

SUPPORTING STATEMENT

A. Justification:

1. *Circumstances that make the collection necessary:*

The Commission is requesting an extension (no change in reporting and recordkeeping requirements). The Commission has adjusted the total annual burden hours due to an increase in the number of respondents and to quantify the burden estimate for the recordkeeping requirement in item 12. See item 15 of this supporting statement for a full explanation.

Section 254(e) of the Act provides that “only an eligible telecommunications carrier (ETC) designated under section 214(e) shall be eligible to receive specific Federal universal service support.” Section 214(e)(2) of the Act gives state commissions the primary responsibility for performing ETC designations. Section 214(e)(6), however, directs the Commission, upon request, to designate as an ETC “a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a State commission.”

In the *ETC Designation Framework Report and Order*, CC Docket No. 96-45, FCC 05-46, the Commission adopted additional mandatory requirements for ETC designation proceedings in which the Commission acts pursuant to section 241(e)(6) of the Communications Act of 1934, as amended. Consistent with the recommendations of the Federal-State Joint Board on Universal Service, and expanding the mandatory requirements set forth in *Virginia Cellular ETC Designation Order*, CC Docket No. 96-45, FCC 03-338, the Commission imposed additional requirements for designation and annual certifications. These requirements ensure that ETCs continue to comply with the conditions of the ETC designation and that universal service funds are used for their intended purposes. Specifically, every ETC must submit on an annual basis: (1) progress reports on the ETC’s five-year service quality improvement plan; (2) detailed information on any outage lasting at least 30 minutes; (3) the number of unfulfilled requests for service from potential customers within its service areas; (4) the number of complaints per 1,000 handsets or lines; (5) certification that the ETC is complying with applicable service quality standards and consumer protection rules; (6) certification that the ETC is able to function in emergency situations; (7) certification that the ETC is offering a local usage plan comparable to that offered by the incumbent LEC in the relevant service areas; and (8) certification that the carrier acknowledges that the Commission may require it to provide equal access to long distance carriers in the event no other ETC is providing equal access within the service area. The estimate of burden hours reflect that one provider designated as a limited-ETC in eleven states and the District of Columbia is not required to satisfy the network build-out and improvement requirements or to provide an equal access certification. As required by 47 C.F.R. sec. 54.202(e), all ETCs must retain, for at least 5 years from the receipt of funding, all records required to demonstrate to auditors that the support received was consistent with the universal

service high-cost program rules.

Statutory authority for this collection of information is contained in section 214(e)(6) of the Communications Act, 47 U.S.C. § 214(e)(6).

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.

2. *Use of information.* The Commission will use the information collected to ensure that each ETC satisfies its obligation under Section 214(e) of the Communications Act of 1934, as amended, to provide services supported by the universal service mechanism throughout the areas for which each ETC is designated.
3. *Technological collection techniques.* Respondents may submit paper copies of all information requested, and are directed to file an electronic copy either on compact disc or via the Internet.
4. *Efforts to identify duplication.* There is no duplication of information. The information sought is unique to each respondent and similar information is not already available.
5. *Impact on small entities.* The collections of information may affect small entities as well as large entities. The Commission has limited the information requirements to those necessary for the purposes for which the information will be used and we expect respondents to use information technology and standardized practices to minimize the time necessary to comply with these requirements.
6. *Consequences if information is not collected.* Without the requested information, the Commission would be unable to determine whether each ETC satisfies its obligation under Section 214(e) of the Communications Act of 1934, as amended, to provide services supported by the universal service mechanism throughout the areas for which each ETC is designated.
7. *Special circumstances. Confidential information:* Respondents may seek to withhold their responses from public inspection. The Commission's rules contain procedures to protect information that respondents claim to be confidential. See 47 C.F.R. § 0.459. Carriers seeking proprietary treatment for some data are required to submit two additional copies of the submission containing the confidential data. These confidential copies are filed with the Wireline Competition Bureau's Telecommunications Access Policy Division --- one in paper and one in computer-readable format. *Requiring more than three copies of each completed response:* Carriers are required to file in accordance with Commission rules, 47 C.F.R. § 1.419, which requires an original and 4 copies. Carriers filing electronically need only make one submission. In order to provide for the most timely review of these applications, applicants are required to file 3 copies of their petitions directly with the Telecommunications Access Policy Division. In addition, one computer-readable copy and one paper copy are filed with the Commission's commercial duplicating and research contractor. These multiple copies are necessary to make the information

available to the public and to Commission staff.

8. *Federal Register notice; efforts to consult with persons outside the Commission.* Pursuant to 5 CFR 1320.8(d), the Commission published a 60 day notice in the Federal Register on July 24, 2008 (73 FR 43228). No comment were received as a result of the notice. A reference to the notice is in the submission to the OMB.

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

10. *Assurances of confidentiality.* Pursuant to 47 C.F.R. § 0.459, a respondent may request that information submitted to the Commission not be put in the public record. The respondent must state the reasons, and the facts on which those reasons are based, for withholding the information from the public record. The appropriate Bureau or Chief Officer of the Commission may grant a confidentiality request that presents, by a preponderance of the evidence, a case for non-disclosure consistent with the Freedom of Information Act, 5 U.S.C. § 552. If a confidentiality request is denied, the respondent has five days to appeal the decision before the Commission. If the appeal before the Commission is denied, the respondent has five days to seek a judicial stay.

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

12. *Estimates of the hour burden of the collection to respondents filing.*

a. Report progress towards meeting five-year service quality improvement plan.

- (1) Number of respondents: Approximately 32 ETCs.
- (2) Frequency of response: Annually.
- (3) Annual hour burden per respondent: 3 hours. Total annual hour burden: **96 hours.**
- (4) Total estimate of annualized cost to respondents for the hour burden: \$3,840.
- (5) Explanation of calculation. We estimate that this obligation will take approximately 3 hours and will occur on occasion for 32 ETCs. $32 \text{ (number of respondents)} \times 1 \text{ (number of submissions)} \times 3 \text{ (hours to prepare report)} \times \$40 \text{ per hour (including administrative staff time and overhead)} = \$3,840.$

b. Report detailed information on any outage lasting at least 30 minutes.

- (1) Number of respondents: Approximately 33 ETCs.
- (2) Frequency of response: Annually.
- (3) Annual hour burden per respondent: 2 hours. Total annual hour burden: **66 hours.**
- (4) Total estimate of annualized cost to respondents for the hour burden: \$2,640.
- (5) Explanation of calculation. We estimate that this obligation will take approximately 2 hours and will occur on occasion for 33 ETCs. $33 \text{ (number of respondents)} \times 1 \text{ (number of submissions)} \times 2 \text{ (hours to prepare report)} \times \$40 \text{ per hour (including administrative staff time and overhead)} = \$2,640.$

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c. Report information detailing the number of unfulfilled requests for service from potential customers.

- (1) Number of respondents: Approximately 33 ETCs.
- (2) Frequency of response: Annually.
- (3) Annual hour burden per respondent: 3 hours. Total annual hour burden: **99 hours.**
- (4) Total estimate of annualized cost to respondents for the hour burden: \$3,960.
- (5) Explanation of calculation. We estimate that this obligation will take approximately 3 hours and will occur annually for 33 ETCs. 33 (number of respondents) \times 1 (number of submissions) \times 3 (hours to prepare report) \times $\$40$ per hour (including administrative staff time and overhead) = $\$3,960$.

d. Report the number of consumer complaints per 1,000 handsets or lines.

- (1) Number of respondents: Approximately 33 ETCs.
- (2) Frequency of response: Annually.
- (3) Annual hour burden per respondent: 2 hours. Total annual hour burden: **66 hours.**
- (4) Total estimate of annualized cost to respondents for the hour burden: \$2,640.
- (5) Explanation of calculation. We estimate that this obligation will take approximately 2 hours and will occur on occasion for 33 ETCs. 33 (number of respondents) \times 1 (number of submissions) \times 2 (hours to prepare report) \times $\$40$ per hour (including administrative staff time and overhead) = $\$2,640$.

e. Certify that the ETC is complying with applicable service quality standards and consumer protections.

- (1) Number of respondents: Approximately 33 ETCs.
- (2) Frequency of response: Annually.
- (3) Annual hour burden per respondent: .25 hours. Total annual hour burden: **8.25 hours.**
- (4) Total estimate of annualized cost to respondents for the hour burden: \$330.
- (5) Explanation of calculation. We estimate that this obligation will take approximately 2 hours and will occur on occasion for 33 ETCs. 33 (number of respondents) \times 1 (number of submissions) \times $.25$ (hours to prepare report) \times $\$40$ per hour (including administrative staff time and overhead) = $\$330$.

f. Certify that the ETC is able to function in emergency situations.

- (1) Number of respondents: Approximately 33 ETCs.
- (2) Frequency of response: Annually.
- (3) Annual hour burden per respondent: .25 hours. Total annual hour burden: **8.25 hours.**
- (4) Total estimate of annualized cost to respondents for the hour burden: \$330.
- (5) Explanation of calculation. We estimate that this obligation will take approximately 2

hours and will occur on occasion for 33 ETCs. $33 \text{ (number of respondents)} \times 1 \text{ (number of submissions)} \times .25 \text{ (hours to prepare report)} \times \$40 \text{ per hour (including administrative staff time and overhead)} = \$330.$

g. Certify that the ETC is offering a local usage plan comparable to that offered by the incumbent local exchange carrier in the relevant service areas.

- (1) Number of respondents: Approximately 33 ETCs.
- (2) Frequency of response: Annually.
- (3) Annual hour burden per respondent: .25 hours. Total annual hour burden: **8.25 hours.**
- (4) Total estimate of annualized cost to respondents for the hour burden: \$330.
- (5) Explanation of calculation. We estimate that this obligation will take approximately 2 hours and will occur on occasion for 33 ETCs. $33 \text{ (number of respondents)} \times 1 \text{ (number of submissions)} \times .25 \text{ (hours to prepare report)} \times \$40 \text{ per hour (including administrative staff time and overhead)} = \$330.$

h. Certify that the ETC acknowledges that it may be required to provide equal access to long distance carriers.

- (1) Number of respondents: Approximately 32 ETCs.
- (2) Frequency of response: Annually.
- (3) Annual hour burden per respondent: .25 hours. Total annual hour burden: **8 hours.**
- (4) Total estimate of annualized cost to respondents for the hour burden: \$320.
- (5) Explanation of calculation. We estimate that this obligation will take approximately 2 hours and will occur on occasion for 32 ETCs. $32 \text{ (number of respondents)} \times 1 \text{ (number of submissions)} \times .25 \text{ (hours to prepare report)} \times \$40 \text{ per hour (including administrative staff time and overhead)} = \$320.$

i. Recordkeeping 47 CFR § 54.202(e).

- (1) Number of respondents: Approximately 33 ETCs.
- (2) Frequency of response: Recordkeeping requirement
- (3) Annual hour burden per respondent: .25 hours. Total annual hour burden: **8.25 hours.**
- (4) Total estimate of annualized cost to respondents for the hour burden: \$330.
- (5) Explanation of calculation. We estimate that this obligation will take approximately .25 hours to file and maintain records $\times \$40 \text{ per hour (including administrative staff time and overhead)} = \$330.$

Total annual burden: $96 + 66 + 99 + 66 + 8.25 + 8.25 + 8.25 + 8 + 8.25 = 368 \text{ hours.}$

Collection Requirements	In-House Cost Estimates
Report progress towards meeting five-year service quality improvement plan	\$3,840
Report detailed information on any outage lasting at least 30 minutes	\$2,640

Report information detailing the number of unfulfilled requests for service from potential customers	\$3,960
Report the number of consumer complaints per 1,000 handsets or lines	\$2,640
Certify that the ETC is complying with applicable service quality standards and consumer protections	\$330
Certify that the ETC is able to function in emergency situations	\$330
Certify that the ETC is offering a local usage plan comparable to that offered by the incumbent local exchange carrier in the relevant service areas	\$330
Certify that the ETC acknowledges that it may be required to provide equal access to long distance carriers	\$320
Annual Record keeping	\$330
Estimate Total Annual Cost	\$14,720

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. Moreover, there will be minimal cost to the Federal government since an outside party administers the program.

15. *Program changes or adjustments.* Total annual burden under this control number is estimated at 368 hours which is an increase of +126 hours. The adjusted increase is due to an increase in the number of respondents and therefore the total annual burden hours. Additionally, the recordkeeping requirement was identified in previous submissions to the OMB, however, the actual burden estimate was never quantified. With this submission we have done so, thereby increasing the total annual burden hours.

16. *Collections of information whose results will be published.* The Commission makes the information required for participation public available on the Internet (see 47 C.F.R. § 54.615 for information requirements). Other non-proprietary information may 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 does not seek approval not to display the OMB expiration date for OMB.

18. *Exceptions to the certification statement for Paperwork Reduction Act submissions (Item 19 of OMB Form 83-I).* The total annual burden estimate was slightly different when the Commission published the 60 day notice. With the 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.