

SUPPORTING STATEMENT

A. Justification:

General Information

1. The Federal Communications Commission (“Commission”) is requesting that the OMB approve a three year extension of the information collection titled, “*Regulation of International Accounting Rates, CC Docket No. 90-337.*” There is no change to the number of respondents/responses, burden hours and/or annual costs.

We received blanket OMB approval of the two applications listed on the next page. As each application is developed, we will submit changes in the ROCIS database reconciling the burden of hours and costs (program changes) that result from the implementation of the new application. This will save time for both the OMB and the Commission because we will not have to resend OMB Control No. 3060-0454 to the OMB repeatedly as each new application is developed by the Commission.

The two accounting rate change applications are as follows:

Name of Form	Brief Description	Rule Section
International Accounting Rate Changes (ARC) Waiver	Request to waive the Commission’s International Settlement Policy	§64.1002
International Accounting Rate Changes (ARC) – Other Filings	Notification of miscellaneous items	§64.1002

We would like to maintain OMB approval for the *Application for An Accounting Rate Change* that is currently approved under OMB Control No. 3060-0454.

We obtained OMB approval for various information collection requirements related to the First Report and Order, “*In the Matter of International Settlements Policy Reform; International Settlement Rates,*” IB Docket No. 02-324 and 96-261, FCC 04-53. This rulemaking, which is referred to as the ISP Reform proceeding, addressed information collection requirements pertaining to three major areas: (1) International Settlements Policy (ISP); (2) Accounting Rate Policies; and (3) Foreign Mobile Termination Rates. We would like to maintain OMB approval for all information collection requirements that are stated in a prior submission.

The Commission has authority for this information collection pursuant to Sections 1, 4(i)-4(j), 43, 63, 201-205, 214, 303(r), and 309 of the Communications Act of 1934, as amended, 47

U.S.C. §§ 151, 154(i)-154(j), 201-205, 214, 303(r), and 309.

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

2. The information is used by the Commission staff in carrying out its duties under the Communications Act. The information collections are necessary for the Commission to maintain effective oversight of U.S. carriers that are affiliated with, or involved in certain co-marketing or similar arrangements with, foreign carriers that have market power. Additionally, the information collections are necessary to analyze market trends to determine whether amendment of the Commission's existing rules or proposals of new rules are necessary to promote effective competition and prevent anti-competitive behavior between American and foreign carriers.
3. A total of 100 percent of all international accounting rates modifications are filed in the International Bureau Filing System (IBFS) in order to eliminate paper filings and expedite the Commission's processing of modifications.
4. This information collection requirement is not duplicated elsewhere in the Commission's rules.
5. The Commission does not impose a significant economic impact on small entities. We believe that the proposals are in the public interest and would not impose undue burdens on all carriers required to file for international telecommunications services pursuant to our rules, including those carriers that are small entities. Furthermore, mandatory electronic filing expedites service to the public, and allows the Commission to review electronic applications faster.
6. If the collections are not conducted or are conducted less frequently, applicants will not obtain the authorizations necessary to provide telecommunications services, and the Commission will be unable to carry out its mandate under the Communications Act of 1934. Furthermore, the Commission would lack sufficient information to determine whether new or modified rules are necessary to combat anti-competitive behavior between American and foreign carriers.
7. To the extent that a carrier considers the material submitted to be of a commercially sensitive nature, it may request confidential treatment. A carrier will need to make a full showing under the Freedom of Information Act (FOIA) that the information should be held confidential. There are no other circumstances that would require the information to be collected in a manner inconsistent with the general information collection guidelines in 5 CFR § 1320.6.
8. The Commission published a 60-day notice in the Federal Register on December 10, 2007 (72 FR 69682). No comments were received from the public regarding this notice. A copy of the notice is attached.

9. The Commission does not provide any payment or gift to respondents.

10. The Commission does not provide assurances of confidentiality to entities submitting their filings and applications. However, entities may request confidential treatment of their applications and filings under 47 C.F.R. 0.459 of the Commission's rules. See item 7 of this supporting statement.

11. This collection does not contain questions of a sensitive nature.

12. The respondents for this collection are U.S. carriers engaged in international telecommunications. Respondents submit the information on an "as needed" basis. We anticipate that approximately 5 carriers will file information for 30 routes annually. For carriers that seek to waive the Commission's International Settlements Policy, we anticipate that 5 carriers would seek a waiver for approximately 5 routes. We do not anticipate a change in the time it takes to prepare the response. The burden associated with this collection is set forth below.

Filing Requirements of U.S. Carriers

Explanation of Burden Estimate	Number of Respondents	Frequency of Response	Time Per Response	Total Annual Burden Hours
Section 43.51 - Copy of each operating agreement	5	1 (On occasion)	1 Hour	5
Section 64.1001 - Modifications to international settlement arrangements with foreign carriers possessing market power	5	30 (On occasion)	1 Hour	150
Section 43.51 contract filing requirements are maintained for U.S. carriers entering agreements with foreign carriers with market power only if U.S.-international routes are still governed by ISP	5	5 (On occasion)	1 Hour	25
Section 64.1002 – U.S.Carriers seeking to waive the Commission's International Settlements Policy (ISP)	5	5 On occasion	5 Hours	25

The collection currently contains an inventory of 80 annual burden hours. However, that number is incorrect. Initially the collection contained an inventory of 760 hours. In 2004, the Commission adopted a Report and Order, In the Matter of International Settlements Policy Reform; International Settlement Rates, IB Docket No. 02-234 and 96-261, FCC 04-53. In that proceeding, the Commission amended its rules to eliminate the need for U.S. carriers to file accounting rate modifications if the route is benchmark-compliant and no longer subject to the ISP (Section 64.1001). In addition, that proceeding permitted carriers to seek a waiver of the Commission's ISP.

Current Submission = 80 + 125 = 205 annual burden hours

Respondents' In-House Costs:

95% of 205 total burden hours = 194 total in-house burden hours
194 burden hours x \$37 = **\$7,178.**

We assume that the majority of the burden hours, or about 95 percent of the time, represents the actual collection of data. Due to the routine nature of the filings, we estimate that 95% of the burden hours will be performed in-house. We estimate that the loaded hourly rate for personnel at respondents' companies to collect the data will be \$37. This figure assumes that the respondents will use personnel equivalent in salary to a GS-11/Step 5 employee at the Federal Government.

13. For this collection, we believe that carriers will contract the remaining 5 percent of burden hours to outside law firms to prepare submissions to the Commission, especially their first submission. We estimate that respondents would pay the law firm approximately \$200 per hour to file the data as the collection of the data will be handled in-house. This figure is based on a small survey of local firms in the D.C. area and is considered a conservative estimate.

Respondents' Contracted Costs:

The remaining 5% of burden hours is 11 hours.

11 total burden hours x \$200 = **\$2,200**

\$ 7,178	Respondents in-house costs
<u>\$ 2,200</u>	Respondents contracted costs
\$ 9,378	Total Costs

14. Government Costs:

We estimate a \$37 average hourly rate for processing these modifications based on a GS-11/Step 5 hourly rate. Therefore, 205 annual burden hours X \$37 = \$7,585.

15. The results of this information collection requirement will not be published for statistical use.
16. Not applicable. The Commission is not seeking approval to not display the expiration date for OMB approval of this information collection.

B. Collections of Information Employing Statistical Methods:

Not applicable. This information collection does not employ statistical methods.