

This submission is made pursuant to 44 USC 3507 to extend an existing collection that is expiring. The Commission has not changed the reporting requirement for this information collection. We note that the Commission has granted AT&T, Verizon, legacy Qwest, and other similarly situated carriers conditional forbearance from this information collection. See *Petition of AT&T Inc. for Forbearance under 47 U.S.C. §160 from Enforcement of Certain of the Commission's Cost Assignment Rules*, WC Docket Nos. 07-21, 05-342, Memorandum Opinion and Order, 23 FCC Rcd 7302 (2008) (*AT&T Cost Assignment Forbearance Order*), *pet. for recon. pending, pet. for review pending*, *NASUCA v. FCC*, Case No. 08-1226 (D.C. Cir. filed June 23, 2008); *Service Quality, Customer Satisfaction, Infrastructure and Operating Data Gathering*, WC Docket Nos. 08-190, 07-139, 07-204, 07-273, 07-21, Memorandum Opinion and Order and Notice of Proposed Rulemaking, 23 FCC Rcd 13647 (2008) (*Verizon/Qwest Cost Assignment Forbearance Order*), *pet. for recon. pending, pet. for review pending*, *NASUCA v. FCC*, Case No. 08-1353 (D.C. Cir. filed Nov. 4, 2008). Despite this forbearance, the Commission seeks OMB approval the renewal of this information collection because petitions for reconsideration and review of those forbearance decisions are currently pending before the Commission and the D.C. Circuit.

SUPPORTING STATEMENT

A. Justification:

1. Section 220 of the Communications Act of 1934, as amended, 47 USC 220, allows the Commission, at its discretion, to prescribe the forms of any and all accounts, records and memoranda to be kept by carriers subject to this Act, including the accounts, records and memoranda of the movement of traffic, as well as the receipts and expenditures of moneys.

Section 219(b) of the Communications Act of 1934, as amended, 47 USC 219(b), authorizes the Commission by general or special orders to require any carrier subject to this Act to file monthly reports of earnings and expenses and to file periodical and/or special reports concerning any matters with respect to which the Commission is authorized or required by law to act. Section 43.21 of the Commission's rules details that requirement.

ARMIS was implemented to facilitate the timely and efficient analysis of revenue requirements, rates of return and price caps; to provide an improved basis for audits and other oversight functions; and to enhance the Commission's ability to quantify the effects of alternative policy. The ARMIS 43-06 Report reflects the results of customer satisfaction surveys conducted by individual carriers with residential and business customers. The ARMIS 43-06 captures trends in service quality based on results of consumer satisfaction surveys.

Section 11 of the Communications Act of 1934, as amended, 47 U.S.C. 161, requires the Commission, in every even-numbered year beginning in 1998, to review its regulations applicable to providers of telecommunications services to determine whether the regulations are no longer in

the public interest due to meaningful economic competition between providers of such services and whether such regulations should be repealed or modified. Section 11 further instructs the Commission to repeal or modify any regulation it determines to be no longer in the public interest.

There are no changes to the annual reporting requirement. There is no change in the estimated burden for this report.

The statutory authority of this collection is contained in Sections 11, 219(b), and 220 of the Communications Act of 1934, as amended, 47 U.S.C. sections 161, 219(b), 220.

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. The information contained in the ARMIS 43-06 Report has helped the Commission fulfill its regulatory responsibilities. Automated reporting of these data greatly enhances the Commission's ability to process and analyze the extensive amounts of data provided in the reports. Automating and organizing data submitted to the Commission facilitate the timely and efficient analysis of revenue requirements, rates of return and price caps, and provide an improved basis for auditing and other oversight functions. It also enhances the Commission's ability to quantify the effects of policy proposals.

3. The Commission has developed an Electronic ARMIS Filing System ("EAFS") to provide on-line submission of carrier filings and to provide a user-friendly, feature-rich data base system from which users can extract ARMIS data in a variety of ways. Incumbent LECs are required to file their ARMIS reports electronically through the Internet. Carriers and other interested parties can access ARMIS data from the Commission's EAFS Home Page at <http://www.fcc.gov/wcb/eafs>.

4. No duplication of the required data exists outside the agency. The Commission knows of no other existing information that would serve our regulatory purposes.

5. The collection of information does not involve small businesses or other small entities. There are two classes of incumbent LECs for accounting purposes: Class A and Class B. Carriers with annual revenues from regulated telecommunications operations equal to or above the indexed revenue threshold, currently \$144 million are classified as Class A; those falling below that threshold are considered Class B. Class A carriers with annual revenues in excess of \$144 million but less than \$8.538 billion are classified as mid-sized and are permitted to maintain accounts at the Class B level. Only Class A carriers file ARMIS reports.

6. The FCC Report 43-06 is filed once a year and thus, if the automated reporting were conducted less frequently, the Commission would not have the data in a timely manner to perform its functions. Subsequent submissions correcting previously filed data are to be filed as soon as the correction is identified.

7. Incumbent local exchange carriers file their data in electronic format as noted in item 3

above. Respondents seeking proprietary treatment of some data must provide an electronic copy using the established procedures.

8. The Commission published a notice in the Federal Register as required by 5 CFR 1320.8(d). See 76 FR 68186, dated November 3, 2011. No PRA comments were received as a result of the notice.

9. Not applicable. There will be no payments or gifts to respondents.

10. Ordinarily, questions of a sensitive nature are not involved in the ARMIS Customer Satisfaction Report. The areas in which detailed 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 CFR Part 0.459 contains the procedures for requesting confidential treatment of data.

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

12. The following estimates of the annual burden hours and the annual cost burden for the collection of information. We note that the burden hours imposed by the requirement is very difficult to quantify. The following represents our best estimate.

FCC Report 43-06 (Customer Satisfaction Report):

1. Number of Respondents: 7

In this collection, there is no change in the number of carriers filing this report. As stated above, however, the Commission has granted AT&T, Verizon, legacy Qwest, and other similarly situated carriers conditional forbearance from this information collection. We seek authority too extend this existing collection because of the pendency of petitions for reconsideration and petitions for judicial review of the Commission's forbearance actions.

2. Frequency of Response: Annual reporting requirement.

3. Total Number of Responses Annually: 7

7 carriers 1 response/annum = 7 responses.

4. Total Annual Hourly Burden: **5,040 hours**

The Commission estimates that each respondent takes approximately 720 hours to comply with the requirement.

7 carriers x 720 hours per filing = 5,040

5. Estimated Industry Cost: \$179, 525.

The Commission estimates that it will take each carrier using in-house staff equivalent to a GS-11, step 5 Federal employee, plus 30% overhead, to comply with the requirement.

7 (number of respondents) x 1 (number of filings) x 720 (hours per filing) x \$35.62 per hour = \$179,525.

13. The following represents the Commission's estimate of the annual cost burden for respondents or recordkeepers resulting from the collection of information.

(a)(1) Total capital and start-up cost component (annualized over its expected useful life): \$0. The reporting requirement will not require the purchase of additional equipment.

(2) Total operation and maintenance and purchase of services component: \$0.

14. The Federal government's annualized cost for the entire ARMIS program has been estimated at \$648,938. This estimate was derived as follows:

Employees Salaries Allocated to ARMIS	\$390,397
Benefits	78,079
Overhead	138,137
Office Space Dedicated to ARMIS (550 sq. ft. @ \$43 sq. ft.)	25,800
Equipment and Supplies (i.e., diskettes, file folders, computers disk drives)	13,400
Filing Equipment	3,125
Total Annual ARMIS Cost	\$648,938

Of the total annual ARMIS cost of \$648,938, we estimate the FCC Report 43-06 portion to be \$9,929. This estimate includes the necessary automation equipment, software, supplies, and personnel needed to execute the automated reporting program. We note that as a result of the Commission's forbearance actions, the government will not incur these costs pending Commission reconsideration and judicial review of those actions.

15. No change in burden hours is requested at this time. The annual burden for this collection continues to be estimated at 5,040 hours.

16. Data from these reports are placed on-line as to provide a user-friendly, feature-rich

database system from which users can extract ARMIS data in a variety of ways from the reports.

17. The Commission seeks continued OMB approval not to display the OMB expiration date. Display of the expiration date would not be in the Commission's interest because the Commission would have to update OMB expiration date on the electronic screens each time this collection was re-submitted to OMB for review and approval.

18. There are no exceptions to the certification statement in item 19 of the OMB 83i.

B. Collections of Information Employing Statistical Methods:

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