Small Business Economic Impact Statement (SBEIS)
Docket No. UT-990146

Proposed Changes in 480-120, Telecom Rules
April 3, 2002

1. Introduction

In 1999, the Washington Utilities and Transportation Commission (Commission) initiated a review of the rules in chapter 480-120 WAC regarding telecommunications companies. The Commission initiated this review in Docket No. UT-990146 pursuant to Executive Order 97-02, which requires agencies to review existing rules for readability and content with attention being paid to clarity, intent, statutory authority, need, effectiveness, efficiency, coordination, cost, and fairness. The Commission also undertook this review to ensure that its rules reflect and support an open, competitive industry structure, because both state and federal legal barriers to telecommunications competition were removed in the mid-1990s. The Commission also conducted a general revision of the rules to analyze whether they provided the results that they were originally intended to achieve and whether the rules are consistent with laws and with appropriate and lawful policies. New rules were added to ensure clear communication of policies, processes, and procedures or to provide complete information important to regulated companies and the customers they serve.

Over the last three years, the Commission has circulated multiple rounds of draft rules and held many workshops with stakeholders to discuss draft rule language, receive comments, and explore options. The Commission's regulation of the telecommunications industry is economic regulation, and at every stage of the process, the economic impact of potential rule changes was an integral part of the Commission's analysis. In addition, the Commission on two occasions asked stakeholders to provide information on the economic impact of potential rule provisions for use in preparing a Small Business Economic Impact Statement (SBEIS). An SBEIS is intended to evaluate any disproportionate impacts of the rule-making on small businesses.

2. Regulatory Fairness Act Requirements

Administrative rules implemented by State agencies can have a disproportionate impact on small businesses, compared to large business, simply because of the size of those businesses. This disproportionate impact may affect competition, innovation, employment, economic growth, and threaten the very existence of some small businesses. Thus, the Regulatory Fairness Act, chapter 19.85 RCW, was enacted with the intent of reducing any disproportionate impact of state administrative rules on small businesses.

The Regulatory Fairness Act requires agencies to prepare an SBEIS if the proposed rule will impose "more than minor costs on businesses in an industry." An agency must then compare the costs of compliance with the proposed rule for large and small businesses within an industry, and then consider how to mitigate any disproportionate impact on small businesses. A business is categorized as "small" under the Regulatory Fairness Act if the business employs 50 or fewer employees.

3. Background

Pursuant to chapter 19.85 RCW, Staff determined that it was necessary to prepare an SBEIS for revisions to the rules in Docket No. UT-990146, as the proposed rules may impose more than minor costs on telecommunications companies operating in Washington State. However, almost all telecommunications companies operating in Washington State are not "small" businesses as defined by the Regulatory Fairness Act. Under the telecommunications laws, specifically RCW 80.04.350, a telecommunications company is considered to be "small" if it serves fewer than 2% of the state's access lines, i.e., fewer than about 80,000 access lines. Even a small telecommunications company typically has more than the 50 employees that define a "small business" under the Regulatory Fairness Act.

Because the Commission engages in economic regulation of the telecommunications industry, the economic impact of its regulation is integrated directly into its decision process. The statutory objective of the agency is to ensure that telecommunications companies offer service at prices and terms that are fair, just, reasonable, and sufficient. These terms, taken together, have come to mean that the Commission must provide regulated companies with a reasonable opportunity to earn a fair profit on their business. Rates for regulated services are based on costs and reasonable profit, so requirements that increase costs for the regulated company can ultimately lead to increased rates by that company. The ultimate impact of changes in regulations therefore falls on the customers of the regulated company more than on the regulated company itself.

Few telecommunications companies are small businesses, and the Commission's regulations primarily take the form of economic regulation. As a result of these two factors, the principal impact of Commission regulations on small business is indirect, through the rates that small businesses pay to large telecommunications companies. Small businesses are generally not affected directly by the Commission's regulations. Rather, as customers of the telecommunications companies, small businesses are affected if the Commission's rules cause a telecommunications company to change its rates, offer different services, or change the quality of its services.

Because of this large indirect effect on small businesses as customers of regulated telecommunications companies, traditional mitigation approaches to minimize disproportionate impact on small businesses are frequently not meaningful.

4. Study Procedure

The Commission considered the economic impact of potential changes to the telecommunications industry rules as an integral part of its review of the rules themselves. In each round of written and oral comments by stakeholders, economic factors were central to the public interest considerations being argued.

In addition, the Commission specifically solicited input on economic impacts at two points during the rule review process. The Commission circulated an SBEIS questionnaire in March 2001 on draft rules to require customer credits for service quality performance problems. The Commission received responses from Qwest, Verizon, and WCI Cable, none of whom are small businesses. WCI Cable said the rules would have no economic impact. Verizon said that the draft rules would cause it to incur expenses of $3.7 million to hire, train, and equip additional staff to improve service performance and cause it to incur lower revenues of $4.5 million per year in the form of service quality credits. Qwest said the draft rule would result in lower revenues of $1.5 million due to service quality credits. Qwest was unable to quantify the cost of some components of the draft rules and identified minor tariff revision and customer notification costs.

The Commission modified the service performance rules in response to concerns raised by Verizon, Qwest, and other stakeholders. The proposed rules still require customer credits when customers receive inadequate service, but the standards better match the operating practices of the regulated companies. Even at the cost levels identified by Qwest and Verizon, however, the increased expenses and reduced revenues are well under 1 percent of the companies' revenues.

The Commission issued a second SBEIS questionnaire in August 2001 soliciting input on the economic impact of all the rules being revised in Chapter 480-120 WAC. The Commission used an interactive survey form on its web site to make it easier for companies to submit cost data. Paper copies were accepted as well. The interactive SBEIS web site accepted submissions from August 24, 2001, through November 7, 2001, and again from February 14, 2002, through March 7, 2001. The Commission received a single response from a company that provides specialized E-911 services. The respondent said that the rules, as revised, would have no economic impact on its business.

It may be that companies did not respond either because they were not small businesses or because, under the cost-based methods used by the Commission to set prices, any impact of the rules would not ultimately be borne by the company itself.

This SBEIS is based primarily on the Commission's knowledge of the telecommunications industry and the policy-oriented comments of stakeholders in various workshops and written filings.

5. Conclusion

As the section-by-section analysis below shows, the economic impact of the proposed rule revisions is generally not significant for telecommunications companies in general or for small business telecommunications companies in particular. The proposed revisions make the telecommunications rules clearer and more consistent, which makes it easier for companies to comply with the rules. Outdated and monopoly-oriented provisions are eliminated or modernized. Some rules will result in additional costs for companies, but these are not significant.

PART I. GENERAL RULES	
480-120-011 Application of rules.	No substantive change. No economic impact.
480-120-015 Exemptions from rules in chapter 480-120 WAC.	No substantive change. No economic impact.
480-120-016 Additional requirements.	No substantive change. No economic impact.
480-120-017 Severability.	No substantive change. No economic impact.
480-120-019 Telecommunications performance requirements—enforcement.	The proposed change eliminates vague standards that could create uncertainty about compliance for regulated companies. This may reduce legal costs for regulated companies, and the benefit would be relatively more for small businesses.
480-120-021 Definitions.	Any substantive effect of a change in definition is analyzed with the substantive rule itself.
480-120-026 Tariffs and price lists.	No change.
480-120-028 Registration.	No change.
480-120-061 Refusing service.	The rule clarifies the circumstances in which a telecommunications company is required to provide service. The clarification reduces compliance costs. Since compliance costs are a disproportionate burden on small businesses, the changes to this rule will benefit small businesses more than other businesses.
PART II. ESTABLISHING SERVICE AND CREDIT	
480-120-102 Service offered.	No substantive change. No economic impact.
480-120-103 Local calling areas.	No substantive change. No economic impact.
480-120-104 Application for service.	The changes provide more specific requirements for filling applications for new service. The specific requirements are consistent with existing installation practices of most telecommunications companies, so there will be no economic impact. However, some telecommunications companies may be providing slower service than the proposed rule would allow. These companies may incur additional costs to improve their service delivery ability.

	Small telephone companies are as quick, or quicker, at installing new service. Therefore the cost impact of this rule change, if any, will disproportionately fall on any large businesses that have relatively slow installation performance.
480-120-105 Availability of information to consumers.	The proposed change requires companies to mail new customers information about the services they have ordered. Most companies already do this, and for those companies there will be no impact from the requirement. For a company that is not mailing information to new customers, the proposed rule will cause them to incur the cost of printing and mailing the information. These costs may be offset if the information causes customers to make fewer customer service calls, fail to understand and comply with a company's service terms, or request a free copy of the company's tariff or price list. Any such costs will probably be disproportionately large if the company is a small business, because printing and postage can be purchased more economically in large quantities. The Commission was unable to identify any mitigation measures that would preserve customer protections. However, the Commission eliminated some information elements that were included in earlier drafts, because companies said these would be more costly to include.
480-120-107 Company performance standards for installation or activation of access lines.	Subsection (1)(a) eliminates an uncertainty about whether companies could use above-standard performance in one exchange to offset below-standard in another exchange. The uncertainty is eliminated to the advantage of the regulated companies. This would reduce compliance costs, particularly for large companies that have a mix of rural and urban exchanges.

	Subsection (1)(b) is not a substantive change. Subsection (1)(c) is a new requirement to complete all access line orders within 180 days. Companies rarely take longer than 180 days to complete an order, but this requirement could increase costs for a company that would otherwise take longer. Subsection (2) clarifies the method of counting violations. It is not a substantive change. Subsection (3) provides for exceptions. It is not a substantive change. Subsection (4) exempts competitive local exchange companies, who are currently subject to the rule. This mitigation reduces compliance costs for both small and large competitive companies.
480-120-108 Installation and activation credits.	This rule requires companies to offer credits to customers when service is not installed by the promised date. It exempts any service that is subject to effective competition. It provides two methods that a company can use to calculate the credit. The rule will impose economic costs on any company that does not install service on time. This will be in the form of either reduced revenues, due to application of the credits, or increased expenses to meet commitments. The indirect impact on small businesses, as telephone customers, is to lower costs. Fewer order commitments will be missed, and in those cases where a commitment is missed the customer will receive a credit on its telephone bill. Small telecommunications companies generally have better service performance than large

	telecommunications companies. Thus the economic cost, if any, of compliance will be less for small business.
480-120-109 Missed appointment credits.	This rule requires companies to offer credits to customers when the company does not keep an installation or repair appointment. The rule will impose economic costs on any company that does not keep appointments. This will be in the form of either reduced revenues, due to application of the credits, or increased expenses to employ enough technicians to keep appointments. The indirect impact on small businesses, as telephone customers, is to lower costs. Fewer appointments will be missed, and in those cases where an appointment is missed the customer will receive a credit on its telephone bill. Small telecommunications companies generally have better service performance than large telecommunications companies. Thus the economic cost, if any, of compliance will be less for small business.
480-120-112 Company performance for orders for non-basic services.	This rule requires companies to complete orders for non-basic services within 180 days. Companies rarely take longer than 180 days to complete an order, but this requirement could increase costs for a company that would otherwise take longer. The indirect impact on small businesses, as telephone customers, is to lower costs. Non-basic services include business access lines beyond two lines and data services typically used by small business. More timely installation of these services would allow businesses to have telecommunications services necessary for their operation.

	Small telecommunications companies generally have better service performance than large telecommunications companies. Thus the economic cost, if any, of compliance will be less for small business telecommunications companies.
480-120-122a Establishment of Establishing credit--Residential services.	The proposed changes clarify requirements for companies to require deposits and manage their risk of uncollectible accounts. Doing so reduces compliance costs, particularly for small business telecommunications companies. The proposed rule says companies cannot use credit reports as the basis to require deposits for basic local service. The existing rule also has this prohibition, so there is no economic impact. The proposed rule clarifies that companies cannot use a customer's long-distance payment history as a basis for requiring a deposit for basic local service. This clarification could result in increased costs or lower revenues for some companies, if they are requiring deposits based on long-distance charges. The overall economic effect of the proposed changes is negligible.
480-120-122b Establishment of Establishing credit--Residential services.	The proposed changes clarify requirements for companies to require deposits and manage their risk of uncollectible accounts. Doing so reduces compliance costs, particularly for small business telecommunications companies. The proposed rule says companies cannot use credit reports as the basis to require deposits for basic local service. The existing rule also has this prohibition, so there is no economic impact. The proposed rule clarifies that companies cannot use a customer's long-distance payment history as a basis for requiring a deposit for basic local

	service. This clarification could result in increased costs or lower revenues for some companies, if they are requiring deposits based on long-distance charges. The overall economic impact of the proposed changes is negligible.
480-120-123 Establishment of Establishing credit--Business services.	No substantive change. No economic impact.
480-120-124 Guarantee in lieu of deposit.	No substantive change. No economic impact.
480-120-125 Deposit or security--Telecommunications resellers.	No substantive change. No economic impact.
480-120-127 Protection of customer prepayments.	No substantive change. No economic impact.
480-120-128 Deposit administration.	The proposed changes clarify requirements without making substantive changes. The type of treasury bill used in calculating the interest rate on deposits is changed, due to a change by the federal government in the types of bills issued. The method of calculation is unchanged, and companies' deposit interest expenses are expected to have virtually no change.
480-120-132 Business offices.	No substantive change. No economic impact.
480-120-133 Response time for calls to business office or repair center.	The proposed rule would establish standards for how long a company could keep a customer on hold during a customer service or repair call. The new standards are more specific than the existing standard, which applies to repair calls but not customer service calls. The proposed standards are consistent with answer time standards used by the industry itself. As a result, there is no economic impact from the proposed rule. Small business telecommunications companies often do not use automated call handling systems. The Commission included an alternative performance standard in subsection (3) to

	accommodate these companies.
480-120-145 Extending service.	No substantive change. No economic impact.
480-120-146 Changing service providers from one local exchange company to another.	The proposed rule clarifies responsibilities when a customer changes from one local telephone company to another local telephone company. To comply with this rule, a company must communicate with another company during the transition of a customer's service. This could result in minor costs to disconnect service. Since any cost would be based on the number of disconnection orders, there is no disproportionate impact on small business.
480-120-147 Changes in local exchange and intrastate toll services.	There is no substantive change to the existing requirements for verification of customer orders before changing local or long-distance providers. Subsection (7) provides an exception when a company is changing customers' service as a result of a corporate merger, acquisition, or transfer of customer base. Companies currently must seek a waiver of the rule in these circumstances. Incorporating the exception into rule means that companies will no longer incur costs to file a waiver petition and will not have to wait for the Commission to review and approve the petition. By eliminating a filing requirement, the cost savings resulting from subsection (7) will disproportionately benefit small business telecommunications companies. This is because costs of regulatory filings are higher, on a per-revenue or per-customer basis, for small business.
PART III. PAYMENTS AND DISPUTES	
480-120-161 Form of bills.	No substantive change. No economic impact.
480-120-162 Cash and urgent payments.	No substantive change. No economic impact.
480-120-163 Refunding for overcharge.	No substantive change. No economic impact.
480-120-164 Pro-rata credits.	The proposed rule requires companies to provide credits if a service is unavailable for more than 24 hours.

	Most companies already provide credits in this circumstance. Those that do not will incur costs to modify their billing or accounting systems to track the credits and will incur reduced revenues by the amount of the credits. Small business telephone companies generally have better service performance than large business telephone companies, so they would pay fewer credits on a per-customer or per-revenue basis. However, if a small business has to modify its systems to track the credits, the costs of these modifications would be higher on a per-customer or per-revenue basis. The Commission did not identify any mitigation provisions that would still protect customers, including small business customers, from having to pay for service not received.
480-120-165 Complaints and disputes.	No substantive change. No economic impact.
480-120-166 Customer complaints	The proposed rule incorporates existing practices and policies into rule. There is no substantive change in the requirements and no economic impact.
480-120-167 Company responsibility.	The proposed rule clarifies responsibility when an informal complaint involves more than one company. The economic impact is to reduce costs, but by a negligible amount. Since costs would be incurred on a per-customer basis, the effect on small business is proportionate to the effect on large business.
PART IV. DISCONTINUING AND RESTORING SERVICE	
480-120-171 Discontinuing service--Customer requested.	No substantive change. No economic impact.
480-120-172 Discontinuing service--Company initiated.	No substantive change. No economic impact.
480-120-173 Restoring service after	No substantive change. No economic impact.

discontinuation.	
480-120-174 Restoring service based on Washington telephone assistance program (WTAP) or federal enhanced tribal lifeline program eligibility.	The proposed rule requires a company to restore local service if the customer enrolls in a low-income assistance program. There is no economic impact on the regulated companies, because the program benefits cover the costs of providing service.
PART V. POSTING AND PUBLICATION NOTICE	
480-120-193 Posting of tariffs for public inspection and review.	No substantive change. No economic impact.
480-120-194 Publication of proposed tariff changes to increase charges or restrict access to services.	No substantive change. No economic impact.
480-120-195 Notice of tariff changes other than increases in recurring charges and restrictions in access to services.	No substantive change. No economic impact.
480-120-196 Customer notice requirements--Competitively classified telecommunications companies or services.	No substantive change. No economic impact.
480-120-197 Adjudicative proceedings where public testimony will be taken.	No substantive change. No economic impact.
480-120-198 Notice verification and assistance.	No substantive change. No economic impact.
480-120-199 Other customer notice.	No substantive change. No economic impact.
PART VI. CUSTOMER INFORMATION	
480-120-201 Telephone solicitation.	No substantive change. No economic impact.
480-120-202 Using a customer's call detail information.	No substantive change from the existing rule, which also requires opt-in approval for use of call detail information. No economic impact.
480-120-203 Using private account information in the provision of services.	No substantive change. No economic impact.
480-120-204 Using private account information during an inbound call.	No substantive change. No economic impact.
480-120-205 Using private account information for marketing related services.	The current rule allows companies to use private account information to market related services without informing the customer or securing the customer's approval. The proposed rule allows a customer to opt out of this use. The economic impact of this rule, in the form of

	either additional expenses or reduced revenues, is discussed below at 480-120-207 and 480-120-208.
480-120-206 Using private account information for marketing unrelated services.	This proposed rule allows companies to use an "opt-out" approach before using customers' private account information to market unrelated services. The existing rule requires affirmative, "opt-in" approval. The change reduces expenses and increases revenues for regulated companies. Companies will incur lower expenses to secure approval for use of customer information. Companies will increase revenues due to the increased marketing capabilities through use of private information. The economic impacts of this change are similar for large and small businesses.
480-120-207 Notice when use of private account information is permitted unless a customer directs otherwise ("opt-out").	This rule establishes the notice provisions when opt-out approval is used. To use customers' private information, the company must print and mail a notice to customers explaining the use and giving the customer a chance to say no. Printing and postage costs are higher, on a per-customer basis, for a small business. There is no overall increase in costs as a result of this rule, because the company is not required to use customers' private account information to market other services. A company would incur these costs only if it expects that the use would reduce other marketing expenses and/or increase revenues by enough to offset the notice costs.
480-120-208 Mechanisms for opting out of use, disclosure, and access to private customer account information.	The proposed rile requires a company, if it chooses to use customers' private account information for marketing, to establish mechanisms by which customers can say no. A company would incur costs to process incoming telephone calls, written notices, and web site transactions. There is no overall increase in costs as a result of

	this rule, because the company is not required to use customers' private account information to market other services. A company would incur these costs only if it expects that the use would reduce other marketing expenses and/or increase revenues by enough to offset the notice costs.
480-120-209 Notice when explicit ("opt-in") approval is required.	The proposed rule clarifies and increases the disclosures that a company must make when seeking explicit approval to use a customer's private account information. There is no increase in costs as a result of this rule, because the existing rule requires a notice when a company seeks opt-in approval. Moreover, a company is not required to incur any costs, since it is not required to use customer private account information for marketing.
480-120-211 Confirming change in approval status.	The proposed rule requires a company to give written confirmation of a customer's change in privacy status. A company would incur costs to print and mail the confirmation notice. There is no overall increase in costs as a result of this rule, because the company is not required to use customers' private account information for marketing.
480-120-212 Duration of customer approval or disapproval.	No substantive change. No economic impact.
480-120-213 Safeguards required for using private account information.	The proposed revision requires companies to file a copy of a document that they are already required to produce. The additional cost of filing the document, as part of an existing annual report filing, is negligible. There is no economic impact on small business telecommunications companies, if they are exempt from this filing requirement by RCW 80.04.530.
480-120-214 Disclosing customer proprietary network information.	No substantive change. No economic impact.
480-120-215 Using privacy listings for telephone solicitation.	No substantive change. No economic impact.

480-120-216 Using subscriber list information for purposes other than directory publishing.	The proposed rule requires companies to remove customers, upon request, from subscriber lists sold to telemarketers. There is no requirement to notify customers of this provision. The rule reflects existing practice within the telecommunications industry. There is no economic impact.
PART VII. TELECOMMUNICATIONS SERVICES	
480-120-251 Directory service.	No substantive change. No economic impact.
480-120-252 Intercept services.	No substantive change. No economic impact.
480-120-253 Automatic dialing-announcing device (ADAD).	No substantive change. No economic impact.
480-120-254 Information delivery services.	No substantive change. No economic impact.
480-120-255 Caller identification service.	No substantive change. No economic impact.
480-120-256 Emergency services.	No substantive change. No economic impact.
480-120-261 Operator services.	No substantive change. No economic impact.
480-120-262 Operator service providers (OSPs).	The proposed rule increases the amount of information that customers receive when they make operator-assisted calls. The rule establishes benchmark rates for operator-assisted calls. The current rule applies only to calls from pay phones and hotels using the presubscribed operator service. The proposed rule expands the scope to include calls made using any operator service provider. Operator service providers that do not already provide presubscribed services will incur additional expenses if they do not currently give customers the ability to obtain a rate quote. If they already have rate quote ability, there will be no additional costs as a result of the expanded scope. For operator service providers whose charges are below the benchmark, the proposed rule does not change existing disclosure requirements. There is no economic impact for these companies.

	For operator service providers whose charges are above the benchmark, the proposed rule requires a rate quote on each call. These companies may incur one-time costs to reprogram operator assistance platforms to deliver the rate quote on all above-benchmark calls. Additional expense may be incurred due to the time spent delivering the rate quote. The companies also may experience reduced revenues, because customers may hang up when they hear what the rates are. The proposed rule likely does not directly affect small businesses, because operator service providers typically require more than 50 employees. However, the proposed rule indirectly affects small businesses that own, manage, or operate pay telephones, convenience stores, and motels. These businesses sometimes receive commissions from operator service providers that are based on operator service revenues generated at their location. If customers choose not to complete calls after they hear the rates, revenues to the site owners will be reduced. The Commission did not identify any mitigation provisions for small businesses. Requiring disclosure was the less burdensome method of protecting consumers, compared to direct regulation of operator service provider rates. The rule implements a statute, RCW 80.36.520, that applies to all operator service providers regardless of size.
480-120-263 Pay phone service providers (PSPs).	No substantive change. No economic impact.
480-120-264 Prepaid calling services.	No substantive change. No economic impact.
PART VIII. FINANCIAL RECORDS AND REPORTING RULES	
480-120-301 Accounting requirements for competitively classified companies.	No substantive change. No economic impact.
480-120-302 Accounting requirements for	The proposed rule updates and streamlines

companies not competitively classified as competitive.	accounting requirements. The economic impact of the changes, while a benefit to companies, is negligible. The rule provides for reduced accounting requirements for small businesses.
480-120-303 Reporting requirements for competitively classified companies.	No substantive change. No economic impact.
480-120-304 Reporting requirements for companies not competitively classified as competitive.	No substantive change. No economic impact. The rule provides streamlined filing requirements for small businesses.
480-120-305 Streamlined filing requirements for Class B telecommunications company rate increases.	The proposed rule simplifies and reduces the filing requirements for a small telecommunications company (including small businesses) that seek to increase rates. The revisions reduce expenses for companies seeking to justify an increase in regulated rates. The benefits are disproportionately felt by small businesses, since accounting and legal services are higher for them on a per-revenue or per-customer basis.
480-120-311 Access charge and universal service reporting.	The proposed rule simplifies and reduces filing requirements for companies that collect access charges. The benefits are disproportionately felt by small businesses, since accounting and legal services are higher for them on a per-revenue or per-customer basis.
480-120-312 Universal service cost recovery authorization.	No substantive change. No economic impact.
480-120-313 Terminating access charges.	No substantive change. No economic impact.
480-120-321 Expenditures for political or legislative activities.	No substantive change. No economic impact.
480-120-322 Retaining and preservation of preserving records and reports.	No substantive change. No economic impact.
480-120-323 Washington Exchange Carrier	No substantive change. No economic impact.

Association (WECA).	
PART IX. SAFETY AND STANDARDS RULES	
480-120-401 Network performance standards.	The proposed changes clarify existing performance standards and make them more specific. This reduces uncertainty and compliance costs. Expenses could increase for a company whose performance was not in violation of the existing, vague rule, if the same performance level does not comply with the more specific standards. The Commission is not aware of any companies in this situation.
480-120-402 Safety.	No substantive change. No economic impact.
480-120-411 Network maintenance.	No substantive change. No economic impact.
480-120-412 Major outages.	No substantive change. No economic impact.
480-120-413 Collocation.	No substantive change. No economic impact.
480-120-414 Emergency operation.	No substantive change. No economic impact.
480-120-436 Responsibility for drop facilities and support structure.	The proposed rule reflects current practice. No substantive change. No economic impact.
480-120-437 Responsibility for maintenance and repair of facilities and support structures.	The proposed rule reflects current practice. No substantive change. No economic impact.
480-120-438 Trouble report standard.	No substantive change. No economic impact.
480-120-439 Service quality performance reports.	The proposed changes eliminate outdated reporting requirements and add reporting requirements consistent with the Commission's performance standards. Local exchange companies are expected to incur some initial costs to establish systems to track and report the statistics in the report. The cost of the periodic report filing itself is negligible. Reporting costs are generally a disproportionate expense for small businesses, but the rule exempts small telecommunications companies from the reporting requirements. With this mitigation, there is no disproportionate impact on small business.
480-120-440 Service interruptions and impairments, excluding major outages.	The proposed rule would change the standard for restoration of interruptions of basic service from two working days, which is an average of 60

	hours, to 48 hours. Most companies restore basic service interruptions in less than 48 hours, but some companies may incur additional expenses to hire employees or contracts to meet the shorter restoration interval. The proposed rule would change the standard for restoration of non-basic services from two working days to 72 hours. Some companies may have slightly lower expenses because they will be able to comply with the rule with fewer repair technicians. The proposed rule provides additional exceptions to the service restoration intervals. These exceptions represent situations when a company would have difficult meeting the 48-hour or 72-hour standard. Including the additional exceptions lowers costs for regulated companies. The increased expenses and reduced expenses resulting from the proposed rule changes do not have a disproportionate impact on small business, because the costs are generally incurred in proportion to the number of customers served.
480-120-450 Enhanced 9-1-1 (E911) obligations of local exchange companies.	The proposed rule changes clarify responsibilities for maintaining E-911 information. Some companies may incur additional costs to comply with the requirement to offer a method for customers and other telecommunications companies to submit database changes electronically. Any additional costs would be minor and could be recovered through the rates charged for E-911 service.
480-120-451 Local exchange carrier contact number for use by public safety answering points (PSAPs).	This proposed rule requires companies to maintain a contact number for use by county E-911 systems. The cost of a contact number is negligible, so there is no economic impact from the proposed rule.
480-120-452 Reverse search by enhanced 9-1-1 (E911) public safety answering point (PSAP) of	No substantive change. No economic impact.

ALI/DMS data base--When permitted.	
PART X. ADOPTION BY REFERENCE	
480-120-999 Adoption by reference.	No substantive change. No economic impact.
REPEALED	
480-120-121 Responsibility for delinquent accounts.	
480-120-131 Reports of accidents.	
480-120-151 Telecommunications carriers' use of customer proprietary network information (CPNI).	
480-120-152 Notice and approval required for use of customer proprietary network information (CPNI).	
480-120-153 Safeguards required for use of customer proprietary network information.(CPNI).	
480-120-154 Definitions.	