

## SUPPORTING STATEMENT

This collection is being submitted to extend an existing collection.

### **A. Justification:**

1. 47 CFR Sections 1.5000 – 1.5007 implement Section 34(a) of the Public Utility Holding Company Act. The rules provide filing requirements and procedures to expedite public utility holding company entry into the telecommunications industry. To achieve this goal, the regulations require persons seeking a determination of ETC status to file in good faith for a determination by the Commission.

Applicants are required to file with the Commission a brief description of their planned activities, and a sworn statement attesting to any facts presented to demonstrate eligibility for ETC status and attesting to any representation otherwise offered to demonstrate eligibility for ETC status. Applicants are required to submit sworn statements certifying that they complied with Part 1, Subpart P, of the Commission's regulation, 47 CFR Sections 1.2001, et seq., regarding implementation of the Anti-Drug Abuse Act of 1988, 21 U.S.C. Section 862. Finally, applicants would also be required to serve copies of their application with the SEC and affected state commissions. The applicants must notify the Commission of material change in facts within 30 days of the change in fact. See 47 CFR Section 1.5006. Persons wishing to be heard concerning an application for ETC status may file with the Commission within 15 days from the release date of a public notice regarding the application. Any person who files comments with the Commission must also service copies of all comments on the applicant. See 47 CFR 1.5007.

The collection of information is required by section 34(a)(1) of the Public Utility Holding Company Act of 1935 (PUHCA), as amended by section 103 of the Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996), and authorized by sections 4(i), 4(j) and 303(r) of the Communications Act of 1934, as amended.

As noted on the OMB Form 83i, this information collection does not affect individuals or households; thus, there are no impacts under the Privacy Act.

2. The information will be used by the Commission to determine whether persons satisfy the statutory criteria for "exempt telecommunications company" status. Without such information, the Commission could not determine whether persons satisfied the requisite statutory criteria and therefore fulfill its responsibility under section 34(a)(1) of the PUHCA, as amended.

3. The Commission is not considering the use of improved information technology at this time to collect the information.
4. Not applicable. The information is not duplicated elsewhere. No similar information is available.
5. The collection has been designed to place the minimum amount of burden on all respondents.
6. Frequency is determined by the applicant. The respondents will determine whether to seek a determination of ETC status.
7. Within 30 days of any change in material fact that may affect ETC status, persons who received ETC status have an affirmative duty to either: (a) apply to the Commission for a new determination of ETC status; (b) file a written explanation with the Commission of why the material change in facts does not affect the ETC's status; or (c) notify the Commission that it no longer seeks to maintain ETC status.
8. Pursuant to 1320.8(d), the Commission published a 60 day notice in the Federal Register to solicit public comment on the collection. See 71 FR 31188, dated June 1, 2006 (copy attached). No comments were received.
9. The Commission does not anticipate providing any payment or gift to respondents.
10. The Commission is not requesting respondents to submit confidential information to the Commission.
11. There are no questions of a sensitive nature with respect to the information the Commission is collecting.
12. The Commission estimates the hour burden for the collection of information as follows:
  - (a) Number of respondents: 15.
  - (b) Frequency of response: On occasion and third party disclosure requirement.
  - (c) Annual hour burden per respondent: 10 hours per request. Total annual burden: **150 hours.**
  - (d) How burden was estimated: The original estimate assumed fifteen registered public utility holding companies, and noted that these companies must file for ETC determination if they wish to diversify into telecommunication industries. We estimated that each registered public utility holding company would file, at minimum, one application for ETC status annually. In recent years we have received even fewer than 15 ETC applications per year, however, we maintain this number as our estimated maximum burden. We estimate that 100% of respondents will contract out the burden of responding. We estimate that it will take approximately 10 hours to coordinate information with those contractors. As explained below, we estimate that each contractor

will take approximately 16 hours to complete an application. Therefore, we estimate that the maximum total respondent burden hours to collect the information will be:

Assuming 15 applications (100% contracting out) x 10 coordination hours = 150 hours.

13. Cost to the Respondent:

a. Total capital and start-up cost: These costs should be de minimis, as the applications will require no special system or technology acquisitions or capital equipment to file for ETC status.

b. We assume that the respondents contracting out the information would use an outside attorney (\$200/hour) to prepare the information. We estimate that each application will take 16 hours to prepare.

Total cost to the respondent: \$200/hour x 15 applications (max) x 16 hours = **\$48,000.**

14. Cost to Federal Government:

Processing Costs: Attorney approximately \$40/hour x 32 hours x 15 applications (max) = \$19,200.

15. No change in burden is requested. Public burden for this collection continues to be no more than 150 hours.

16. The data will not be published for statistical use.

17. We do not seek approval to not display the expiration date for OMB approval of the information collection.

18. Not applicable. There were no exceptions to Item 19.

**B. Collections of Information Employing Statistical Methods:**

No statistical methods are employed.