

## SUPPORTING STATEMENT

### A. Justification:

1. The Federal Communications Commission (“Commission”) is requesting that the Office of Management and Budget (OMB) approve a three-year extension of the delegated authority information collection, titled, “Contracts and Concessions – 47 CFR 43.51” under OMB Control Number 3060-0751. (Note: This information collection was previously titled, “Reports Concerning International Private Lines Interconnected to the U.S. Public Switched Network”).

#### Summary of Information Collection Requirements

The information collection requirements are summarized as follows:

47 C.F.R. 43.51(a)(1) states any communication common carrier described in paragraph (b)<sup>1</sup> of this section must file with the Commission, within thirty (30) days of execution, a copy of each contract, agreement, concession, license, authorization, operating agreement or other arrangement to which it is a party and amendments thereto with respect to the (i) the exchange of services; and, (ii) the interchange or routing of traffic and matters concerning rates, accounting rates, division of tolls, or the basis of settlement of traffic balances, except as provided in paragraph (c) of this section.

47 C.F.R. 43.51(a)(2) states if the contract, agreement, concession, license, authorization, operating agreement or other arrangement and amendments thereto is made other than in writing, a certified statement covering all details thereof must be filed by at least one of the parties to the agreement. Each other party to the agreement which is also subject to these provisions may, in lieu of also filing a copy of the agreement, file a certified statement referencing the filed document. The Commission may, at any time and upon reasonable request, require any communication common carrier not subject to the provisions of this section to submit the documents referenced in this section.

47 C.F.R. 43.51(c) states with respect to contracts coming within the scope of paragraph (a)(1)

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<sup>1</sup> 47 C.F.R. 43.51(b) states the following communication common carriers must comply with the requirements of paragraph (a) of this section: (1) A carrier that is engaged in domestic communications and has not been classified as non-dominant pursuant to Section 61.3 of this Chapter, (2) A carrier that is engaged in foreign communications and that has been classified as dominant for any service on any of the U.S.-international routes included in the contract, except for a carrier classified as dominant on a particular route due only to a foreign carrier affiliation under Section 63.10 of this chapter, or (3) A carrier, other than a provider of commercial mobile radio services, that is engaged in foreign communications and enters into a contract, agreement, concession, license, authorization, operating agreement or other arrangement and amendments thereto with a foreign carrier that does not qualify for the presumption, set forth in Note 3 to this section, that it lacks market power on the foreign end of one or more of the U.S.-international routes included in the contract, unless the route appears on the Commission's list of U.S.-international routes that the Commission has exempted from the international settlements policy set forth in Section 64.1002 of this chapter.

(ii) of this section between subject telephone carriers and connecting carriers, except those contracts related to communications with foreign or overseas points, such documents shall not be filed with the Commission; but each subject telephone carrier shall maintain a copy of such contracts to which it is a party in appropriate files at a central location upon its premises, copies of which shall be readily accessible to Commission staff and members of the public upon reasonable request therefore; and upon request by the Commission, a subject telephone carrier shall promptly forward individual contracts to the Commission.

47 C.F.R. 43.51(d) requires that U.S. international telecommunications services carriers submit to the Commission information concerning their intercarrier agreements for the interconnection of an international private line to the U.S. public switched network (U.S. PSN). Carriers need only to file the information annually, rather than each time that they enter into such an agreement. Section 43.51(d) also requires that only certain limited information be submitted to the Commission concerning the interconnection of international private lines. Carriers may fulfill their Section 43.51(d) notification requirements by filing certified statement only containing information on the country of origin and the number and type of private lines interconnected for each customer during the annual reporting period. The identity of the customer need not be reported. Also, any carrier that interconnects an international private line to the U.S. PSN is not required to report arrangements for the interconnection of such private lines that terminate in countries determined by the Commission to offer equivalent private line resale opportunities to U.S. carriers.

The statutory authority for this information collection is contained in Sections 154, 211, 219 and 220 of the Communications Act of 1934, as amended.

There are no impacts under the Privacy Act because this collection of information does not have an impact on individuals or households.

2. The Commission has determined that the authorized resale of international private lines interconnected to the U.S. PSN would tend to divert international message telephone service (IMTS) traffic from the settlements process and increase the U.S. net settlements deficit. The information will be used by the Commission in reviewing the impact, if any, that end-user private line interconnections have on our international settlements policy. The data will also enhance the ability of both the Commission and interested parties to monitor for unauthorized resale of international private lines that are interconnected to the U.S. PSN.

3. Given the minimal amount of information requested and the unique nature of each filing, the use of information technology is not feasible for this collection. Therefore, zero (0) percent of the responses are collected electronically.

4. This information collection requirement is not duplicated elsewhere in the Commission's rules.

5. This information collection will not have a significant economic impact on a substantial number of small entities/businesses.
6. Previously, the Commission reduced the frequency of this collection by requiring respondents to report limited information on an annual basis. The Commission's effort to preserve the integrity of its international resale policy would be thwarted if the collection were conducted less frequently.
7. The collection of information is not being conducted in any manner known to be inconsistent with the guidelines in 5 CFR 1320.5(d)(2). There are no special circumstances associated with this collection.
8. A 60-day notice was published in the Federal Register (Cite: 75 FR 71434) to solicit public comments on this information collection. The 60-day comment period began on November 23, 2010 and ended on January 24, 2011. No comments were received from the public in response to the notice.
9. The Commission does not provide any payment or gift to respondents.
10. By requiring carriers to file only limited information, and by treating as confidential the country of origin, we are able to provide the respondents with an assurance that commercially sensitive or proprietary information will not be disclosed.
11. This collection does not contain questions of a sensitive nature.

12. There are 10 respondents to this information collection. The explanation of burden estimates, number of responses, time per response and total annual burden hours are provided below.

<b>Explanation of Burden Estimate</b>	<b>Number of Responses</b>	<b>Time Per Response</b>	<b>Total Annual Burden Hours</b>
<p>1. 47 C.F.R. 43.51(a)(1) states any communication common carrier described in paragraph (b) of this section must file with the Commission, within thirty (30) days of execution, a copy of each contract, agreement, concession, license, authorization, operating agreement or other arrangement to which it is a party and amendments thereto with respect to the (i) the exchange of services; and, (ii) the interchange or routing of traffic and matters concerning rates, accounting rates, division of tolls, or the basis of settlement of traffic balances, except as provided in paragraph (c) of this section.</p>	10	8 On occasion	80
<p>2. 47 C.F.R. 43.51(a)(2) states if the contract, agreement, concession, license, authorization, operating agreement or other arrangement and amendments thereto is made other than in writing, a certified statement covering all details thereof must be filed by at least one of the parties to the agreement. Each other party to the agreement which is also subject to these provisions may, in lieu of also filing a copy of the agreement, file a certified statement referencing the filed document. The Commission may, at any time and upon reasonable request, require any communication common carrier not subject to the provisions of this section to submit the documents</p>	10	8 On occasion	80

referenced in this section.			
3. 47 C.F.R. 43.51(c) states that with respect to contracts coming within the scope of paragraph (a)(1)(ii) of this section between subject telephone carriers and connecting carriers, except those contracts related to communications with foreign or overseas points, such documents shall not be filed with the Commission; but each subject telephone carrier shall maintain a copy of such contracts to which it is a party in appropriate files at a central location upon its premises, copies of which shall be readily accessible to Commission staff and members of the public upon reasonable request therefore; and upon request by the Commission, a subject telephone carrier shall promptly forward individual contracts to the Commission.	10	6 On occasion	60
4. 47 C.F.R. 43.51(d) requires that U.S. international telecommunications services carriers submit to the Commission information concerning their intercarrier agreements for the interconnection of an international private line to the U.S. public switched network (U.S. PSN). Carriers need only to file the information annually, rather than each time that they enter into such an agreement. Section 43.51(d) also requires that only certain limited information be submitted to the Commission concerning the interconnection of international private lines. Carriers may fulfill their Section 43.51(d) notification requirements by filing certified statement only containing information on the country of origin and the number and type of private lines interconnected for each customer during the annual reporting period. The	10	8 Annually	80

identity of the customer need not be reported. Also, any carrier that interconnects an international private line to the U.S. PSN is not required to report arrangements for the interconnection of such private lines that terminate in countries determined by the Commission to offer equivalent private line resale opportunities to U.S. carriers.			
<b>Totals:</b>	<b>40 Responses</b>	<b>6-8 Hours Time Per Response</b>	<b>300 Annual Burden Hours</b>

**Total Annual In-House Costs:** We estimate that the in-house professional staff are paid at an average hourly rate of \$45 per hour to undergo the burden for this filing requirement.

$$300 \text{ Annual Burden Hours} \times \$45 \text{ Per Hour} = \mathbf{\$13,500 \text{ Annual In-House Costs}}$$

13 (a). Total Capital or Start-Up Costs

There are no capital or start-up costs associated with this collection. The information is readily available to respondents and is already collected and maintained by them in the normal course of business. Therefore, respondents are not assumed to hire or contract-out any work associated with the filing requirements.

(b). Total Operations and Maintenance Costs

There are no total operations and maintenance costs.

(c). Total Annualized Costs: 0.

14. The annualized Federal government costs are as follows:

It is estimated that each of the GS-14 Attorneys spend approximately 32 hours per month reviewing documents that the licensees submit to the Commission. 32 hours per month X 12 months in a year = 384 annual burden hours.

<b>Federal Government Staff</b>	<b>Number of Staff</b>	<b>Salary Per Hour</b>	<b>Annual Burden Hours</b>	<b>Annualized Costs</b>
GS-14/Step 5 Attorney	4	\$57.13	384	\$87,752

15. There are no program changes or adjustments to this information collection.

16. The results of this information collection requirement will not be published for statistical use.

17. No applicable. We are not seeking approval to not display the expiration date for OMB approval of this information collection.

18. A 60-day notice was published in the Federal Register (Cite: 75 FR 71434) to solicit public comments on this information collection. In the 60-day notice the following figures were published: the number of responses as 10, the estimated time per response as 8 hours, the annual burden hours as 80. With this submission these figures are corrected as follows: the number of responses is 40, the estimated time per response is 6 – 8 hours and the annual burden hours are 300 hours. There are no other exceptions to the Certification Statement.

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

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