

services, and other general services. The following is the minimum TRDP covered dental benefit:

- (i) *Diagnostic services.*
  - (A) Clinical oral examinations.
  - (B) Radiographs and diagnostic imaging.
  - (C) Tests and laboratory examinations.
- (ii) *Preventive services.*
  - (A) Dental prophylaxis.
  - (B) Topical fluoride treatment (office procedure).
  - (C) Sealants.
  - (D) Other preventive services.
  - (E) Space maintenance.
- (iii) *Restorative services.*
  - (A) Amalgam restorations.
  - (B) Resin-based composite restorations.
  - (C) Other restorative services.
- (iv) *Endodontic services.*
  - (A) Pulp capping.
  - (B) Pulpotomy and pulpectomy.
  - (C) Root canal therapy.
  - (D) Apexification and recalcification procedures.
  - (E) Apicoectomy and periradicular services.
  - (F) Other endodontic procedures.
- (v) *Periodontic Services.*
  - (A) Surgical services.
  - (B) Periodontal services.
- (vi) *Oral surgery.*
  - (A) Extractions.
  - (B) Surgical extractions.
  - (C) Alveoloplasty.
  - (D) Biopsy.
  - (E) Other surgical procedures.
- (vii) *Other general services.*
  - (A) Palliative (emergency) treatment of dental pain.
  - (B) Therapeutic drug injection.
  - (C) Other drugs and/or medicaments.
  - (D) Treatment of postsurgical complications.

\* \* \* \* \*

(3) *Alternative course of treatment policy.* The Director, TRICARE Management Activity, or designee, may establish, in accordance with generally accepted dental benefit practices, an alternative course of treatment policy which provides reimbursement in instances where the dentist and TRDP enrollee select a more expensive service, procedure, or course of treatment than in customarily provided. \* \* \*

\* \* \* \* \*

(g) *Maximum coverage amounts.* Each enrollee is subject to an annual maximum coverage amount for non-orthodontic dental benefits and, if an orthodontic benefit is offered, a lifetime maximum coverage amount for orthodontics as established by the Director, TRICARE Management Activity, or designee.

\* \* \* \* \*

Dated: September 14, 2007.  
**L.M. Bynum,**  
*Alternate OSD Federal Register Liaison Officer, Department of Defense.*  
 [FR Doc. 07-4658 Filed 9-21-07; 8:45 am]  
**BILLING CODE 5001-06-M**

**DEPARTMENT OF HOMELAND SECURITY**

**Coast Guard**

**33 CFR Part 165**

[Docket No. USCG-2007-29153]

RIN 1625-AA87

**Security Zone; Hawaii Superferry Arrival/Departure, Nawiliwili Harbor, Kauai, HI**

**AGENCY:** Coast Guard, DHS.

**ACTION:** Temporary final rule; additional correction.

**SUMMARY:** This document corrects a typographical error in a U.S. Code section number and corrects a reference to an access road on the jetty south of Nawiliwili Park in a temporary final rule entitled "Security Zone; Hawaii Super Ferry Arrival/Departure, Nawiliwili Harbor, Kauai, Hawaii" that was published September 5, 2007, in the **Federal Register**.

**DATES:** These corrections are effective September 24, 2007.

**FOR FURTHER INFORMATION CONTACT:** Lieutenant (Junior Grade) Jasmin Parker, U.S. Coast Guard Sector Honolulu at 808-842-2673.

**SUPPLEMENTARY INFORMATION:** On September 5, 2007, the Coast Guard published a temporary final rule entitled "Security Zone; Hawaii Super Ferry Arrival/Departure, Nawiliwili Harbor, Kauai, Hawaii" in the **Federal Register** (72 FR 50877). In that document references were made to Waapa Road being included in the security zone covering land on the jetty south of Nawiliwili Park. The road in the zone is not named "Waapa Road"; instead, that jetty access road is commonly known as "Jetty Road." Also, when citing to the authority for making the rule effective less than 30 days after publication, instead of citing to 5 U.S.C. 553(d)(3), because of a typographic error, that section was cited as "533." This document corrects those errors. A previous correction document for this rule was published September 13, 2007 (72 FR 52282).

**Correction Instructions**

In rule FR Doc. 07-4357 published on September 5, 2007 (72 FR 50877), make the following corrections:

1. On page 50877, in the first column, in line 17, remove the words "Waapa Road" and add, in their place, the words "the jetty access road (commonly known as Jetty Road)".
2. On page 50877, in the second column, in line 21, remove "533" and add, in its place, "553".

**§ 165.T14-160 [Corrected]**

■ 3. On page 50879, in the first line of the second column, in § 165.T14-160(a), remove the words "Waapa Road" and add, in their place, the words "the jetty access road (commonly known as Jetty Road)".

Dated: September 19, 2007.  
**Stefan G. Venckus,**  
*Chief, Office of Regulations and Administrative Law, United States Coast Guard.*  
 [FR Doc. E7-18783 Filed 9-21-07; 8:45 am]  
**BILLING CODE 4910-15-P**

**FEDERAL COMMUNICATIONS COMMISSION**

**47 CFR Part 54**

[WC Docket No. 05-195, CC Docket No. 96-45, CC Docket No. 02-6, WC Docket No. 02-60, WC Docket No. 03-109, CC Docket No. 97-21; FCC 07-150]

**Measures To Safeguard the Universal Service Fund From Waste, Fraud, and Abuse as Well as Measures To Improve the Management, Administration, and Oversight of the Universal Service Fund**

**AGENCY:** Federal Communications Commission.

**ACTION:** Final rule.

**SUMMARY:** In the Report and Order, the Commission adopted measures to safeguard the Universal Service Fund ("USF") from waste, fraud, and abuse. The intended effect of the measures adopted is to improve the management, administration, and oversight of the USF.

**DATES:** Effective October 24, 2007 except for the amendments to §§ 54.202, 54.417, 54.619, and 54.706, which contain information collection requirements that are not effective until approved by the Office of Management and Budget. The FCC will publish a document in the **Federal Register** announcing the effective date for those sections. Additionally, the Commission will send, as a minor rule, a copy of this

Report and Order to Congress and the Government Accountability Office pursuant to the Congressional Review Act, 5 U.S.C. 801(a)(1)(A).

**FOR FURTHER INFORMATION CONTACT:**

Mika Savir at (202) 418-0384, [Mika.Savir@fcc.gov](mailto:Mika.Savir@fcc.gov), Office of Managing Director, Federal Communications Commission, 445 12th Street, SW., Washington, DC 20554. In addition, a copy of any comments on the Paperwork Reduction Act information collection requirements contained herein should be submitted to Leslie Smith, Federal Communications Commission, 445 12th Street, SW., Washington, DC 20554, or via the Internet to [PRA@fcc.gov](mailto:PRA@fcc.gov).

**SUPPLEMENTARY INFORMATION:** This is a summary of the Commission's Report and Order adopted August 22, 2007 and released August 29, 2007. The full text of this Report and Order is available for public inspection on the Commission's Internet site at <http://www.fcc.gov>. It is also available for inspection and copying during regular business hours in the FCC Reference Center (Room CY-A257), 445 12th Street, SW., Washington, DC 20554. The full text of this document also may be purchased from the Commission's duplication contractor, Best Copy and Printing Inc., Portals II, 445 12th St., SW., Room CY-B402, Washington, DC 20554; telephone (202) 488-5300; fax (202) 488-5563; e-mail [FCC@BCPIWEB.COM](mailto:FCC@BCPIWEB.COM).

The Universal Service Fund ("USF") was created by Congress in 1996 as part of its passage of the Telecommunications Act of 1996. The purpose of the fund is to help provide affordable telecommunications services to consumers, libraries, rural health care facilities, and schools. Today, the USF consists of four programs: (1) The universal service mechanism for high-cost areas, providing financial support to eligible telecommunications carriers serving high-cost areas; (2) the universal service mechanism for schools and libraries, providing for discounted services (telecommunications services, Internet access, and internal connections) to eligible schools and libraries; (3) the universal service mechanism for assisting low-income consumers with discounted installation and monthly telephone services; and (4) the universal service mechanism for rural health care, providing discounted telecommunications and information services to rural health care providers. These funds are managed, on behalf of the Commission, by the Universal Service Administrative Company ("USAC" or "Administrator").

The goal of the proceeding, initiated on June 14, 2005, was to improve these four universal service programs, to make these programs more effective and efficient, and to continue the Commission's efforts to deter waste, fraud, and abuse of Universal Service funds.

In conducting the proceeding, input was sought from all interested parties, including USF participants. Eighty-four comments were received and considered as the Commission came to its decisions on how to improve the management, administration, and oversight of the USF.

**Synopsis**

On June 14, 2005, the Commission initiated a broad inquiry into the management, administration, and oversight of the USF. That inquiry asked whether: (a) The Commission should adopt rules requiring timely payments and assessing penalties or interest for late payments to the USF programs; (b) the Commission should institute a targeted independent audit requirement to safeguard the USF programs from waste, fraud, and abuse; (c) the Commission should put in place document retention requirements for applicants and service providers; (d) the Commission should establish time limits for making determinations about whether violations have occurred among USF program recipients; (e) the Commission should adopt specific sanctions to address instances in which a USF beneficiary may not have used funds in accordance with program procedures; (f) the Commission should institute aggressive debarment procedures for anyone who defrauds or otherwise deliberately harms the integrity of the USF programs; and (g) the Commission should require USAC to report on certain efficiency, effectiveness, accuracy, and timeliness performance measures.

(a) Decision regarding timely payments—since the USF is supported by contributions from telecommunications carriers providing interstate services as well as contributions by certain providers of interstate telecommunications, including providers of Interconnected Voice over Internet Protocol ("Interconnected VoIP") services, the Commission determined that it should adopt tougher rules requiring timely payments and assessing penalties or interest for late payments.

Thus, the Commission decided that it would replace the existing late-filing charge, as well as the late-payment charges; with a new "rate of interest" charge that reflects the consequences of

failing to pay in a timely manner. Henceforth, if a contributor is more than 30 days delinquent in paying its contribution to the USF, USAC shall assess a single rate of interest, that will apply to the debt from the date of the delinquency until date of payment (or in the case of a promissory note the date of maturity of the note), at an annual rate equal to the U.S. prime rate on the date of delinquency plus 3.5 percent.

Likewise, if a contributor is more than 30 days delinquent in filing an FCC Form 499-A or 499-Q, the USAC Administrator shall also use the U.S. prime rate plus 3.5 percent in assessing a remedial sanction. The sanction will be the greater of \$100 per month or the amount derived when a rate of interest equal to the U.S. prime rate plus 3.5 percent is assessed on the amount due per the USAC Administrator's invoice or calculations (if no invoice was provided).

In the event a contributor company is delinquent in filing an FCC Form 499-A or 499-Q, and within the 30 day period following delinquency, is also delinquent in paying its contribution, interest will be assessed on a single greater amount from the date of the first delinquency.

USAC is now required to add information to the monthly invoice sent to contributors and in debt collection correspondence to explain the applicable sanction and administrative charges for late payment.

(b) Decision regarding independent audits—audits are a tool the Commission and USAC use to ensure program integrity and to detect violations of the Act or the Commission's rules and to deter waste, fraud, and abuse.

Current Commission rules already authorize the USAC Administrator to conduct audits of contributors to the universal service support mechanisms. In addition, the Commission's OIG annually oversees more than 400 audits of contributors and beneficiaries of the high-cost, low-income, rural health care, and schools and libraries programs.

The Commission has decided that additional audit requirements are unnecessary at this time. The Commission will closely watch the data emerging from existing audits to determine if additional or targeted audits should be conducted in the future.

(c) Decision regarding document retention—proper record-keeping helps prevent waste, fraud, and abuse. Proper record-keeping additionally protects applicants and service providers in the event of vendor disputes. The Commission concluded that, following

OMB approval of these Paperwork Reduction Act information collection requirements, the following record-keeping will be required:

(1) High-cost program—the Commission will require recipients of universal service high-cost support to retain, for five years, all records that they may require to demonstrate to auditors that the support they received was consistent with the Communications Act of 1934, as amended, and the Commission's rules. These records must include the following: Data supporting line count filings; historical customer records; fixed asset property accounting records; general ledgers; invoice copies for the purchase and maintenance of equipment; maintenance contracts for the upgrade or equipment; and any other relevant documentation. The Commission also clarified that beneficiaries must make available all such documents and records that pertain to them, including those of NECA, contractors, and consultants working on behalf of the beneficiaries to the Commission's OIG, to the USAC Administrator, and to their auditors. To the extent other rules or any other law require or necessitate documents be kept for longer periods of time (e.g., to support the account balances in the Part 32 Uniform System of Accounts, continuing property records, pole attachment calculations, plant equipment age, cost, or useful life, depreciation rates), the Commission did not alter, amend, or supplant such rules or laws.

(2) Low-income program—with respect to the Lifeline and Link-Up programs, the Commission concluded that a "service-plus three" document retention requirement will be retained. The Commission did not believe it to be unnecessarily burdensome to require participating service providers to retain eligibility-determination records for the time period during which the service is provided and then for three years after the service is terminated. Additionally, the Commission removed the clause that waived the document retention requirement after an audit is completed. The Commission also clarified that beneficiaries must make available all documents and records that pertain to them, including those of contractors and consultants working on their behalf, to the Commission's OIG, to the USAC Administrator, and to auditors working on their behalf.

(3) Rural Health Care and Schools and Libraries programs—the Commission decided to retain the five year requirement for schools and libraries to retain records evidencing that the

funding they received was proper. The Commission also decided to expand this requirement to rural health care service providers. This Report and Order additionally clarified that beneficiaries must make available all documents and records that pertain to them, including those of contractors and consultants working on their behalf, to the Commission's OIG, to the USAC Administrator, and to their auditors.

(4) Contributors—the Commission also required contributors to the USF to retain all documents and records necessary to demonstrate to auditors that their contributions were made in compliance with the program rules, assuming that the audits are conducted within five years of such contribution. The Commission clarified that contributors must make available all documents and records that pertain to them, including those of contractors and consultants working on their behalf, to the Commission's OIG, to the USAC Administrator, and to their auditors. These documents and records should include without limitation the following: financial statements and supporting documentation; accounting records; historical customer records; general ledgers; and any other relevant documentation.

(d) Decision regarding time limits for determining violations—the Commission will adopt a five-year administrative limitations period for all funds. During these five years the Commission or the USAC Administrator may determine that a violation has occurred among recipients of the funds. This five year limit, which currently applies only to recipients of the schools and libraries fund, will now apply to recipients of all USF programs. This time period appropriately balances the beneficiary's need for finality with the Commission statutory obligation to safeguard the USF programs from waste, fraud, and abuse. This five-year time period is not a statute of limitations.

(e) Decision regarding sanctions for misuse of funds—consistent with a prior Commission conclusion regarding the schools and libraries program, the Commission determined that funds disbursed from the high-cost, low-income, and rural health care support mechanisms that are disbursed or used in violation of a Commission rule that implements the statute or a substantive program goal should be recovered. The Commission has determined that sanctions, including enforcement action, are appropriate in cases of waste, fraud, and abuse, but not in cases of clerical or ministerial errors.

(f) Decision regarding debarment for actions that harm the integrity of the

program—there have been several well-publicized cases of fraud against the schools and libraries program. In order to prevent further fraud, and to prevent bad actors from continuing to participate in this program, the Commission earlier adopted a three year debarment rule for the schools and libraries program that suspends and debar parties who are convicted of criminal violations or held civilly liable for acts arising out of participation in the schools and libraries program, absent extraordinary circumstances.

The Commission now applies these debarment procedures to all Universal Service programs. Henceforth, any party convicted of or held civilly liable for the commission or attempted commission of fraud and similar offenses will be debarred from participation in the program for a period of three years. Additionally, the Commission and the USAC Administrator will publish the names of these debarred entities on their respective Internet websites. The USAC Administrator will also provide a link from its website to the Bureau and Commission debarment orders.

(g) Decision regarding performance measures—following the requirements of the Government Performance and Results Act, the Commission established the following performance measures:

(1) Schools and Libraries—since nearly 100 percent connectivity to the Internet already exists for public schools and the Commission is not in a position to evaluate either the impact of schools and libraries funds on connectivity as compared to other funding sources or the impact of Internet connectivity on educational outcomes, the Commission decided on group of policy, productivity, and efficiency performance measures.

In the policy arena, the USAC Administrator is to collect information during interviews with schools and libraries about the different types or capacities of broadband services that are supported through the school and libraries program. The Commission further requires the USAC Administrator to work with the Wireline Competition Bureau ("Bureau") to modify the relevant FCC forms or to create additional questions for program participants to more accurately determine how schools and libraries connect to the Internet and their precise levels of connectivity. The collections of such additional information, after approval by OMB under the terms of the Paperwork Reduction Act, will enable the Commission to identify the specific products, services, and capabilities (e.g., T-1s, DS-3s) at specific quantities

provided by the schools and libraries program.

The Commission also requires the USAC Administrators to cross-reference participating school districts with a full listing of school districts to identify the public schools that are not participating in the schools and libraries program in order to focus outreach on these schools. The USAC Administrator should determine why these schools and libraries choose not to participate and assist them, if necessary, in the beginning of the application process. The USAC Administrator should report its conclusions to the Commission annually.

In the productivity arena, the Commission is requiring the USAC Administrator to provide data, on a funding year basis, reporting the number of applications and funding request numbers ("FRNs") submitted, the number of applications and FRNs rejected, the number of applications and FRNs granted, and the processing time for applications and FRNs. The USAC Administrator is also required to document the amount of time it takes to make a payment to the service provider, from the date the proper form is submitted. The Commission recognizes that the USAC Administrator could reject more invoices in order to improve the amount of time it takes to make payments. For this reason, the Commission also requires the USAC Administrator to provide the number of paid invoices and the number of rejected invoices.

In the efficiency arena, the Commission is directing the USAC Administrator to determine the percentage of appeals that are resolved by the USAC Administrator within 90 days from the date of appeal. The USAC Administrator will also provide information on how long it takes to process 50 percent, 75 percent, and 100 percent of the pending appeals from the schools and libraries division.

(2) Low-income—the Commission currently lacks the baseline information necessary to make an assessment of whether the program is accomplishing its goal. Therefore the Commission has directed the USAC Administrator to provide the following baseline information: (a) Number of program beneficiaries (i.e., carriers); (b) number of low-income customers for which each carrier receives low-income support; (c) number of connections supported; (d) time to process support payments and authorize disbursements; (e) average (mean) dollar amount awarded and median dollar amount awarded, per carrier; and (f) total amount disbursed. This baseline information will assist the

Commission in setting performance measures in the future.

In addition, to further expand its baseline knowledge, the Commission requires the USAC Administrator to provide the Commission with specified information from a survey that is taken by service providers of the customers in the Lifeline benefits program. The information to be provided to the Commission includes: (a) The number of Lifeline customers surveyed by the service providers; (b) the Number of Lifeline customers found to be ineligible; and (c) the Number of Lifeline customers who did not respond to the service provider survey. The Commission may revisit this issue at a later time and request further information from the Lifeline survey.

(3) Rural Health Care—the Commission requires the USAC Administrator to provide the following performance information: time to process applications; time to pay invoices; and time to determine appeals. These data will provide a baseline against which subsequent goals can be implemented in the future.

Additionally, except for the rural health care pilot program, the USAC Administrator is to provide the Commission with specified productivity and efficiency performance data in regard to its application processing, invoice processing, and handling of appeals.

(4) High-cost—because it does not have sufficient data at this time to establish performance goals; the Commission directs the USAC Administrator to provide baseline information against which goals can be implemented in the future. The information to be provided includes the: (a) Number of program beneficiaries per study area and per wire center; (b) number of lines, per study area and per wire center (c) number of requests for support payments; (d) mean dollar amount of support and median dollar amount of support for each line; (d) total amount disbursed; (e) time to process 50 percent, 75 percent, and 100 percent of the high-cost support requests and authorize disbursements; and (f) rates of telephone subscribership in urban versus rural areas.

(5) USAC Administrative Performance Measures—the Commission additionally adopted a requirement that the USAC Administrator provide some general, not program-specific, performance data. The required performance data include: (a) The amount of payments determined to be improper payments and the error rate (i.e., the percentage of total payments that are determined to be improper payments); (b) the amount of improper

payments subsequently recovered from the beneficiaries by the USAC Administrator; (c) data on USAC administrative costs, per program, and general administrative costs (not program-specific); (d) the amount of payments determined to be improper payments and the error rate (i.e., the percentage of total payments that are determined to be improper payments), per program; (e) the amount of improper payments subsequently recovered from the beneficiaries by the USF Administrator, per program; (f) the number of corrections or true-ups due to errors by the USAC Administrator, per program; (g) the number of USF contributors; number of USF contributors 90 days or more delinquent in payments; (h) the total amount of delinquencies or past due payments; (i) the total number of contributors assessed late fees or penalties; (j) the total amount of late fees or penalties; (k) the total amount of contributions to the USF; and (l) the total amount of disbursements.

#### List of Subjects in 47 CFR Part 54

Communications common carriers, Health facilities, Infants and children, Libraries, Reporting and recordkeeping requirements, Schools, Telecommunications, Telephone.

Federal Communications Commission.

**Marlene H. Dortch,**  
*Secretary.*

#### Final Rules

■ For the reasons discussed in the preamble, the Federal Communications Commission amends 47 CFR part 54 as follows:

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

**Authority:** Secs. 5, 48 Stat. 1068, as amended; 47 U.S.C. 155.

■ 2. Section 54.202 is amended by adding paragraph (e) to read as follows:

#### § 54.202 Additional requirements for Commission designation of eligible telecommunications carriers.

\* \* \* \* \*

(e) All eligible telecommunications carriers shall retain all records required to demonstrate to auditors that the support received was consistent with the universal service high-cost program rules. These records should include the following: data supporting line count filings; historical customer records; fixed asset property accounting records; general ledgers; invoice copies for the purchase and maintenance of equipment; maintenance contracts for the upgrade or equipment; and any other relevant documentation. This

documentation must be maintained for at least five years from the receipt of funding.

■ 3. Section 54.417(a) is amended by revising the undesignated paragraph to read as follows:

§ 54.417 Recordkeeping requirements.

(a) \* \* \*

Notwithstanding the preceding sentence, eligible telecommunications carriers must maintain the documentation required in §§ 54.409(d) and 54.410(b)(3) for as long as the consumer receives Lifeline service from that eligible telecommunications carrier

\* \* \* \* \*

■ 4. Redesignate § 54.521 as § 54.8 and revise paragraphs (a)(1), (a)(5), (a)(7), (c), (d), (e)(2)(i), (e)(3), (e)(4), and (g) to read as follows:

§ 54.8 Prohibition on participation: Suspension and debarment.

(a) Definitions—(1) Activities associated with or related to the schools and libraries support mechanism, the high-cost support mechanism, the rural health care support mechanism, and the low-income support mechanism. Such matters include the receipt of funds or discounted services through one or more of these support mechanisms, or consulting with, assisting, or advising applicants or service providers regarding one or more of these support mechanisms.

\* \* \* \* \*

(5) Debarment. Any action taken by the Commission in accordance with these regulations to exclude a person from activities associated with or relating to the schools and libraries support mechanism, the high-cost support mechanism, the rural health care support mechanism, and the low-income support mechanism. A person so excluded is “debarred.”

\* \* \* \* \*

(7) Suspension. An action taken by the Commission in accordance with these regulations that immediately excludes a person from activities associated with or relating to the schools and libraries support mechanism, the high-cost support mechanism, the rural health care support mechanism, and the low-income support mechanism for a temporary period, pending completion of the debarment proceedings. A person so excluded is “suspended.”

\* \* \* \* \*

(c) Causes for suspension and debarment. Causes for suspension and debarment are conviction of or civil judgment for attempt or commission of criminal fraud, theft, embezzlement,

forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, obstruction of justice and other fraud or criminal offense arising out of activities associated with or related to the schools and libraries support mechanism, the high-cost support mechanism, the rural health care support mechanism, and the low-income support mechanism.

(d) Effect of suspension and debarment. Unless otherwise ordered, any persons suspended or debarred shall be excluded from activities associated with or related to the schools and libraries support mechanism, the high-cost support mechanism, the rural health care support mechanism, and the low-income support mechanism. Suspension and debarment of a person other than an individual constitutes suspension and debarment of all divisions and/or other organizational elements from participation in the program for the suspension and debarment period, unless the notice of suspension and proposed debarment is limited by its terms to one or more specifically identified individuals, divisions, or other organizational elements or to specific types of transactions.

(e) \* \* \*

(2) \* \* \*

(i) Give the reasons for the proposed debarment in terms sufficient to put a person on notice of the conduct or transaction(s) upon which it is based and the cause relied upon, namely, the entry of a criminal conviction or civil judgment arising out of activities associated with or related to the schools and libraries support mechanism, the high-cost support mechanism, the rural health care support mechanism, and the low-income support mechanism;

\* \* \* \* \*

(3) A person subject to proposed debarment, or who has an existing contract with a person subject to proposed debarment or intends to contract with such a person to provide or receive services in matters arising out of activities associated with or related to the schools and libraries support mechanism, the high-cost support mechanism, the rural health care support mechanism, and the low-income support mechanism may contest debarment or the scope of the proposed debarment. A person contesting debarment or the scope of proposed debarment must file arguments and any relevant documentation within thirty (30) calendar days of receipt of notice or publication in the **Federal Register**, whichever is earlier.

(4) A person subject to proposed debarment, or who has an existing contract with a person subject to proposed debarment or intends to contract with such a person to provide or receive services in matters arising out of activities associated with or related to the schools and libraries support mechanism, the high-cost support mechanism, the rural health care support mechanism, and the low-income support mechanism may also contest suspension or the scope of suspension, but such action will not ordinarily be granted. A person contesting suspension or the scope of suspension must file arguments and any relevant documentation within thirty (30) calendar days of receipt of notice or publication in the **Federal Register**, whichever is earlier.

\* \* \* \* \*

(g) Time period for debarment. A debarred person shall be prohibited from involvement with the schools and libraries support mechanism, the high-cost support mechanism, the rural health care support mechanism, and the low-income support mechanism for three (3) years from the date of debarment. The Commission may, if necessary to protect the public interest, set a longer period of debarment or extend the existing period of debarment. If multiple convictions or judgments have been rendered, the Commission shall determine based on the facts before it whether debarments shall run concurrently or consecutively.

■ 5. Section 54.619 is amended by adding paragraph (d) to read as follows:

§ 54.619 Audits and recordkeeping.

\* \* \* \* \*

(d) Service providers. Service providers shall retain documents related to the delivery of discounted telecommunications and other supported services for at least 5 years after the last day of the delivery of discounted services. Any other document that demonstrates compliance with the statutory or regulatory requirements for the rural health care mechanism shall be retained as well.

■ 6. Section 54.702 is amended by adding paragraph (o) to read as follows:

§ 54.702 Administrator’s functions and responsibilities.

\* \* \* \* \*

(o) The Administrator shall provide performance measurements pertaining to the universal service support mechanisms as requested by the Commission by order or otherwise.

■ 7. Section 54.706 is amended by adding paragraph (e) to read as follows:

**§ 54.706 Contributions.**

\* \* \* \* \*

(e) Any entity required to contribute to the federal universal service support mechanisms shall retain, for at least five years from the date of the contribution, all records that may be required to demonstrate to auditors that the contributions made were in compliance with the Commission's universal service rules. These records shall include without limitation the following: Financial statements and supporting documentation; accounting records; historical customer records; general ledgers; and any other relevant documentation. This document retention requirement also applies to any contractor or consultant working on behalf of the contributor.

■ 8. Section 54.713 is revised to read as follows:

**§ 54.713 Contributors' failure to report or to contribute.**

(a) A contributor that fails to file a Telecommunications Reporting Worksheet and subsequently is billed by the Administrator shall pay the amount for which it is billed. The Administrator may bill a contributor a separate assessment for reasonable costs incurred because of that contributor's filing of an untruthful or inaccurate Telecommunications Reporting Worksheet, failure to file the Telecommunications Reporting Worksheet, or late payment of contributions. Failure to file the Telecommunications Reporting Worksheet or to submit required quarterly contributions may subject the contributor to the enforcement provisions of the Act and any other applicable law. The Administrator shall advise the Commission of any enforcement issues that arise and provide any suggested response. Once a contributor complies with the Telecommunications Reporting Worksheet filing requirements, the Administrator may refund any overpayments made by the contributor, less any fees, interest, or costs.

(b) If a universal service fund contributor fails to make full payment on or before the date due of the monthly amount established by the contributor's applicable Form 499-A or Form 499-Q, or the monthly invoice provided by the Administrator, the payment is delinquent. All such delinquent amounts shall incur from the date of delinquency, and until all charges and costs are paid in full, interest at the rate equal to the U.S. prime rate (in effect on the date of the delinquency) plus 3.5 percent, as well as administrative charges of collection and/or penalties

and charges permitted by the applicable law (e.g., 31 U.S.C. 3717 and implementing regulations).

(c) If a universal service fund contributor is more than 30 days delinquent in filing a Telecommunications Reporting Worksheet Form 499-A or 499-Q, the Administrator shall assess an administrative remedial collection charge equal to the greater of \$100 or an amount computed using the rate of the U.S. prime rate (in effect on the date the applicable Worksheet is due) plus 3.5 percent, of the amount due per the Administrator's calculations. In addition, the contributor is responsible for administrative charges of collection and/or penalties and charges permitted by the applicable law (e.g., 31 U.S.C. 3717 and implementing regulations). The Commission may also pursue enforcement action against delinquent contributors and late filers, and assess costs for collection activities in addition to those imposed by the Administrator.

(d) In the event a contributor fails both to file the Worksheet and to pay its contribution, interest will accrue on the greater of the amounts due, beginning with the earlier of the date of the failure to file or pay.

(e) If a universal service fund contributor pays the Administrator a sum that is less than the amount due for the contributor's universal service contribution, the Administrator shall adhere to the "American Rule" whereby payment is applied first to outstanding penalty and administrative cost charges, next to accrued interest, and third to outstanding principal. In applying the payment to outstanding principal, the Administrator shall apply such payment to the contributor's oldest past due amounts first.

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**DEPARTMENT OF COMMERCE**

**National Oceanic and Atmospheric Administration**

**50 CFR Part 600**

[Docket No. 070607179-7509-02]

**RIN 0648-AV66**

**Fishing Capacity Reduction Program for the Longline Catcher Processor Subsector of the Bering Sea and Aleutian Islands Non-pollock Groundfish Fishery, Industry Fee System**

**AGENCY:** National Marine Fisheries Service (NMFS), National Oceanic and

Atmospheric Administration (NOAA), Commerce.

**ACTION:** Final rule.

**SUMMARY:** NMFS establishes regulations to implement an industry fee system for repaying a \$35 million Federal loan financing a fishing capacity reduction program in the longline catcher processor subsector of the Bering Sea and Aleutian Islands (BSAI) non-pollock groundfish fishery. This action implements the fee collection system to ensure repayment of the loan.

**DATES:** This final rule is effective, and fee payment collection begins, on October 24, 2007.

**ADDRESSES:** Copies of the Environmental Assessment/Regulatory Impact Review/Final Regulatory Flexibility Analysis (EA/RIR/FRFA) prepared for the program and the FRFA for this final rule may be obtained from Leo Erwin, Chief, Financial Services Division, National Marine Fisheries Service, 1315 East-West Highway, Silver Spring, MD 20910-3282.

Comments involving the burden-hour estimates or other aspects of the collection-of-information requirements contained in this final rule should be submitted in writing to Leo Erwin, at the above address, and to David Rostker, Office of Management and Budget (OMB), by email at [David\\_Rostker@omb.eop.gov](mailto:David_Rostker@omb.eop.gov) or by fax to 202-395-7285.

**FOR FURTHER INFORMATION CONTACT:** Leo Erwin at 301-713 2390.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

Sections 312(b)-(e) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1861a(b) through (e)) generally authorized fishing capacity reduction programs. In particular, section 312(d) authorized industry fee systems for repaying the reduction loans which finance reduction program costs. Subpart L of 50 CFR part 600 (§§ 600.1000 through 600.1017) is the framework rule generally implementing sections 312(b)-(e). Subpart M of 50 CFR part 600 (§§ 600.1100 through 600.1105) contains specific fishery or program regulations.

Sections 1111 and 1112 of the Merchant Marine Act, 1936 (46 U.S.C. 1279f and 1279g) generally authorized reduction loans.

The FY 2005 Appropriations Act (Public Law 108-447, Section 219) authorized a fishing capacity reduction program for the longline catcher processor subsector of the BSAI non-pollock groundfish fishery (reduction fishery).