

SUPPORTING STATEMENT**A. Justification:**

1. Part 68 of the Commission's rules, 47 C.F.R. Part 68, contains requirements governing connection of terminal equipment to the telephone network. Among these requirements are the following information collection requirements which are necessary to inform consumers who purchase and/or use telephone equipment how to determine whether the telephone is hearing aid compatible ("HAC").

- (a) 47 C.F.R. § 68.300(b), Equipment Labeling Requirements:

Pursuant to section 68.300(b), all registered telephones manufactured in the U.S. or imported for use in the U.S. that are hearing aid compatible must be stamped permanently with the letters "HAC." The provision applies to all telephones manufactured or imported as of April 1, 1997 for use in the U.S., but excludes telephones used with public mobile services or private radio services, and secure telephones.¹

- (b) 47 C.F.R. § 68.224, Notice of Non-Hearing Aid Compatibility:

- (1) Section 68.224(a) requires that a notice to be contained in a conspicuous location on the surface of the packaging of a non-hearing aid compatible telephone that the telephone is not hearing aid compatible, or if offered for sale without a surrounding package, the telephone be affixed with a written statement that the telephone is not hearing aid-compatible.
- (2) Section 68.224(b) also requires that the telephone equipment be accompanied by instructions in accordance with 47 C.F.R. § 68.218(b)(2).

The Commission is requesting OMB approval for a three year extension of this collection.

This collection does not impose burdens on individuals or households; thus, there are no impacts under the Privacy Act, because it does not require the collection of personal information from individuals.

The statutory authority for this information collection is found at sections 201 and 710 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 201 and 610, and Public Law 100-394, "the Hearing Aid Compatibility Act of 1988," 102 Stat. 976, Aug. 16, 1988.

2. The information collection requirements are useful primarily to consumers to determine whether the telephone equipment they are purchasing or using is hearing aid compatible.

¹ 47 C.F.R. § 20.19 governs HAC requirements applicable to public mobile services, and the burdens associated with such requirements are covered under a different FCC information collection, 3060-0999.

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3. The information required by the rules is to be provided on outside packaging or on the outside physical casing of equipment. Respondents may use any equipment or technique they choose in order to comply with these requirements.
4. The Commission believes that these information collection requirements are not duplicated elsewhere.
5. The information collection requirements may affect manufacturers and importers, regardless of their size, because of the need to protect consumers purchasing telephone sets. Respondents may use any equipment or technique they choose in order to comply with these requirements, including equipment or techniques that minimize their burdens of compliance.
6. The Commission believes that if these information collection requirements were not in place, possible harm may come to persons with hearing disabilities who purchase telephones that they believe to be hearing aid compatible, but which are not. For instance, such individuals may not be able to locate a hearing aid compatible telephone in an emergency, without the information collections. These information collection requirements specifically implement the provisions of 47 U.S.C. § 610(d), which provides that the Commission “shall establish such requirements for the labeling of packaging materials for equipment as are needed to provide adequate information to consumers on the compatibility between telephones and hearing aids.”
7. There are no special circumstances that make these information collection requirements incompatible or inconsistent with the guidelines of 5 C.F.R. § 1320.5(d).
8. Pursuant to 5 C.F.R. § 1320.8(d), the Commission placed a notice in the *Federal Register* to solicit public comment on extension of the information collections. See 74 FR 8090 (February 23, 2009). The Commission received no comments following publication of the notice.
9. The Commission does not anticipate providing any payment or gift to respondents.
10. The nature of the information to be collected under the rules is neither proprietary nor confidential, thus no assurances have been given to respondents to treat the information as such. The information to be collected is required public information, needed for public safety and consumers’ product awareness.
11. There are no questions of a sensitive nature with respect to the information that the Commission is collecting.

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12. The following represents the estimates of hour burdens of the collections of information:

(a) 47 C.F.R. § 68.300(b), Equipment Labeling Requirements:

- (1) The Commission believes that approximately 1,268 manufacturers and telephone importers (respondents) will stamp the letters “HAC” on telephone equipment.
- (2) The Commission believes that there are approximately 22,500,000 telephone sets manufactured or imported each year for the US market. Of those 22,500,000 telephone sets, the Commission estimates that 99.5 percent, equaling 22,387,500, are hearing aid compatible.
- (3) The Commission estimates that respondents will comply with the requirement “on-occasion” and that this requires approximately 1 second (0.000278 hours) to complete this requirement.

$$1 \text{ sec} / 3,600 \text{ sec/hr} = 0.000278 \text{ hours}$$

$$0.000278 \text{ hrs} \times 22,387,500 \text{ telephones/yr} = \mathbf{6,223.73 \text{ hrs/yr}}$$

- (4) The Commission assumes that respondents use “in-house” personnel earning a salary equivalent to a GS-9/Step 5 Level (\$27.37, plus 30% overhead (\$8.21)) to comply with the requirements. The Commission estimates respondents’ costs to be about \$35.58 per hour.

$$22,387,500 \text{ responses} \times 0.000278 \text{ hrs/response} \times \$35.58/\text{hr} = \mathbf{\$221,439.24}$$

(b) 47 C.F.R. § 68.224, Notice of Non-Hearing Aid Compatibility:

- (1) The Commission estimates that up to 1,268 respondents also place notices on equipment packaging or the equipment itself, and furnish appropriate instructions, when the telephone equipment is *not* hearing aid compatible.
- (2) Of the estimated 22,500,000 telephone sets manufactured or imported each year for the U.S. market, as noted above, the Commission estimates that only one-half of one percent (0.5% or 0.005), equaling 112,500, are not hearing aid compatible, since virtually all telephones made or imported into the U.S. are hearing aid compatible, and have been by law since 1989.
- (3) The Commission estimates that respondents will comply with the requirements for labeling and provision of instructions “on-occasion,” and that these requirements together take on average approximately 15 seconds (0.004167 hours) per telephone set to complete.

$$15 \text{ secs} / 3,600 \text{ sec/hr} = 0.004167 \text{ hrs}$$

$$0.004167 \text{ hrs} \times 112,500 \text{ telephones in US market} = \mathbf{468.79 \text{ hrs/yr}}$$

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- (4) The Commission assumes that respondents use “in-house” personnel earning a salary equivalent to a GS-9/Step 5 Level (\$27.37, plus 30% overhead (\$8.21)) to comply with the requirements. The Commission estimates respondents’ costs to be about \$35.58 per hour.

$$112,500 \text{ responses} \times 0.004167 \text{ hours} \times \$35.58 = \mathbf{\$16,679.46}$$

Total Number of Respondents: 1,268 manufacturers and importers of telephones

Total Number of Responses Annually:²

$$22,500,000 \text{ telephone sets} \times 1 \text{ label or notice (response)/set/yr} = \mathbf{22,500,000 \text{ responses/yr}}$$

$$\mathbf{\text{Total Annual Hourly Burden:}} \quad 6,223.73 + 468.79 = \mathbf{6,693 \text{ hours}}$$

$$\mathbf{\text{Total Annual “In House” Costs:}} \quad \$221,439.24 + \$16,679.46 = \mathbf{\$238,118.70}$$

13. The following represents the Commission's estimate of the annual cost burden to respondents resulting from the collection of information:

- (a) 47 C.F.R. § 68.300(b), Equipment Labeling Requirements:

(1) Total annualized capital/start-up costs: **\$253,600³** per year for the total cost to all 1,268 manufacturers or importers for a \$1,000 label printing machine with a useful life of five years.

(2) Total annualized costs (operation and maintenance): **\$12,680**, or \$10 per year per respondent, for all 1,268 manufacturers or importers to maintain the label printing machine.

(3) Total annualized costs requested: $\$253,600 + \$12,680 = \mathbf{\$266,280}$

- (b) 47 C.F.R. § 68.224, Notice of Non-Hearing Aid Compatibility:

(1) Total annualized capital/start-up costs: **\$0**

(2) Total annualized costs (operation and maintenance): **\$0**

(3) Total annualized costs requested: **\$0**

Total Annual Costs: $\$266,280 + \$0 = \mathbf{\$266,280}$

² The number of responses accounts for the total number of manufacturers and telephone importers that are required to label HAC and Non-HAC equipment.

³ This number was calculated as follows: 1,268 respondents x \$200/yr (\$1,000 cost of printing machine/5 years for useful life of machine) = \$253,600.

14. The Commission has determined there are no costs to the federal government associated with these information collection requirements.

15. There is an adjustment to the total annual burden hours of +411 hours which is due to the Commission reevaluating the burdens for this information collection. The following items have changed since the Commission's last submission to OMB:

(a) a change in the estimated time per response for compliance with 47 C.F.R. § 68.224, from 1 second (.000278 hours) per response to 15 seconds (.004167 hours per response);

(b) an increase in the total annual burden hours from 6,282 hours to 6,693 hours; and

(c) an elimination of costs to the Federal government, which the Commission inadvertently assessed in its previous submission.

Lastly, there is an adjustment to the total annual cost burden of -\$720 which is due to rounding issues in ROCIS.

There are no program changes.

16. The Commission does not intend to publish the results of these collections of information.

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

18. There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods:

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