

zipcode to which the HCFA notice provided for in paragraph (a) of this section is to be sent.

6. In § 489.67, paragraphs (b) through (e) are redesignated as paragraphs (c) through (f), respectively, paragraph (a) is revised, and a new paragraph (b) is added to read as follows:

§ 489.67 Submission date and term of the bond.

(a) Each participating HHA that does not meet the criteria for waiver under § 489.62 must submit to HCFA, in such a form as HCFA may specify, a surety bond as follows:

(1) *Initial submission date and term:* By July 31, 1998. The term of the initial bond is for a term beginning January 1, 1998. If an annual bond is submitted for the initial term, it must be effective through the end of the HHA's current fiscal year.

(2) *Subsequent submission date and term.* Not later than 30 days before the beginning of the HHA's fiscal year, a surety bond, or, if necessary, a rider, effective for a term concurrent with the HHA's fiscal year.

(b) *Type of bond.* The type of bond required to be submitted by an HHA under this subpart may be either—

(1) An annual bond (that is, a bond that specifies an effective annual period corresponding to the HHA's fiscal year); or

(2) A continuous bond (that is, a bond that remains in full force and effect from term to term unless it is terminated or canceled as provided for in the bond or as otherwise provided by law) that is updated by the Surety, via the issuance of a rider, for a particular fiscal year for which the bond amount has changed or will change.

* * * * *

7. Section 489.71 is revised to read as follows:

§ 489.71 Surety's standing to appeal Medicare determinations.

A Surety has standing to appeal any matter that the HHA could appeal, provided the Surety satisfies all jurisdictional and procedural requirements that would otherwise have applied to the HHA, and provided the HHA is not, itself, actively pursuing its appeal rights under this chapter, and provided further that, with respect to unpaid claims, the Surety has paid HCFA all amounts owed to HCFA by the HHA on such unpaid claims, up to the amount of the bond.

8. Section 489.73 is redesignated as § 489.74 in subpart F, and a new § 489.73 is added to read as follows:

§ 489.73 Effect of conditions of payment.

If a Surety has paid an amount to HCFA on the basis of liability incurred under a bond obtained by an HHA under this subpart F, and HCFA subsequently collects from the HHA, in whole or in part, on such unpaid claim, civil money penalty, or assessment that was the basis for the Surety's liability, HCFA reimburses the Surety such amount as HCFA collected from the HHA, up to the amount paid by the Surety to HCFA, provided the Surety has no other liability to HCFA under the bond.

(Authority: Secs. 1102 and 1871 of the Social Security Act (42 U.S.C. 1302 and 1395hh)).

(Catalog of Federal Domestic Assistance Program No. 93.774, Medicare—Supplementary Medical Insurance Program, and Program No. 93.778, Medical Assistance Program)

Dated: April 8, 1998.

Nancy-Ann Min DeParle,

Administrator, Health Care Financing Administration.

Dated: May 8, 1998.

Donna E. Shalala,

Secretary.

[FR Doc. 98-14309 Filed 5-26-98; 4:58 pm]

BILLING CODE 4120-01-P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Parts 0, 1, and 80

[CI Docket No. 95-55, FCC 98-75]

Inspection of Radio Installations on Large Cargo and Small Passenger Ships

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: The Commission has adopted a *Report and Order (R & O)* which requires that large cargo vessels and small passenger ships arrange for an inspection of such ships by an FCC-licensed technician. The Commission adopted this *R & O* to incorporate changes to the Communications Act related to the inspection of ships and to improve the Commission's ship inspection process. These rules should increase the availability of competent, private sector inspectors to conduct inspections of cargo vessels and small passenger vessels required to be inspected by the Commission without adversely affecting safety and, thus, provide greater convenience for the maritime industry.

EFFECTIVE DATE: July 1, 1998.

FOR FURTHER INFORMATION CONTACT:

George R. Dillon of the Compliance and Information Bureau at (202) 418-1100.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's *Report and Order*, CI Docket No. 95-55, FCC 98-75, adopted April 20, 1998, and released, May 1, 1998. The full text of this *Report and Order* is available for inspection and copying during normal business hours in the FCC Reference Center (Room 239) 1919 M Street, NW, Washington, DC. The complete text may be purchased from the Commission's copy contractor, International Transcription Services, 1231 20th St. NW, Washington, DC 20036, telephone (202) 857-3800.

Summary of Report and Order

The Commission proposed rules in a *Notice of Proposed Rule Making (Notice)*, CI Docket 95-55, 61 FR 21151, May 9, 1996, that changed the way in which the Commission inspected large cargo vessels and small passenger ships. This *Report and Order (R&O)* incorporates changes to the Communications Act related to the inspection of ships, improves the Commission's ship inspection process, reduces administrative burdens on the public and the Commission, and provides continued Commission oversight to ensure that vessel safety is not adversely affected. Currently, the Commission inspects the radio installations of approximately 1,110 vessels each year subject to the Communications Act or the Safety Convention. The amended rules will replace the requirement that the Commission inspect such ships with a requirement that ship owners or operators arrange for an inspection by an FCC-licensed technician.

2. *Comments.* We received 19 comments and 2 reply comments in response to the *Notice*. Most commenters supported the Commission's efforts to streamline the inspections of ships and provide faster service to the public. Two commenters opposed the proposal citing concerns about safety as reason not to permit privatization. The Coast Guard supported the Commission's efforts to streamline government regulation and reduce the regulatory burden on the maritime industry. The United States Coast Guard (Coast Guard) states that it fully supports the Commission's efforts to streamline government regulation and reduce the regulatory burden on the maritime industry wherever these efforts are consistent with the maintenance of a high level of safety. The Coast Guard notes that it has

undertaken a similar delegation for some of its commercial ship inspections—the alternative compliance program (ACP)—and asked that the Commission give due consideration to aligning its delegation approach to that chosen by the Coast Guard.

3. The Coast Guard also provided specific comments to questions raised in the *Notice* regarding the qualifications of FCC-licensed technicians. The Coast Guard states that while it supports the minimum licensing requirements proposed it does not appear the prerequisite for licensing incorporates any training or demonstration of qualifications in the actual conduct of safety inspections or in the skills necessary to maintain or operate the equipment. Several commenters support our proposal regarding the qualifications of technicians. Sea-Land Service, Inc. (Sea-Land), an operator of U.S. flag container ships, states that the qualifications required for the GMDSS maintainers license ensure that individuals inspecting the ships will have a demonstrated knowledge of the operational and technical requirements of the (radio) installation being inspected and that the system is being properly repaired, maintained and operated. Sea-Land states that it has experienced problems with FCC inspector availability due to the constraints of tight operating schedules and short port stays and the proposed rules will alleviate that problem.

4. The American Institute of Merchant Shipping, now the United States Chamber of Shipping (USCS), filed comments and reply comments. USCS notes that it represents 20 U.S. based companies which own or operate over ten million deadweight tons of U. S. flag tankers and liners, which USCS stated is a majority of U. S. flag tanker and liner tonnage. USCS contends that the proposed changes will increase the number of experienced entities available to conduct inspections and will allow it increased flexibility in arranging inspections. USCS also states that the Masters of ships that it represents will ensure that GMDSS equipment will operate safely before leaving every port and that it is, thus, appropriate that the Master should certify the completion of the annual inspection. In reply comments, USCS reiterated its position that the shipowner is the final inspector whether the equipment has been inspected by a GMDSS maintainer, installed by a vendor, looked at by a radio officer or even inspected by the FCC.

5. The Passenger Vessel Association states that the proposed regulations meet the needs of safety and that the

FCC's current licensing system insures that FCC-licensed technicians have adequate knowledge for the inspection activity proposed. The National Marine Electronics Association (NMEA) states that the proposal to use private sector inspectors enlarges the field of qualified inspectors and permits ship owners and operators to arrange for inspections at their convenience. NMEA notes that because FCC-licensed technicians are called in advance to evaluate the equipment prior to the inspection the vessel's owner will save time and money by having the same person do both jobs. Finally, the Coast Guard suggested that the Commission maintain oversight of the ship inspection program because of safety concerns.

6. Because these inspections are conducted to ensure that ships have reliable distress communications capability we are incorporating the Coast Guard's suggestions. Further, we believe that privatization will result in the following benefits:

(a) It will increase the number of experienced entities available to inspect the radio stations of ships.

(b) Privatization will permit ship owners and operators to arrange for inspections at any time or place.

(c) Privatization should not adversely affect safety, we are adopting rules that will require two separate certifications that the ship has passed the safety inspection. Additionally, we are coordinating this item with the U. S. Coast Guard.

(d) It will also decrease administrative burdens on the Commission by shifting the responsibility to arrange ship inspections from the Commission to ship owners or operators.

7. The Communications Act requires that the Commission must inspect the radio installation of large cargo ships and certain passenger ships of the United States at least once a year to ensure that the radio installation is in compliance with the requirements of the Communications Act. Additionally, the Communications Act requires that the Commission must inspect the radio installation of small passenger vessels as necessary to ensure compliance with the radio installation requirements of the Communications Act. Currently, the Commission inspects small passenger vessels once every five years.

8. The Safety Convention, to which the United States is signatory and which applies to large cargo ships and certain passenger vessels, also requires an annual inspection. The Safety Convention, however, permits an Administration to *entrust the inspections to either surveyors nominated for the purpose or to*

organizations recognized by it. The United States can, therefore, have either Commission inspectors or other entities conduct the radio station inspections of vessels for compliance with the Safety Convention.

9. The purpose of these inspections is to ensure that passengers and crew members of certain U. S. ships have access to distress communications in an emergency. The 1996 Act adopted the statutory changes in this area requested by the Commission in 1995.

In part, these changes permit the Commission to designate entities to perform the inspections required by the Communications Act. We are adopting a significant change to the current rules and procedures regarding safety inspections. As a result, we are incorporating the Coast Guard's suggestions that we maintain oversight of the ship inspection process and will inspect a random sample of subject ships each year. We have also concluded that it is important to the integrity of this ship inspection program that the inspectors be independent of the vessel owners and operators. We are, therefore, providing that the vessel's owner, operator, master, employees or their affiliates may not conduct the required inspections. Finally, we will vigorously enforce these rules and take all appropriate steps available to us in the event of violations that affect ship safety.

Final Regulatory Flexibility Analysis

10. As required by Section 603 of the Regulatory Flexibility Act, the Commission has prepared a Final Regulatory Flexibility Analysis of the expected impact on small entities of the rules adopted in this Report and Order.

11. *Need for and purpose of this action.* The rules we adopt in this proceeding will require the owners and operators of large cargo vessels, passenger vessels, and small passenger vessels to arrange for an inspection by an FCC-licensed operator instead of requiring that all inspections be conducted by FCC personnel. This change will improve the speed and convenience of service to the owners and operators of such vessels, many of which are small businesses and will conserve scarce government resources.

12. *Summary of the issues raised by the public comments in response to the Initial Regulatory Flexibility Analysis.* There were no comments submitted in response to the Initial Regulatory Flexibility Analysis.

13. *Significant alternatives considered.* We initially considered limiting the inspection of subject vessels to classification societies. Commenters

overwhelmingly opposed limiting the inspections solely to classification societies in response to the NOI and suggested that we permit anyone with an FCC license to inspect the vessels. The United States Coast Guard suggested that we maintain oversight of the ship inspection process. We agree and are incorporating a random inspection process.

List of Subjects

47 CFR Part 0

Organization and functions (Government agencies).

47 CFR Part 1

Administrative practice and procedures.

47 CFR Part 80

Communications equipment, Radio, Reporting and recordkeeping requirements.

Federal Communications Commission.

Magalie Roman Salas,
Secretary.

Rule Changes

Chapter I of Title 47 of the Code of Federal Regulations, Parts 0, 1 and 80, are amended as follows:

PART 0—COMMISSION ORGANIZATION

1. The authority citation for part 0 continues to read as follows:

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

2. Section 0.311 is amended by redesignating paragraph (i) as (i)(1) and adding a new paragraph (i)(2) to read as follows:

§ 0.311 Authority delegated.

* * * * *

(i)(1) * * *

(2) The Chief of the Compliance and Information Bureau is authorized to rely on reports, documents, or log entries made by the holder of an FCC license or Certificate—detailed in § 80.59 of this Chapter—as certification that a U.S. vessel required to be equipped with a radio installation and inspected by the Commission or an entity designated by the Commission, under the Safety Convention or subparts Q, R, S, U, or W of part 80 of this chapter meets such inspection requirements. The Chief, Compliance and Information Bureau is

further authorized to delegate this authority.

3. Section 0.314 is amended by revising paragraphs (e)(1) and (j) to read as follows:

§ 0.314 Additional authority delegated.

* * * * *

(e)(1) For periodic survey as required by section 385 of the Communications Act of 1934, as amended by the Telecommunications Act of 1996, and issuance of Communications Act radiotelephony certificates in accordance with § 80.903 of this chapter. The District Director or Resident Agent will require that the inspection be conducted by an FCC-licensed technician holding an appropriate class of FCC license in accordance with § 80.59 of this chapter.

* * * * *

(j) For ship radio inspection and certification of the ship radio license, pursuant to the requirements of Section 362(b) and 385 of the Communications Act of 1934 as amended by the Telecommunications Act of 1996. The District Director or Resident Agent will require that the inspection be conducted by an FCC-licensed technician holding an appropriate class of FCC license in accordance with § 80.59 of this chapter.

* * * * *

PART 1—PRACTICE AND PROCEDURE

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

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

5. Section 1.1103 is amended by removing the four entries for “801” under the header titled “FCC Form No.” and replacing them with “159 and corres.”

PART 80—STATIONS IN THE MARITIME SERVICES

6. The authority citation for part 80 continues to read as follows:

Authority: Secs. 4, 303, 48 Stat. 1066, 1082, as amended; 47 U.S.C. 154, 303 and 307(e) unless otherwise noted. Interpret or apply 48 Stat. 1064–1068, 1081–1105, as amended; 47 U.S.C. 151–155, 301–609; 3 UST 3450, 3 UST 4726, 12 UST 2377.

7. Section 80.5 is amended by revising the definitions of *Cargo ship safety radio-telegraphy certificate* and *Cargo ship safety radio-telephony certificate*

and adding a definition of *Cargo ship safety radio certificate* to read as follows:

§ 80.5 Definitions.

* * * * *

Cargo ship safety radio certificate. A certificate issued after a ship passes an inspection of the required radiotelegraph, radiotelephone or GMDSS radio installation. Issuance of this certificate indicates that the vessel complies with the Communications Act and the Safety Convention.

Cargo ship safety radiotelegraphy certificate. A certificate issued after a ship passes an inspection of a radiotelegraph installation. Issuance of this certificate indicates that the vessel complies with the Communications Act and the Safety Convention.

Cargo ship safety radiotelephony certificate. A certificate issued after a ship passes an inspection of a radiotelephone installation. Issuance of this certificate indicates that the vessel complies with the Communications Act and the Safety Convention.

* * * * *

8. Section 80.19 is amended by removing the entry “Radio inspection and certification” under the column titled “Application for” and removing the entry and corresponding footnote “FCC Form 801.1” under the column titled “Use”.

9. Section 80.59 is amended by revising paragraphs (a), (d) introductory text, (d)(1) introductory text, (d)(1)(v), adding a new paragraph (d)(2) and removing paragraph (e) to read as follows:

§ 80.59 Compulsory ship inspections.

(a) Inspection of ships subject to the Communications Act or the Safety Convention.

(1) The FCC will not normally conduct the required inspections of ships subject to the inspection requirements of the Communications Act or the Safety Convention.

Note: Nothing in this section prohibits Commission inspectors from inspecting ships. The mandatory inspection of U. S. vessels must be conducted by an FCC-licensed technician holding an FCC General Radiotelephone Operator License, GMDSS Radio Maintainer's License, Second Class Radiotelegraph Operator's Certificate, or First Class Radiotelegraph Operator's Certificate in accordance with the following table:

Category of vessel	Minimum class of FCC license required by private sector technician to conduct inspection—only one license required			
	General radiotelephone operator license	GMDSS radio main-tainer's license	Second class radiotelegraph operator's certificate	First class radiotelegraph operator's certificate
Radiotelephone equipped vessels subject to 47 CFR part 80, subpart R or S	✓	✓	✓	✓
Radiotelegraph equipped vessels subject to 47 CFR part 80, subpart Q	✓	✓
GMDSS equipped vessels subject to 47 CFR part 80, subpart W or subpart Q	✓

(2) A certification that the ship has passed an inspection must be entered into the ship's log by the inspecting technician. The technician conducting the inspection and providing the certification must not be the vessel's owner, operator, master, or employee or their affiliates. Additionally, the vessel owner, operator, or ship's master must certify in the station log that the inspection was satisfactory. There are no FCC prior notice requirements for any inspection pursuant to paragraph (a)(1) of this section. An inspection of the bridge-to-bridge radio stations on board vessels subject to the Vessel Bridge-to-Bridge Radiotelephone Act must be conducted by the same FCC-licensed technician.

(3) Additionally, for passenger vessels operated on an international voyage the inspecting technician must send a completed FCC Form 806 to the Officer in Charge, Marine Safety Office, United States Coast Guard in the Marine Inspection Zone in which the ship is inspected.

(4) In the event that a ship fails to pass an inspection the inspecting technician must make a log entry detailing the reason that the ship did not pass the inspection. Additionally, the technician must notify the vessel owner, operator, or ship's master that the vessel has failed the inspection.

(5) Because such inspections are intended to ensure the availability of communications capability during a distress the Commission will vigorously investigate reports of fraudulent inspections, or violations of the Communications Act or the Commission's Rules related to ship inspections. FCC-licensed technicians, ship owners or operators should report such violations to the Commission through its National Call Center at 1-888-CALL FCC (1-888-225-5322).

(d) *Waiver of annual inspection.* (1) The Commission may, upon a finding that the public interest would be served, grant a waiver of the annual inspection required by Section 362(b) of the

Communications Act, 47 U.S.C. 360(b), for a period of not more than 90 days for the sole purpose of enabling a United States vessel to complete its voyage and proceed to a port in the United States where an inspection can be held. An informal application must be submitted by the ship's owner, operator or authorized agent. The application must be submitted to the Commission's District Director or Resident Agent in charge of the FCC office nearest the port of arrival at least three days before the ship's arrival. The application must include:

(v) The reason why an FCC-licensed technician could not perform the inspection; and

(2) Vessels that are navigated on voyages outside of the United States for more than 12 months in succession are exempted from annual inspection required by section 362(b) of the Communications Act, provided that the vessels comply with all applicable requirements of the Safety Convention, including the annual inspection required by Regulation 9, Chapter I, and the vessel is inspected by an FCC-licensed technician in accordance with this section within 30 days of arriving in the United States.

10. Section 80.101 is amended by revising the fourth sentence in paragraph (b) to read as follows:

§ 80.101 Radiotelephone testing procedure.

(b) * * * U. S. Coast Guard stations may be contacted on 2182 kHz or 156.800 MHz for test purposes only when tests are being conducted by Commission employees, when FCC-licensed technicians are conducting inspections on behalf of the Commission, when qualified technicians are installing or repairing radiotelephone equipment, or when qualified ship's personnel conduct an operational check requested by the U.S. Coast Guard. * * *

11. Section 80.409 is amended by revising paragraphs (b)(1) introductory text and (f)(1) to read as follows:

§ 80.409 Station logs.

* * * * *

(b) * * *
(1) Logs must be retained by the licensee for a period of two years from the date of entry, and, when applicable, for such additional periods as required by the following paragraphs:

* * * * *

(f) * * *
(1) Radiotelephony stations subject to the Communications Act, the Safety Convention, or the Bridge-to-Bridge Act must record entries indicated by paragraphs (e)(1) through (e)(12) of this section. Additionally, the radiotelephone log must provide an easily identifiable, separate section relating to the required inspection of the ship's radio station. Entries must be made in this section giving at least the following information.

(i) For ships that pass the inspection:
(A) The date the inspection was conducted.

(B) The date by which the next inspection needs to be completed.

(C) The inspector's printed name, address and class of FCC license (including the serial number).

(D) The results of the inspection, including any repairs made.

(E) The inspector's signed and dated certification that the vessel meets the requirements of the Communications Act and, if applicable, the Safety Convention and the Bridge-to-Bridge Act contained in subparts Q, R, S, U, or W of this part and has successfully passed the inspection.

(F) The vessel owner, operator, or ship's master's certification that the inspection was satisfactory.

(ii) For ships that fail the inspection:
(A) The date the inspection was conducted.

(B) The inspector's printed name, address and class of FCC license (including the serial number).

(C) The reason that the ship did not pass the inspection.

(D) The date and time that the ship's owner, operator or master was notified that the ship failed the inspection.

* * * *

12. Section 80.802 is amended by revising paragraph (a) introductory text to read as follows:

§ 80.802 Inspection of station.

(a) Every ship of the United States subject to Part II of Title III of the Communications Act or Chapter IV of the Safety Convention equipped with a radiotelegraph installation must have the required radio equipment inspected by an FCC-licensed technician holding a Second Class Radiotelegraph Operator's Certificate, or First Class Radiotelegraph Operator's Certificate once every 12 months. If the ship passes the inspection the technician will issue a Cargo Ship Safety Radio Certificate. Cargo Ship Safety Radio Certificates may be obtained from the Commission's National Call Center—(888) 225-5322—or from its Forms contractor.

* * * *

13. Section 80.818 is amended by revising paragraph (b) to read as follows:

§ 80.818 Direction finding and homing equipment.

* * * *

(b) *On or after May 25, 1980*, must be equipped with radio direction finding apparatus having a homing capability in accordance with § 80.824.

14. Section 80.819 is amended by revising paragraph (a) introductory text to read as follows:

§ 80.819 Requirements for radio direction finder.

(a) The radio direction finding apparatus must:

* * * *

15. Section 80.822 is revised to read as follows:

§ 80.822 Contingent acceptance of direction finder calibration.

When the required calibration can not be made before departure from a harbor or port for a voyage in the open sea, the direction finder may be tentatively approved on condition that the master certifies in writing that the direction finder will be calibrated by a competent technician.

16. Section 80.835 is amended by removing the fourth sentence in paragraph (a).

17. Section 80.851 is amended by redesignating the text as paragraph (a) and adding a new paragraph (b) to read as follows:

§ 80.851 Applicability.

* * * *

(b) Until February 1, 1999, the inspection of all cargo vessels equipped with a radiotelephone installation operated on domestic or international voyages must be conducted by an FCC-licensed technician in accordance with § 80.59 once every 12 months. If the ship passes the inspection the technician will issue a Safety Certificate. Cargo Ship Safety Radio Certificates may be obtained from the Commission's National Call Center—(888) 225-5322—or from its forms contractor.

18. Section 80.903 is revised to read as follows:

§ 80.903 Inspection of radiotelephone installation.

Every vessel subject to Part III of Title III of the Communications Act must have a detailed inspection of the radio installation by an FCC-licensed technician in accordance with § 80.59 once every five years. The FCC-licensed technician must use the latest FCC Information Bulletin, *How to Conduct an Inspection of a Small Passenger Vessel*. If the ship passes the inspection, the technician will issue a Communications Act Safety Radiotelephony Certificate. Communications Act Radiotelephony Certificates may be obtained from the Commission's National Call Center—(888) 225-5322—or from its forms contractor.

19. Section 80.1067 is amended by revising paragraph (a) to read as follows:

§ 80.1067 Inspection of station.

(a) Ships must have the required equipment inspected at least once every 12 months by an FCC-licensed technician holding a GMDSS Radio Maintainer's License. If the ship passes the inspection the technician will issue a Safety Certificate. Safety Certificates may be obtained from the Commission's National Call Center at 1-888-CALL FCC (1-888-225-5322) or from its field offices. The effective date of the ship Safety Certificate is the date the station is found to be in compliance or not later than one business day later. The FCC-licensed technician must use the latest FCC Information Bulletin, *How to Conduct a GMDSS Inspection*. Contact the FCC's National Call Center at 1-888-CALL FCC (1-888-225-5322) to request a copy.

* * * *

[FR Doc. 98-13463 Filed 5-29-98; 8:45 am]

BILLING CODE 6712-01-P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Parts 11 and 76

[FO Dockets No. 91-171, 91-301; FCC 97-338]

Emergency Alert System

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: This *Second Report and Order* modifies the Emergency Alert System (EAS) as it applies to wired cable TV systems. Also, wireless cable TV systems are required to participate in EAS. Deadlines for compliance are established. Small cable systems are allowed five years to phase-in EAS and may operate with reduced EAS equipment requirements. Larger cable systems must comply by December 31, 1998. Satellite Master Antenna TV and Video Dial Tone/Open Video Systems are not required to participate. State and local regulations relating to emergency communications and EAS are not preempted, but will be if these regulations interfere with EAS.

EFFECTIVE DATE: July 31, 1998.

FOR FURTHER INFORMATION CONTACT: David Sturdivant, Compliance and Information Bureau, (202) 418-1220.

SUPPLEMENTARY INFORMATION: This is a synopsis of the Commission's *Second Report and Order* in FO Dockets 91-171; 91-301, adopted September 24, 1997, and released September 29, 1997.

The full text of this Federal Communications Commission's (FCC) *Second Report and Order* is available for inspection and copying during normal business hours in the FCC's Public Reference Center (Room 239), 1919 M Street, N.W., Washington, D.C. 20554. The complete text may also be purchased from the Commission's duplication contractor, International Transcription Service, Inc., 1231 20th Street, NW, Washington, D.C. 20036; phone: (202) 857-3800, facsimile: (202) 857-3805.

Synopsis of Second Report and Order

The FCC adopted a *Second Report and Order* pertaining to the participation by wired and wireless cable TV systems in the Emergency Alert System (EAS). The rule changes are provided at the end of this synopsis.

EAS replaced the Emergency Broadcast System (EBS), and uses various communications technologies, such as broadcast stations and cable systems, to alert the public regarding national, state and local emergencies.