

SUPPORTING STATEMENT

A. Justification

1. Under section 201(b) of the Communications Act, the charges, practices, and classifications of common carriers must be just and reasonable. The Commission believes that the consumer's bill is an integral part of the relationship between a carrier and its customer. The manner in which charges are identified and articulated on the bill is essential to the consumer's understanding of the services that have been sought or rendered, such that a carrier's provision of misleading or deceptive billing information is an unjust and unreasonable practice in violation of section 201(b).

Background:

In 1998, the Commission initiated a proceeding to help provide consumers with the information they need to make informed choices in a competitive telecommunications marketplace. In *Truth-in-Billing and Billing Format*, CC Docket No. 98-170, Notice of Proposed Rulemaking, 13 FCC Rcd 18176 (1998) (*1998 NPRM*), published at 63 FR 55077 (Oct. 14, 1998), the Commission:

- (1) sought comment on how to ensure that consumers receive thorough, accurate, and understandable bills from their telecommunications carriers, whether they are providing local or interexchange wireline services, or commercial mobile radio wireless services; and
- (2) asked for specific input on issues such as organization of the bill, full and non-misleading descriptions, and provision of information to enable consumers to make inquiries or complaints regarding their bills.

In the ensuing *Truth-in-Billing and Billing Format*, CC Docket No. 98-170, First Report and Order and Further Notice of Proposed Rulemaking, 14 FCC Rcd 7492 (1999) (*1999 TIB Order*), published at 64 FR 34488 (June 25, 1999), the Commission adopted principles and guidelines designed to advance the goals and address the issues on which the Commission sought comment in the *1998 NPRM*. These principles and guidelines also are designed to reduce telecommunications fraud, such as slamming and cramming, by making bills easier for consumers to read and understand, and thereby, making such fraud easier to detect and report.

The Commission adopted rules to apply to all telecommunications common carriers, as follows:

- (1) The name of the service provider associated with each charge must be clearly identified on the bill; and
- (2) Each bill must prominently display a telephone number that customers may call free-of-charge in order to inquire about or dispute any charge contained on the bill.

The Commission also adopted other rules, such as a requirement that bills contain full and non-misleading descriptions of charges that appear therein. The Commission initially applied this rule only to wireline carriers, but solicited comment on whether it and other rules also should apply to wireless carriers.

In *Truth-in-Billing and Billing Format*, CC Docket No. 98-170, Order on Reconsideration, 15 FCC Rcd 6023 (2000) (*2000 Reconsideration Order*), published at 65 FR 43251 (July 13, 2000), the Commission:

- (1) Granted in part petitions for reconsideration of the requirements that bills highlight new service providers and prominently display inquiry contact numbers; and
- (2) Denied the petitions in all other respects, but provided clarification with respect to certain issues.

In *Truth-in-Billing and Billing Format; National Association of State Utility Consumer Advocates' Petition for Declaratory Ruling Regarding Truth-in-Billing*, CC Docket No. 98-170, CG Docket No. 04-208, Second Report and Order, Declaratory Ruling, 20 FCC Rcd 6448 (2005) (*2005 Second Report and Order*), published at 70 FR 29979 (May 25, 2005) the Commission determined that Commercial Mobile Radio Service (CMRS) providers no longer should be exempted from 47 C.F.R. § 64.2401(b), which requires billing descriptions to be brief, clear, non-misleading and in plain language.

In association with the *2005 Second Report and Order*, the Commission released a Second Further Notice of Proposed Rulemaking (*2005 Second Further Notice*), published at 70 FR 30044 (May 25, 2005), in which the Commission proposed and sought comment on measures to facilitate the ability of consumers to make informed choices among competitive telecommunications service providers. Because the Commission has not addressed issues raised in the *2005 Second Further Notice*, the proposed information collection requirements from that order remain pending and are not addressed herein.

Existing (final rules) information collection requirements consist of:

- (a) Clear identification of service providers. Wireline and wireless bills must clearly identify the name of the service provider associated with each charge.¹ In the *2000 Reconsideration Order*, the Commission clarified that, where an entity bundles a number of services as a single package offered by a single company, such offering may be listed on the bill as a single offering, rather than listed as separate charges by provider:
 - (1) Carriers providing bundled services in this manner must, however, make sure that an inquiry contact number or numbers appears on the bill for customer questions or complaints concerning the services provided through the bundle.²
 - (2) The Commission also clarified that the carrier name on the bill should be the name by which such company is known to its consumers for the provision of the respective service.³

¹ 47 C.F.R. § 64.2401(a).

² 47 C.F.R. § 64.2401(d).

³ 47 C.F.R. § 64.2401(a) and (d).

Section 64.2401, Truth-in-Billing Format, CC Docket No. 98-170 and CG Docket No. 04-208

- (b) Separation of charges by service provider and highlighting new service provider information. In the *1999 TIB Order*, the Commission required that all bills containing wireline common carrier service:

- (1) Separate charges by service provider, and
- (2) Clearly and conspicuously show any change in service providers:
 - (a) By identifying all service providers that did not bill for services on the previous billing statement; and
 - (b) Where applicable, by describing any new presubscribed or continuing relationship with the customer.

In the *2000 Reconsideration Order*:

- (1) The Commission modified its rule that requires carriers to highlight any new service providers. As a result, the identification requirements only apply to providers that have a continuing arrangement with the subscriber that results in periodic charges on the subscriber's bill.
 - (2) This change ensures that services billed solely on a per-transaction basis, such as operator service and directory assistance, are not subject to the highlighting requirement.
- (c) Full and non-misleading bill charges. The *1999 TIB Order* required that:
- (1) Bills for wireline service include for each charge a brief, clear, plain-language description of the services rendered;⁴ and
 - (2) When a bill for local wireline service contains additional carrier charges, the bill must differentiate between those charges for which non-payment could result in termination of local telephone service and those for which it could not.⁵
- (d) Clear and Conspicuous Disclosure of Inquiry Contacts. The *1999 TIB Order* required that:
- (1) All wireline and wireless bills display a toll-free number or numbers by which consumers may inquire about or dispute any charge on the bill.
 - (2) The toll-free number(s) must be displayed in a manner that permits a customer to identify easily the appropriate number to use to inquire about a particular charge.⁶

In the *2000 Reconsideration Order*:

- (1) The Commission modified the "toll-free number" requirement by creating a limited exception in circumstances in which the customer does not receive a paper copy of his or her bill, but instead accesses that bill only by e-mail or the internet.

⁴ 47 C.F.R. § 64.2401(b). This requirement was extended to wireless carriers in the *2005 Second Report and Order*.

⁵ 47 C.F.R. § 64.2401(c).

⁶ 47 C.F.R. § 64.2401(d).

- (2) The Commission notes that any carrier may provide on customers' bills other means for consumers to make inquiries, such as an e-mail address, in addition to the toll-free number.⁷

In the 2005 *Second Report and Order*, the Commission removed the existing exemption for CMRS carriers from 47 C.F.R. § 64.2401(b), requiring that billing descriptions be brief, clear, non-misleading and in plain language. The Commission determined that making the requirements of 47 C.F.R. § 64.2401(b) mandatory for CMRS carriers will help to ensure that wireless consumers receive the information that they require to make informed decisions in a competitive marketplace.

New Information Collection Requirements:

In association with the *Empowering Consumers to Prevent and Detect Billing for Unauthorized Charges ("Cramming"); Consumer Information and Disclosure; Truth-in-Billing and Billing Format Report and Order and Further Notice of Proposed Rulemaking ("Cramming R&O")* adopted by the Commission on April 27, 2012, FCC 12-42, the Commission adopted rules that require wireline telephone companies (*i.e.* wireline telecommunications common carriers) to notify subscribers clearly and conspicuously, at the point of sale, on each bill, and on their websites, of the option to block third-party charges from their telephone bills, if the company offers that option; and (2) place charges from non-telephone company third-parties in a distinct bill section separate from telephone company charges and include a separate subtotal.

§ 64.2401 Truth-in-Billing Requirements.

(e) Bill Organization. Telephone bills shall be clearly organized, and must comply with the following requirements:

(1) Carriers that place on their telephone bills charges from third parties for non-telecommunications services must place those charges in a distinct section of the bill separate from all carrier charges. Charges in each distinct section of the bill must be separately subtotaled. These separate subtotals for carrier and non-carrier charges also must be clearly and conspicuously displayed along with the bill total on the payment page of a paper bill or equivalent location on an electronic bill. For purposes of this subparagraph "equivalent location on an electronic bill" shall mean any location on an electronic bill where the bill total is displayed and any location where the bill total is displayed before the bill recipient accesses the complete electronic bill, such as in an electronic mail message notifying the bill recipient of the bill and an electronic link or notice on a website or electronic payment portal.

(f - h) Blocking of third-party charges.

(1) Carriers that offer subscribers the option to block third-party charges from appearing on telephone bills must clearly and conspicuously notify subscribers of this option at the point of sale, on each telephone bill, and on each carrier's website.

⁷ *Id.*

This information collection does not affect individuals or households; thus, there are no impacts under the Privacy Act.

The statutory authority for this information collection is found at section 201(b) of the Communications Act of 1934, as amended, 47 U.S.C. § 201(b), and section 258, 47 U.S.C. 258, Public Law No. 104-104, 110 Stat. 56. The Commission's implementing rules are codified at 47 C.F.R. §§ 64.2400-01.

2. The data generated by the information collections will be used by consumers:
 - (a) To help them understand what wireline and wireless carriers charge for various services;
 - (b) To help them choose among competing providers;
 - (c) To protect themselves against fraud; and
 - (d) To help them to resolve billing disputes if they wish.
3. The Commission, in the *2000 Reconsideration Order*, modified its requirement on using a paper copy of a customer's bill, by creating a limited exception in which the customer does not receive a paper copy of his or her bill, but instead accesses that bill only by e-mail or internet:
 - (a) Under such circumstances, the Commission found it reasonable to expect that customers can adequately resolve their inquiries and disputes through e-mail or Web site communications.
 - (b) The Commission notes that any carrier may provide on customers' bills other means for consumers to make inquiries, such as an e-mail address, in addition to the toll-free number as required by 47 C.F.R § 64.2401(d).
 - (c) Thus, the Commission allows telephone companies and CMRS providers to use electronic collection techniques, *i.e.*, Internet, e-mail, and telephone toll-free numbers, to comply with these information collection requirements, and by this change in its rules, respondent wireless carriers also may use such electronic collection techniques.

The Commission in the *Cramming R&O* has specified that the disclosures must be provided to consumers on telephone bills, on carrier websites, and at the point of sale.

4. The information collection requirements are not duplicative of any existing federal regulatory obligation.
5. There will not be a significant impact on a substantial number of small businesses/entities by this information being collected. The rules adopted in the *Cramming R&O* are generally consistent with current industry practices, so the costs of compliance should be limited.
6. Without these information collection requirements, consumers will continue to be confused and frustrated while reading their bills and when seeking service. They will continue to experience difficulty in detecting fraud, comparing carrier rates, and in resolving billing disputes. Thus, the number of consumer complaints to the Commission with respect to these issues will continue to increase.

7. No special circumstances exist that would cause this collection to be conducted in any manner that is inconsistent with the guidelines in 5 C.F.R. § 1320.
8. Pursuant to 5 C.F.R. § 1320.8(d), the Commission published a 60 day *Federal Register* notice on June 12, 2012, 77 FR 34947, seeking comment from the public on the information collection requirements contained in this supporting statement. The Commission received one comment in response to the notice. In its comment filed on August 13, 2012, CenturyLink questions whether the Commission's estimates understate the time and cost of implementing this collection.

Considering the filing of CenturyLink's comment, the Commission is removing from this collection the proposed information collection requirements and burdens for the *2005 Second Further Notice*, and will consider those proposed information collection requirements when it considers the pending matters from the *2005 Second Further Notice*.

In response to CenturyLink's comment, we clarify that the content and nature of the new collection on which the Commission currently seeks comment augments earlier collections that wireline carriers, including CenturyLink, already have fully implemented. The burden estimates associated with those earlier collections, the approval of which OMB renewed on September 7, 2011, are contained in two separate sections of Question 12 – “Existing (Final Rules) Information Collection Requirements” and “Existing (Proposed Rules) Information Collection Requirements” – which are encompassed by subparts a through g of Question 12.⁸ The changes associated with the new information collections are only delineated in a separate section of Question 12, “New Information Collection Requirements,” encompassed by subparts h through k of Question 12. The new collections also have an impact on the cumulative totals for all existing and new collections, presented at the end of Question 12. Therefore, the only estimates subject to comment at this juncture are those specific to the new information collections, as well as the calculation of the cumulative totals factoring in the estimates associated with the new information collections.

In addition, as discussed at the beginning of Question 12, many of the existing information collection requirements apply to both wireline and wireless carriers, whereas the new information collection requirements apply *only* to wireline carriers.

Against this backdrop, it appears that CenturyLink misapplies many of the figures it cites in its comment. Because the new collections apply only to wireline carriers, the Commission estimates that only 3,773 respondents will be subject to them, and that each of these 3,773 respondents, will spend 202 hours implementing this collection. We note that this estimate of 3,773 wireline respondents precisely matches the estimate of 3,773 wireline respondents contained in the existing collection at Question 12b. Therefore, it appears that where CenturyLink argues that the Commission should estimate 4,484 respondents, and more than 202 hours per respondent, for the *new* information collections, that CenturyLink is conflating the existing and new information collections.⁹ Nevertheless, to help all interested parties

⁸ See OMB Control No. 3060-0854 July 2011 supporting statement submitted to OMB on July 28, 2011 and approved on September 7, 2011 at: http://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=201107-3060-037.

⁹

[?] In the alternative, if CenturyLink is suggesting that the existing collections are also subject to comment at this juncture, as discussed above, that is a misreading of the content and nature of the burdens on which the Commission currently seeks comment.

differentiate between the existing and new information collections, we add a line at the end of the “New Information Collection Requirements” section summarizing the total number of respondents subject to the new collections, and we add a table at the end of Question 12 to provide a visual aid towards differentiating between the existing and new collections.¹⁰

CenturyLink’s estimate of 4,047,134 annual burden hours is likewise erroneous. The 4,047,134 hours figure is the cumulative total of annual burden hours for the entire collection prior to the Commission’s removal of the proposed information collection requirements from this submission-- *i.e.*, the existing and new collections -- whereas the annual burden hours estimate for the new collection is 762,146 hours. CenturyLink provides no reason why the Commission’s estimate of annual burden hours for the new collections is allegedly inadequate.

Furthermore, CenturyLink’s assertion that the Commission underestimated the burden for this collection as \$15,918,200 does not accurately reflect the Commission’s estimates. As indicated in Question 13 of this supporting statement, the \$15,918,200 figure is the cumulative total of annualized capital and start-up costs, not the estimate of annual “in-house” costs, which the Commission estimated in Question 12 to be \$47,908,497.56 for the new collections. Again, CenturyLink has presented no reason why \$47,908,497.56 is an allegedly inadequate estimate of the “in-house” costs associated with the new information collections.

We also note that it is the Commission’s understanding, as reflected in the Commission’s April 2012 order adopting new rules and associated new collections, that CenturyLink has voluntarily opted to end some, if not all, third-party billing to its wireline customers. A wireline carrier that does not engage in the practices that are the subject of the new rules, or engages in only some of those practices, might incur burdens far less than the Commission’s estimates for the new collections, or even no new burdens at all. Therefore, if the Commission’s understanding of CenturyLink’s current practices is accurate, CenturyLink’s burdens in response to this collection may be far less than the Commission’s per-carrier estimates, or CenturyLink may even not incur *any* additional burdens resulting from the new collections. 9. The Commission does not anticipate providing any payment or gift to any respondents.

10. The Commission is not requesting that respondents submit confidential information to the Commission.
11. This information collection does not raise any questions or issues of a sensitive nature for respondents.
12. Estimates of the burdens hours for the collection of information are as follows:

NOTE: The total number of annual respondents for this information collection is **4,484 wireline and wireless telecommunications carriers (Respondents)**. **4,484** respondents are subject to requirements **a, c, and d**. Out of the 4,484 respondents, **3,773** are subject to requirements **b, and e through h**.

Existing (Final Rules) Information Collection Requirements:

¹⁰ Notwithstanding the new collections, the cumulative total number of respondents at the end of Question 12 does not change, because the estimated 3,773 respondents for the new collections are already subsumed within the 4,484 respondents for the existing collections.

a. Clear identification of service providers:

The Commission estimates that there will be approximately 4,484 respondents who will be subject to the Commission's clarification that where an entity bundles a number of services as a single package offered by a single company, such offering may be listed on the bill as a single offering, and the entity need not list separately the provider or charge for each service that is part of the bundle.

Each respondent will clarify that the name on the bill is the name by which the respondent's company is known to its customers. The Commission views this requirement as being one response per respondent, because each respondent will list the information in exactly the same manner on each of the bills it issues. The hours estimate, however, accounts for the time involved in replicating the information on numerous bills. This process is done "on occasion" and will require approximately 5 hours:

Annual Number of Responses: 4,484

Annual Burden Hours:

4,484 respondents x 1 clarification per respondent x 5 hours = **22,420 hours**

Annual "In-House" Costs:

The Commission assumes that respondents use "in house" personnel comparable in pay to that of a mid-to-senior level federal employee (GS-13/5, plus 30% overhead); the Commission estimates each respondent's cost to be about \$62.86 per hour to comply with the requirements:

4,484 respondents x 1 clarification per respondent x 5 hours x \$62.86 = **\$1,409,321.20**

b. Separation of charges by service provider and highlighting new service provider information:

The Commission estimates that approximately 3,773 respondents, that are wireline providers that have a continuing arrangement with the subscriber that results in periodic charges on the subscriber's bill, will highlight new service providers. The Commission views this requirement as being one response per respondent, because each respondent will list the information in exactly the same manner on each of the bills it issues. The hours estimate, however, accounts for the time involved in replicating the information on numerous bills. This process is done "on occasion" and will require approximately 230 hours.

Annual Number of Responses: 3,773

Annual Burden Hours:

3,773 respondents x 1 response/respondent x 230 hours = **867,790 hours_**

Annual In-House Costs:

The Commission assumes that respondents use “in house” personnel comparable in pay to that of a mid-to-senior level federal employee (GS-13/5, plus 30% overhead); the Commission estimates each respondent’s cost to be about \$62.86 per hour to comply with the requirements:

$$3,773 \text{ respondents} \times 1 \text{ response/respondent} \times 230 \text{ hours} \times \$62.86 = \mathbf{\$54,549,279.40}$$

c. Full and non-misleading billed charges:

The Commission estimates that approximately 4,484 respondents (wireless and wireline carriers) will issue bills to their customers.

- (1) Each charge in the customer’s bill will include a brief, clear, plain-language description of the services rendered.
- (2) Wireline respondents will distinguish on each of their customers’ bills those charges that the customer may refuse to pay without jeopardizing the provision of local telephone service, and those charges for which non-payment may result in the customer’s local telephone service disconnection.

Annual Number of Responses:

$$\begin{aligned} 3,773 \text{ respondents} \times 2 \text{ responses} &= 7,546 \text{ responses} \\ 711 \text{ respondents} \times 1 \text{ response} &= \underline{711} \text{ responses} \\ &= \mathbf{8,257 \text{ responses}} \end{aligned}$$

The Commission estimates that 3,773 wireline respondents must comply with (1) and (2), and that this will require approximately 50 hours per response (2 responses x 50 hours = 100 total hours). In addition, 711 wireless respondents must comply with (1), and this will require approximately 50 hours per response.

Annual Burden Hours:

$$\begin{aligned} 3,773 \text{ respondents} \times 2 \text{ responses/respondent} \times 50 \text{ hours} &= 377,300 \text{ hours} \\ 711 \text{ respondents} \times 1 \text{ response/respondent} \times 50 \text{ hours} &= \underline{35,550} \text{ hours} \\ &= \mathbf{412,850 \text{ hours}} \end{aligned}$$

The Commission views these requirements as being two responses for each wireline respondent, and one response per wireless respondent, because each respondent will list the information in exactly the same manner on each of the bills it issues. The hours estimate, however, accounts for the time involved in replicating the information on numerous bills.

Annual “In-House” Costs:

The Commission assumes that respondents use “in house” personnel comparable in pay to that of a mid to senior level federal employee (GS-13/5, plus 30% overhead); the

Section 64.2401, Truth-in-Billing Format, CC Docket No. 98-170 and CG Docket No. 04-208

Commission estimates each respondent's cost to be about \$62.86 per hour to comply with the requirements:

$$\begin{aligned} 3,773 \text{ respondents} \times 2 \text{ responses/respondent} \times 50 \text{ hours} \times \$62.86 &= \$23,717,078.00 \\ 711 \text{ respondents} \times 1 \text{ response/respondent} \times 50 \text{ hours} \times \$62.86 &= \underline{\$2,234,673.00} \\ &= \underline{\underline{\$25,951,751.00}} \end{aligned}$$

d. Clear and conspicuous disclosure of inquiry contacts:

The Commission estimates that approximately 4,484 respondents will place on bills contact information for consumers to inquire about or dispute any charge on the bills. The Commission views this requirement as being one response per respondent, because each respondent will list the information in exactly the same manner on each of the bills it issues. The hours estimate, however, accounts for the time involved in replicating the information on numerous bills. This process will be done "on occasion" and will require approximately 2 hours:

Annual Number of Responses: 4,484

Annual Hour Burdens:

$$4,484 \text{ respondents} \times 2 \text{ hours/response/respondent} = \mathbf{8,968 \text{ hours}}$$

Annual "In-House" Costs:

The Commission assumes that respondents use "in house" personnel comparable in pay to that of a mid-to-senior level federal employee (GS-13/5, plus 30% overhead); the Commission estimates each respondent's cost to be about \$62.86 per hour to comply with the requirements:

$$4,484 \text{ respondents} \times 2 \text{ hours/response/respondent} \times \$62.86 = \mathbf{\$563,728.48}$$

Total Number of Annual Responses: 20,998

Total Annual Burden Hours: 1,312,028 Hours

Total Annual "In-House" Costs: \$82,474,080.08

New Information Collection Requirements:

In the *Cramming R&O*, the Commission concluded that wireline telephone companies must notify subscribers clearly and conspicuously, at the point of sale, on each bill, and on their websites, of the option to block third-party charges from their telephone bills, if the company offers that option; and (2) place charges from non-telephone company third-parties in a distinct bill section separate from telephone company charges and include a separate subtotal.

- e. Disclosure of blocking options on bills: The Commission has adopted a requirement that wireline telecommunications common carriers must include on their bills a notice that they offer the ability for consumers to block third-party charges from their telephone bills, if they

Section 64.2401, Truth-in-Billing Format, CC Docket No. 98-170 and CG Docket No. 04-208

offer such ability, and believes that many of these wireline telecommunications common carriers will have to make some modifications to their existing billing systems to comply with this requirement.

The Commission estimates that there will be approximately 3,773 respondents subject to this requirement. This process will be done “on occasion” and will require approximately 20 hours for each of the 3,773 respondents to modify their billing systems.

Annual Number of Responses: 3,773

Annual Burden Hours:

3,773 respondents x 1 billing system/respondent x 20 hours = **75,460 hours**

Annual In-House Cost:

The Commission assumes that respondents use “in house” personnel comparable in pay to that of a mid-to-senior level federal employee (GS-13/5, plus 30% overhead); the Commission estimates each respondent’s cost to be about \$62.86 per hour to comply with the requirements:

3,773 respondents x 1 billing system/respondent x 20 hours x \$62.86/hr = **\$4,743,415.60**

f. Disclosure of blocking options on websites: The Commission has adopted a requirement that wireline telecommunications common carriers must include on their websites a notice that they offer the ability for consumers to block third-party charges from their telephone bills, if they offer such ability, and believes that many of these wireline telecommunications common carriers will have to make some modifications to their existing websites to comply with this requirement.

The Commission estimates that there will be approximately 3,773 respondents subject to this requirement. This process will be done “on occasion” and will require approximately 2 hours for each of the 3,773 respondents to modify their websites.

Annual Number of Responses: 3,773

Annual Burden Hours:

3,773 respondents x 1 website/respondent x 2 hours = **7,546 hours**

Annual In-House Cost:

The Commission assumes that respondents use “in house” personnel comparable in pay to that of a mid-to-senior level federal employee (GS-13/5, plus 30% overhead); the Commission estimates each respondent’s cost to be about \$62.86 per hour to comply with the requirements:

3,773 respondents x 1 website/respondent x 2 hours x \$62.86/hr = **\$474,341.56**

g. Disclosure of blocking options at point of sale: The Commission has adopted a requirement that wireline telecommunications common carriers must at the point of sale notify consumers that they offer the ability for consumers to block third-party charges from their telephone bills, if they offer such ability, and believes that many of these wireline telecommunications common carriers will have to make some modifications to their point-of-sale disclosure practices..

The Commission estimates that there will be 3,773 respondents subject to this requirement. This process will be done “on occasion” and will require approximately 80 hours for each of the 3,773 respondents to modify their point-of-sale disclosure practices and to implement the modified practices.

Annual Number of Responses: 3,773

Annual Burden Hours:

3,773 respondents x 1 disclosure practice change/respondent x 80 hours = **301,840 hours**

Annual In-House Cost:

The Commission assumes that respondents use “in house” personnel comparable in pay to that of a mid-to-senior level federal employee (GS-13/5, plus 30% overhead); the Commission estimates each respondent’s cost to be about \$62.86 per hour to comply with the requirements:

3,773 respondents x 1 disclosure practice change/respondent x 80 hours x \$62.86/hr = **\$18,973,662.40**

h. Third-party charges in separate bill section: The Commission has adopted a requirement that wireline telecommunications common carriers must place charges from non-carrier third parties in a separate section of the bill from all carrier charges, and believes that many wireline telecommunications common carriers will have to make some modifications to their existing billing systems to comply with this requirement.

The Commission estimates that there will be approximately 3,773 respondents subject to this requirement. This process will be done “on occasion” and will require approximately 100 hours for each of the 3,773 respondents to modify their billing systems.

Annual Number of Responses: 3,773

Annual Burden Hours:

3,773 respondents x 1 billing system/respondent x 100 hours = **377,300 hours**

Annual In-House Cost:

The Commission assumes that respondents use “in house” personnel comparable in pay to that of a mid-to-senior level federal employee (GS-13/5, plus 30% overhead); the

Commission estimates each respondent's cost to be about \$62.86 per hour to comply with the requirements:

3,773 respondents x 1 billing system/respondent x 100 hours x \$62.86/hr = **\$23,717,078**

Total Number of Respondents: 3,773

Total Number of Annual Responses: 15,092

Total Annual Burden Hours: 762,146

Total Annual In-House Costs: \$47,908,497.56

Existing (Final Rules) Information Collection Requirements

Wireline/Wireless Carriers' Obligation To Highlight New Service Providers And Prominently Display Inquiry Contact Numbers	Estimated Number Of Wireline/Wireless Carriers (Respondents) To Comply -- (# Of Responses)	Estimate Of Hours To Meet Requirement	Annual Hourly Burdens	Hourly "In-House" Cost	Total "In-House" Cost
a. Clear identification of service providers	4,484 (4,484 responses)	5	22,420	\$62.86	\$1,409,321.20
b. Separation of charges by services providers and highlighting new service provider information	3,773 (3,773 responses)	230	867,790	\$62.86	\$54,549,279.40
c. Full and non-misleading billed charges	4,484 (8,257 responses)	3,773 (wireline) 711 (wireless)	412,850	\$62.86	\$25,951,751.00
d. Clear and conspicuous disclosure of inquiry contacts	4,484 (4,484 responses)	2	8,968	\$62.86	\$563,728.48
TOTAL	Respondents – 4,484/Responses- 20,998		1,312,028		\$82,474,080.08

New Information Collection Requirements

Wireline Carriers' Measures To Enable Consumers to Detect and Prevent Unauthorized Charges	Estimated Number Of Wireline/Wireless Carriers (Respondents) To Comply – (# Of Responses)	Estimate Of Hours To Meet Requirement	Annual Hourly Burdens	Hourly "In-House" Cost	Total "In-House" Cost
h. Disclosure of blocking options on bills	3,773 (3,773 responses)	20	75,460	\$62.86	\$4,743,415.60

i. Disclosure of blocking options on websites	3,773 (3,773 responses)	2	7,546	\$62.86	\$474,341.56
j. Disclosure of blocking options at point of sale	3,773 (3,773 responses)	80	301,840	\$62.86	\$18,973,662.40
k. Third-party charges in a separate bill section	3,773 (3,773 responses)	100	377,300	\$62.86	\$23,717,078
TOTAL	Respondents -3,773/Responses- 15,092		762,146		\$47,908,497.56

Cumulative Totals:**Cumulative Total Number of Respondents: 4,484****Cumulative Total Number of Responses: 36,090****Cumulative Total of Annual Burden Hours: 2,074,174****Cumulative Total Annual "In-House" Costs: \$130,382,577.64**

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

(a) Cumulative Total annualized capital/start-up costs: \$15,918,200.00

The Commission estimates that the annualized capital costs for the wireline and wireless carriers will include the purchase of upgraded software or other capital equipment on an annual basis to organize the bills in accordance with the Commission's rules. These additional costs are estimated up to an additional \$500,000 in software purchases to support separating out third-party billing charges. These costs will vary widely depending upon the carrier's current billing system; however, \$15,918,200, annualized over the expected useful life of these expenses, is not unreasonable.

(b) Total annual costs (operations and maintenance): \$0.00.

(c) Cumulative Total annualized costs requested: **\$15,918,200.00.**

14. Estimates of annualized cost to the Federal Government are as follows:

The Commission estimates that since the Federal Government is only involved under the "third party disclosure requirements," it will have no direct costs to bear, and any such costs should be included as part of its regulatory functions. Thus, there are not costs to the Federal Government.

15. The Commission has program changes to this information collection. These program changes are due to the adoption of the Commission's *Cramming R&O*, and the removal of the proposed information collection requirements that were approved under OMB Control Number 3060-0854. The Commission will consider those proposed information collection requirements when it

Section 64.2401, Truth-in-Billing Format, CC Docket No. 98-170 and CG Docket No. 04-208

considers the pending matters from the *2005 Second Further Notice*. The program changes are as follows: +1,960 to the total annual number of responses, -1,194,814 hours to the total annual burden hours, and +\$500,000 total annual cost.

16. The Commission does not plan to publish the results of the information collection requirements.
17. The Commission does not intend to seek approval not to display the expiration date for OMB approval of the information collection.
18. In the Commission's 60 day *Federal Register* notice, it reported the following burden assessments: 49,542 total number of responses, and 4,047,134 total annual burden hours. The Commission now reports the total number of responses to be: 36,090, and the total annual burden hours to be: 2,074,174. There are exceptions to the Certification Statement which are due to the Commission removing the approved proposed information collection requirements from this collection. The Commission will consider the proposed information collection requirements when it considers the pending matters from the *2005 Second Further Notice*.

B. Collections of Information Employing Statistical Methods

The information collection does not employ any statistical methods.