfying their telecommunications service needs. We concur with the State of Alaska that the effects of our original interpretation have been contrary to Congress's intent ''to expand the availability of telemedicine throughout the Nation.'' Accordingly, we conclude that any telecommunications carrier may take advantage of the mechanism found in section 254(h)(1)(A) when it provides telecommunications services at urban rates to health care providers located in rural areas. Our decision today will increase the effectiveness of the competitive bidding process, and assist RHCPs in getting affordable access to modern telecommunications services. As we noted, we are persuaded that the statutory interpretation is consistent with the language of the statute and achieves the statutory goals of section 254 more completely than did the Commission's initial interpretation. We simply find no sound policy basis to support an interpretation that would obligate all carriers to contribute, yet create arbitrary distinctions between ETCs and non-ETCs, and between those whose contributions are greater or lesser than their obligations, when it comes time to acknowledge those contributions.

III. Eligible Telecommunications Services

12. It is important to note that we are not, in this Order, altering the scope of services that eligible rural health care providers will be able to purchase at urban rates. We reiterate that interLATA toll charges will not be supported by universal service support mechanisms, with the limited exception of the support available pursuant to section 254(h)(2) for toll charges incurred by accessing an Internet service provider. Although IXCs, which might not be ETCs, can benefit from the service obligation mechanism of section 254(h)(1)(A) when they serve eligible health care providers, we do not expand the category of supported services to include interLATA toll charges. The distance-based component of services that are supported must be based on a unit of distance, such as mileage-based charges; no per-minute, interLATA toll charges are supported under section 254(h)(1)(A). Because the rates charged for dedicated connections are generally mileage-based, dedicated connections, such as a dedicated T–1 connection between a rural health care provider and an urban hospital, will be supported.

V. Supplemental Final Regulatory Flexibility Analysis

13. In compliance with the Regulatory Flexibility Act (RFA), this Supplemental Final Regulatory Flexibility Analysis (SFRFA) supplements the Final Regulatory Flexibility Analysis (FRFA) included in the *Universal Service Order*, only to the extent that changes to that Order adopted here on reconsideration require changes in the conclusions reached in the FRFA. As required by section 603 RFA, 5 U.S.C. 603, the FRFA was preceded by an Initial Regulatory Flexibility Analysis (IRFA) incorporated in the Notice of Proposed Rulemaking and Order Establishing the Joint Board (NPRM), and an IRFA, prepared in connection with the Recommended Decision, which sought written public comment on the proposals in the NPRM and the Recommended Decision.

A. Need for and Objectives of this Order

14. The Commission is required by section 254 of the Communications Act of 1934, as amended by the 1996 Act, to promulgate rules to implement properly the universal service provisions of section 254. On May 8, 1997, the Commission adopted rules whose principle goal is to reform our system of universal service support mechanisms so that universal service is preserved and advanced as markets move toward competition. In this Order, we reconsider one aspect of those rules. In order to permit all telecommunications carriers that provide telecommunications services to

health care providers pursuant to section 254(h)(1)(A) to have their contributions treated as part of their obligation to participate in the mechanisms to preserve and advance universal service, we reconsider our initial conclusion that only telecommunications carriers designated as ''eligible'' pursuant to section 254(e) can receive a credit against their universal service contribution obligation for providing services at lower, urban rates to rural health care providers.

B. Summary and Analysis of the Significant Issues Raised by Public Comments in Response to the IRFA

15. No party commented in response to either IRFA on the issues addressed in this *Order*.

C. Description and Estimates of the Number of Small Entities to Which the Rules Adopted in This Order will Apply

16. In the FRFA at paragraphs 890 through 925 of the *Universal Service Order*, we described and estimated the number of small entities that would be affected by the new universal service rules. The rules adopted herein may apply to the same entities affected by the universal service rules. We therefore incorporate by reference paragraphs 890 through 925 of the *Universal Service Order*.

D. Summary Analysis of the Projected Reporting, Record keeping, and Other Compliance Requirements and Significant Alternatives

17. In the FRFA to the *Universal Service Order*, we described the projected reporting, Record keeping, and other compliance requirements and significant alternatives associated with the Carrier Eligibility and Health Care Provider sections of the *Universal Service Order*. Because the rules adopted herein may only affect those requirements in a marginal way, we incorporate by reference paragraphs 938 through 942 and 968 through 976 of the *Universal Service Order,* which describe those requirements and provide the following analysis of the new requirements adopted herein.

18. Under the rules adopted herein, we eliminate the requirement that a telecommunications carrier must be an eligible telecommunications carrier under § 54.201(a)(3) of the Commission's rules in order to receive a credit against its universal service contribution obligation for serving eligible health care providers. This revision will benefit health care providers by expanding the category of telecommunications carriers that can benefit from universal service support mechanisms, and, thus, promote competition among carriers serving eligible health care providers. As a result of this rule change, health care providers are likely to receive multiple bids for the supported services they request through the competitive bid process set forth in § 54.603 of the Commission's rules.

E. Steps Taken to Minimize the Significant Economic Impact on a Substantial Number of Small Entities Consistent with Stated Objectives

19. In the FRFA to the *Universal Service Order,* we described the steps taken to minimize the significant economic impact on a substantial number of small entities consistent with stated objectives associated with the Carrier Eligibility and Health Care Provider Sections of the *Universal Service Order.* Because the rules adopted herein may only affect those requirements in a marginal way, we incorporate by reference paragraphs 938 through 942 and 968 through 976 of the *Universal Service Order,* which describe those requirements and provide the following analysis of the new rules adopted.

20. As described, our decision to modify our rules to permit all telecommunications carriers that service eligible health care providers pursuant to section 254(h)(1)(A) of the Act and §§ 54.601 through 54.625 of the Commission's rules will promote competition among telecommunications carriers serving eligible health care providers and, thus, will offer health care providers, which are likely to be small entities, the services they require for the provision of health care services.

VI. Ordering Clauses

21. The authority contained in sections 1–4, 10, 201–202, 214, 220, and 254 of the Communications Act of 1934, as amended, 47 U.S.C. 151–154, 160, 201–202, 214, 220 and 254, and 47 CFR 1.3 and 1.103, this order is adopted and CFR part 54 is adopted. The requirements adopted in this order shall be effective immediately upon publication in the **Federal Register**. They shall be applied prospectively to all future commitments of support for the benefit of rural health care providers, including all pending applications.

22. It is further ordered that the rule changes are effective immediately upon publication in the **Federal Register**. The rule changes adopted here will be applied prospectively to all future commitments of support for the benefit of rural health care providers, including all pending applications.

List of Subjects in 47 CFR Part 54

Universal service.

Federal Communications Commission.

William F. Caton,

Deputy Secretary.

Rule Changes

Part 54 of Title 47 of the Code of Federal Regulations is amended as follows:

PART 54—UNIVERSAL SERVICE

1. The authority for part 54 continues to read as follows:

Authority: 47 U.S.C. 1, 4(i), 201, 205, 214, and 254 unless otherwise noted.

2. Amend § 54.201(a) by revising paragraph (a)(3) to read as follows:

§ 54.201 Definition of eligible telecommunications carriers, generally.

(a) * * *

(3) This paragraph does not apply to offset or reimbursement support distributed pursuant to subpart G of this part.

* * * * *

3. Revise § 54.621 to read as follows:

§ 54.621 Access to advanced telecommunications and information services.

Each eligible health care provider that cannot obtain toll-free access to an Internet service provider shall be entitled to receive the lesser of the toll charges incurred for 30 hours of access per month to an Internet service provider or $180 per month in toll charge credits for toll charges imposed for connecting to an Internet service provider.

[FR Doc. 99–29978 Filed 11–12–99; 12:49 pm]

BILLING CODE 6712–01–P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 73

[MM Docket No. 91–221, 87–8; FCC 99–343]

Review of the Commission's Regulations Governing Television Broadcasting; Television Satellite Stations Review of Policy and Rules

AGENCY: Federal Communications Commission.

ACTION: Interpretation.

SUMMARY: This document determines the procedures to be used to process applications filed pursuant to the local broadcast ownership proceeding. In that proceeding the Commission relaxed