

SUPPORTING STATEMENT

This collection is being submitted to extend an existing collection. Adjustments have been made to reflect changes in the marketplace.

A. Justification:

1. By adopting the Report and Order (FCC 00-193) in 2000, the Commission took action to further accelerate the development of competition in the local and long-distance telecommunications markets, and to further establish explicit universal service support that will be sustainable in an increasingly competitive marketplace, pursuant to the mandate of the Telecommunications Act of 1996 (1996 Act). The Commission requires the following information to be reported to the following entities under the Coalitions for Affordable Local and Long Distance Service (CALLS) Proposal:

a) Tariff Filing: the Report and Order required price cap local exchange carriers (LECs) to modify their annual access tariff filings in the following ways: 1) subtracting from their July 2000 tariff filings the estimated universal service support that they were to receive from USAC over that year; 2) consolidating the access revenues that they examined to determine whether to charge the subscriber line charge (SLC) cap or the actual cost of their access lines; 3) if they choose to de-average their SLC, adding up the components of their averaged traffic sensitive charges to test whether the charges have reached the target rate; 4) calculating their SLC rates by Unbundled Network Element Zone. See 47 C.F.R. §§61.45 – 61.49.

b) Quarterly and Annual Data Filings: The Report and Order requires each price cap or competitive LEC that wishes to receive support from the interstate access universal service support mechanism to submit quarterly to the Universal Service Administrative Company (USAC) data showing the number of lines it served in a study area as of the last business day of the previous quarter. In addition to line count information, price cap LECs must file with USAC, annually on April 16, price cap revenue data, prices for unbundled network element (UNE) loops and line ports, and UNE zone boundary information. See 47 C.F.R. §54.802.

c) Cost Support Information: The Report and Order requires price cap LECs who choose not to follow the voluntary portions of the CALLS Proposal to submit cost support information, which the Commission would use to set their access rate levels.

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.

Note: This submission is made pursuant to the authority contained in sections 1, 4(i) and (j), 201-209, 218-222, 254, and 403 of the Communications Act, as amended.

2. Use of the information filed:

a) Tariff information filed with the Commission: The Commission uses the modified tariff information filed by the price cap LECs to ensure compliance with the various interstate access reforms of the CALLS proposal.

b) Quarterly and Annual Data Filings: USAC uses the line count and other information filed by price cap and competitive LECs to determine, on a per-line basis, the amount that the carrier receives from the interstate access universal service support mechanism.

c) Cost Information filed with the Commission: The Commission uses the cost support information filed by the price cap LECs to ensure that their interstate access rates are just and reasonable, as required by section 201 (b) of the Communications Act.

3. Price cap LECs' tariffs relating to the CALLS Proposal and any cost support information are filed electronically. The Report and Order does not prohibit carriers from electronically reporting their line count and other information to USAC. We understand that the filings with USAC will be electronic.

4. There will be no duplication of information filed. All three of the parts of this collection are filed with a single entity: the price cap LECs' modified tariffs and cost support information are both filed with the Commission and the price cap and competitive LECs' line count and other information are filed with USAC.

5. The collection of modified tariff and cost support information will affect only large entities. The collection of line count and other information to USAC will affect large and small entities. Because many aspects of the CALLS Proposal will decrease administrative burdens, we do not believe that the overall information requirements will severely impact small businesses.

6. If the Commission did not collect the price cap LECs' modified tariff or cost support information, or if USAC does not collect the carriers' line count and other information, it would impede Congress' goal of developing competition in the local and long-distance telecommunications markets, and establishing explicit universal service support that will be sustainable in an increasingly competitive marketplace. In particular, prices for federal universal service fund distributions would be incorrect and companies could potentially receive less than their fair share. Furthermore, it could substantially delay consumers receiving the benefits of the reduction in access charges and the elimination of the presubscribed interexchange carrier charge (PICC).

7. The Commission does not foresee any special circumstances that would cause an information collection to be conducted under special circumstances.

8. Pursuant to 5 CFR 1320.8, the Commission placed a notice in the Federal Register. See 71 FR 69123, dated November 29, 2006 (copy attached). No comments were received. A copy of the 60 day notice is included in this submission to the OMB.

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 or to USAC. If the Commission requests respondents to submit information to the Commission that the respondents believe are confidential, respondents may request confidential treatment of such information pursuant to Section 0.459 of the Commission's rules.

11. There are no questions of a sensitive nature with respect to the information requested.

12. Estimates of hour burden of the collection of information.

a) Modified tariff filings with the Commission:

Number of Respondents: 18 (Price Cap LECs)

Frequency of Response: On occasion. One per year x 18 respondents (18 responses per year).

Estimated time per response: 2 hours.

How Burden was estimated: Based on past tariff filings.

Total Annual Hour Burden for All Respondents: **36 hours.**

Estimate of annualized cost to respondents for the hour burdens for collections of information: 36 hours x \$40 per hour (including staff time and overhead) = \$1,440.

b) Quarterly and Annual filings with USAC: We assume that respondents will employ in house staff to collect and prepare the information for filing.

We used the following methodology:

Price Cap LECs - line counts

Number of Respondents: 185 (Price Cap LECs).

Frequency of Response: Quarterly and third party disclosure. Four per year x 185 respondents (740 responses per year)

Estimated time per response: 20 hours.

Annual hour burden: **3,700 hours.**

How Burden was estimated: Based on discussions with the industry, we estimate that it will take approximately 5 hours for each respondent to prepare and file the data showing the number of lines they served in a study area. 4 filings per year x 5 hours per filing = 20 hours per respondent per year.

Total Annual Hour Burden for All Respondents: 20 hours per respondent x 185 respondents = **3,700 hours.**

Estimate of annualized cost to respondents for the hour burdens for collections of information: 3,700 hours x \$40 per hour (including staff time and overhead) = \$148,000.

Price Cap LECs - price and revenue data

Number of Respondents: 185 (Price Cap LECs)

Frequency of Response: Annual. One per year x 185 respondents (185 responses per year)

Estimated time per response: 60 hours.

Total Annual Hour Burden for All Respondents: **6,085 hours.**

How Burden was estimated: Based on discussions with the industry, there are 185 price cap LEC study areas in the industry. Approximately 85 study areas have state-approved UNE zones, and 100 do not. For each study area that has state-approved UNE zones, we estimate it will take 1 hour for the respondent to prepare and file the price cap revenue data, prices for UNE loops and line ports, and UNE zone boundary information. For each study area that does not have state approved UNE zones, we estimate it will take an average of 60 hours for the respondent to prepare and file the information. The annual hour burden for all respondents is (85 study areas x 1 hour) + (100 study areas x 60 hours) = **6,085 hours.**

Estimate of annualized cost to respondents for the hour burdens for collections of information: 6,085 hours x \$40 per hour (including staff time and overhead) = \$243,400.

Competitive LECs

Number of Respondents: 574 (Competitive LECs)

Frequency of Response: Quarterly reporting requirement. Four per year x 574 respondents (2,296 responses per year)

Estimated time per response: 20 hours.

Total Annual Hour Burden: **11,480 hours.**

How Burden was estimated: Based on discussions with the industry, we estimate that it will take approximately 5 hours for each respondent to prepare and file the data showing the number of lines they served in a study area. 4 filings per year x 5 hours per filing = 20 hours per respondent per year.

Total Annual Hour Burden for All Respondents: 20 hours per respondent x 574 respondents = 11,480 hours

Estimate of annualized cost to respondents for the hour burdens for collections of information: 11,480 hours x \$40 per hour (including staff time and overhead) = \$459,200.

c) Cost support filings with the Commission:

Number of Respondents: 2 (Price Cap LECs or Competitive LECs)

Frequency of Response: Annual reporting requirement. One per year x 2 respondents (2 responses per year)

Estimated time per response: 15 hours for large price cap LEC; 5 hours for the small price cap LEC.

Total Annual Hour Burden for all Respondents: **20 hours.**

How Burden was estimated: Based on past cost support filings.

We estimate that only two price cap LECs (one large and one small) will opt for the cost support filing instead of following the CALLS Proposal. It should take 15 hours for the large price cap LEC, and 5 hours for the small one. The amount of time needed is reduced by the fact that price cap LECs should already have data from the UNE cost studies. Thus they will simply need to aggregate the UNE data into access and switching elements.

Estimate of annualized cost to respondents for the hour burdens for collections of information: 20 hours x \$40 per hour (including staff time and overhead) = \$800.

Total Annual Burden for All Requirements: 36 + 3,700 + 6,085 + 11,480 + 20 = 21,321 hours.

Total number of respondents (185 Price Cap LECs and 574 Competitive LECs) for reporting purposes is 759 total respondents.

13. Estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information.

a) Quarterly and Annual Data Filings with USAC

There are no costs to the respondent.

b) Modified tariff and cost support filings with the Commission

There are no costs to the respondent.

14. Estimate of annualized cost to the federal government.

a) Quarterly and Annual Data Filings with USAC: There will be few, if any, costs to the Commission because notice and enforcement requirements are already part of Commission duties. Moreover, there will be minimal cost to the Federal government since an outside party (USAC) will administer this program.

b) Modified tariff and cost support filings with the Commission: There will be few, if any, costs to the Commission because tariff review is already part of the Commission's duties.

15. The total annual burden for this collection of information is now 21,321 burden hours. The change in burden represents an increase in the number of respondents and a recalculation of the hourly burdens associated with each requirement to represent the most current information available.

16. The Commission does not anticipate that it will publish any of the information.

17. The Commission does not seek approval not to display the expiration date for OMB approval of the information collections.

18. An exception is requested because the burden hours and estimated time per response information in the submission is different from what was reported in the 60 day notice. The total annual burden for this collection of information is now 21,321 burden hours with 759 respondents and 3,241 responses. The change in burden represents an increase in the number of respondents which recalculated burden estimates to represent the most current information available.

B. Collections of Information Employing Statistical Methods:

The Commission does not anticipate that the collection of information will employ statistical methods.