

## SUPPORTING STATEMENT

The Commission is requesting an extension (no change in the reporting and recordkeeping requirements) from the Office of Management and Budget (OMB) to obtain the full three year clearance from them. There is no change in the Commission's estimates.

### **A. Justification:**

1. The data collected by FCC Form 502 helps the Commission manage the ten-digit North American Numbering Plan (NANP), which is currently being used by the United States and 19 other countries. Under the Communications Act of 1934, as amended, the Commission was given "exclusive jurisdictions over those portions of the North American Numbering Plan that pertain to the United States." Pursuant to that authority the Commission conducted a rulemaking that among other things addressed regular reporting on numbering use by United States carriers. In its *Report and Order* in CC Docket No. 99-200, *In the Matter of Numbering Resource Optimization* (FCC 00-104, rel. Mar. 31, 2000), the Commission found that mandatory data collection is necessary to efficiently monitor and manage numbering use. The Commission requires the following information:

a. Utilization/Forecast Report – All carriers that receive numbering resources from the NANP Administrator (NANPA) or that receive numbering resources from the Pooling Administrator in thousands-blocks must report forecast and utilization data semi-annually to the NANPA. Carriers that receive intermediate numbers must report forecast and utilization data semi-annually to the NANPA. Reporting carriers must report their utilization and forecast data by separate legal entity. Each reporting carrier shall be identified by its Operating Company Number (OCN) on its submission. NANP shall not issue new numbering resources to a carrier without an OCN. A carrier whose forecast and utilization data has not changed from the previous reporting period may simply re-file the prior submission and indicate that there has been no change since the last reporting, *i.e.*, it would report "no change." All carriers are required to file their data electronically. Carriers should use electronic means to track their use of numbering resources. *See* 47 C.F.R. § 52.15(f).

b. Application for Initial Numbering Resources – Applications for initial numbering resources must include documented proof that (1) the applicant is authorized to provide service in the area for which the numbering resources are requested and (2) the applicant is or will be capable of providing service within 60 days of the numbering resources activation date. Specifically, carriers must provide, as part of the application for initial numbering resources, evidence (*e.g.*, state commission order or state certification to operate as carrier) demonstrating that they are licensed and/or certified to provide service in the area in which they seek numbering resources. Carriers requesting initial numbering resources must also provide to the NANPA appropriate evidence (*e.g.*, contracts for unbundled network elements, network information showing that equipment has been purchased and that it is operational or will be operational, business plans, or interconnection agreements) that its facilities are in place or will be in place to

provide service within 60 days or the numbering resources activation date. These requirements apply to carriers requesting an initial NXX code and those requesting an initial thousands-block. *See* 47 C.F.R. § 52.15(g).

c. Application for Growth Numbering Resources – Applications for growth numbering resources must include a Months-To-Exhaust (MTE) worksheet. To ensure that carriers obtain numbering resources when and where they are needed to provide service, carriers are required to provide evidence that, given their current utilization and recent historical growth, they need additional numbering resources. Non-pooling carriers must satisfy a minimum utilization threshold before obtaining additional numbering resources. *See* 47 C.F.R. § 52.15(g).

d. Recordkeeping Requirement – To facilitate auditing by the NANPA and by state commissions in the future, carriers are required to maintain detailed internal records of their number usage in categories more granular than the five for which they are required to report. Carriers are required to maintain internal records of their numbering resources for the following subcategories: soft dial-tone numbers; ported-out numbers; dealer number pools; test numbers; employee/official numbers; Local Routing Numbers; Temporary Local Directory Numbers; and wireless E911 emergency services routing digits/key numbers. Carriers are required to maintain these data for a period of not less than 5 years. *See Report and Order*, para. 62.

e. Notifications by State Commissions – State commissions may reduce the reporting frequency for Numbering Plan Areas (NPAs) in their states to annual. State commissions must notify the Wireline Competition Bureau and the NANPA prior to exercising this delegated authority. *See* 47 C.F.R. § 52.15(f)(6).

f. Demonstration to State Commission – Carriers that open a clean thousands-block prior to utilizing in its entirety a previously-opened thousands-block should be prepared to demonstrate to the state commission: (1) a genuine request from a customer detailing the specific need for telephone numbers; and (2) the inability on the part of the carrier to meet the specific customer request for a telephone number from the supply of numbers within the carrier’s currently activated thousands-blocks. *See* 47 C.F.R. 52.15(j)(2).

g. Petitions for Additional Delegation of Numbering Authority – States requesting pooling authority from the FCC must include a showing of specific criteria in their petitions. Each petition must demonstrate that: (1) that an NPA in its state is in jeopardy; (2) the NPA in question has a remaining life span of at least a year; and (3) that NPA is in one of the largest 100 MSAs, or alternatively, the majority of wireline carriers in the NPA are LNP-capable. In NPAs that do not meet all of the criteria but where pooling would be of benefit, states requesting pooling authority must demonstrate that “special circumstances” exist that permit the Commission to delegate authority to implement pooling. *See Report and Order*, para. 170.

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.

Note: This submission is being made pursuant to authority contained in 47 U.S.C. §§ 151, 153, 154, 201-205, and 251.

2. The data from this information collection is used by the FCC, state regulatory commissions, and the NANPA to monitor numbering resource utilization by all carriers using the resource and to project the dates of area code and NANP exhaust.
3. All carriers must file their data electronically with the NANPA. Electronic filing substantially reduces the cost of the data collection process and reduces filing efforts, once carriers develop their own software or adapt to software and systems developed by the NANPA.
4. This will not duplicate any effort. Previous to the current rules, there were no mandatory federal reporting requirements for numbering resource use.
5. The Commission has implemented a number of procedures to reduce the burden on small carriers. For example, small telecommunications carriers will be permitted to file their data over the Internet using an Internet screen or by filing a disk that contains the data in spreadsheet format. Carriers that do experience changes in numbering utilization between reporting periods will be permitted to report "No Change." Finally, "rural" telecommunications carriers will have their filing requirements reduced. All rural telephone companies are allowed to report their historical utilization data at the NXX level rather than at the thousand-block level required of other carriers. In addition, states have the authority to reduce reporting requirements from semiannual to annual if they believe that changes in numbering use in particular areas codes are sufficiently small to warrant less frequent reporting. Small independent telephone companies generally operate in such area codes.
6. Failure to obtain resource use and forecast data makes it difficult to manage the NANP. Such management will extend the life of the NANP, saving consumers and carriers an estimated \$100 to \$150 billion associated with expanding the plan by adding more digits. The reporting requirements have been designed to minimize the frequency of reporting. Under the Commission's rules, reporting is semi-annual. States, however, may reduce the reporting requirement to annual for area codes where semi-annual data is unnecessary. States have been delegated this authority because they are most familiar with local conditions.
7. Carriers will be required to retain underlying records to permit auditing of reported data. These records are necessary to ensure that reporting is complete and accurate.
8. The Commission published a notice in the Federal Register as required by 5 C.F.R. § 1320.8. *See* 75 FR 5592, dated February 3, 2010. No comments were received.
9. No payment or gifts are being provided.
10. Disaggregated, carrier specific forecast and utilization data will be treated as confidential and will be exempt from public disclosure under 5 U.S.C. § 552 (b)(4).
11. Not applicable.

12. a. Numbering Resource Utilization/Forecast Report:

(1) Number of Respondents: 2,700.

(2) Frequency of Response: semi-annual reporting requirement.

(3) Annual hour burden: 44.4 hours per response per year. Total annual burden: **119,880**

**hours.**

(4) Total estimate of annualized cost to respondents for the hour burdens for collection of information: \$5,994,000.

(5) Explanation of Calculation: There are approximately 2,700 respondents that file twice per year. State public utility commissions, however, may reduce the filing to once per year for area codes experiencing slow growth. The estimated total burden is 52,896 hours for the industry. With an average burden over 5-years of 44.4 hours per filer. The range of burden will range from 5.6 hours for small largely rural telephone companies to 1,866 for the large Bell Operating Companies (BOCs). The average cost per respondent will be \$2,220 at an average annual wage of \$50 per hour. Average time per state filing per year is 26.9 hours. Average cost per state filing is \$1,345.

b. Application for Initial Numbering Resources:

(1) Number of respondents: 2,730.

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

(3) Annual hour burden: 2 hours per respondent. Total industry hours: **5,460 hours.**

(4) Total estimate of annualized cost to respondents for the hour burdens for collection of information: \$273,000.

(5) Explanation of Calculation: Average cost per hour - \$50. Total industry cost: (2,730 number of respondents x 1 submission x 2 hours x \$50) = \$273,000.

c. Application for Growth Numbering Resources:

(1) Number of respondents: 1,700.

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

(3) Annual hour burden: 2 hour per respondent. Total industry hours: **3,400 hours.**

(4) Total estimate of annualized cost to respondents for the 2-hour burdens for collection of information: \$170,000.

(5) Explanation of Calculation: Average cost per hour - \$50. Total industry cost: (1,700 number of respondents x 1 submission x 2 hours x \$50) = \$170,000.

d. Recordkeeping Requirement

(1) Number of respondents: 2,730.

(2) Frequency of response: Recordkeeping requirement.

(3) Annual hour burden: 1 hour per respondent. Total industry hours: **2,730 hours.**

(4) Total estimate of annualized cost to respondents for the hour burden for collection of information: \$136,500.

(5) Explanation of Calculation: Average cost per hour - \$50. Total industry cost: (2,730 number of respondents x 1 submission x 1 hour x \$50 = \$136,500.

e. Notifications by State Commissions:

(1) Number of respondents: 2.

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

(3) Annual hour burden: 1 hour per respondent. Total industry hours: **2 hours**.

(4) Total estimate of annualized cost to respondents for the hour burdens for collection of information: \$100.

(5) Explanation of Calculation: Average cost per hour - \$50. Total industry cost: (2 number of respondents x 1 submission x 1 hour x \$50 = \$100).

f. Demonstration to State Commission:

(1) Number of respondents: 250.

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

(3) Annual hour burden: 1 hour per respondent. Total industry hours: **250 hours**.

(4) Total estimate of annualized cost to respondents for the hour burdens for collection of information: \$12,500.

(5) Explanation of Calculation: Average cost per hour - \$50. Total industry cost: (250 number of respondents x 1 submission x hour x \$50 = \$12,500).

g. Petition for Additional Delegation of Numbering Authority:

(1) Number of respondents: 3.

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

(3) Annual hour burden: 20 hours per respondent. Total industry hours: **60 hours**.

(4) Total estimate of annualized cost to respondents for the hour burdens for collection of information: \$300.

(5) Explanation of Calculation: Average cost per hour - \$50. Total industry cost: (3 number of respondents x 1 submission x 2 hours x \$50 = \$300).

Total number of responses: 2,700 + 2,730 + 1,700 + 2 + 250 + 3 = **7,385 responses**.

Total annual burden: 119,880 + 5,460 + 3,400 + 2,730 + 2 + 250 + 60 = **131,782 hours**.

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

a. Total capital and start-up cost component for first year: \$7,858,650. At a wage of \$50 per hour, the cost for the first year capital and start-up burden is estimated to be \$7,858,650 (157,173 x \$50). The average burden per year over all five years for industry is estimated to be \$4,614,970 per year. This was computed based using a weighted average burden of 92,299 hours and a wage rate of \$50 per hour. **Industry burden costs for years 2-4 are estimated to be \$3,462,800 per year.** This is computed using an annual average industry burden of 69,256 hours at \$50 per hour. These estimates were based on discussions with a limited number of carriers. They assume a 5-year planning horizon made up of an initial year during which software will be developed and 4 subsequent years using that software.

b. Total operation and maintenance and purchase of services component: \$0. The requirements will not result in additional operating or maintenance expenses.

14. The cost to the government will be minimal because a consultant (NANP Administrator) is under contract to the telecommunications industry to perform the processing of the data.

15. The annual public burden for this information collection contained in this submission remains at 131,782 total annual burden hours.

16. The data collected will not be published.

17. The Commission seeks continued OMB approval to not display the OMB expiration date. Display of the expiration date would not be in the Commission's interest because we would have to destroy all of the unused reports previously printed or modify the electronic version that is on the Internet. This would constitute waste and would not be cost effective.

18. Respondents are required to maintain certain records for longer than 3 years. See item 1(d) and 7 above.

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

Not applicable