

Sections 43.51 and 43.53 – Reports and Records of Communications Common Carriers and Affiliates**SUPPORTING STATEMENT****A. Justification:**

1. Sections 211 and 215 of the Communications Act of 1934, as amended, 47 U.S.C. Sections 211 and 215, require that the FCC examine transactions of any common carrier relating to the activities of that carrier which may affect the charges and/or services rendered under the Act.

The reports, required by 47 C.F.R. Sections 43.51 and 43.53, are the means by which the FCC gathers information concerning the activities of carriers which it examines.

Section 43.51 requires that any communications common carrier described in paragraph 43.51(b) file with the Commission, within thirty (30) days of execution, a copy of each contract, agreement, concession, license, authorization, operating agreement or other arrangement to which it is a party and any amendments.

Section 43.51 also requires carriers to maintain copies of certain contracts, to have them readily accessible to Commission staff and members of the public upon request and to forward individual contracts to the Commission as requested.

Section 43.53 requires each communications common carrier engaged directly in the transmission or reception of telegraph communications between the continental United States and any foreign country to file a report with the Commission within thirty (30) days of the date of any arrangement concerning the division of the total telegraph charges on such communications other than transiting.

See attached rule sections for complete description of all requirements.

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.

The statutory authority for this collection is contained in sections: 1-4, 10, 11, 201-205, 211, 218, 220, 226, 303(g), 303(r) and 332 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154, 160, 161, 201-205, 211, 218, 220, 226, 303(g), 303(r) and 332.

2. The information contained in these reports is used by the FCC to determine whether the activities reported have affected or are likely to adversely affect the carrier's service to the public or whether these activities result in undue or unreasonable increases in charges. If this information was not reported, the FCC would not be able to ascertain the impact of these activities on the just and reasonable rates required by the Act.
3. The use of improved information technology is not being considered at this time.
4. We know of no duplication of this information. There is no similar information available in this area.

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5. The burden has been minimized for all subject to the collection.
6. If these reports were made less frequently instead of as each activity occurs, the FCC would not be able to examine them in a timely manner. The result would be an inability to minimize any adverse affects on the public.
7. We are not aware of any circumstances that require the collection to be conducted in any manner inconsistent with the guidelines in 5 C.F.R. § 1320.5.
8. Pursuant to 5 C.F.R. § 1320.8(d), the Commission placed a 60 day notice in the *Federal Register*. See 73 FR 26990, dated May 12, 2008. No comments were received.
9. The Commission does not anticipate providing any payment or gift to respondents.
10. No information of a confidential nature is being sought; however, respondents may request materials or information submitted to the Commission be withheld from public inspection under 47 C.F.R. § 0.459 of the Commission's rules.
11. The information is not of sensitive nature, nor are there any privacy issues.
12. The following represents the estimated hour burden of the information collection. (We note that the burden hour estimates are our best estimate based on our overall experience with this data collection.)

(a) Section 43.51:

(1) Number of respondents: 55.

(2) Frequency of response: On occasion and annual reporting requirements, third party disclosure requirement and recordkeeping requirement.

(3) Total number of responses annually: 1,210.

55 respondents x 5 responses/year = 275 reporting requirements (responses)

55 respondents x 5 third party disclosures/respondent = 275 third party disclosures (responses)

55 respondents x 1 recordkeeping requirement/mo. x 12 mos. = 660 recordkeeping responses

Total: 275 reporting requirements + 275 third party disclosures + 660 recordkeeping = 1,210 responses

(4) Annual hour burden per respondent: 4.2 hours (average)

Annual burden per respondent to comply with these three requirements is:

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16.5 hours/on occasion and annual reporting

1.25 hours/third party disclosure

0.25 hours/recordkeeping

The average burden is 4.17 hours (rounded to 4.2 hours) per respondent.

(5) Total annual hour burden: **5,047 hours**.

(6) How the burden was estimated:

The Commission estimates that respondents require approximately 16.5 hours to comply with the reporting requirements for each submission:

$55 \text{ respondents} \times 5 \text{ reports/year} \times 16.5 \text{ hours/report} = 4,538 \text{ hours}$

The Commission estimates that respondents require approximately 1.25 hours to comply with the third party disclosure requirements for each such disclosure:

$55 \text{ respondents} \times 5 \text{ third party disclosures/year} \times 1.25 \text{ hours/disclosure} = 344 \text{ hours}$

The Commission estimates that respondents require approximately 0.25 hours (15 minutes) to comply with the recordkeeping requirements each month. We believe that respondents use sophisticated electronic IT software and automation to minimize the time required to maintain these records:

$55 \text{ respondents} \times 12 \text{ recordkeeping requirements/year} \times 0.25 \text{ hours/year} = 165 \text{ hours}$

Total: $4,538 \text{ hrs/reporting} + 344 \text{ hrs/third party disclosure} + 165 \text{ hrs/recordkeeping} = 5,047 \text{ hrs}$

(7) Estimates of “in house” costs to respondents: Responses are received infrequently as an activity occurs that must be reported to the FCC. These burden estimates are based on senior FCC staff members’ knowledge of and familiarity with the requirements.

The burden varies widely because of differences in activity, size, and complexity of respondents who range from a small carrier operated by only a few individuals and having gross annual revenues of a few thousand dollars to a carrier like AT&T with thousands of employees and several billion dollars in gross annual revenues. In addition, as we noted above, each requirement takes a different amount of time for compliance.

We estimate that respondents use senior staff, earning approximately \$45.00/hour, to comply with the reporting and third party disclosure requirements. We also estimate that respondents use clerical staff, earning approximately \$25.00/hour, to perform the recordkeeping.

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4,538 hours/reporting x \$45.00/hour = \$204,210.00

344 hours/third party disclosure x \$45.00/hour = \$15,480.00

165 hours/recordkeeping x \$25.00/hour = \$4,125.00

Total: \$204,210.00 + \$15,480.00 + \$4,125.00 = \$223,815.00

(b) Section 43.53:

(1) Number of respondents: 8.

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

(3) Total number of responses annually: 8.

8 respondents x 1 response/year = 8 responses

(4) Annual hour burden: 25 hours per respondent.

(5) Total annual burden: **200 hours.**

(6) How the burden was estimated:

8 respondents x 25 hours per respondent = 200 hours.

(7) Estimates of “in house” cost to respondents: Responses are received infrequently as an activity occurs that must be reported to the FCC. These burden estimates are based on senior FCC staff members’ knowledge of and familiarity with the requirements.

The burden varies widely because of differences in activity, size, and complexity of respondents who range from a small carrier operated by only a few individuals and having gross annual revenues of a few thousand dollars to a carrier like AT&T with thousands of employees and several billion dollars in gross annual revenues.

We estimate the total number of respondents to be about 8 per year, taking about 25 hours to comply with the requirement at about \$45 per hour.

8 respondents x 25 hours/respondent x 1 response/year x \$45/hour = \$9,000.00.

Total number of respondents: 55 + 8 = **63 respondents.**

Total number of responses annually: 1,210 + 8 = **1,218.**

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Total annual burden: $5,047 + 200 = 5,247$ hours.

Total “Industry Staffing” Costs: $\$223,815.00 + \$9,000.00 = \$232,815.00$

13. The following represents the Commission’s estimate of the annual cost burden to respondents or record keepers resulting from the collections of information:

(1) Total capital and start-up cost component (annualized over its useful life): \$0.

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

(3) Total annualized cost requested: \$0.

14. The estimated annual cost to the Federal government is **\$331.00** per filing. This is based on an estimate of 6 hours per year for a grade 13, step 8 Public Utilities Specialist plus 2 hours per year for a grade 5, step 7 Public Contract Clerk who files the reports.

Total Cost to Federal Government: 283 filings/reporting requirements x \$331.00/filing = **\$93,673.00**

15. The Commission has made three adjustments to the information collection requirements. Specifically:

(a) we have determined that the number of respondents should be reduced from 71 to 63 respondents.

(b) we have re-calculated the total number of responses to comply with the OMB ROCIS template or RISC¹ OIRA² Consolidated Information System—the number of responses has increased by 844 responses due to this recalculation, from 374 to 1,218 responses; and

(c) the annual hour burden has decreased because Commission staff assumes that respondents have adapted to the requirements of this information collection and therefore require less time to comply; and we have also revised our method for calculating the burdens to comply with the requirements of the ROCIS template—the total annual burden for this collection will now be 5,247 burden hours as opposed to 6,029, a decrease of 782 hours.

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

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

18. The Commission notes that, upon further review, we have made several changes in our burden estimates from what initially was published in the *Federal Register* Notice:

(a) the total hour burden has decreased from 5,366 hours to 5,247 hours;

¹ RISC is the acronym denoting the design of this system and the CPU.

² OIRA is the Office of Information and Regulatory Affairs at OMB.

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- (b) the number of responses has increased from 366 to 1,218, which is due to the revision of our methodology to comply with the ROCIS template's requirements; and
- (c) the time per response is now estimated to be 4.2 hours (average), down from the 85 hours (average) reported in the *Federal Register*.

There are no other exceptions to the certification statement for this collection.

B. Collections of Information Employing Statistical Methods:

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