

**Section 52.15, Request for “For Cause” Audits and State Commission’s Access to Numbering Resource Application Information****SUPPORTING STATEMENT****A. Justification:**

1. In the *Communications Act of 1934, as amended by the Telecommunications Act of 1996*, the Federal Communications Commission (Commission) was given “exclusive jurisdiction over those portions of the North American Numbering Plan that pertain to the United States.”

Pursuant to that authority, the Commission conducted a notice of proposed rulemaking that, among other things, addressed regular reporting on numbering use by United States carriers,<sup>1</sup> following the Commission’s concerns that the management of numbering resources had become impaired by a lack of uniform data on where or how numbers were being used. In the *First Report and Order*,<sup>2</sup> the Commission established a mandatory utilization and forecast data reporting requirement for all carriers that use numbering resources. In the *Second Report and Order, FCC 00-429*,<sup>3</sup> the Commission concluded that further information collections are necessary to efficiently and effectively monitor and manage numbering use.

The collection requirements adopted in the attached *Second Report and Order* are summarized below:

- a. *“For Cause” Auditing Requests.* The *Second Report and Order* approved the Commission’s proposal to supplement the needs verification measures and data collection requirements adopted in the *First Report and Order* with a comprehensive audit program. The audit program includes “for cause” and random audits, and is used to verify carrier compliance with federal rules and orders and with industry guidelines.

To request a “for cause” audit, the North American Numbering Plan Administrator (NANPA), the Pooling Administrator, or a state commission must state, in writing, the reason for the request (such as the carrier submitting misleading or inaccurate data) and provide supporting documentation.

Audits are performed by the Commission’s auditors in the Enforcement Bureau, or by other designated agents. State commissions may participate in these audits along with the commission’s auditors or its designated agents.

- b. *State Commission Requests for Carriers’ Initial Growth Numbering Resource Application Materials.* State commissions requesting copies of carriers’ applications for initial and growth numbering resources should obtain such copies directly from the carriers, rather than from the NANPA or the Pooling Administrator. This approach avoids a costly burden on national numbering administration while placing only a minimal burden on carriers. Carriers may be denied numbering resources if they fail to comply with state commissions’ requests.

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<sup>1</sup> Numbering Resource Optimization, *Notice of Proposed Rulemaking*, 14 FCC Rcd 10322 (rel. June 2, 1999).

<sup>2</sup> Numbering Resource Optimization, *Report and Order and Further Notice of Proposed Rulemaking*, 15FCC Rcd 7574 (rel. Mar. 31, 2000) (*First Report and Order*).

<sup>3</sup> Numbering Resource Optimization, *Second Report and Order, Order on Reconsideration* in CC Docket 96-98 and CC Docket 99-200, and *Second Further Notice of Proposed Rulemaking* in CC Docket No. 99-200 (rel. Dec. 29, 2000) (*Second Report and Order*).

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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.

Statutory authority for this collection of information is authorized under Sections 1, 2, 4, 5, 48 Stat. 1066, as amended; 47 U.S.C. § 151, 152, 154, 155 unless otherwise noted. Interpret or apply sections 3, 4, 201-05, 207-09, 218, 225-7, 251-2, 271 and 332, 48 Stat. 1070, as amended, 1077; 47 U.S.C. 153, 154, 201-205, 207-209, 218, 225-227, 251-252, 271 and 332 unless otherwise noted.

2. The Commission uses the information it collects:
  - (a) to conduct audits,
  - (b) to assist state commissions in carrying out their delegated authority over numbering issues, and
  - (c) to assist the NANPA and the Pooling Administrator in determining when and where additional numbering resources are needed.
3. When state commissions request numbering resource applications from carriers, carriers need only photocopy and furnish the applications previously submitted to the NANPA. Thus, carriers do not need to produce new or different data for state commissions.
4. The collection of this information will not duplicate any other Commission effort.
5. The burden of drafting a “for cause” audit request does not apply to small or large carriers, but falls only on state commissions, the NANPA, and the Pooling Administrator.

For numbering resource applications requested by state commission, the Commission has minimized carrier burden by allowing both large and small carriers to supply copies of the original applications previously submitted to the NANPA or the Pooling Administrator.

6. As previously mentioned, “for cause” audit requests must state, in writing, the grounds for auditing a carrier, such as violation of the Commission’s rules or orders, or industry guidelines. If audit justification information is not collected or is collected infrequently, then the commission’s ability to rely on carrier data to monitor numbering resource use and to predict accurately exhaustion of numbering resources would be seriously undermined.

For numbering resource applications, state commissions unable to collect copies of those applications directly from carriers would need to obtain carrier applications from either the NANPA or the Pooling Administrator, resulting in an additional and costly burden on national numbering administration.

7. The special circumstances to this collection in Section 52.15(g)(3)(iv) require that the NANPA must notify the carrier in writing of its decision to withhold numbering resources within ten (10) days of receiving a request for numbering resources.

This information collection has two requirements—the “for cause” and/or random audit requirement and the submission of initial and growth numbering resources, neither of which impose any of the exceptional burdens on the respondents.

8. The Commission published a 60 day notice in the *Federal Register* on December 30, 2013 (78 FR 79446). The Commission has received no comments.

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9. No payments or gifts are being provided.
10. Carrier numbering resource applications and audits of carrier compliance will be treated as confidential and will be exempt from public disclosure under 5 U.S.C. § 552(b)(4).
11. This information collection does not address any matters of a sensitive nature.
12. The Commission makes the following burden estimates:

a. “For Cause” Audits Requests by the NANPA, the Pooling Administrator or the State Commissions:

- (1) Number of respondents: 5
- (2) Frequency of audit request: On occasion reporting requirements.
- (3) Total Number of Responses Annually: 5

5 respondents x 1 “for cause” or random audit/annum = 5 responses.

- (4) Total Annual Hourly Burden: 15 hours/annum

The Commission estimates that five respondents may be required to submit their records for a “for cause” audit each year. We also estimate that this audit requires approximately three hour to prepare.

5 respondents x 3 hours/yearly audit request = **15 hours**.

- (5) Total “In House” Costs: \$792.87

The Commission estimates that respondents use office personal equivalent to a GS-12/Step 5 (\$40.66/hour) Federal employee, plus 30% overhead, to prepare their submit their “for cause” and/or random audits during a year.

15 hours/audits x \$40.66/hour = \$609.90  
 30% overhead = \$182.97  
 Total: \$792.87

b. State commission Requests for Carriers’ Initial and Growth Numbering Resource Application Materials:

- (1) Number of Respondents: 2,100
- (2) Frequency of Response: Third party disclosure.
- (3) Total Number of Responses Annually: 63,000 responses.

The Commission estimates that the State commissions may request that 30 respondents (carriers) provide information about their initial and growth numbering resources.

2,100 respondents x 30 requests/annum = 63,000 responses.

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(4) Total Annual Hourly Burden: 10,500 hours

The Commission estimates that 2,100 respondents require approximately 10 minutes per response (0.166 hours) to submit their application materials annually. The Commission makes this estimate based on its belief that carriers can provide copies of their original applications, previously submitted to the NANPA or Pooling Administrator, which makes a substantial reduction in the preparation and submission time.

$2,100 \times 0.166 \text{ hours}/30 \text{ application submissions (responses)} = \mathbf{10,458 \text{ hours}}$ .

(5) Total “In House” Cost: \$552,788.96.

The Commission estimates that respondents use office personal equivalent to a GS-12/Step 5 (\$36.38/hour) Federal employee, plus 30% overhead, to submit their application materials for initial and growth numbering resources.

$10,458 \text{ hours/application submissions} \times \$40.66/\text{hour} = \$425,222.28$   
 $30\% \text{ overhead} = \underline{\$127,566.68}$   
**Total: \$552,788.96**

**Total Number of Respondents:**  $5 + 2,100 = \mathbf{2,105}$

**Total Number of Responses Annually:**  $5 + 63,000 = \mathbf{63,005}$ .

**Total Annual Hourly Burden:**  $15 \text{ hours} + 10,458 \text{ hours} = \mathbf{10,473 \text{ hours}}$

**Total Reporting Hourly Burden:** **15 hours**

**Total Third Party Disclosure Hourly Burden:** **2,100 hours**

**Total “In House” Costs:**  $\$1,172.61 + \$496,590.94 = \mathbf{\$555,801.87}$

13. Estimate of the Total Annual Cost Burden to Respondents or Recordkeepers Resulting from Collection of Information.

- a. Total Capital and Start-up Cost (annualized over its expected useful life): None.
- b. Total annual Operation and Maintenance (and Purchase of Service Components): None.
- c. Total annualized cost requested: None.

14. The total annualized cost of collecting this information should be minimal for the Federal government.

For most audits, the Commission will conduct desk audits, and will utilize the auditors already employed in its Enforcement Bureau. Therefore, additional costs for travel expenditures should be minimal and are summarized below.

- a. Number of auditors participating: 1
- b. Approximate number of audits: 2 per year

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- c. Travel days per auditor: 4-5
- d. Total travel days per year: 4-5
- e. Average cost per travel week: \$1,400 per week
- f. Total audit travel cost per year: \$2,800
- g. Explanation of calculation: approximately 1 auditor will conduct each “for cause” audit.

The auditor will not likely travel, relying mostly on facsimiles, electronic mail or regular mail for receipt and review of documents needed to perform the audit (travel days account for the audits as well as surveys that may need to be taken in the beginning).

At \$1,400 per week for 2 weeks, for 1 auditor, travel costs will total \$2,800:

$\$1,400/\text{week} \times 2 \text{ weeks} \times 1 \text{ auditor} = \$2,800.$

Travel expenses incurred by the Commission’s designated agents conducting audits will be paid for from the North American Numbering Plan fund instead of by the Federal government.

Total Cost to Federal Government: \$2,800

- 15. There is no change to the burden estimates—we have re-evaluated the two information collection requirements and believe that the first one is only a reporting requirement, while the second one is only a third party disclosure requirement. The hourly burden estimates have not changed.
- 16. The Commission does not intent to publish this collection of information.
- 17. The Commission does not intend to seek approval not to display the OMB expiration date because the requirements are contained in FCC rules. However, the Commission publishes a list of OMB-approved information collections in 47 CFR 0.408 of the Commission’s rules.
- 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.