

SUPPORTING STATEMENT

**A. Justification:**

. *Circumstances that make collection necessary.* With this submission, the Commission seeks renewal (or extension) of a data collection used to determine the eligibility for high-cost universal service support received by rural carriers. This submission reduces the burden estimates associated with the Commission's rural self-certification requirement based on our experience since the burden was last modified. We previously anticipated that as many as ten carriers per year may experience a change in rural status, whereas the Commission has received only a few such notifications, and in some years has received none. Therefore, we are reducing the estimated number of respondents/responses and thus, the total annual burden hours.

Pursuant to the Commission's current high-cost universal service support mechanisms, rural and non-rural carriers receive support under separate mechanisms. For universal service purposes, the Commission defined rural carriers as those carriers that meet the statutory definition of "rural telephone company." Under this definition, a "local exchange carrier operating entity" is deemed a "rural telephone company" to the extent that such entity--

- (A) provides common carrier service to any local exchange carrier study area that does not include either--
  - (i) any incorporated place of 10,000 inhabitants or more, or any part thereof, based on the most recently available population statistics of the Bureau of the Census; or
  - (ii) any territory, incorporated or unincorporated, included in an urbanized area, as defined by the Bureau of the Census as of August 10, 1993;
- (B) provides telephone exchange service, including exchange access, to fewer than 50,000 access lines;
- (C) provides telephone exchange service to any local exchange carrier study area with fewer than 100,000 access lines; or
- (D) has less than 15 percent of its access lines in communities of more than 50,000 on the date of enactment of the Telecommunications Act of 1996.

47 U.S.C. § 3(37).

In the Tenth Report and Order, the Commission adopted proposals that carriers serving study areas with fewer than 100,000 access lines that already have certified their rural status need not re-certify for purposes of receiving support beginning January 1, 2000 and need only file thereafter if their status changes. Further, carriers serving more than 100,000 access lines need to file rural certifications for their year 2001 status and thereafter only if their status has changed. Although the Commission originally required incumbent rural carriers to self-certify their rural status each year, the Commission subsequently recognized that the vast majority of carriers certifying as rural telephone companies serve fewer than 100,000 lines. Because line counts can be verified easily with publicly available data, the Commission eliminated the annual rural certification filing requirement for carriers with fewer than 100,000 lines, and for incumbent rural carriers with more than 100,000 lines, after a one-time self-certification explaining how they qualify as rural. Subsequently, a carrier is required to file a rural certification letter only if its

status as a rural carrier changes. See *Federal-State Joint Board on Universal Service, Forward-Looking Mechanism for High Cost Support for Non-Rural LECs*, CC Docket Nos. 96-45, 97-160, Tenth Report and Order, 14 FCC Rcd 20156, 20350-20354 (1999) (*Tenth Report and Order*).

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.

Statutory authority for this information collection is section 254 of the Communications Act of 1934 (the Act), as amended.

. *Use of information.* The Commission will use the required information to determine whether an incumbent carrier meets the definition of rural telephone company. These reporting requirements are necessary to verify that particular carriers are eligible to receive universal service support under the rural mechanism.

. *Technological collection techniques.* Automated, electronic, mechanical or other technological collection techniques are not currently feasible.

. *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.

. *Impact on small entities.* The collections of information may affect small entities as well as large entities. In the *Tenth Report and Order*, the Commission eliminated the annual rural certification filing requirement and required a carrier file a rural certification letter only if its status changes. The adopted proposal lessens the burden on many rural carriers.

. *Consequences if information is not collected.* Failing to collect the information would make it difficult for the Commission to ensure that only eligible entities receive universal service support under the rural mechanisms.

. *Special circumstances.* We do not foresee any special circumstances that would cause an information collection to be conducted under extraordinary circumstances.

. *Federal Register notice; efforts to consult with persons outside the Commission.* The Commission placed a notice in the Federal Register to solicit comment on July 3, 2008. See 73 FR 38210. The Commission did not receive any comments. The notice is referenced in this submission to the OMB.

. *Payments or gifts to respondents.* The Commission does not anticipate providing any payment or gift to respondents.

. *Assurances of confidentiality.* The Commission is not requesting that respondents submit confidential information to the Commission.

. *Questions of a sensitive nature.* There are no questions of a sensitive nature with respect to the information collected described herein.

. *Estimates of the hour burden of the collection to respondents.* The hour burden on the collection of information for carriers whose status as a rural carrier changes is as follows:

Self-certification as a rural carrier whose status has changed.

- a. Number of respondents: 1 rural carrier may file a self-certification letter.
- b. Frequency of response: On occasion reporting requirement if a rural carrier's status has changed since its last filing.
- c. Annual burden per respondent: 1 hour. The total annual hour burden is: 1 respondent x 1 hour = **1 hour**.
- d. Total estimate of annualized cost to respondents for the burden for collection of information: \$40.
- e. Explanation of calculation: We estimate that a rural carrier whose status changes will spend 1 hour certifying that it is a rural telephone company. 1 (number of respondents) x 1 (hour to prepare certification) x \$40 per hour (including administrative staff time and overhead) = \$40.

13. *Estimates of the cost burden of the collection to respondents.* None.

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.

15. *Program changes or adjustments.* The Commission has reduced the number of respondents/responses because we previously estimated and anticipated that as many as ten carriers per year may experience a change in rural status, whereas the Commission has received only a few such notifications, and in some years has received none. Therefore, we are reducing the estimated number of respondents/responses from 10 to 1 and thus, the total annual burden hours has been reduced (adjusted) from 10 hours to 1 hour.

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.

17. *Display of expiration date for OMB approval of information collection.* The Commission is not seeking approval to *not* display the expiration date for OMB approval of the information collection.

18. *Exceptions to the certification statement for Paperwork Reduction Act submissions (Item 19 of OMB Form 83-1).* The Commission published an incorrect number for the total hourly burden estimates when we published the required 60 day public notice. With this submission to the OMB, we are reporting more accurate estimates.

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

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