

Section 64.1509, Disclosure and Dissemination of Pay-Per-Call Information**SUPPORTING STATEMENT****A. Justification:**

1. Section 228 of the Communications Act of 1934, as amended, establishes federal requirements governing common carriers' transmission and billing and collection of interstate pay-per-call and other information services. These statutory requirements are codified—often virtually verbatim—in Part 64 of the Commission's rules, 47 CFR Part 64:
 - (a) 47 CFR § 64.1509 of the Commission's rules incorporates the requirements of 47 U.S.C. 228(c)(2) and 228 (d)(2)-(3) of the Communications Act.
 - (b) Under these sections, common carriers that assign telephone numbers to pay-per-call services must disclose to all interested parties, upon request, a list of all assigned pay-per-call numbers.
 - (c) For each assigned number, common carriers must also make available:
 - (1) a description of the pay-per-call service;
 - (2) the total cost per minute or other fees associated with the service; and
 - (3) the service provider's name, business address, and telephone number.
 - (d) In addition, carriers handling pay-per-call services must establish a toll-free number that consumers may call to receive information about pay-per-call services.
 - (e) Finally, the Commission's rules require carriers to provide statements of pay-per-call rights and responsibilities to new telephone subscribers at the time service is established and to all subscribers annually. *See* 47 CFR § 64.1509.

As noted on the OMB 83-I, this collection does not affect individuals or households; thus there are no impacts under the Privacy Act because it does not require the collection of personal information from individuals.

The statutory authority for the information collection requirements is found in the Telephone and Dispute Resolution Act of 1992, Pub. L. No. 192-556, 106 Stat. 4181 (1992) codified at 47 U.S.C § 228.

2. Some information must be provided annually. Other information must be provided, pursuant to statutory requirements, "upon request." The disclosure and dissemination of pay-per-call information requirements are intended to ensure that consumers are able to obtain information that will enable them to make informed choices about their use of pay-per-call services.
3. The respondent common carriers are free to explore use of information technology to reduce their burdens and to meet pay-per-call disclosure obligations under section 228 of the Communications Act and 47 CFR §64.1509 of the Commission's rules.

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4. Listings of assigned pay-per-call numbers and related information regarding the programs provided from other sources, including the federal government, state regulatory and law enforcement entities, and consumer groups do not require disclosure of information already available elsewhere.
5. These disclosure requirements should not have a significant economic impact on a substantial number of small businesses.
6. These disclosure requirements ensure that consumers are able to obtain information necessary to make informed choices about their use of pay-per-call services.
 - (a) Section 228 of the Communication Act was enacted in response to serious and persistent problems associated with provision of pay-per-call services, including consumers' inability to obtain information about these services.
 - (b) For instance, prior to the disclosure requirement, some complainants reported that they were unable to obtain the address or telephone number of an information provider whose charges appeared on a monthly telephone bill.
 - (c) Without the disclosure requirements contained in section 64.1509 of the Commission's rules, consumers would likely encounter problems in obtaining information about pay-per-call services.
7. These disclosure requirements do not involve any special circumstances.
8. The Commission published a notice in the Federal Register as required by 5 CFR § 1320.8(d). *See* 71 FR 62464, October 25, 2006. (Copy attached.) The Commission received no comments following publication of this Notice.
9. These disclosure requirements do not involve any payment or gift to respondents.
10. The information collection requirements—call detail data and recitation of federal pay-per-call requirements and terms and conditions under which information services available through toll-free numbers are provided, are not proprietary and do not implicate confidentiality or privacy concerns.
11. The information collection requirements do not include questions of a sensitive nature.
12. Estimates of the hour burden for this information collection are as follows:

The Commission estimated that there are approximately 25 common carriers that assign 900 numbers and, thus, are the respondents to these disclosure requirements:

- (b) The Commission estimates that each respondent will have three responses:

25 respondents x 3 responses = 75 responses/annum

Total Number of Responses Annually: 75

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(c) The Commission made these burden estimates for the respondent common carriers:

Recordkeeping Requirements:

Individual carriers can, within approximately 50 hours, compile the required list of all their 900 number assignments, along with identities of the associated information providers, their addresses, and business telephone numbers, using computerized databases and modern search engine software to gather these data.

25 respondents (common carriers) x 50 hrs/900 number assignment list = 1,250 hours/annum

Individual carriers updating their lists, will require an additional 50 hours per years annually.

25 respondents x 50 hours/updating list/annum = 1,250 hours/annum

Reporting Requirements:

Individual carriers are currently obligated to maintain call lines to assist telephone subscribers with inquiries and complaints.

Respondents are obligated to increase the staff to handle increased volume from pay-per-call inquiries and providing training on pay-per-call matters, which may take approximately 5 hours per week which totals 260 hours annually per respondent:

25 respondents x 260 hours annually = 6,500 hours/annum

Third Party Disclosure Requirements:

The burden for accomplishing annual consumer notifications is estimated to be approximately 50 hours annually per respondent.

25 respondents x 50 hours/year = 1,250 hours/annum

Total Annual Hourly Burden: 10,250 hours

1,250 hours + 1,250 hours + 6,500 hours + 1,250 hours = 10,250 hours

Total In-House Cost:

“In house” costs to respondents are difficult to estimate because common carriers generally consider cost information associated with non-communications activities to be competitively sensitive.

- (a) Total cost estimates may be significantly affected by unknown variables. For example, carriers may choose different methods to accomplish the annual consumer notifications.
- (b) 47 CFR § 64.1509(b)(21)(iv) does not require that annual notification be accomplished through any particular means, *i.e.*, billing inserts as opposed to through an information page in local telephone directories.

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- (c) In fact, in 1995, the Commission enforcement staff approved a request by several carriers to recognize publication of consumer education information in local telephone directories as an acceptable alternative to disclosures through inserts in monthly telephone bills.
- (d) While total costs of complying with the disclosure requirements contained in 47 CFR § 64.1509 may vary considerably among carriers, the Commission believes that with recent advances in information technology and automation, the cost to comply with these requirements may cost the 25 respondents approximately \$500 per hour:

Total “in house” costs to respondents:

100 hours x \$500/hour/wages, software, advertising, *etc.* = **\$50,000**

Section 228 (f)(2) of the Communications Act specifically prohibits carriers from recovering the costs of implementing federal pay-per-call requirements from telephone ratepayers. However, carriers presumably pass on to information providers the costs of complying with pay-per-call regulations.

Total Number of Respondents: 25

Total number of Responses: = 75 responses/annum

Total Annual Hourly Burden: 10,250 hours

Total In-House Costs: \$50,000

13. (a) Total annualized capital/startup costs: **\$0.00**
- (b) Total annual costs (O&M): **\$0.00**
- (c) Total annualized cost requested: **\$0.00**
14. These disclosure requirements do not impose any costs to the Federal Government.
15. The Commission notes that there is no change in the total number of respondents, the total annual hourly burden, or the total annual costs.
16. There are no plans to publish the results of this information collection.
17. This information collection does not include any forms, thus, the Commission has reason to seek approval not to display the expiration date for OMB approval of this information.
18. There are no exceptions to the Certification Statement in Item 19, “Certification for Paperwork Reduction Act Submission, “ on OMB Form 83-I.

B. Collections of Information Employing Statistical Methods:

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