

SUPPORTING STATEMENT

A. Justification:

1. Collection of this information is required by statute --- Section 401 of the Federal Election Campaign Act of 1971, P.L. 92-225 together with the 1971 Revenue Act, P.L. 92-178, and Section 64.804 of the Commission's Rules and regulations.

Pursuant to 47 C.F.R. 47, § 64.804 (c) of FCC Rules and Regulations, a carrier must obtain a signed, written application for service which shall identify the applicant and the candidate and state whether or not the candidate assumes responsibility for charges, and which shall state that the applicant or applicants are liable for payment and that the applicant understands that service will be discontinued if payment is not rendered.

Section 64.804 (f) requires that the records of each account, involving the extension by a carrier of unsecured credit to a candidate or person on behalf of such candidate for common carrier communications services shall be maintained by the carrier as to show separately, for interstate and foreign communication services all charges, credits, adjustments, and security, if any, and balance receivable.

Section 64.804(g) requires communications common carriers with operating revenues exceeding \$1 million who extend unsecured credit to a political candidate or person on behalf of such candidate for Federal office to annually report seven basic information items including due and unpaid balances for interstate and foreign communication services.

If changes for services rendered are not paid to the carrier within 15 days from rendition of a bill therefore, the carrier shall forthwith at the end of the 15-day period serve written notice on the applicant of intent to discontinue service within 7 days of date of such notice for nonpayment and shall discontinue service at the end of the 7-day period unless all such sums due are paid in full within such 7-day period.

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.

The statutory authority for this collection is contained in the Section 401 of the Federal Election Campaign Act of 1971, P. L. 92-225, with the 1971 Revenue Act, P.L. 92-178, required full reporting of campaign contributions and expenditures, but also limited spending on media advertisements. (These limits were later repealed.) "Contribution" and "expenditure" are special terms defined in 2 U.S.C. and 11 C.F.R. Also, see Section 64.804 of Commission's Rules and Regulations for the communication common carrier's reporting requirements.

The Commission is now requesting OMB approval for this expiring information collection. We

are requesting an extension (no change in the reporting and/or recordkeeping requirements). There is no change in the Commission's burden estimates.

2. This information is used by the agency to monitor the extent of unsecured credit extended to candidates for Federal office.
3. The collection imposes minimal requirements on the respondents and would not be subject to technology improvements to reduce burdens.
4. The required information is of interest only to this Commission. Carriers do not provide this information to other agencies. There is no other similar information available.
5. The collection is designed to minimize burden on all subject carriers regardless of size. Only basic information, consisting of seven items, is required so that the agency can monitor the extent of unsecured credit extended to candidates for Federal office as it is required by statute. *See* 47 C.F.R. § 64.804(g).
6. The report is filed annually with the Commission. If the collection were conducted less frequently, the Commission would not be able to effectively accomplish its responsibilities.
7. No special circumstances are noted. The collection is not conducted in any manner inconsistent with the general paperwork reduction requirements contained in 5 C.F.R. § 1320.5.
8. On July 13, 2011 a 60 day notice was published in the Federal Register pursuant to 5 C.F.R. § 1320.8(d). *See* 76 FR 41255. The Commission did not receive any comments.
9. The collection does not involve any payment or gift to respondents.
10. Ordinarily, questions of a sensitive nature are not involved in the filed data. The Commission contends that areas in which information is required are fully subject to regulation and the issue of data being regarded as sensitive will arise in special circumstances only. In such circumstances, the respondent is instructed on the appropriate procedures to follow to safeguard sensitive data. 47 C.F.R. § 0.459 contains procedures for requesting such information not be made routinely available for public inspection.
11. The respondents are instructed on the appropriate procedures to follow to safeguard information deemed sensitive data. Section 0.459 of the Commission's rules contains procedures for requesting confidential treatment of such data. *See* 47 C.F.R. § 0.459 of the Commission's rules.
12. The following represents the estimate of annual burden hours and the annual cost burden for the collection of information. We note that hour burden imposed by the requirement is very difficult to quantify. The following represents our best estimate:

(1) Number of respondents: **13**

The Commission has estimated the number of respondents at 13.

(2) Frequency of response: Annual reporting requirement and recordkeeping requirement.

(3) Total Number of Responses Annually: **13**

13 carriers x 1 response/annum = 13 responses

(4) Total Annual Hourly Burden: **104 hours**

13 carriers x 8 hours = 104 hours

(5) Explanation In-house Industry Cost: **\$3,704**

The Commission estimates that it will take each carrier using in-house staff equivalent to a GS11/Step 5 for a federal employee, plus 30% overhead, to comply with the requirement. We note that we are utilizing a Federal employee at the GS11/5 level instead of GS13/2 level previously reported to be consistent with our other filings, i.e., the ARMIS Reports.

13 respondents x 1 filing x 8 hours per filing x \$35.62 per hour = \$3,704

13. There are no capital, start-up, maintenance or operating costs associated with the collection of information.

The Commission is adjusting the staff equivalent to a GS 11 Step 5 instead of a GS 13 Step 2 to be consistent with other accounting and information reports and requirements. The estimated cost for each carrier is \$3,704 versus \$4,814 for the GS 13/2 employee, a decrease of \$1,110.

14. There is no annual cost to the Federal government.

15. No change in burden is requested at this time. The annual burden for this collection continues to be estimated at 104 hours.

16. The Commission does not anticipate that it will publish any collected information.

17. We are not seeking approval to not display the expiration date for OMB approval based on the Commission's rules. The Commission publishes a list of all OMB-approved information collections with their associated OMB control numbers, titles and OMB expiration dates under 47 C.F.R. 0.408 of the Commission's rules.

18. There are exceptions to the certification statement because the 60 day notice was not published on "delegated" letterhead.

B. Collections of Information Employing Statistical Methods:

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