

This submission is being made pursuant to 44 U.S.C. § 3507 of the Paperwork Reduction Act of 1995 to request Office of Management and Budget (OMB) approval for a new Information Collection (IC) titled **“Rural Call Completion Recordkeeping and Reporting Requirements” - NPRM.**

SUPPORTING STATEMENT

A. Justification:

1. Completion rates of long-distance calls to rural telephone company service areas are frequently poor, even where overall performance appears acceptable. The problems manifest themselves in lengthy periods of dead air on the calling party’s end after dialing a number, audible ringing tones on the calling party’s end when the called party’s telephone never rings at all, false busy signals, inaccurate intercept messages, and the inability of one or both parties to hear the other when the call does go through. This causes rural businesses to lose customers, cuts families off from their relatives in rural areas, and creates potential for dangerous delays in public safety communications in rural areas.

Our experience handling complaints that have been filed with the Commission concerning rural call completion problems indicates that some originating long-distance providers collect and retain the call history data that support detection of problems with calls to rural areas. However, we have also found that some long-distance providers do not collect and retain information on failed call attempts that is necessary for segregating the percentage of calls failing to complete to rural areas from all calls being carried to all destinations. As a result, some long-distance providers appear to be unable to analyze rural call performance relative to overall performance or to distinguish the performance of intermediate providers in delivering calls to rural areas. This lack of data has impeded Enforcement Bureau investigations and makes it extremely difficult for both the Commission and consumers to determine the causes of rural call completion problems.

Sections 201 and 202 of the Communications Act of 1934, as amended (“the Act”), 47 U.S.C. §§ 201, 202, require that communications common carriers establish just and reasonable practices and prohibit carriers from discriminating unjustly or unreasonably in practices, facilities, or services.

The Rural Call Completion Notice of Proposed Rulemaking¹ proposes to require facilities-based originating long distance providers to retain certain records detailing call completion performance to rural and nonrural areas for a period encompassing the most recent six months. To permit the Commission to monitor compliance with sections 201 and 202, and with the longstanding prohibition against carriers blocking, choking, reducing, or restricting particular types of calls,² the proposed rules would require facilities-based originating long distance providers to collect and file certain call-completion data with the Commission.

We estimate that 90 originating long-distance providers will have to collect and file the required data under the proposed rules.

¹ See *Rural Call Completion*, WC Docket No. 13-39, Notice of Proposed Rulemaking (NPRM), FCC 13-18 (rel. Feb. 7, 2013) (*Rural Call Completion NPRM*).

² See, e.g., *Developing a Unified Inter-carrier Compensation Regime, Establishing Just and Reasonable Rates for Local Exchange Carriers*, CC Docket No. 01-92, WC Docket No. 07-135, Declaratory Ruling, 27 FCC Rcd 1351 (2012); *Access Charge Reform*, CC Docket No. 96-262, FCC 01-146, Seventeenth Report and Order and Further Notice of Proposed Rulemaking, 16 FCC Rcd 9923, 9932-33, para. 24 (2001); *Blocking Interstate Traffic in Iowa*, FCC 87-51, Memorandum Opinion and Order, 2 FCC Rcd 2692 (1987).

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

Statutory authority is contained in sections 201, 202, 217, 218, 220(a), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 201, 202, 217, 218, 220(a), 403.

2. The information collected would improve the Commission's ability to monitor the delivery of long-distance calls to rural areas and aid enforcement action in connection with providers' call-completion practices as necessary. The proposed recordkeeping and reporting requirements would allow the Commission to review a long-distance provider's call performance to specific areas. These measures would strengthen the Commission's ability to ensure a reasonable and nondiscriminatory level of service to rural areas.

3. Carriers will file the data in a Microsoft Excel workbook file containing a worksheet designed to minimize the burden on the carriers. The workbook file will be downloadable from the FCC website.

4. The requested data is not intended to duplicate data in other reports, and this data is not currently available in any other reports to the Commission.

5. This collection of information impacts small businesses or other small entities. The Commission has taken a number of steps to minimize the burden of compliance with these proposed rules.

First, the NPRM proposes to require only those originating long-distance providers and other covered providers with more than 100,000 retail long-distance subscribers (business or residential) to retain the basic information on call attempts and to periodically report the summary analysis of that information to the Commission.

Second, the NPRM proposes to relieve covered providers of their reporting and retention obligations if they certify that: (1) they restrict by contract directly connected intermediate providers to no more than one additional intermediate provider in the call path before the call reaches the terminating provider; (2) any nondisclosure agreement with an intermediate provider permits the originating provider to reveal the intermediate provider's identity to the Commission and to any rural carrier whose incoming long-distance traffic is affected by the intermediate provider's performance; and (3) they have a process in place to monitor the performance of their intermediate providers in completing calls to individual rural telephone companies.

Third, the NPRM proposes to reduce to three months a covered provider's record retention obligations and eliminate its reporting obligations if it certifies annually that for each of the preceding 12 months: (1) its average call answer rate for all rural carriers to which the provider attempted more than 100 calls in a month was no more than 2 percent less than the average call answer rate for all calls it placed to nonrural carriers in the same month; (2) the call answer rates for 95 percent of those rural carriers to which it attempted more than 100 calls were no more than 3 percent below the average rural call answer rate; and (3) it has a process in place to investigate its performance in completing calls to individual rural telephone companies for which the call answer rate is more than 3 percent below the average of the rural call answer rate for all rural telephone companies to which it attempted more than 100 calls.

6. This data collection is necessary to allow the Commission to become aware of unjust or unreasonable practices or discrimination in the provision of long distance telephone service in a timely

manner. Without this data collection, the Commission would not be able to minimize any adverse effects on the public. The data will also provide the Commission with the information necessary to initiate investigations into those carriers whose practices may violate the provisions of sections 201 and 202 of the Act and the prohibition against blocking, choking, reducing, and restricting certain types of telephone calls.

7. The collection is not being conducted in any manner inconsistent with the guidelines of 5 CFR Section 1320.

8. Pursuant to 5 C.F.R. § 1320.8(d), the Commission published the NPRM summary in the Federal Register to solicit public comment on the proposed recordkeeping and reporting requirements. See 78 FR 21891 (April 12, 2013). To date, no PRA comments have been received from the public on the proposed NPRM.

9. The Commission does not anticipate providing any payment or gift to respondents.

10. The Rural Call Completion NPRM seeks comment on whether the data reported to the Commission should be given confidential treatment.

11. The information is not of a sensitive nature, nor are there any privacy impacts.

12. The following represents the estimated number of burden hours for the proposed recordkeeping and reporting requirements.

(1) Number of respondents: 90.

The proposed recordkeeping and reporting requirements apply to long distance service providers and other covered providers with more than 100,000 retail long-distance subscribers. We estimate that approximately 90 such wireline, wireless and wholesale providers will be required to file an electronic report with the FCC. We also estimate that as many as ten such providers may be eligible for a safe harbor provision relieving them of the reporting requirement provided that they file an annual certification of eligibility. However, for purposes of this estimate we conservatively assume that all 90 providers will be reporting. To the extent that a provider is eligible for a safe harbor, its burden of compliance with the proposed reporting requirement will be significantly lower than the estimated time per response described below.

(2) Frequency of response: Quarterly reporting and recordkeeping requirements.

(3) Total number of responses annually: 360.

(4) Estimated time per response: 16 hours.

We note that the hourly burden on respondents may vary widely because of differences in size and organizational complexity of operating subsidiaries. We estimate the burden may range from 1 to 3 man-days per response, and we use 2 man-days (16 man-hours) as the average.

(5) Total annual burden: 5,760 hours

The Commission estimates that approximately 90 respondents will require 16 hours of reporting time for each of the four quarterly filings; (90 x 4 x 16 hrs = 5,760hr).

- (6) Total estimate of “in house” cost to respondents: \$288,000.

It is difficult to provide a sound estimate of respondent’s cost without conducting a survey. However, assuming that respondents use mid-level personnel comparable in pay to the Federal government GS14 step 1, we estimate respondent’s cost to be \$50 per hour (\$105,211 / 2,087hr = \$ 50; 5760hr x \$50/hr = \$288,000).

13. The following represents the estimated number of annual cost burden to respondents resulting from the proposed collection of information.

- (1) Total capital and start-up cost component (annualized): \$393,750/yr

As a customary business practice, most long-distance service providers already collect call data records with the specified information in a central repository in order to support business and network operations systems. It is also a customary business practice to archive this information in a readily retrievable electronic form. However, we have also found that some long-distance providers do not collect and retain information on failed call attempts that is necessary for segregating the percentage of calls failing to complete to rural areas from all calls being carried to all destinations. These providers may be required to add additional information to the call data records that they already collect. We estimate that one in four providers is likely to incur this start-up cost.

We note that the cost to add additional information to a call data record will vary widely among those providers that need to do so, based on the size of their networks and age of their equipment. We estimate that on average a provider that needs to add information to their existing call data record format will incur a one-time software development cost of \$100,000; ($\frac{1}{4} \times 90 \times \$100,000 = \$2,250,000$).

In addition, all providers will incur a onetime start-up cost for automating the process of assembling the Excel Workbook worksheet report from their call data record repositories. The cost to initially automate the process of generating the electronic report will vary widely among providers, based on the capabilities of existing business operations application software. We estimate that on average each provider will incur a one-time report generation software application development cost of \$10,000; (90 x \$10,000 = \$900,000).

The total start-up cost is estimated to be \$3,150,000; (\$2,250,000 + \$900,000 = \$3,150,000). We anticipate that the proposed rules would be in place for a minimum of eight years (the NPRM sought comment on whether the proposed rules should sunset approximately eight years from the date of their adoption). Hence we calculate the annualized startup cost to be \$393,750; (\$3,150,000 / 8yr = \$393,750/yr).

- (2) Total operations and maintenance and purchase of services component: None.

As noted above, most long-distance service providers already collect call data records with the specified information in a central repository in order to support business and network operations systems. Accordingly, we do not believe that providers will incur additional costs beyond the costs described above and under question 12.

(3) Total annualized cost requested: \$393,750.

14. The following represents the Commission's estimate of the annual cost burden for the Federal government to process the reported information under the proposed collection:

(1) Estimated time per response: 1 hour.

(2) Total number of responses annually: Approximately 360.

(3) Total estimate of cost to Federal Government: \$18,000.

Assuming mid- to senior-level personnel will be required for reviewing and analyzing reported information, we estimate the Federal Government's hourly cost to be \$504 per hour (GS14 step 1 - \$105,211 / 2,087hr = \$ 50; 360 responses x 1hr/response x \$50/hr = \$18,000).

15. This is a new collection resulting in a program change increase of 5,760 total annual hours.

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

17. The Commission does not seek approval not to display the expiration date for OMB approval of the proposed information collection.

18. There are no exceptions to the Certification Statement.

B. Collections of Information Employing Statistical Methods:

This information collection does not employ any statistical methods.