

27 F.C.C.R. 898, 27 FCC Rcd. 898, 55 Communications Reg. (P&F) 283, 2012 WL 258204

Federal Communications Commission (F.C.C.)
Order on Reconsideration

IN THE MATTER OF UNIVERSAL SERVICE CONTRIBUTION METHODOLOGY

WC Docket No. 06-122

FEDERAL-STATE JOINT BOARD ON UNIVERSAL SERVICE

CC Docket No. 96-45

Petitions for Reconsideration and Clarification of the InterCall Order
GLOBAL CONFERENCE PARTNERS

A+ CONFERENCE LTD., FREE CONFERENCING CORPORATION, AND THE CONFERENCE GROUP

FCC 12-10

Adopted: January 26, 2012

Released: January 27, 2012

****1 *898** By the Commission:

I. INTRODUCTION

1. In this order, we address petitions for reconsideration filed by (i) Global Conference Partners (GCP), and (ii) A+ Conference Ltd., Free Conferencing Corporation, and The Conference Group (collectively, A+ Conferencing) (collectively, Petitioners).¹ Petitioners seek reconsideration and clarification of certain aspects of the *InterCall Order*,² in which the Commission clarified that InterCall, Inc. (InterCall) and all similarly-situated audio bridging service providers are required to contribute directly to the universal service fund (USF or the Fund). For the reasons stated below, we deny both petitions for reconsideration.

***899 II. BACKGROUND**

A. The Act and the Commission's Rules and Requirements

2. Section 254(d) of the Communications Act of 1934, as amended (the Act), directs that every telecommunications carrier that provides interstate telecommunications services shall contribute, on an equitable and nondiscriminatory basis, to the specific, predictable, and sufficient mechanisms established by the Commission to preserve and advance universal service.³ Section 254(d) further provides that any other provider of interstate telecommunications may be required to contribute “to the preservation and advancement of universal service.”⁴ To this end, the Commission has determined that any entity that provides interstate telecommunications to the public for a fee must contribute to the Fund.⁵ The Commission further directed that contributions should be based on contributors' interstate and international end-user telecommunications revenues.⁶

3. Although the Commission has declined to exempt from contribution any broad classes of telecommunications providers, not all providers of interstate telecommunications contribute directly to the Fund under the current end-user system.⁷ The Commission generally does not require wholesale carriers to contribute directly to the Fund because these carriers do not earn

revenues directly from end users.⁸ Instead, the reseller that provides the service to the end user, and thereby earns end-user revenues, contributes directly to the USF.⁹

4. In the *Universal Service Second Order on Reconsideration*, the Commission set forth the specific methodology for contributors to use to compute their USF contributions.¹⁰ In the instructions to the Telecommunications Reporting Worksheet adopted in that order, the Commission provided additional details to contributors to promote compliance with the USF contribution requirements.¹¹ Over the years, *900 as the Commission has made changes and further clarified contribution obligations, the Form 499 instructions have been revised to reflect those decisions,¹² as well as other administratively necessary changes.¹³ Consistent with these periodic updates, in 2002 the FCC Form 499-A and 499-Q instructions were updated to, among other things, specifically include toll teleconferencing as one of the illustrative examples of telecommunications that are subject to direct USF contributions.¹⁴

**2 5. *InterCall Order*. In June 2008, the Commission released the *InterCall Order*, which clarified that audio bridging services are equivalent to toll teleconferencing services, and providers of such services must contribute directly to the USF based on their end-user revenues from these services.¹⁵ The Commission, however, granted InterCall's request that any direct contribution requirement for stand-alone audio bridging providers should apply prospectively only beginning in the fourth quarter of 2008.¹⁶

B. Petitions for Reconsideration

6. On July 30, 2008, GCP and A+ Conferencing filed separate petitions seeking reconsideration by the Commission of the *InterCall Order*.¹⁷ In its petition, GCP requests, among other things, reconsideration of the Commission's finding in the *InterCall Order* that stand-alone, audio conferencing services are "telecommunications" (and not "information services") for purposes of regulatory classification under the Act and applicable precedent.¹⁸ GCP also requests that the *901 Commission clarify the treatment of bundled telecommunications and non-telecommunications services.¹⁹ A+ Conferencing asserts that the *InterCall Order* should be reconsidered because, among other things, the Commission provided insufficient notice to non-party teleconferencing service providers as to the scope of the proceeding.²⁰ Both Petitioners further assert that the *InterCall Order* should be reconsidered because it contained material errors of fact and law.²¹

III. DISCUSSION

7. For the reasons discussed below, we deny the petitions for reconsideration. We conclude that the Petitioners have failed to identify any new facts or circumstances, or any material error that would support reconsideration of the *InterCall Order*. Further, we are not persuaded by claims that the *InterCall Order* is inconsistent with Commission precedent, nor do Petitioners provide any other basis for concluding that the Commission's action in the *InterCall Order* was otherwise improper.

8. Reconsideration of a Commission's decision may be appropriate when the petitioner demonstrates that the original order contains a material error or omission, or raises additional facts that were not known or did not exist until after the petitioner's last opportunity to present such matters.²² If a petition simply repeats arguments that were previously considered and rejected in the proceeding, the Commission may deny them for the reasons already provided.²³

9. A+ Conferencing and GCP both argue that the Commission misunderstood the nature of audio bridging services and as a result incorrectly concluded that audio bridging providers must contribute directly to the Fund based on revenues from the service. In the *InterCall Order*, the Commission concluded that InterCall's service constitutes telecommunications.²⁴ The Commission found that "the heart of telecommunications is transmission . . . [and] InterCall's service allows end users to transmit a call (using telephone lines), to a point specified by the user (the conference bridge), without change in the form or content of the

information as sent and received (voice transmission).”²⁵ Explaining the function of a conference bridge, the Commission stated “the purpose and function of the bridge is simply to facilitate the routing of ordinary telephone calls.”²⁶ In the instant matter, the Petitioners focus on the Commission's statement that InterCall's conference bridge facilitates call routing and contend that the Commission incorrectly identified a conference bridge as a “switch” or a “router.” Petitioners *902 therefore believe the Commission committed a material error of fact that calls into question its holding in that order.²⁷ Petitioners' argument, however, is premised on a misreading of the Commission's finding in the *InterCall Order* where the Commission stated only that the conference bridge *facilitates* the routing of a phone call, not that it routes the call.²⁸ The Commission did not conclude that the audio bridge offered by these providers was a router or provided the functionality of a router; rather, the Commission was describing the overall purpose and function of the service, analogizing it to a routine telephone call in order to explain its decision that audio bridging was a USF-assessable service.

****3** 10. Petitioners also argue that the *InterCall Order* was flawed because the Commission did not consider or address the *Pulver Order*,²⁹ arguing that this renders the Commission's decision arbitrary and unreasonable.³⁰ GCP argues that the holding in the *InterCall Order* conflicts with the *Pulver Order*, claiming that the Commission found in *Pulver* that conference bridging capabilities are an information service under the Act.³¹ The Petitioners' argument is without merit and overstates the decision in the *Pulver Order*. First, unlike the audio bridging services at issue here (in which customers are provided a telephone number to access the audio bridge), the “Free World Dialup” service analyzed in the *Pulver Order* did not provide a transmission service or capability.³² Moreover, the Commission identified conferencing capabilities as one of several “computing capabilities” available for free to members using the Free World Dialup web-based application.³³ The Free World Dialup application at issue in *Pulver* was limited to members of the Free World Dialup community, required members to be on-line using a broadband connection, and did not allow for calls made or received on the public switched telephone network (PSTN).³⁴ We find that these material characteristics differentiate the services that were the subject of the *Pulver Order* from the audio bridge conferencing services that were the subject of the *InterCall Order*.³⁵

***903** 11. Finally, Petitioners argue that audio bridging service providers, in addition to offering teleconferencing, offer additional enhanced conferencing features, which they further argue creates a single integrated “information service,” as that term is defined in the Act and relevant precedent.³⁶ In its petition, GCP claims that conference services providers typically offer the ability to record conference calls, retrieve and store a recording of the conference communications, and play back pre-recorded information.³⁷ GCP argues that the Commission failed to consider whether these other features and functions (in addition to the bare transport or transmission component of a toll teleconferencing service), cause the conference service to be an information service.³⁸ The Commission considered and rejected this argument already in the *InterCall Order*³⁹ where it found that the additional features offered by conference bridge service providers, of the type described by GCP, are not sufficiently integrated to cause the basic service (toll teleconferencing) to be considered an information service under the Act and Commission precedent.⁴⁰

12. As the Commission has previously noted, the classification of a service as either information or telecommunications hinges on whether the transmission capability is “sufficiently integrated” with the information service capabilities to make it reasonable to describe the two as a single, integrated offering and classify the entire integrated service as an information service.⁴¹ Merely packaging two services together (such as teleconferencing packaged with additional features that perform validation functions, collect billing and participant information, and enable the participants to record, delete, playback, mute and unmute, and access operator assistance) does not create a single integrated service.⁴² For example, in the *Prepaid Calling Card Order*, the Commission determined that additional menu-driven features that enabled callers to obtain information services (such as sports scores, stock quotes, and other information) packaged with a basic prepaid calling card service, were not sufficiently integrated to classify the calling card services as information services.⁴³ We therefore reiterate the Commission's determination

in the *InterCall Order* that the additional enhanced conferencing features of the type described by the Petitioners do not create a single integrated information service.

****4 *904** 13. GCP has also requested that the Commission clarify whether certain additional services bundled with the audio bridging service, such as whiteboarding and other computer capabilities that may be used simultaneously with the voice teleconference, transform the service into an information service.⁴⁴ We find that the additional services, as described by GCP, are not sufficiently integrated with audio conferencing services to be reasonably determined a single product.⁴⁵ Consistent with the Commission's decision in the *Prepaid Calling Card Order*, we find that these separate capabilities are part of a package in which the customer can conduct its conference call with or without accessing these features.⁴⁶ Accordingly, we confirm that under our existing requirements, a provider offering a bundled service comprised of telecommunications services and information services may not treat the entire bundled service as an information service for purposes of USF contribution assessment, but must instead apportion its end user revenues between telecommunications and non-telecommunications sources.⁴⁷

14. *Procedural Issue.* A+ Conferencing alleges that the Commission violated the Administrative Procedure Act (APA) by, in effect, issuing a new rule without proper notice and comment.⁴⁸ We disagree. The APA distinguishes between “rules” and “orders.” A “rule” is “an agency statement of general or particular applicability and future effect designed to implement, interpret, or prescribe law or policy or describing the organization, procedure, or practice requirements of an agency.”⁴⁹ Rulemaking is the “agency process for formulating, amending, or repealing a rule,”⁵⁰ and the APA requires agencies to give public notice of a proposed rulemaking and give interested parties an opportunity to submit comments on the proposal.⁵¹ An “order,” by contrast, is the “whole or part of a final disposition . . . of an agency in a matter other than rulemaking,” and it is formulated through “adjudication;”⁵² notice and comment are not required.⁵³

***905** 15. The *InterCall Order* is an adjudicatory decision in which the Commission determined the regulatory status of the service in question based on existing rules and requirements and applicable precedent. Moreover, the Commission did not in the *InterCall Order* formulate, amend, or repeal a rule.⁵⁴ The Commission may interpret its own rules consistent with existing regulation, without initiating a new rulemaking proceeding.⁵⁵ In the *InterCall Order*, the Commission determined that revenues from audio bridging service offerings were subject to direct USF contribution requirements, pursuant to the *Universal Service First Report and Order*, the *2006 Contribution Methodology Order*, and implementing rules flowing therefrom.⁵⁶ Thus, we find that the Commission did not engage in rulemaking under the APA, but rather it clarified the existing obligations of InterCall -- and other similarly situated audio bridge service providers -- based upon existing Commission rules and requirements.

IV. CONCLUSION

****5** 16. For the reasons discussed above, we deny the Petitioners' request for reconsideration of the *InterCall Order*. We conclude that the Petitioners have failed to identify any new facts or circumstances, or any material error that would support reconsideration of the *InterCall Order*. In so doing, we reiterate the Commission's determination in the *InterCall Order* that the additional enhanced conferencing features of the type described by the Petitioners do not create a single integrated information service under the Act and Commission precedent. We also confirm that our existing requirements require a provider offering a bundled service consisting of telecommunications services and information services to apportion its revenues between telecommunications and non-telecommunications sources for purposes of USF contribution assessment. We also clarify that under our existing requirements, a provider offering a bundled service consisting of telecommunications and non-telecommunications services may not treat the entire bundled service as an information service for purposes of USF contribution assessment, but must instead apportion its end user revenues between telecommunications and non-telecommunications sources.

***906 V. ORDERING CLAUSES**

17. ACCORDINGLY, IT IS ORDERED, pursuant to the authority contained in sections 1-4, 254, and 405 of the Communications Act of 1934, as amended, [47 U.S.C. §§ 151-154, 254, and 405](#), and sections 1.106 and 1.429 of the Commission's rules, [47 C.F.R. §§ 1.106, 1.429](#), that the petitions for reconsideration filed by (i) Global Conference Partners, and (ii) A+ Conference Ltd., Free Conferencing Corporation, and The Conference Group ARE DENIED.

18. IT IS FURTHER ORDERED that, pursuant to section 1.103 of the Commission's rules, [47 C.F.R. § 1.103](#), this Order SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary

***907 APPENDIX**

****6 Comments Filed:**

Cisco

InterCall

Multi-Point Communications

Verizon (9-8-08)

Voice on the Net Coalition ("VON")

Reply Comments Filed:

A+ Conferencing

Encounter Collaborative Group

Global Conference Partners

TIA

Footnotes

- 1 Global Conference Partners Petition for Partial Reconsideration and Clarification of the InterCall Order, CC Docket No. 96-45 (filed July 30, 2008) (GCP Petition); A+ Conferencing, Ltd., Free Conferencing Corporation, and The Conference Group Petition for Reconsideration, CC Docket No. 96-45 (filed July 30, 2008) (A+ Conferencing Petition); [47 C.F.R. §§ 1.106, 1.429](#). On August 8, 2008, the Commission sought comment on these petitions. *Comment Sought on Petitions for Reconsideration and Clarification of the Commission's InterCall Order*, CC Docket No. 96-45, Public Notice, [23 FCC Rcd 917 \(Wireline Comp. Bur. 2008\)](#). Six parties filed comments and four parties filed replies. A list of commenters and replies is attached in the Appendix.
- 2 See [Request for Review by InterCall, Inc. of Decision of Universal Service Administrator](#), CC Docket No. 96-45, Order, [23 FCC Rcd 10731 \(2008\)](#) (*InterCall Order*).
- 3 [47 U.S.C. § 254\(d\)](#).

- 4 *Id.* Pursuant to [section 254\(d\)](#) of the Act, the Commission has determined that the public interest requires certain other providers of interstate telecommunications to contribute to the USF. [47 U.S.C. § 254\(d\)](#); *see, e.g., Universal Service Contribution Methodology et al.*, WC Docket Nos. 06-122, 04-36, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, 98-170, Report and Order and Notice of Proposed Rulemaking, [21 FCC Rcd 7518 \(2006\)](#) (*2006 Contribution Methodology Order*) (requiring interconnected voice over Internet Protocol (VoIP) providers to contribute to the universal service fund because they are providers of interstate telecommunications).
- 5 *See Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, [12 FCC Rcd 8776, 9179, para. 787 \(1997\)](#) (*Universal Service First Report and Order*) (subsequent history omitted).
- 6 *Id.* at 9171, para. 772; [47 C.F.R. § 54.706](#).
- 7 [Universal Service First Report and Order](#), [12 FCC Rcd at 9179, para. 787](#). The Commission's rules exempt certain providers from the contribution requirement.
- 8 [Universal Service First Report and Order](#), [12 FCC Rcd at 9207, para. 846](#).
- 9 *Id.*
- 10 *See Changes to the Board of Directors of the National Exchange Carrier Association, Inc., Federal-State Joint Board on Universal Service*, CC Docket Nos. 97-21, 96-45, Report and Order and Second Order on Reconsideration, [12 FCC Rcd 18400 \(1997\)](#) (*Universal Service Second Order on Reconsideration*).
- 11 *Id.* at [18498-513](#) (Appendix A, Universal Service Worksheet FCC Form 457). The FCC Form 457 was the precursor to the FCC Form 499. *See 1998 Biennial Regulatory Review--Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Services, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms*, CC Docket No. 98-171, Report and Order, [14 FCC Rcd 16602 \(1999\)](#) (consolidating the requirements of the FCC Form 457 with other regulatory forms and creating the Telecommunications Reporting Worksheet, FCC Form 499). Entities report their revenues for USF contribution purposes using the Telecommunications Reporting Worksheets (FCC Form 499-A and Form 499-Q). The FCC Form 499-A is filed annually, and the FCC Form 499-Q is filed quarterly.
- 12 For example, in 2002, the Commission revised the interim wireless safe harbor to increase the contribution requirement from 15 to 28.5 percent of a wireless carrier's end-user telecommunications services revenues and amended the instructions to reflect this increase. *See Federal-State Joint Board on Universal Service*, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, 98-170, Report and Order and Second Further Notice of Proposed Rulemaking, [17 FCC Rcd 24952, 24965, para. 21 \(2002\)](#); 2003 FCC Form 499-A Instructions at 18.
- 13 The Wireline Competition Bureau, formerly the Common Carrier Bureau (Bureau), has delegated authority to revise the Forms 499 and accompanying instructions to ensure "sound and efficient administration of the universal service programs." *See Universal Service Second Order on Reconsideration*, [12 FCC Rcd at 18442, para. 81](#) ("Because it is difficult to determine in advance precisely the information that will be needed to administer the new universal service programs, the [Common Carrier] Bureau will have delegated authority to waive, reduce, or eliminate contributor reporting requirements that may prove unnecessary. The Bureau also will have delegated authority to require any additional contributor reporting requirements necessary to the sound and efficient administration of the universal service programs."). Consistent with this authority, the Bureau revises the Telecommunications Reporting Worksheet Instructions to provide guidance for complying with existing rules and requirements.
- 14 *See* 2002 FCC Form 499-A Instructions at 20.
- 15 [InterCall Order](#), [23 FCC Rcd at 10731, para. 1](#). The Commission explained that audio bridging services allow end users to transmit a call (using telephone lines), to a point specified by the user (the conference bridge), without change in the form or content of the information as sent and received (voice transmission). *See id.* at 10735, para. 11.
- 16 *Id.* at 10738, para. 24.
- 17 *See supra* note 1.
- 18 *See* GCP Petition at 1-2.
- 19 *See id.* at 22.
- 20 *See* A+ Conferencing Petition at 3-5 (citing Section 553 of the APA; [Weyerhaeuser Co. v. Costle](#), 590 F.2d 1011, 1027 (9th Cir. 1978); [American Radio Relay League, Inc. v. FCC](#), 524 F.3d 227, 242 (D.C. Cir. 2008)).
- 21 *See id.* at 7; GCP Petition at 9.
- 22 *Toll Free Service Access Codes*, CC Docket No. 95-155, Order on Reconsideration, [22 FCC Rcd 22188, 22192-93, para. 13 \(2007\)](#); [47 C.F.R. § 1.106\(c\)](#).
- 23 *See, e.g., Federal-State Joint Board on Universal Service Business Service Center, Inc., Mobile Phone of Texas, Inc., and 3 Rivers PCS, Inc. Petition for Reconsideration of Small Wireless Carrier Group, Order*, CC Docket No. 96-45, [19 FCC Rcd 22305, 22306, para. 4 \(2004\)](#).

- 24 *InterCall Order*, 23 FCC Rcd at 10734, para. 8. The Act defines telecommunications as “the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.” 47 U.S.C. § 153(43).
- 25 *InterCall Order*, 23 FCC Rcd at 10734, para. 11.
- 26 *Id.*
- 27 GCP Petition at 11; A+ Conferencing Petition at 9.
- 28 *InterCall Order*, 23 FCC Rcd at 10734, para. 11.
- 29 *Petition for Declaratory Ruling that pulver.com's Free World Dialup Is Neither Telecommunications Nor a Telecommunications Service*, WC Docket No. 03-45, Memorandum Opinion and Order, 19 FCC Rcd 3307, 3320-21, para. 21 (2004) (*Pulver Order*).
- 30 GCP Petition at 10-11 (citing *Motor Vehicle Mfrs. Ass'n v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 42 (1983) (Agency changing course “is obligated to supply a reasoned analysis for the change beyond that which may be required when an agency does not act in the first instance”)); A+ Conferencing Petition at 13-14.
- 31 GCP Petition at 2.
- 32 *Pulver Order*, 19 FCC Rcd at 3309, para. 5 (“members must have an existing broadband Internet access service as Pulver does not offer any transmission service or transmission capability”).
- 33 *Id.* at 3315, n. 50
- 34 See *Id.* at 3308, n.3.
- 35 See 2006 *Contribution Methodology Order*, 21 FCC Rcd at 7540, n.147 (distinguishing interconnected VoIP services from the services in the *Pulver Order* on the grounds that the non-interconnected VoIP provider in the *Pulver Order* “did not supply connectivity to any PSTN user”). We also disagree with GCP's assertion that, in determining that audio bridging services were telecommunications, the Commission did not adequately distinguish between audio bridging services and the “chat-line” information services described in *AT&T v. Jefferson Telephone Company*. GCP Petition at 11-12, citing *AT&T v. Jefferson Telephone Company*, 16 FCC Rcd 16130, 16131, para. 3 (2001) (*Jefferson Telephone*). In *Jefferson Telephone*, the Commission referred to free chat-line service as an information service. The chat-line service in question is materially different than the audio bridging services because the chat-line service randomly connects incoming calls so that two or more callers are able to talk with each other simultaneously. *Id.*, at 16131-32, para. 3. Audio bridging service is telecommunications, not an information service, because the transmission is routed “between or among points specified by the user.” *InterCall Order*, 23 FCC Rcd at 10737, para. 19, citing 47 U.S.C. § 153(43). The randomization of the chat-line service by definition means the transmission of those calls is not routed “between or among points specified by the user.”
- 36 GCP Petition at 12-13 (citing 47 USC § 153(20)); A+ Conferencing Petition at 11-13 (citing *Regulation of Prepaid Calling Card Services*, WC Docket No. 05-68, Declaratory Ruling and Report and Order, 21 FCC Rcd 7290 (*Prepaid Calling Card Order*)).
- 37 GCP Petition at 14-15.
- 38 *Id.* at 13.
- 39 See *InterCall Order*, 23 FCC Rcd at 10734-35, paras. 11-13.
- 40 *Id.* at 10735, para. 13.
- 41 *Prepaid Calling Card Order*, 21 FCC Rcd at 7296, para. 14 (“the key question in classifying offerings with both telecommunications and information service capabilities is whether the telecommunications transmission capability is ‘sufficiently integrated’ with the information service component ‘to make it reasonable to describe the two as a single, integrated offering.’”) (quoting *National Cable & Telecomm. Ass'n. v. Brand X Internet Services*, 125 S. Ct. 2688, 2704 (2005)).
- 42 See *InterCall Order*, 23 FCC Rcd at 10735, para. 12.
- 43 *Prepaid Calling Card Order*, 21 FCC Rcd at 7295-96, paras. 14-15.
- 44 GCP Petition at 23 and Attachment. See Cisco Comments at 6-8; InterCall Comments at 6-8; Multi-Point Communications Comments at 3-4; VON Comments at 6-9. See 47 U.S.C. § 153(20) (defining “information service” as “the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications”).
- 45 *Prepaid Calling Card Order*, 21 FCC Rcd at 7295, para. 15.
- 46 *Id.*
- 47 See *CPE Bundling Order*, 16 FCC Rcd 7418. The Commission established how providers could apportion their bundled revenues for purposes of contribution assessment. *Id.* at 7448, para. 53. First, a provider can apportion its revenues based on unbundled service offering prices, with no discount from the bundled offering being allocated to telecommunications service. Second, a provider can treat all bundled revenues as telecommunications revenues. Third, a provider can apportion its bundled revenues using any reasonable alternative method as long as it reflects the contributor's obligation to equitably contribute to universal service. *Id.* at para. 50. The

first two methods are “safe harbors” which the Commission has deemed reasonable, while the Commission cautions that carriers utilizing other methods are subject to audit and review. *Id.* at 7448, paras. 52-53.

48 A+ Conferencing Petition at 3-7.

49 5 U.S.C. § 551(4).

50 5 U.S.C. § 551(5).

51 5 U.S.C. § 553(b).

52 5 U.S.C. § 551(6), (7).

53 5 U.S.C. § 553(b)(3)(A); *see also* 5 U.S.C. § 553(d)(2).

54 Compare the definitions of “rule” and “rulemaking” and the requirements thereof under sections 551 and 553, with the definitions of “orders” and “adjudications” and the requirements thereof under sections 551 and 554. 5 U.S.C. §§ 551, 553, 554.

55 *See Cost-Based Terminating Compensation for CMRS Providers; Interconnection Between Local Exchange Carriers and Commercial Mobile Radio Service Providers; Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; Calling Party Pays Service Offering in the Commercial Mobile Radio Services*, CC Docket Nos. 95-185, 96-98, WT Docket No. 97-207, Order, 18 FCC Rcd 18441, 18450, para. 22 (2003) (“The D.C. Circuit has repeatedly held that interpretive rulings are properly used to clarify the original meaning and application of an agency’s substantive rules. The Supreme Court in reaffirming the authority of agencies to interpret their own rules stated that “a new APA rulemaking is required only if an agency adopt[s] a new position inconsistent with any of the [agency’s] existing regulations.”) (2003), review denied, *SBC Inc. v. FCC*, 414 F.3d 486 (3d Cir. 2005).

56 *InterCall Order*, 23 FCC Rcd at 10732-33, paras. 2-3 (citing *Universal Service First Report and Order*, 12 FCC Rcd at 9183-84, para. 795; *2006 Contribution Methodology Order*, 21 FCC Rcd at 18498-513, Appendix A; FCC Forms 499-A and 499-Q).

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