

SUPPORTING STATEMENT**A. Justification**

1. Section 228 of the Communications Act of 1934, as amended, establishes federal requirements governing common carriers' transmission of billing and collection for 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) Under 47 CFR § 64.1510 of the Commission's rules, telephone bills containing charges for interstate pay-per-call and other information services must include information detailing consumers' rights and responsibilities with respect to these charges.
 - (b) Specifically, telephone bills carrying pay-per-call charges must include a consumer notification stating that:
 - (1) charges are for non-communication services;
 - (2) local and long distance telephone services may not be disconnected for failure to pay such charges;
 - (3) pay-per-call (900 number) blocking is available upon request; and
 - (4) access to pay-per-call services may be involuntarily blocked for failure to pay such charges.
 - (c) In addition, each telephone call billed must show:
 - (1) type of service,
 - (2) amount of the charge, and
 - (3) date, time, and duration of the call.
 - (d) Finally, the bill must display a toll-free number that subscribers may call to obtain information about pay-per-call services.
 - (e) Similar billing disclosure requirements apply to charges for information services either billed to subscribers on a "collect call" basis or accessed by subscribers through a toll-free number.

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 personally identifiable information (PII) from individuals.

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

Section 64.1510, Billing Disclosure Requirements for Pay-Per-Call and Other Information Services

2. The billing disclosure requirements contained in 47 CFR § 64.1510 of the Commission's rules are intended to ensure that telephone subscribers billed for pay-per-call or other information services are able to understand the charges levied and are informed of their rights and responsibilities with respect to payment of such charges.
3. To the extent information technology can be applied to preparation and issuance of telephone bills, common carriers are free to explore use of such technology to meet pay-per-call billing disclosure obligations under section 228 of the Communications Act and 47 CFR § 64.1510 of the Commission's rules.
4. In addition to disclosing call details and pay-per-call consumer information on telephone bills, common carriers are required to provide annually a disclosure statement setting forth all pay-per-call rights and obligations of telephone subscribers.¹

The Commission has found however, that "(r)eceipt of a full disclosure statement, even on an annual basis, does not obviate the need for...minimal disclosures at the time charges are billed. It is possible that a subscriber using or receiving a bill for pay-per-call services for the first time will not recall information that may have been conveyed over a year before."²

5. The billing disclosure requirement for 47 CFR § 64.1510 of the Commission's rules should not have a significant impact on a substantial number of small businesses or other small entities.
6. Without the disclosure requirements contained in Section 64.1510 of the Commission's rules, consumers may not be aware of their rights and responsibilities with respect to pay-per-call and other information services charged on telephone bills.
7. These disclosure requirements do not involve any payment or gift to respondents.
8. The Commission published a Notice in the *Federal Register* as required by 5 CFR Section 1320.8 (d). See 72 FR 9331, March 1, 2007. (Copy attached.) The Commission received no comments following publication of this Notice.
9. The Commission does not anticipate providing any payment or gift to any respondents.
10. The information collection requirements do not contain proprietary information, nor do they implicate confidentiality or privacy concerns.
11. There are no questions of a sensitive nature with respect to existing and proposed information collection requirements.

¹ See 47 C.F.R. § 64.1509(b)(iv) of the Commission's rules.

² See Report and Order, 8 FCC Rcd 6885 (1993) (*TDDRA Report and Order*).

Section 64.1510, Billing Disclosure Requirements for Pay-Per-Call and Other Information Services

12. Estimates of the burden estimates for the collection of information are as follows:

Interexchange carriers (IXCs) generally hold contracts to perform pay-per-call billing and collection for information providers. Typically, however, IXC subcontract those services to local exchange carriers (LECs) (as "third parties") which actually issue bills to telephone subscribers. Thus, for purposes of assessing the burden associated with these disclosure requirements, it is probably most useful to list LECs as the respondents to the information collection requirements.

There are approximately 1,350 LECs who may be subject, indirectly, to the billing disclosure requirements. Modifications of billing systems to meet the pay-per-call billing disclosure requirements could probably be accomplished in approximately 20 hours per respondent.

$$1,350 \text{ respondents} \times 20 \text{ hours} = 27,000 \text{ hours}$$

Total Annual "In House" Costs for Existing PRA Requirements:

- (a) The Commission believes that the LECs will perform all of these reporting requirements using their "in house" staff.
- (b) Initially, the cost of compliance is higher because each LEC must set up the processes and procedures to comply.
 - (1) The principal expenses are associated with modifying computerized billing systems to provide for inclusion of the required information.
 - (2) The Commission presumes that most LECs, as the billing carriers, have already made the required modifications since these reporting requirements under 47 CFR §§ 64.1510(a) and (b) took effect in 1993.
 - (3) Furthermore, 47 CFR §§ 64.1510(c) incorporates in the Commission's Rules a statutory requirement that took effect upon enactment of the Telecommunications Act of 1996 in February 1996.
- (c) The Commission estimates that once these computerized billing processes and business policies are in place, the annual recurring costs to comply with the reporting requirements associated with pay-per-call billing disclosure requirements should be minimal.

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- (d) The Commission estimates that the LECs will comply with the reporting requirements as follows:

Using business staff earning the equivalent of a GS-14/Step 5 (\$50.95/hour) to develop the procedures for the billing disclosure requirements and modification of billing systems which require approximately 30 hours per respondent to accomplish this work:

1,350 respondents x \$50.95 x 30 hours/create business policy and billing procedures = \$2,063,475

Total Estimated Number of Respondents: 1,350

Total Number of Responses: 1,350 responses/annum

Total Estimated Annual Hourly Burden: 27,000 hours

Total Estimated In-House Costs: \$2,063,475

13. The Commission estimates that the LECs will comply with these billing and disclosure requirements using "in house" staff. Thus:
 - (a) Total annualized capital/start-up cost: **0**.
 - (b) Total annual cost (Operating & Maintenance): **0**.
 - (c) Total annualized cost requested: **0**.
14. None of the disclosure requirements impose any costs on 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 the collection of information.
17. This information collection does not include any forms; therefore, there is no need for the Commission to seek approval not to display the expiration date for OMB approval of this information.
18. There are no exceptions to Item 19, "Certification for Paperwork Reduction Act Submission," on OMB Form 83-I.

B. Collection of Information Employing Statistical Methods.

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