

This submission is made pursuant to 44 USC 3507 to extend an existing collection that is expiring. The Commission has not changed the reporting requirement for this information collection. The Commission has not changed its previous (2009) burden estimates.

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

SUPPORTING STATEMENT

A. Justification:

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

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

ARMIS was implemented to facilitate the timely and efficient analysis of revenue requirements, rates of return and price caps; to provide an improved basis for audits and other oversight functions; and to enhance the Commission's ability to quantify the effects of alternative policy. The ARMIS 43-01 Report contains financial and operating data and is used to monitor the incumbent local exchange carriers ("ILECs") and to perform routine analyses of costs and revenues.

ARMIS 43-01 Report facilitates the annual collection of the results of accounting, rate base, and cost allocation requirements prescribed in Parts 32, 36, 64, 65, and 69 of the Commission's Rules and Regulations.

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Section 11 of the Communications Act of 1934, as amended, 47 U.S.C. 161, requires the Commission, in every even-numbered year beginning in 1998, to review its regulations applicable to providers of telecommunications services to determine whether the regulations are no longer in the public interest due to meaningful economic competition between providers of such services and whether such regulations should be repealed or modified. Section 11 further instructs the Commission to repeal or modify any regulation it determines to be no longer in the public interest.

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

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

As noted on the OMB Form 83i, this information collection does not affect individuals or households; thus, there are no impacts under the Privacy Act.

2. The information contained in the ARMIS 43-01 Report provides the necessary detail to enable the Commission to fulfill its regulatory responsibilities. Automated reporting of these data greatly enhances the Commission's ability to process and analyze the extensive amounts of data that are needed to administer its rules. This report facilitates the timely and efficient analysis of revenue requirements, rates of return and price caps, jurisdictional separations, and universal service fund, and provides an improved basis for auditing and other oversight functions. It also enhances the Commission's ability to quantify the effects of policy proposals.

3. Incumbent local exchange carriers (LECs) are required to file their ARMIS Reports electronically through the Internet. These filings should be submitted through the Commission's Electronic Comment Filing System (ECFS) which can be accessed at <http://apps.fcc.gov/ecfs/>. Carriers and other interested parties will be able to access ARMIS data for year 2015 and later via ECFS. ARMIS data for years prior to 2015 will be available on the Commission's website at <http://www.fcc.gov/wcb/eafs>.

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

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

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6. The FCC Report 43-01 is filed once a year and thus, if the automated reporting was conducted less frequently, the Commission would not have the data in a timely manner to perform its functions. Subsequent submissions correcting previously filed data are to be filed as soon as the correction is identified.

7. Incumbent local exchange carriers file their data in electronic format as noted in item 3 above. Respondents seeking proprietary treatment of some data must provide an electronic copy using the established procedures.

8. The Commission published a 60 day notice in the Federal Register as required by 5 C.F.R. §1320.8(d). See 77 FR 5800, dated February 6, 2012. No PRA comments were received as a result of the notice.

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

10. Ordinarily, questions of a sensitive nature are not involved in the ARMIS Customer Satisfaction Report. The areas in which detailed information is required are fully subject to regulation and the issue of data being regarded as sensitive will arise in special circumstances only. In such circumstances, the respondent is instructed on the appropriate procedures to follow to safeguard sensitive data. 47 CFR Part 0.459 contains the procedures for requesting confidential treatment of data.

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

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

FCC Report 43-01 (ARMIS USOA Report):

1. Number of respondents: 45.

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

2. Frequency of response: Annual reporting requirement.

3. Total Number of Responses Annually: 45.

45 carriers x 1 response/annum = 45.

4. Total Annual Burden Hours: **3,960 Hours.**

The Commission estimates that each carrier takes approximately 88 hours per response to comply with the requirement.

45 respondents x 88 hours per response = 3,960.

5. Estimated Industry In-house Cost: **\$141,055.**

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

45 (number of respondents) x 1 (number of filing) x 88 (hours per filing) x \$35.62 per hour = \$141,055.

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

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

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

14. The Federal government's annualized cost for the entire ARMIS program has been estimated at \$646,788. This estimate was derived as follows:

Employee's Salaries Allocated to ARMIS	\$390,397
Benefits	78,079
Overhead	138,137
Office Space Dedicated to ARMIS (550 sq. ft. @ \$43 sq. ft.)	25,800
Equipment and Supplies (i.e., diskettes, file folders, computers disk drives)	13,400

Filing Equipment	<u>3,125</u>
Total Annual ARMIS Cost	<u>\$646,788</u>

Of the total annual ARMIS cost of \$646,788, we estimate the FCC Report 43-01 portion to be \$59,578. This estimate includes the necessary automation equipment, software, supplies, and the personnel needed to execute the automated reporting program. We note that as a result of the Commission's forbearance actions, the government will not incur all of these costs pending Commission reconsideration and judicial review of those actions.

15. No change in burden hours is requested at this time. The annual burden for this collection continues to be estimated at 3,960 hours.

16. Data from these reports are placed on-line so as to provide a user-friendly, feature-rich database system from which users can extract ARMIS data in a variety of ways from the reports.

17. The Commission seeks continued OMB approval not to display the OMB expiration date. Display of the expiration date would not be in the Commission's interest because the Commission would have to update the ARMIS report each time this collection is submitted to OMB for approval. That would constitute waste and inefficiency.

18. The Commission does not require carriers to retain copies of ARMIS Report 43-01 for a specific period of time. Carriers are required by Section 42.4 of the Commission's Rules (47 C.F.R. § 42.4) to maintain a master index of records, to identify the retention period for each type of record listed in the master index, and to keep the records for the time specified by the carrier in the master list. There are no other exceptions.

B. Collections of Information Employing Statistical Methods:

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