

This collection is being submitted to extend an existing collection.

SUPPORTING STATEMENT

A. Justification:

1. Section 220 of the Communications Act of 1934, as amended, 47 USC 220, allows the Commission, at its discretion, to prescribe the forms of any and all accounts, records and memoranda to be kept by carriers subject to this Act, including the accounts, records and memoranda of the movement of traffic, as well as the receipts and expenditures of moneys.

Section 219(b) of the Communications Act of 1934, as amended, 47 USC 219(b), authorizes the Commission by general or special orders to require any carrier subject to this Act to file monthly reports of earnings and expenses and to file periodical and/or special reports concerning any matters with respect to which the Commission is authorized or required by law to act. Section 43.21 of the Commission's rules details that requirement.

The Automated Reporting Management Information System (ARMIS) was implemented to facilitate the timely and efficient analysis of revenue requirements, rates of return and price caps; to provide an improved basis for audits and other oversight functions; and to enhance the Commission's ability to quantify the effects of alternative policy. The ARMIS 43-08 Report collects network operating data in a consistent format. The ARMIS 43-08 Report monitors network growth, usage, and reliability.

Section 11 of the Communications Act of 1934, as amended, 47 U.S.C. 161, requires the Commission, in every even-numbered year beginning in 1998, to review its regulations applicable to providers of telecommunications services to determine whether the regulations are no longer in the public interest due to meaningful economic competition between providers of such services and whether such regulations should be repealed or modified. Section 11 further instructs the Commission to repeal or modify any regulation it determines to be no longer in the public interest.

The Commission uses an indexed revenue threshold to determine which carriers are required to file the ARMIS reports. The revenue threshold for mid-sized carriers is currently \$129 million. In this collection, we are not revising the number of carriers filing this ARMIS report. It remains at 56.

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 contained in the ARMIS 43-08 Report provides the necessary detail to enable this Commission to fulfill its regulatory responsibilities. Automated reporting of these data greatly enhances the Commission's ability to process and analyze the extensive amounts of

data that are needed to administer its rules. ARMIS facilitates the timely and efficient analysis of revenue requirements, rate of return and price caps, and provides an improved basis for auditing and other oversight functions. It also enhances the Commission's ability to quantify the effects of policy proposals.

3. The Commission has developed an Electronic ARMIS Filing System ("EAFS") to provide on-line submission of carrier filings and to provide a user-friendly, feature-rich data base system from which users can extract ARMIS data in a variety of ways. ILECs are required to file their ARMIS Reports electronically through the Internet. Carriers and other interested parties can access ARMIS data from the Commission's EAFS Home Page at <http://www.fcc.gov/wcb/eafs>. Thus, the submission of paper and diskette copies is no longer required.

4. No duplication of the required data exists outside the agency. The Commission knows of no other existing information that would serve our regulatory purpose

5. The collection of information does not involve small businesses or other small entities. There are two classes of incumbent LECs for accounting purposes: Class A and Class B. Carriers with annual revenues from regulated telecommunications operations equal to or above the indexed revenue threshold, currently \$129 million are classified as Class A; those falling below that threshold are considered Class B. Class A carriers with annual revenues in excess of \$129 million but less than \$7.668 billion are classified as mid-sized and are permitted to maintain accounts at the Class B level. Only Class A carriers file ARMIS reports.

6. The FCC Report 43-08 is filed once a year. If the Operating Data Report was filed less frequently, the Commission would not be able to conduct its studies of this data in a timely manner. The Commission designed the Operating Data Report to obtain the detailed data it needs concerning network growth, usage, and reliability. These data also represent a part of the data necessary to support the Commission's other oversight functions. Subsequent submissions correcting previously filed data are to be filed as soon as the correction is identified.

7. Not applicable.

8. A notice was published in the Federal Register pursuant to 5 C.F.R. § 1320.8 (d). See 71 FR 69123, dated November 29, 2006. (Copy attached). No comments were received. A copy of this notice is included in this submission to the OMB.

9. Not applicable. There will be no payments or gifts to respondents.

10. Ordinarily, questions of a sensitive nature are not involved in the ARMIS Operating Data Report. The Commission contends that areas in which detailed information is required are fully subject to regulation and the issue of data being regarded as sensitive will arise in special circumstances only. In such circumstances, the respondent is instructed on the appropriate procedures to follow to safeguard sensitive data. 47 CFR Part 0.459 contains the procedures for requesting confidential treatment of data.

11. Not applicable. There are no questions of a sensitive nature with respect to the information collected.

12. The following represents the estimate of the annual burden hours and the annual cost burden for the collection of information. We note that the burden hours imposed by the requirement is very difficult to quantify. The following represents our best estimate.

FCC Report 43-08:

1. Number of respondents: 56
2. Frequency of response: Annual reporting requirement.
3. Annual burden per respondent: 139 hours. Total annual burden hours: **7,784 hours.**
4. Respondents estimated annualized cost for the burden hours for the collection of information: \$272,440.
5. Explanation of calculation: We estimate it will take approximately 139 hours to comply with the requirement. 56 (number of respondents) x 1 (number of filings) x 139 (hours per filing) x \$35 per hour = \$272,440.

13. The following represents the Commission's estimate of the annual cost burden for respondents or record keepers resulting from the collection of information.

(a)(1) Total capital and start-up cost component (annualized over its expected useful life): \$0. The reporting requirement will not require the purchase of additional equipment.

(b)(2) Total operation and maintenance and purchase of services component: \$0.

14. The Federal government's annualized cost for the entire ARMIS program has been estimated at \$648,938. This estimate was derived as follows:

Employees Salaries Allocated to ARMIS	\$390,397
Benefits	78,079
Overhead	138,137
Office Space Dedicated to ARMIS (550 sq. ft. @ \$43 sq. ft.)	25,800
Equipment and Supplies (i.e., diskettes, file folders, computers disk drives)	13,400
Filing Equipment	<u>3,125</u>
Total Annual ARMIS Cost	<u>\$648,938</u>

Of the total annual ARMIS cost of \$648,938 we estimate the FCC Report 43-08 portion to be \$9,929. This estimate includes the necessary automation equipment, software, supplies, and personnel needed to execute the automated reporting program.

15. The burden for this collection remains unchanged. The annual burden for this collection continues to be 7,784 hours. The number of respondents filing this ARMIS Report remains at 56.

16. All ten ARMIS reports are available from the Internet.

17. The Commission seeks approval not to display the expiration date of OMB approval. Display of the expiration date would not be in the public interest because we would have to continually update the electronic system with an updated OMB expiration date even though nothing else has changed. This would constitute waste and would not be cost effective.

18. Not applicable. There are no exceptions to the certification statement, item 19.

B. Collections of Information Employing Statistical Methods:

Not applicable.