

**Multi-Association Group (MAG) Plan Order, Parts 54 and 69 Filing Requirements  
for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange  
Carriers and Interexchange Carriers, FCC Forms 507, 508, and 509**

**SUPPORTING STATEMENT**

**A. Justification:**

1. *Circumstances that make collection necessary.* Following the passage of the Telecommunications Act of 1996 (1996 Act), the Commission adopted interstate access charge and universal service support reforms. The reforms were designed to establish a “pro-competitive, deregulatory national policy framework” for the United States telecommunications industry, and to carry out the universal service policies embodied in the 1996 Act.

Specifically, the Commission aligned the interstate access rate structure more closely with the manner in which costs are incurred, and created a universal service support mechanism for rate-of-return carriers (Interstate Common Line Support (ICLS)) to replace implicit support in interstate access charges with explicit support that is portable to all eligible telecommunications carriers.

The Commission’s actions were also tailored to the needs of small and mid-sized local telephone companies serving rural and high-cost areas, and help to provide certainty and stability for rate-of-return carriers, encourage investment in rural America, and provide important consumer benefits.

By merging Long Term Support (LTS) with ICLS, the Commission made the universal service mechanisms simpler and more transparent, while ensuring that rate-of-return carriers maintain existing levels of universal service support.

The Universal Service Administrative Company (USAC or the “Administrator”) is charged with administering the ICLS mechanism under the oversight of the Commission’s Wireline Competition Bureau pursuant to the authority contained in sections 1-4, 10, 201-202, and 254 of the Communications Act of 1934 as amended, 47 U.S.C. §§ 1-4, 10, 201-02, and 254, and section 1.3 and 1.103 of the Commission’s rules, 47 CFR §§ 1.3 and 1.103.

To administer the ICLS mechanism, the Administrator must collect certain data, described in more detail below. In overview, the Administrator must collect from each rate-of-return carrier projected cost and revenue data for the July 1-June 30 funding year to accurately distribute prospective ICLS to those carriers.

The Administrator must also collect from each rate-of-return carrier actual cost and revenue data for the prior calendar year in order to accurately calculate the final ICLS for which the carrier is eligible and perform true-ups against the prospective ICLS. In order to fulfill its obligation to prevent waste, fraud, and abuse in the universal service mechanism, the Administrator must also collect from selected carriers additional cost and revenue data for the purpose of validating the actual cost and revenue data filed by rate-of-return carriers.

For average schedule rate-of-return carriers that do not normally file detailed cost studies for other purposes, the Administrator must collect certain data used in average schedule formulas to calculate

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common line settlements, in lieu of projected and actual cost and revenue data. In order to calculate the per-line support amount that will be available to the competitive eligible telecommunications carriers serving lines in rate-of-return study areas, the Administrator must collect line count data both from incumbent rate-of-return carriers and from competitive eligible telecommunications carriers.

Following are the collections of information:

**a. 47 CFR Sections 54.902(c)(1), 54.903(a)(3), and 54.903(a)(1) Projected Revenue Requirements:**

In order to enable the Administrator to calculate per-line amounts of ICLS, rate-of-return carriers other than average schedule companies shall report to the Administrator their projected common line revenue requirement for each study area in which they operate.

Consistent with their average schedule status, average schedule companies will not be required to submit common line revenue requirements, but instead will be required to submit information necessary in order for the Administrator to calculate common line revenue requirements for average schedule companies.

In accordance with 47 CFR Section 54.705 of our rules, the Administrator shall have authority to perform audits of beneficiaries of the new ICLS mechanism to ensure the accuracy of data submitted.

In addition to the projected cost data (i.e., projected common line revenue requirement), pursuant to this revision, rate-of-return carriers other than average schedule companies shall file with the Administrator projected revenue data, including demand data, on the same schedule. These data are necessary to calculate the amount of ICLS that a rate-of-return carrier will receive pursuant to 47 CFR Section 54.901 of the Commission's rules, pending the availability of actual cost and revenue data (described below).

The form for collecting all of the projected data, including cost and revenue data, is attached as FCC Form 508.

A carrier must also certify that the projected data are accurate to the best of the carrier's knowledge and ability. If a carrier elects to have an agent perform the filing on its behalf, the carrier must authorize the agent to make the filing and certify that it has provided accurate data to the agent for the purpose of performing the filing. The agent must then also certify that the projected data are accurate to the best of its knowledge and ability. Carriers must file the data by March 31 for the following July 1 to June 30 funding year. Carriers can correct data filed on March 31 until June 30.

In the previous submission to OMB, the *Third Reconsideration Order*<sup>1</sup> changed the collection of

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<sup>1</sup> *Third Order on Reconsideration*, Multi-Association Group (MAG) Plan for Regulations of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers; Federal-State Joint Board on Universal Service, CC Doc. Nos. 00-256 and 96-45, FCC 03-106.

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projected cost and revenue data in two ways. First, it extended from April 10 to June 30 the deadline for a carrier to correct data filed on March 31. Second, it created an annual voluntary opportunity for a carrier to update on June 30 its projected cost and revenue data for the funding year ending on that date (*i.e.*, the projected data first filed on March 31 of the prior year). The Administrator will use these corrections and updates to improve the accuracy of ICLS provided to carriers, reducing the size of the true-ups that will be required later and ensuring that carriers receive enough ICLS to continue to provide affordable quality telephone services.

**b. 47 CFR Sections 54.902(a)(1), 54.902(b)(1), and 54.902(b)(3) True Ups:**

A rate-of-return carrier's final ICLS is based on its actual costs and revenues and therefore any prospective ICLS provided pursuant to projected cost and revenue data must be "trued up" with the final ICLS amount. True ups also enable carriers that require additional ICLS due to unforeseen costs or unexpectedly low revenues to file actual cost data and receive increased ICLS based on those costs. Additionally, true ups serve to minimize incentives for carriers to overstate projected interstate common line revenue requirements. Through the true up process, such carriers eventually receive support that reflects their actual costs.

December of each year, rate-of-return carriers, as required, submit actual interstate common line cost data to the Administrator for the preceding calendar year. To the extent that actual cost and revenue data results in a different ICLS amount than the prospective ICLS provided pursuant to projected cost and revenue data, the Administrator adjusts a rate-of-return carrier's monthly per-line ICLS in the following calendar year. The Order required that actual data be submitted on the same schedule in subsequent years. Competitive eligible telecommunications carriers are also subject to true ups to the extent that the incumbent rate-of-return carrier's support amounts are subject to true up, consistent with 47 CFR Section 54.307 of the Commission's rules.

In addition to the interstate common line cost data, rate-of-return carriers must file with the Administrator interstate common line revenue data, including demand data, on the same schedule. This data is necessary to calculate the amount of ICLS that a rate-of-return carrier will receive pursuant to 47 CFR Section 54.901 of the Commission's rules.

A form for collecting all of the actual data, including cost and revenue data, is attached as FCC Form 509.

A carrier must also certify that the actual data are accurate to the best of the carrier's knowledge and ability. If a carrier elects to have an agent perform the filing on its behalf, the carrier must authorize the agent to make the filing and certify that it has provided accurate data to the agent for the purpose of performing the filing. The agent must then also certify that the actual data is accurate to the best of its knowledge and ability. Additionally, some carriers (approximately 60 to 120 carriers) will be selected to provide additional information to validate the data provided on FCC Form 509, pursuant to the Administrator's obligation to prevent waste, fraud, and abuse of universal service funds.

**c. 47 CFR Sections 54.307(b), 54.903(a)(2), and 54.903(a)(1) Line Counts:**

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Rate-of-return carriers must file their line counts, by disaggregation zone and customer class, in accordance with the schedule in 47 CFR Sections 36.611 and 36.612 of the Commission's rules.

Line count data for rural rate-of-return carrier study areas in which a competitive eligible telecommunications carrier has not begun providing service are filed on an annual basis.

Line count data will be filed on a regular quarterly basis upon competitive entry in rural rate-of-return carrier study areas.

Rate-of-return-regulated non-rural carriers currently are required to file line count data on a quarterly basis regardless of whether a competitor is present and that requirement will not change.

If a rate-of-return carrier files a quarterly line count that includes lines that have been acquired from another carrier since its annual filing, these lines must be identified separately and the carrier from which the lines were acquired must be identified.

Competitive eligible telecommunications carriers must file their line counts, by disaggregation zone and customer class, on a quarterly basis, in accordance with the schedule in 47 CFR Section 54.307 of our rules. This filing schedule permits the Administrator to provide support to competitive eligible telecommunications carriers based on the most accurate data feasible, and does not impose significant new filing burdens on competitive carriers.

In order for the Administrator to calculate appropriate levels of support, line counts must be assigned to disaggregation zones if disaggregation zones have been established within a study area. In addition, the line count information must show residential/single-line business line counts separately from multi-line business line counts.

The residential/single-line business lines reported may include single and non-primary residential lines, single-line business lines, basic rate interface (BRI) integrated services digital network (ISDN) service, and other related residence class lines.

Similarly, the multi-line business class lines reported may include multi-line business, Centrex, ISDN primary rate interface (PRI) and other related business class lines.

Such additional reporting requirements are necessary to enable the Administrator to calculate appropriate levels of ICLS for rate-of-return carriers and their competitors.

Carriers are required to file line count data on FCC Form 507. A carrier must also certify that the line count data are accurate to the best of the carrier's knowledge and ability. If a carrier elects to have an agent perform the filing on its behalf, the carrier must authorize the agent to make the filing and certify that it has provided accurate data to the agent for the purpose of performing the filing. The agent must then also certify that the line count data is accurate to the best of its knowledge and ability.

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**d. 47 CFR Section 54.904(a) - 47 USC Section 254(e) Certifications:**

Section 254(e) of the 1996 Act provides that a carrier receiving universal service support must use that support “only for the provision, maintenance, and upgrading of facilities and service for which the support is intended.”

To ensure that carriers receiving ICLS will use that support in a manner consistent with section 254(e) of the 1996 Act, the Commission requires rate-of-return carriers and eligible telecommunications carriers seeking such support to file a certification with the Commission and the Administrator. The certification must be filed with the Commission and the Administrator annually on June 30th. The certification may be filed in the form of a letter and must state that the carrier will use its ICLS only for the provision, maintenance, and upgrading of facilities and service for which support is intended.

In the event that a certification is filed untimely, the carrier will not become eligible for support until the second calendar quarter after the certification is filed. Failure to file a certification will preclude a carrier from receiving ICLS. Carriers that fail to abide by their certification, or otherwise violate section 254(e) of the 1996 Act, are subject to enforcement action by the Commission.

**e. 47 CFR Section 69.306(d) Optional Line Port Cost Study:**

Rate-of-return carriers may use 30 percent of local switching costs as a proxy in shifting line port costs to the common line category, or may conduct a cost study based on geographically-averaged costs to be submitted in support of the tariff filing relying on the cost study. A carrier may rely on a cost study for subsequent tariff filings.

**f. 47 CFR Sections 69.106(g), 69.106(h), and 69.111(m) Optional tariff filings:**

Rate-of-return carriers may, at their option, establish the following local switching and transport rate elements: a flat charge for dedicated trunk port costs; a flat charge for the costs of DS1/voice grade multiplexers associated with terminating dedicated trunks at analog switches; a per-minute charge for shared trunk ports and any associated DS1/voice grade multiplexer costs; a flat charge for the costs of trunk ports used to terminate dedicated trunks on the serving wire center side of the tandem switch; individual charges for multiplexer costs associated with tandem switches; and a per-message call setup charge.

**g. 47 CFR Sections 69.307(c) and 69.307(e) GSF allocation: \_**

Rate-of-return carriers that use general purpose computers to provide non-regulated billing and collection services are required to allocate a portion of their general purpose computer costs to the billing and collection category, which will require them to determine general purpose computer investment. Carriers may use the general purpose computer investment amount they develop for a period of three years.

**h. 47 CFR Section 69.123 Transport and Special Access Deaveraging:**

Rate-of-return carriers may modify their access tariffs to offer transport and special access

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services immediately at deaveraged rates. The carriers must have a tariffed cross-connect element and define the applicable zones, which must match any zones for unbundled network elements. Rate-of-return carriers do not have to file for approval of their zone plans before making a tariff filing.

Statutory authority for this collection of information is contained in sections 4(i), 4(j), 201-205, 254, and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 201-205, 254, and 403.

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

2. *Use of information.* The Commission will use the information collected to determine whether and to what extent non-price cap or rate-of-return carriers providing the data are eligible to receive universal service support. The Commission will use the tariff data to make sure that rates are just and reasonable, as required by section 201(b) of the Act.
3. *Technological collection techniques.* In an effort to reduce any burden created by these information collection requirements, the Commission shall permit all respondents to file responses using automated, electronic, mechanical or other technological collection techniques where feasible.
4. *Efforts to identify duplication.* There will be no duplication of information. The information sought is unique to each carrier or respondent and similar information is not already available. The Commission is using already established reporting and recordkeeping requirements to satisfy certain statutory directives and eligibility criteria.
5. *Impact on small entities.* The collections of information may affect small entities as well as large entities. The collections have been carefully designed to minimize the burden on all carriers, regardless of size. In developing FCC Forms 507, 508, and 509, a cross-section of carriers that will be completing the form, including small entities and associations representing small entities, have been consulted.
6. *Consequences if information is not collected.* The information collected will provide non-price cap or rate-of-return carriers information on per-line support. Without the requested information, the Commission would be unable to determine whether a carrier meets the criteria for support under the adopted plan and thus unable to provide rate-of-return carriers additional support necessary to achieve the goals of section 254 of the Telecommunications Act of 1996. Furthermore, without the tariff data, the Commission and interested parties would not be able to ascertain if rates were just and reasonable.
7. *Special circumstances.* We do not foresee any special circumstances that would cause an information collection to be conducted under extraordinary circumstances.
8. *Federal Register notice; efforts to consult with persons outside the Commission.* A notice was placed in the *Federal Register* pursuant to 5 CFR § 1320 on October 4, 2007. See 72 FR 56759. The

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Commission has received no comments; a copy of the notice is attached.

9. *Payments or gifts to respondents.* The Commission does not anticipate providing any payment or gift to respondents.
10. *Assurances of confidentiality.* The Commission is not requesting that respondents submit confidential information to the Commission. We note that the Administrator must preserve the confidentiality of all data obtained from respondents and contributors to the universal service mechanism, must not use the data except for purposes of administering the universal service support program, and must not disclose data in company-specific form unless directed to do so by the Commission.
11. *Questions of a sensitive nature.* There are no questions of a sensitive nature with respect to the information collections described herein.
12. *Estimates of the hour burden of the collection to respondents.*

The following represents the hour burden on the collections of information.

The Commission notes that it has increased the number of respondents in c(2) and decreased the number of respondents in (g); otherwise there are no changes to the burden estimates from those previously approved, except that we have revised the calculation for the “in house” costs:

a.(1) Projected Revenue Requirements (Rate-of-Return Carriers):

(1) Number of respondents: 774 Rate-of-Return carriers.

(2) Frequency of response: Annual reporting requirement.

The Commission estimates that the Rate-of-Return carriers report to the Administrator their projected common line revenue requirement for each study area in which they operate.

(3) Total Number of Responses Annually: 774 responses

$774 \text{ rate-of-return carriers} \times 1 \text{ response/annum} = 774 \text{ responses.}$

(4) Total Annual Hourly Burden: 1,488 hours

The Commission estimates that respondents require approximately two hours to prepare and report their projected common line revenue requirements for each study area in which they operate to the Administrator.

$774 \text{ rate-of-return carriers} \times 2 \text{ hours/report} = 1,488 \text{ hours}$

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(5) Total "In House" Costs: \$83,686.05

The Commission estimates that each rate-of-return carrier uses staff equivalent to a GS-13/Step 5 (\$43.26/hour) Federal employee, plus 30% overhead, to prepare the report of the projected common line revenue requirement and projected revenues for each study area in which the carrier operates.

1,488 hours/report x \$43.26/hour = \$64,373.88  
30% overhead = \$19,312.17  
Total: \$83,686.05

a(2) Projected Revenue Requirements (Average Schedule Carriers):

(1) Number of Respondents: 505 Average Schedule carriers.

(2) Frequency of response: Annual reporting requirements.

The Commission estimates that the Average schedule carriers are required to submit information annually that is necessary for the Administrator to calculate common line revenue requirements for average schedule companies.

(3) Total Number of Responses Annually: 505 responses

The Commission estimates that rate-of-return carriers make one submission annually.

505 average schedule carriers x 1 submission/annum = 505 responses

(4) Total Annual Hourly Burden: 505 hours.

The Commission estimates that the carriers require one hour to prepare and submit their information.

505 carriers x 1 hour/submission = 505 hours

(5) Total "In House" Costs: \$28,401.52

The Commission estimates that each average schedule carrier uses staff equivalent to a GS-13/Step 5 (\$43.26/hour) Federal employee, plus 30% overhead, to prepare and submit the information necessary for the Administrator to calculate common line revenue requirements for average schedule companies.

505 hours x \$43.26/hour = \$21,847.32  
30% overhead = \$6,554.20

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Total: \$28,401.52

a(3) Projected Revenue Requirements (Updates for Rate-of-Return Carriers):

(1) Number of Respondents: 744 Rate-of-Return carriers.

(2) Frequency of Response: Annual reporting requirements.

(3) Total Number of Responses Annually: 774 responses

Rate-of-Return carriers may voluntarily update their projected cost and revenue data annually on June 30 for the funding year ending on that date.

774 rate-of-return carriers x 1 response/annum = 774 responses

(4) Total Annual Hourly Burden: 1,488 hours

The Commission estimates that carriers require approximately two hours to update their projected cost and revenue data annually on June 30 for the funding year.

774 carriers x 2 hours/annual update = 1,488 hours

(5) Total "In House" Costs: \$83,686.05

The Commission estimates that each rate-of-return carrier uses staff equivalent to a GS-13/Step 5 (\$43.26/hour) Federal Employee, plus 30% overhead, to report its projected common line revenue requirement and projected revenues for each study area in which they operate.

1,488 hours x \$43.26/hour = \$64,373.88  
30% overhead = \$19,312.17  
Total: \$83,686.05

a(4) Projected Revenue Requirements (Updates for Average Schedule Carriers):

(1) Number of Respondents: 505 Average Schedule carriers

(2) Frequency of Response: Annual reporting requirements

(3) Total Number of Responses Annually: 505 responses

The Commission estimates that the average schedule carriers may voluntarily update their projected cost and revenue data annually on June 30 for the funding year ending on that date.

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505 average schedule carriers x 1 update/annum = 505 responses

- (4) Total Annual Hourly Burden: 505 hours

The Commission estimates that carriers require approximately one hour to update their projected cost and revenue data annually on June 30 for the funding year.

505 carriers x 1 hours/annual update = 505 hours

- (5) Total "In House" Costs: \$28,401.52

The Commission estimates that each average schedule carrier uses staff equivalent to a GS-13/Step 5 (\$43.26/hour) Federal employee, plus 30% overhead, to submit the information necessary for the Administrator to calculate common line revenue requirements for average schedule companies.

505 hours x \$43.26/hour = \$21,847.32  
30% overhead = \$6,554.20  
Total: \$28,401.52

b(1) True Ups (Annually):

- (1) Number of respondents: 744 Rate-of-Return carriers.  
(2) Frequency of response: Annual reporting requirement.  
(3) Total Number of Responses Annually: 744 responses

Rate-of-Return carriers shall report on December 31st of each year, to the Administrator, their actual interstate common line cost and revenue data.

744 rate-of-return carriers x 1 annual reporting requirement = 744 responses

- (4) Total Annual Hourly Burden: 2,976 hours

The Commission estimates that each rate-of-return carrier requires approximately four hours to prepare and submit to the Administrator its actual interstate common line cost and revenue data.

744 rate-of-return carriers x 4 hours/report = 2,976 hours

- (5) Total "In House" Costs: \$167,372.10

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The Commission estimates that each rate-of-return carrier uses staff equivalent to a GS-15/Step 5 (\$43.26/hour) Federal employee, plus 30% overhead, to report its actual interstate common line cost data.

$$\begin{aligned} 2,976 \text{ hours} \times \$60.13/\text{hour} &= \$128,747.77 \\ 30\% \text{ overhead} &= \underline{\$38,624.33} \\ \text{Total:} & \$167,372.10 \end{aligned}$$

b(2) True Ups (Average Schedule Carriers):

- (1) Number of respondents: 505 Average Schedule carriers.
- (2) Frequency of response: Annual reporting requirements
- (3) Total Number of Responses Annually: 505 responses

The Commission estimates that each average schedule carrier makes one information report annually.

$$505 \text{ carriers} \times 1 \text{ information report/annum} = 505 \text{ responses}$$

- (4) Total Annual Hourly Burden: 505 hours.

The Commission estimates that average schedule carriers require approximately one hour to submit information that is necessary for the Administrator to calculate the common line revenue requirements for schedule companies.

$$505 \text{ carriers} \times 1 \text{ hour/information submission} = 505 \text{ hours}$$

- (5) Total "In House" Costs: \$28,401.52

The Commission estimates that each average schedule carrier uses staff equivalent to a GS-13/Step 5 (\$43.26/hour) Federal employee, plus 30% overhead, to submit information necessary for the Administrator to calculate common line revenue requirements for average schedule companies.

$$\begin{aligned} 505 \text{ hours} \times \$43.26/\text{hour} &= \$21,847.32 \\ 30\% \text{ overhead} &= \underline{\$6,554.20} \\ \text{Total:} & \$28,401.52 \end{aligned}$$

b(3) Validation of Cost and Revenue:

- (1) Number of respondents: 100 carriers.

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(2) Frequency of response: Annual reporting requirements.

(3) Total Number of Responses Annually: 100 responses

The Commission estimates that respondents make one information submission annually.

100 carriers x 1 information submission/annum = 100 responses

(4) Total Annual Hourly Burden: 400 hours.

The Commission estimates that respondents require approximately four hours to prepare and submit information necessary for the Administrator to calculate common line revenue requirements for average schedule companies.

100 carriers x 4 hours/information submission = 400 hours

(5) Total "In House Costs: \$22,496.25

The Commission estimates that each average schedule carrier uses staff equivalent to a GS-13/Step 5 (\$43.26/hour) Federal employee, plus 30% overhead, to prepare and submit information necessary for the Administrator to calculate common line revenue requirements for average schedule companies.

400 hours x \$43.26/hour = \$17,304.81  
 30% overhead = \$5,191.44  
 Total: \$22,496.25

c(1) Line Counts (Support in Non-Competitive Study Areas):

(1) Number of respondents: 1,300 rate-of-return carriers

(2) Frequency of response: Annual reporting requirements.

(3) Total Number of Responses Annually: 1,300 responses

The Commission estimates that each carrier must file one line count data submission with the Administrator annually.

1,300 rate-of-return carriers x 1 line count data submission/annum = 1,300 responses

(4) Total Annual Hourly Burden: 7,800 hours.

The Commission estimates that each carrier requires approximately six hour to prepare and

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submit its line count data annually, by disaggregation zone, if applicable, and customer class.

1,300 carriers x 6 hours/line count data submission = 7,800 hours

(5) Total "In House" Costs: \$564,059.44

The Commission estimates that each carrier uses a staff economist equivalent to a GS-14/Step 5 (\$51.12/hour) Federal employee, plus 30% overhead, to compile the line count data analysis. We believe that the economic component of the data compilation and analysis requires approximately three hours per submission.

1,300 economists x 3 hours/data analysis x \$51.12/hour = \$199,370.63

The Commission also estimates that each carrier uses a staff attorney equivalent to a GS-15/Step 5 (\$60.13/hour) Federal employee, plus 30% overhead, to prepare the compose the text of this submission. We believe that the legal component of the data compilation and analysis requires approximately three hours per submission.

1,300 attorneys x 3 hours/data analysis x \$60.13/hour = \$234,521.25

\$199,370.63 + \$234,521.25 = \$433,891.88  
30% overhead = \$130,167.56  
Total: \$564,059.44

c(2) Line Counts (Support in Competitive Study Areas):

(1) Number of respondents: 823 rate-of-return carriers

The Commission has increased its estimate of the total number of rate-of-return carriers from 10 carriers to 823 carriers.

(2) Frequency of response: Quarterly reporting requirements.

Each carrier must file line count data with the Administrator after competitive entry into their carrier study areas.

(3) Total Number of Responses Annually: 3,292 responses

Each rate-of-return carrier has to file its line count data, by disaggregation zone, if applicable, and customer class, quarterly following the entry of a competitive eligible telecommunications carrier into their service areas quarterly.

823 rate-of-return carries x 4 filings/annum = 3,292 responses

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- (3) Total Annual Hourly Burden: 19,752 hours

The Commission estimates that the rate-of-return carriers and competitive eligible telecommunications carriers submit line count data quarterly after a competitive eligible telecommunications carrier enters their service areas.

$$823 \text{ carriers} \times 6 \text{ hours/filing} \times 4 \text{ filings/annum} = 19,752 \text{ hours}$$

- (4) Total "In House" Costs: \$1,428,372.05

The Commission estimates that carriers use a staff economist equivalent to a GS-14/Step 5 (\$50.12/hour) Federal employee, plus 30%overhead, to prepare the economic analysis for the line count quarterly data. We believe that the economic analysis takes approximately three hours.

$$823 \text{ carriers} \times 3 \text{ hours/economic analysis} \times 4 \text{ filings/yr} \times \$50.12/\text{hour} = \$504,867.77$$

The Commission also estimates that carriers use a staff attorney equivalent to a GS-15/Step 5

(\$60.13/hour) Federal employee, plus 30%overhead, to prepare the legal preparation and submit the analysis for the line count quarterly data. We believe that the legal preparation takes approximately three hours.

$$823 \text{ carriers} \times 3 \text{ hours/legal preparation} \times 4 \text{ filings/yr} \times \$60.13/\text{hour} = \$593,879.97$$

$$\$504,867.77 + \$593,879.97 = \$1,098,747.73$$

$$30\% \text{ overhead} = \underline{\$329,624.32}$$

$$\text{Total: } \$1,428,372.05$$

d. 47 CFR Section 54.904(a) - 47 USC Section 254(e) Certifications:

- (1) Number of respondents: 1,300 rate-of-return carriers and competitive eligible telecommunications carriers
- (2) Frequency of response: Annual reporting requirements.
- (3) Total Number of Responses Annually: 1,300 responses

Carriers shall file a certification of section 245(e) compliance that is filed with the Commission and the Administrator.

$$1,300 \text{ carriers} \times 1 \text{ certification filing/annum} = 1,300 \text{ responses}$$

- (4) Total Annual Hourly Burden: 2,600 hours

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The Commission estimates that the rate-of-return carriers and competitive eligible telecommunications carriers require approximately two hours to prepare and file a certification of section 245(e) compliance. The certification of compliance is filed with the Commission and the Administrator.

1,300 carriers x 2 hours/certification of compliance filing = 2,600 hours

(5) Total "In House" Costs: \$146,225.63

The Commission estimates that each carrier uses staff equivalent to a GS-13/Step 5 (\$43.26/hour) Federal employee, plus 30% overhead to draft a letter to the Commission and Administrator to certify that it will use ICLS in a manner consistent with section 254(e).

2,600 hours x \$43.26/hour = \$112,481.25  
 30% overhead = \$33,744.38  
 Total: \$146,225.63

e. Optional Line Port Cost Study:

(1) Number of respondents: 12 rate-of-return carriers

(2) Frequency of response: One time reporting requirement.

(3) Total Number of Responses Annually: 12 responses

Rate-of-return carriers have tariff filing annually.

12 carriers x 1 tariff filing = 12 responses

(4) Total Annual Costs: 480 hours

The Commission estimates that the rate-of-return carrier entities require approximately 40 will elect to file tariffs implementing elective features.

12 rate-of-return carriers x 40 hour/tariff filing = 480 hours

(5) Total "In House" Costs: \$31,899.30

The Commission estimates that each carrier uses staff equivalent to a GS-14/Step 5 (\$51.12/hour) Federal employee, plus 30% overhead, to file the cost data.

480 hours x \$51.12/hour = \$24,537.92  
 30% overhead = \$7,361.38

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Total: \$31,899.30

f. Optional Tariff Filings:

(1) Number of Respondents: 2 carriers

The Commission estimates that approximately 2 rate-of-return carrier entities will elect to file tariffs implementing elective features. (Note: The majority of carries that will elect this have already done so and the hour burden should be less for those that do so in the future.)

(2) Frequency of response: On occasion reporting requirements.

Carriers have the option to determine the frequency of their response(s).

(3) Total Number of Responses Annually: 2 responses

The Commission estimates that carriers will file tariffs approximately one time annually.

2 carriers x 1 tariff filing/annum = 2 responses

(4) Total Annual Hourly Burden: 80 hours

The Commission estimates that carriers require approximately 40 hours to prepare and file their tariffs implementing elective features.

2 carriers x 40 hours/tariff filing = 80 hours

(5) Total "In House" Costs: \$5,316.55

The Commission estimates that each carrier uses staff equivalent to a GS-14/Step 5 (\$51.12/hour) Federal employee, plus 30% overhead, to file the tariffs.

80 hours/filing tariffs x \$60.13/hour = \$4,089.65  
30% overhead = \$1,226.90  
Total: \$5,316.55

g. GSF Allocation:

(1) Number of respondents: 200 carriers

The Commission has decreased its estimate of the number of carriers that will file the GSF allocation data from the previous submission from 600 carriers to 200 carriers.

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- (2) Frequency of response: Once every three years.

The Commission estimates that carriers will file the data once every three years.

- (3) Total Number of Responses Annually: 67 responses

$200 \text{ carriers} \times 1 \text{ response}/3 \text{ years} = 200 \text{ responses}$

$200 \text{ responses}/3 = 66.7 \text{ responses/annum}$  rounded to 67 responses

- (4) Annual hour burden per respondent: 1,332 hours

The Commission estimates that carriers require approximately 20 hours to file their data.

$200 \text{ carriers} \times 20 \text{ hour/data filing} \times 0.333 = 1,332 \text{ hours}$

- (5) Total "In House" Costs: \$88,520.56

The Commission estimates that each respondent uses staff equivalent to a GS-14/Step 5 (\$51.12/hour) Federal employee, plus 30% overhead, to file the data.

$1,332 \text{ hours/annual data filing} \times \$51.12/\text{hour} = \$68,092.74$   
 $30\% \text{ overhead} = \underline{\$20,427.82}$   
 Total: \$88,520.56

h. Transport and Special Access Deaveraging:

- (1) Number of respondents: 6 rate-of-return carriers

- (2) Frequency of response: On occasion reporting requirements

Each carrier has the option when it elects to file tariffs.

- (3) Total Number of Responses Annually: 6 responses

The Commission believes that each carrier elects to file tariffs implementing deaveraged transport and special access rates at least once annually.

$6 \text{ carriers} \times 1 \text{ tariff filing/annum} = 6 \text{ responses}$

- (4) Annual hour burden per respondent: 540 hours

The Commission estimates that respondents require approximately 90 hours to file tariffs implementing deaveraged transport and special access rates.

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6 carriers x 90 hours/tariff filing = 540 hours

(5) Total "In House" Costs: \$35,886.71

The Commission estimates that each carrier uses staff equivalent to a GS-14/Step 5 (\$51.12/hour) Federal employee, plus 30% overhead to prepare and file the de-averaged rate tariffs.

540 hours/deaveraged rate tariff filings x \$51.12/hour = \$27,605.16  
30% overhead = \$8,281.55  
Total: \$35,886.71

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**INFORMATION COLLECTION BURDEN ESTIMATES**

<b>Information Collection Requirements</b>	<b>Total Number of Respondents</b>	<b>Total Number of Responses</b>	<b>Total Annual Hourly Burden</b>	<b>Total "In House" Costs</b>
a. (1) Projected Revenue Requirements	744	744	1,488	\$83,686.05
a. (2) Projected Revenue Requirements (Average Schedule Carriers)	505	505	505	\$28,401.52
a.(3) Projected Revenue Requirements (Updates for Rate-of-Return Carriers)	744	744	1,488	\$83,686.05
a.(4) Projected Revenue Requirements (Updates for Average Schedule Carriers)	505	505	505	\$28,401.52
b. (1) True Ups (Annually)	744	744	2,976	\$167,372.10
b. (2) True Ups (Average Schedule Carriers)	505	505	505	\$28,401.52
b. (3) Validation of Cost and Revenues	100	100	400	\$22,496.25
c. (1) Line Counts (Support in Non-Competitive Study Areas)	1,300	1,300	7,800	\$564,059.44
c. (2) Line Counts (Support in Competitive Study Areas)	823	3,292	19,752	\$1,428,372.05
d. Section 254(e) certifications	1,300	1,300	2,600	\$146,225.63
e. Optional Line Port Cost Study	12	12	480	\$31,899.30
f. Optional Tariff Filings	2	2	80	\$5,316.55
g. GSF Allocation	200	67	1,332	\$88,520.56
h. Transport and Special Access Deaveraging:	6	6	540	\$35,886.71
<b>TOTALS</b>	<b>1,300</b>	<b>9,826</b>	<b>40,451</b>	<b>\$2,742,725.23</b>

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**TOTAL NUMBER OF RESPONDENTS: 1,300**

**TOTAL NUMBER OF RESPONSES ANNUALLY: 9,826**

**TOTAL ANNUAL HOURLY BURDEN: 40,451 hours**

**TOTAL "IN HOUSE" COSTS: \$2,742,725.23**

13. Total Annual Costs to Respondents:

(1) Total annualized capital/start-up costs: \$0.00.

The collections will not require the purchase of additional equipment.

(2) Total operation and maintenance and purchase of service component (O&M) costs: \$45,195.

Respondents are subject to a tariff filing fee of \$655.

Thus, we expect 23 respondents to file approximately three tariffs per year:

23 respondents x 3 tariffs/annum x \$655/tariff filing fee = \$45,195.

(3) Total annualized cost requested: \$45,195.00

14. *Estimates of the cost burden to the Commission.* 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 will administer this program.

15. *Program changes or adjustments.* The Commission notes the following changes since the previous submission:

(a) The total annual hourly burden has been adjusted—the Commission has increased its estimate of the number respondents in c(2) and decreased its estimate of the number of respondents in (g).

(b) The total annual hourly burden is now estimated at 40,451 hours, an increase of 8,844 hours over the previous estimate of 31,607 hours. The adjustment is based on a review of the number of rate-of-return carriers who make quarterly filings.

(c) The total number of responses annually was previously calculated incorrectly. The number of responses is now estimated at 9,826, an increase of 4,626 responses over the previous submission's estimate of 5,200 responses.

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16. *Collections of information whose results will be published.* Non-proprietary information will likely be made publicly available although the Commission does not have specific plans for doing so at this time. Respondents may request confidential treatment of certain information filed with USAC.
17. *Display of expiration date for OMB approval of information collection.* The Commission does intend to seek continued approval not to display the expiration date for OMB approval of the information collections on FCC Forms 507, 508, and 509, instead, we will use an edition date in lieu of an OMB expiration date on these forms.
18. *Exceptions to certification statement for Paperwork Reduction Act submissions (Item 19 of OMB Form 83-I).* The Commission notes the following exceptions from what was reported in the 60 day notice in the *Federal Register*:
  - (a) The total number of responses decreased from 9,959 to 9,826;
  - (b) The frequency of response also includes a one-time, quarterly, annual, and three-year reporting requirements, as well as on occasion reporting requirements and third party disclosure.
  - (c) The total hourly burden decrease from 43,119 to 40,451 hours;
  - (d) The total annual cost is \$45,195.

There are no other exceptions to Item 19 in OMB Form 83i.

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

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