#### SUPPORTING STATEMENT

### A. <u>Justification:</u>

1. Inmate calling service (ICS) providers are communications service providers that provide calling capabilities from an inmate telephone.<sup>1</sup> Prior to the *ICS Report and Order and FNPRM* described below, ICS providers, and their rates, were largely unregulated by the Commission.

In the *ICS Report and Order and FNPRM* in WC Docket No. 12-375,<sup>2</sup> the Commission found that the marketplace for interstate ICS does not hold interstate ICS rates to just, reasonable, and fair levels, as required by the Communications Act of 1934, as amended (Act). As such, the families and friends of incarcerated persons (those that typically pay for the telephone calls) were subject to unreasonably high interstate ICS rates. Specifically, the Commission found that market failure allowed interstate ICS providers to charge rates that were unjust, unreasonable and unfair in direct contradiction of the Commission's statutory requirements. The Commission therefore adopted interim rules to lower interstate inmate calling service rates, as well as additional requirements to begin comprehensive ICS rates. See FCC 13-113 (copy attached). In connection with the comprehensive regulation of ICS rates, the Commission is seeking interstate and intrastate cost information from ICS providers to obtain a full picture of the ICS industry and to enable it to take additional action to permanently reform ICS rates pursuant to the further notice portion of the *ICS Report and Order and FNPRM*.

Under section 201 of the Act, a principal responsibility of the Commission is to ensure that charges and practices for telecommunications services such as interstate ICS are just and reasonable. Additionally, under section 276 of the Act, the Commission is required to ensure that payphone service providers, including those that serve correctional institutions, are fairly compensated. The mandatory data collection adopted in the *ICS Report and Order and FNPRM* will enable the Commission to determine what costs ICS providers incur and are necessary in order to guide the Commission as it evaluates its next steps toward permanently reforming ICS rates pursuant to the *FNPRM* portion of the item, including the adoption of rates that are just, reasonable, and fair, pursuant to sections 201 and 276 of the Act.

Several interested parties, including ICS providers and state departments of correction, filed with the United States Court of Appeals for the District of Columbia Circuit (D.C. Circuit) motions for stay of the *ICS Report and Order and FNPRM*. On January 13, 2014, the D.C. Circuit granted in part and denied in part those motions for stay.<sup>3</sup> As such, the following rules are stayed pending resolution of the appeal: 47 C.F.R. §§ 64.6010 (Cost-Based Rates for Inmate Calling Services); 64.6020 (Interim Safe Harbor); and 64.6060 (Annual Reporting and Certification Requirement).

The court left in place the interim rate caps as well as the one-time, mandatory data collection

<sup>&</sup>lt;sup>1</sup> See Rates for Interstate Inmate Calling Services, Report and Order and Further Notice of Proposed Rulemaking, WC Docket No. 12-375, 28 FCC Rcd 14107 at App. A (2013) (ICS Report and Order and FNPRM).

<sup>&</sup>lt;sup>2</sup> See generally, ICS Report and Order and FNPRM.

<sup>&</sup>lt;sup>3</sup> *Securus Techs. v. FCC*, No. 13-1280 (D.C. Cir. Jan. 13, 2014) (*Partial Stay Order*). Prior to issuance of the D.C. Circuit's decision, the 60-day notice for this information collection had already been submitted to the Federal Register. The 60-day notice was published in the Federal Register three days after the D.C. Circuit issued its decision.

(this information collection). Specifically, the following rules adopted in the *ICS Report and Order and FNPRM* were not stayed by the court: 47 C.F.R. §§ 64.6000 (Definitions); 64.6030 (Inmate Calling Services Interim Rate Cap); 64.6040 (Rates for Telecommunications Relay Service (TRS) Calling); and 64.6050 (Billing-Related Call Blocking). The court did not issue a general stay of the *ICS Report and Order and FNPRM*, leaving in place, for example, the Commission's one-time, mandatory data collection that will enable the Commission to establish permanent rules.

Statutory authority for this information collection is contained in sections: 1, 4(i), 4(j), 201, 225, 276, and 303(r) of the Act, 47 U.S.C. §§ 151, 154(i)-(j), 201, 225, 276, and 303(r).

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 one-time mandatory ICS data collection (FCC 13-113 paras. 124-126) requires ICS providers to provide data on the costs of interstate, state interLATA, state intraLATA, local, and international ICS.

The collection will require ICS providers to include data on:

- (a) the costs of telecommunications service,
- (b) interconnection fees,
- (c) equipment investment,
- (d) installation and maintenance,
- (e) security,
- (f) ancillary services, and
- (g) other costs related to the provision of ICS.

ICS providers will also be required to provide certain related rate, demand, and forecast data.

Data on telecommunications costs, equipment costs, security costs and other costs related to the provision of ICS are necessary to identify the costs that should be recovered from ICS end users through ICS rates. Such information is necessary to the Commission's analysis and consideration of future ICS regulation regardless of the regulatory methodology. For example the Commission may consider for ICS rates, cost-based or rate cap regulation, two of the traditional paths it follows to ensure that rates are just and reasonable. The requested data is necessary to evaluate regulation by way of either path.

Some ICS contracts require that providers offer a certain percentage of non-revenue producing minutes to the correctional facility. Therefore, the requested data on revenue-producing and non-revenue producing minutes of use (demand) will help ensure that final ICS rates allow providers to recover their costs based on actual minutes of use rather than Commission estimates. This data request will capture that information which also is important to ensure that the rates associated with revenue-producing minutes of use are not overly compensatory in an effort to make up for the cost of non-revenue producing minutes of use.

The Commission seeks separate data for debit, prepaid, collect and other inmate calling services. These categories reflect the common services ICS providers offer. Collecting separate data for each of these service types will allow the Commission to determine if there are cost differences for providing each service type and ensure that the relevant costs are only being recovered once. The Commission requests the cost data be broken out by size of contract in order to capture the differences in costs of providing each service by contract size. In the regulatory proceeding before the Commission there have been claims of differences in costs based on the types of facilities served. Collecting the data by contract size will allow the Commission to confirm those assertions as well as simplify the data collection for respondents. The Commission also requests that respondents break out ICS costs by jurisdiction

(interstate, state interLATA, state intraLATA, local and international) to identify cost differences that may exist. Data on ancillary charges and site commission payments are to be reported separately to ensure that costs beyond telecommunications costs are not recovered in ICS end user rates.

The Commission is providing a template and instructions to respondents to facilitate a uniform data collection thus benefiting both respondents and the Commission. Specifically, a uniform template will make it easier for ICS providers to respond to the data request and review other responses if desired (pursuant to the Protective Order discussed in parts 10 and 16 below) as well as make it easier for the Commission to review the incoming data.

The practical utility of the requested data is that it will help the Commission ensure just, reasonable, and fair ICS rates as mandated by its governing statute, as well as provide relief to millions of consumers who have been, and are being, charged unjust, unreasonable, and unfair ICS rates. In the *ICS Report and Order and FNPRM* the Commission found that ICS rates are frequently well in excess of the costs incurred in providing those services. (FCC 13-113 at para. 45) The requested data will help the Commission determine the actual costs of providing ICS. Also, as noted in the *ICS Report and Order and FNPRM*, the Commission is actively working to transition from interim to permanent and comprehensive ICS reform. The data requested in this collection are imperative to that effort.

Specifically, the data will be used to inform the Commission's evaluation of rate reform options in the *ICS Report and Order and FNPRM* by giving the Commission detailed information on the ICS industry as a whole while balancing the burden on respondents. For example, receiving several years of data from prior to the reform adopted in the *ICS Report and Order and FNPRM*, as well as one year's worth of forecast data, will show where investment and/or cost saving is occurring and the level of competition in the industry. The information collection will allow the Commission to compare both pre*ICS Report and Order and FNPRM* and post-*ICS Report and Order and FNPRM* ICS costs in order to transition from interim ICS rate caps to permanent ICS rate reform as soon as possible. The Commission needs this information to help determine the reasonableness of ICS rates. In turn, this data will enable the Commission to discharge its core responsibility of ensuring just, reasonable and fair ICS rates in future, permanent ICS rate reform pursuant to its statutory obligations under the Act.

The large majority of the data the Commission will collect are usually and customarily compiled and utilized by ICS providers in the normal course of their activities, which we believe will minimize the burden of the collection.

3. The Commission's *ICS Report and Order and FNPRM* directs Wireline Competition Bureau (Bureau) staff to develop a "standardized template" for the submission of data and to provide instructions to simplify compliance with and to reduce the burdens of the data collection. The template will also include filing instructions and text fields for respondents to use to explain portions of their filings, as needed. Providers are encouraged to file their data electronically via the Commission's Electronic Comment Filing System (ECFS).

4. The Commission is not aware of any similar information already available that can be used or modified for the purposes described in Item 2 above. Specifically, prior to the *ICS Report and Order and FNPRM* ICS providers were not required to file such data with the Commission.

5. Because the Commission's *ICS Report and Order and FNPRM* requires all ICS providers to comply with the mandatory data collection, the collection will affect smaller as well as larger ICS providers. The Commission believes it is important to collect the requested data from both large and small providers to identify relevant differences in costs that will be critical in our understanding of all

types of ICS providers. The Commission has taken steps to ensure that the data collection template is competitively neutral and therefore not unduly burdensome for any set of carriers.

6. In mandating a one-time data collection, the Commission eliminated the burdens that would normally be associated with recurrent or periodic collections. Not conducting the data collection at all would deprive the Commission of the detailed, industry-wide cost data necessary to develop permanent rate regulation and would therefore preclude the transition from interim to permanent rate regulation.

7. No other special circumstances will apply to this information collection.

8. Pursuant to 5 C.F.R. § 1320.8 (d), the Commission published a 60-day notice in the *Federal Register* to solicit public comment on this reporting requirement on January 16, 2014. See 79 FR 2834. Three comments were received from the following parties: Global Tel\*Link Corporation (GTL), Securus Technologies, Inc. (Securus), and Telmate, LLC (Telmate).

The comments are summarized and addressed below as follows: (1) comments on the proposed information collection's compliance with the Paperwork Reduction Act (PRA); (2) the effect of the D.C. Circuit *Partial Stay Order* on the proposed information collection; (3) the estimated burden associated with the proposed information collection, and; (4) components of the data collection.

### Compliance with the PRA

Securus (at 3-4) and Telmate (at 9-17) comment that the proposed information collection is noncompliant with the requirements of section 3506(c)(3) of the PRA.<sup>4</sup> Both commenters quote and challenge the same, select, provisions of the PRA. Specifically, Securus (at 4) and Telmate (at 9-10) comment that prior to receiving data, the PRA requires a federal agency to:

(3) certify (and provide a record supporting such certification, including public comments received by the agency) that each collection of information submitted to the Director for review under section 3507 -

(A) is necessary for the proper performance of the functions of the agency, including that the information has practical utility;

(B) is not unnecessarily duplicative of information otherwise reasonably accessible to the agency;

(C) reduces to the extent practicable and appropriate the burden on persons who shall provide information to or for the agency; . . .

(E) is to be implemented in ways consistent and compatible, to the maximum extent practicable, with the existing reporting and recordkeeping practices of those who are to respond; . . .

(H) has been developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to be collected, including the processing of the information in a manner which shall enhance, where appropriate, the utility of the information to agencies and the public; [and]

<sup>&</sup>lt;sup>4</sup> 44 U.S.C. § 3506(c)(3).

(I) uses effective and efficient statistical survey methodology appropriate to the purpose for which the information is to be collected . . . .

*Response*. Securus and Telmate's comments about the Commission's compliance with the requirements of the PRA are premature and would be appropriate only after review of this Supporting Statement. The PRA requirements set forth in 44 U.S.C. § 3506(c)(3) are addressed and complied with through this Supporting Statement in which the Commission details its consideration of each of these statutory subsections. We discuss the decision not to use a statistical survey methodology (Telmate at 17) in Section B below.

#### Partial Stay Order

Securus (at 4-7), GTL (at 3-4), and Telmate (at 5-7, 11) state that the Commission should not be allowed to collect this information because several of the ICS interim rate reform rules were stayed by the D.C. Circuit in the *Partial Stay Order*. For example, Securus (at 4, 7) argues that the *Partial Stay Order* stripped the Commission of its ability to impose cost-based ICS rates so "[t]here can be no utility for the Commission to obtain this data when it is enjoined from acting on it."

*Response*. Securus (at 5-7) and Telmate (at 8) seem to conflate the rule and data collection that were stayed in the *Partial Stay Order* with this one-time, mandatory data collection that remains in effect. The Annual Reporting and Certification Requirement rule (See FCC-113 at App. A, 47 C.F.R. § 64.6060) that the D.C. Circuit stayed requires data on ICS **rates**, whereas the one-time, mandatory data collection that is the subject of this information collection requires data on **costs** related to the provision of ICS. Contrary to commenters' assertions, the Commission is not trying to use the instant collection to obtain data that it has been estopped from collecting.

As discussed above, the Commission's statutory mandates require that rates are just, reasonable and fair. The Commission has requested data (without specifying format) from ICS providers on at least two earlier occasions; however, the Commission received few responses that would enable us to craft requirements for ICS rates. (See *e.g.*, 2012 Further Notice of Proposed Rulemaking, 78 FR 4369 and 2013 Ancillary Charges Public Notice, 78 FR 43,024). Without this data, the Commission cannot move forward with much-needed ICS reform. Receipt of the requested data is crucial to its effort. (See response to Item 2 above.). In fact, it would make little sense for the Court to leave intact portions of the interim ICS rules and stay the data collection needed in order for the Commission to move to final rules.

Moreover, the Commission does not want to have to wait until the conclusion of the litigation to restart work on this one-time information collection which, as discussed above, was not stayed. Doing so would further delay much-needed ICS reform. We also believe that speculation about the ultimate outcome of the D.C. Circuit proceeding (Telmate at 8), or how the Commission will use the data (Telmate at 11-12) is premature and should not affect the information collection review. Finally, knowing ICS providers' costs will help the Commission ensure that future ICS regulation uses sufficiently sound data so that it does not result in a taking.

### Estimated Burden

Commenters (Securus at 8-13) (Telmate at 15) (GTL at 4) state that the estimated burden associated with this one-time data collection is too low. Securus and GTL specifically comment that the data collection seeks information that the companies do not maintain in the normal course of business

(Securus at 11) (GTL at 4). On the other hand, Telmate (at 8, 12) discusses the burden of reporting facility-specific data for the mandatory data collection.

Commenters also state that they will not be able to comply with the requirements of this information collection immediately upon its approval by OMB. Specifically, Securus (at 12) states that it does not maintain the requested information and that it does not have the personnel to comply (Securus Declaration at 2). Securus (at 9) also estimates it will need to expend at least \$1.9 million annually to comply with this data request. Telmate (at 14-16) states that it does not have the personnel required to comply immediately.

Commenters also question the Commission's ability to process and analyze the incoming data (Securus at 12) (Telmate at 9).

*Response*. First, we would like to take this opportunity to briefly describe the ICS industry. As discussed in the *ICS Report and Order and FNPRM*, three ICS providers account for approximately 90 percent (FCC 13-113 at n.316) of the \$1.2 billion ICS market. Specifically, "Securus and Global Tel-Link Corp. dominate the \$1.2 billion U.S. correctional phone services market." (Baschuk, Bryce, *Court Partially Denies Appeal to Block FCC Prison Call Rate Caps*, BLOOMBERG BNA, Jan. 15, 2014, http://www.bna.com/court-partially-denies-n17179881367/). Telmate is commonly considered a large ICS provider as well. As discussed below, we believe the minimal burden associated with this collection is within ICS providers' abilities and the result justifies the associated burden. The comments have not convinced us otherwise and we therefore continue to believe that these data are crucial to future Commission action on ICS rates.

The Annual Reporting and Certification Requirement rule, which was stayed by the court, requires facility-specific data. The language of the rule, adopted in the *ICS Report and Order*, requires "information broken out by correctional institution." (FCC 13-113 at App. A, 47 C.F.R. § 64.6060). The one-time mandatory data collection does not require facility-specific data to be filed (FCC 13-113 at para. 125). The template developed for this one-time cost data collection confirms that the Commission is not seeking facility-specific information.

Also, we note that commenters have only seen the 60-day Federal Register notice and the burden hour estimates associated with this data collection. As such, comments on the estimated burden of this collection are speculative at best. The Commission is filing the draft template and instructions for the mandatory data collection with this Supporting Statement, and we believe many of the commenters' concerns will be minimized upon review of those documents. For example, the forecast data that Securus complains about (Securus at 10) will only require data for 2014. In addition, we believe the form provides respondents adequate flexibility in the manner in which they compile the requested data as long as methodologies and calculations they use are sufficiently explained.

We also note that as part of the Commission's public outreach related to this proceeding we spoke to ICS industry members who indicated that the data the Commission will collect are usually and customarily compiled and utilized by ICS providers in the normal course of business. We find it logical that for-profit companies (which ICS providers are) maintain information on their costs and rates. We believe that we have made the requisite showing pursuant to 5 C.F.R. § 1320.3(b)(2), "that the reporting, recordkeeping, or disclosure activities needed to comply are usual and customary" and therefore are maintained in the normal course of respondents activities. Also, the burden estimate now includes any recordkeeping costs associated with the collection for retaining data and information prepared for, or in connection with, their responses that is not otherwise accounted for within the respondent's customary business practices. Specifically, we request that respondents maintain internally the records related to this

data collection for only three years, which is consistent with the recordkeeping requirements in 5 CFR § 1320.5(d)(2)(iv).

Regardless, after considering the burdens and benefits, and in order to obtain the most complete data possible, we have increased the estimated burden hours from 70 hours per respondent to 90 hours per respondent. We believe that 90 hours is sufficient time to report, in the format requested, these data that we believe ICS providers already maintain. In addition, as noted in the draft instructions for the mandatory data collection, ICS providers will have 30 days to compile and submit the information in response to this request which we believe addresses concerns about the need to immediately comply with the collection (Telmate at 14-15).

As explained in the *ICS Report and Order and FNPRM* (FCC 13-113 at para. 126), the Commission has delegated the responsibility to manage this information collection to its Wireline Competition Bureau, which has adequate staff resources to process and analyze the incoming data. For example, as discussed in the *ICS Report and Order and FNPRM* (FCC 13-113 at fn. 270), the Wireline Competition Bureau "houses a significant portion of the Commission's expertise in evaluating service provider data to establish rates." The processing and analysis of the data requested in this information collection falls well within the Bureau's expertise and available resources. In addition, this is a small industry, with approximately 25 respondents. Therefore, we are confident that processing and analyzing the data in this one-time data collection from approximately 25 respondents is within the Bureau's expertise and capabilities.

### Components of the Data Collection

Commenters also argue that the Commission is trying to collect under the mandatory **cost** data collection the data requested in the <u>annual</u> **rate** reporting requirement and certification (Telmate at 11-13) (Securus at 5-7).

In their comments, ICS providers also question the Commission's ability to request ancillary charge data (Securus at 8-9) and intrastate data (GTL at 5-6) given the likelihood that the Commission does not have the authority to regulate either.

*Response*. Commenters conflate the two information collections contained in the *ICS Report and Order and FNPRM*. As detailed in the *ICS Report and Order and FNPRM* the annual reporting and certification requirement, which has been stayed and is not the subject of this information collection request requires "all providers of ICS to file annually by April 1<sup>st</sup> data regarding their interstate and intrastate ICS **rates**, with local or other categories of rates broken out separately to the extent they vary." (FCC 13-113 at paras. 11, emphasis added). In contrast, the mandatory data collection requires "all ICS providers to file data regarding their **costs** to provide ICS" not ICS rates (FCC 13-113 at para. 124, emphasis added).

Commenters' arguments that the Commission does not have the authority to regulate several pieces of ICS repeat arguments made in the ongoing regulatory proceeding at the Commission. As such, we believe that is the appropriate venue to address and respond to such arguments. We note however, that section 276 of the Communications Act specifically discusses the Commission's ability to preempt inconsistent state payphone regulations as well as its ability to regulate ancillary services. As noted in the *ICS Report and Order and FNPRM*, there was concern that ICS providers would use increased ancillary charges to recover some of their costs once ICS rate regulation was adopted. The data requested in this information collection will help the Commission see such increases, monitor trends, and take action pursuant to its statutory mandates where necessary. Finally, the Commission seeks data on intrastate ICS

costs and the costs related to the provision of ancillary services as part of its effort to determine the reasonableness of ICS rates and the need for permanent Commission action to accomplish ICS reform.

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

10. The Commission anticipates providing confidential treatment for the proprietary information submitted by ICS providers in response to the mandatory data collection. A Protective Order has been adopted in this proceeding (WC Docket No. 12-375, DA 13-2434, Dec. 19, 2013). Parties that agree to comply with the terms of the Protective Order may seek access to the data from respondents. This is standard practice when the Commission seeks competitively sensitive information for ratemaking or other purposes.

- 11. The information collection does not address any matters of a sensitive nature.
- 12. The following represents the hour burden on the collections of information discussed herein.

### a. Reporting Requirement:

- (1) Number of respondents: Approximately 25.
- (2) <u>Frequency of response</u>: One-time reporting requirement.
- (3) <u>Total number of responses annually</u>: Approximately 25.
- (4) Estimated Time Per Response: 89 hours.

25 respondents x 89 hours per response x 1 response per respondent = 2,225 hours.

(5) <u>Total burden</u>: **2,225 hours**.

The Commission estimates that approximately 25 ICS providers will require 89 hours of reporting time.

Approximately 25 respondents x 1 response x 89 hours per response = 2,225 hours.

- (6) <u>Total estimate of "in house" cost to respondents:</u> \$100,125.
- (7) <u>Explanation of the calculation</u>:

The Commission estimates that approximately 25 ICS providers will be subject to this one-time reporting requirement.

We assume that respondents will use in-house accounting services (rate of 45/hour) to satisfy this reporting requirement. Thus 2,225 hours x 45 = 100,125.

### b. Recordkeeping Requirement:

- (1) <u>Number of respondents</u>: Approximately 25.
- (2) Frequency of response: One-time recordkeeping requirement.

- (3) <u>Total number of responses annually</u>: Approximately 25.
- (4) Estimated Time Per Response: 1 hour.

25 respondents x 1 hour per response x 1 response per respondent = 25 hours.

(5) <u>Total burden</u>: **25 hours**.

The Commission estimates that approximately 25 ICS providers will require 1 hour of recordkeeping time.

Approximately 25 respondents x 1 response x 1 hour per response = 25 hours.

- (6) Total estimate of "in house" cost to respondents: \$1,125.
- (7) <u>Explanation of the calculation</u>:

The Commission estimates that approximately 25 ICS providers will be subject to this one-time recordkeeping requirement.

We assume that respondents will use in-house accounting services (rate of \$45/hour) to satisfy this recordkeeping requirement. Thus 25 hours x \$45 = \$1,125.

	Burden Hours	In House Cost
Reporting Requirement	2,225	\$100,125
<b>Recordkeeping Requirement</b>	25	\$ 1,125
Total	2,250	\$101,250

13. Estimated operations and maintenance (O&M) costs of respondents resulting from the collection of information:

(a) <u>Total capital start-up costs component annualized over its expected useful life:</u> \$0. The collections will not result in additional capital expenditures such as computers or software.

(b) <u>Total operation and maintenance and purchase of services component:</u> \$0.

(c) <u>Total annualized cost requested</u>: **\$0**.

14. There will be no additional costs to the Commission to receive these data. Commission review of the data will not cause additional cost since the review will be subsumed in its broader review, by the Wireline Competition Bureau, of the ICS industry pursuant to the *FNPRM* in WC Docket No. 12-375. In addition, the data may be submitted via the Commission's Electronic Comment Filing System, requiring no additional Commission resources to process.

15. This is a new collection.

16. The Commission does not anticipate publishing any of the information collected. Rather, the cost data submitted by ICS providers will be treated as confidential under a Protective Order specific to WC Docket No. 12-375.

17. The Commission is not seeking approval not to display an OMB expiration date.

18. The Commission notes the following changes since the publication of the 60-day notice in the Federal Register:

(a) Added a recordkeeping requirement that was inadvertently omitted;

(b) Revised the estimated time per response from 70 hours to 90 hours, an increase of 20 hours per respondent. This increase was made in consideration of comments received in response to the 60-day notice and because of the addition of a minor recordkeeping requirement;

(c) Revised the total annual hourly burden from 1,750 hours to 2,250 hours, an increase of 500 hours in consideration of comments received in response to the 60-day notice and because of the addition of a minor recordkeeping requirement; and

### B. <u>Collections of Information Employing Statistical Methods:</u>

The Commission does not anticipate that the proposed collection of information will employ statistical methods. This is because of concerns that a statistical survey could be too readily manipulated by respondents. The Commission has not previously regulated the ICS industry in this manner and therefore needs a picture of the industry as a whole in order to adequately establish a regulatory baseline. Therefore, we are concerned that at this point in the regulatory process we are unable to create a statistical survey focused enough to prevent respondents from manipulating data to their advantage and leaving the Commission with insufficient data to allow it to proceed with permanent ICS rate reform (*e.g.* by providing sample data on only their highest-cost ICS contracts). As such, we do not plan to employ statistical methods in this information collection.