

SUPPORTING STATEMENT

A. Justification

The Commission is seeking to extend this information collection in order to receive the full three-year approval from the Office of Management and Budget (OMB). There are no changes to the reporting, record keeping, or third party disclosure requirements.

1. Sections 211 and 215 of the Communications Act of 1934, as amended, 47 U.S.C. Sections 211 and 215, require that the FCC examine transactions of common carriers regarding activities that may affect the charges and/or services rendered under the Act.

Prior to May 2011, the Commission had required common carriers to file reports pursuant to 47 C.F.R. sections 43.51 and 43.53 so that the Commission could gather information concerning, among other things, carriers' contracts. On May 13, 2011, the Commission issued a First Report and Order and Notice of Proposed Rulemaking (FCC 11-76) in *Reporting Requirements for U.S. Providers of International Telecommunications Services, Amendment of Part 43 of the Commission's Rules*, IB Docket No. 04-112 (re. May 13, 2011). In the First Report and Order portion, the Commission removed section 43.53 on the basis that it is no longer required in the public interest. The Commission did not alter section 43.51.

Section 43.51 requires that any communications common carrier described in paragraph 43.51(b) file with the Commission, within thirty (30) days of execution, a copy of each contract, agreement, concession, license, authorization, operating agreement, or other arrangement to which it is a party and any amendments.

Section 43.51 also requires carriers to maintain copies of certain contracts, to have them readily accessible to Commission staff and members of the public upon request and to forward individual contracts to the Commission as requested.

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

The statutory authority for this collection is contained in sections: 1-4, 10, 11, 201-205, 211, 218, 220, 226, 303(g), 303(r) and 332 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154, 160, 161, 201-205, 211, 218, 220, 226, 303(g), 303(r) and 332.

2. The information contained in this report is used by the FCC to determine whether the activities reported have affected or are likely to adversely affect the carrier's service to the public or whether these activities result in undue or unreasonable increases in charges. If this information were not reported, the FCC would not be able to ascertain the impact of these activities on the just and reasonable rates required by the Act.

3. This collection involves the use of sophisticated IT software and automation to reduce the burden on

Section 43.51 – Reports and Records of Communications Common Carriers and Affiliates

respondents.

4. We know of no duplication of this information. There is no similar information available in this area.
5. The burden has been minimized for all subject to the collection.
6. If these reports were made less frequently instead of as each activity occurs, the FCC would not be able to examine them in a timely manner. The result would be an inability to minimize any adverse affects on the public.
7. We are not aware of any circumstances that require the collection to be conducted in any manner inconsistent with the guidelines in 5 C.F.R. § 1320.5.
8. The Commission published a 60-day notice in the Federal Register seeking comments from the public on this information collection requirements contained in this collection on June 4, 2014 (79 FR 32294). No comments were received from the public.
9. The Commission does not provide any payment or gift to respondents.
10. No information of a confidential nature is being sought; however, respondents may request materials or information submitted to the Commission be withheld from public inspection under 47 C.F.R. § 0.459 of the Commission's rules.
11. The information is not of sensitive nature, nor are there any privacy issues.
12. The following represents the estimated hour burden of the information collection. (We note that the burden hour estimates are our best estimate based on our overall experience with this data collection.)

Section 43.51:

(1) Number of respondents: 55.

(2) Frequency of response: On occasion and annual reporting requirements, third party disclosure requirement and recordkeeping requirement.

(3) Total number of responses annually: 1,210.

55 respondents x 5 responses/year = 275 reporting requirements (responses)

55 respondents x 5 third party disclosures/respondent = 275 third party disclosures (responses)

55 respondents x 1 recordkeeping requirement/mo. x 12 mos. = 660 recordkeeping responses

Section 43.51 – Reports and Records of Communications Common Carriers and Affiliates

Total: 275 reporting requirements + 275 third party disclosures + 660 recordkeeping = **1,210 responses**

(4) Annual hour burden per respondent: 4 hours (average)

Annual burden per respondent to comply with these three requirements is:

10.5hours/on occasion and annual reporting

1.25 hours/third party disclosure

0.25 hours/recordkeeping

The average burden is 4 hours per respondent.

(5) Total annual hour burden: **3,397 hours.**

(6) How the burden was estimated:

The Commission estimates that respondents require approximately 10.5 hours to comply with the reporting requirements for each submission:

55 respondents x 5 reports/year x 10.5 hours/report = 2,888 hours (rounded up)

The Commission estimates that respondents require approximately 1.25 hours to comply with the third party disclosure requirements for each such disclosure:

55 respondents x 5 third party disclosures/year x 1.25 hours/disclosure = 344 hours

The Commission estimates that respondents require approximately 0.25 hours (15 minutes) to comply with the recordkeeping requirements each month. We believe that respondents use sophisticated electronic IT software and automation to minimize the time required to maintain these records:

55 respondents x 12 recordkeeping requirements/year x 0.25 hours/year = 165 hours

Total: 2,888 hours/reporting + 344 hours/third party disclosure + 165 hours/recordkeeping = **3,397 annual burden hours**

(7) Estimates of “in house” costs to respondents: Responses are received infrequently as an activity occurs that must be reported to the FCC. These burden estimates are based on senior FCC staff members’ knowledge of and familiarity with the requirements.

Section 43.51 – Reports and Records of Communications Common Carriers and Affiliates

The burden varies because of differences in activity and size of respondents. In addition, as we noted above, each requirement takes a different amount of time for compliance.

We estimate that respondents use senior staff, earning approximately \$45.00/hour, to comply with the reporting and third party disclosure requirements. We also estimate that respondents use clerical staff, earning approximately \$25.00/hour, to perform the recordkeeping.

2,888 hours/reporting x \$45.00/hour = \$129,960

344 hours/third party disclosure x \$45.00/hour = \$15,480.00

165 hours/recordkeeping x \$25.00/hour = \$4,125.00

Total “in house” costs : \$129,960.00 + \$15,480.00 + \$4,125.00 = \$149,565.00

13. The following represents the Commission’s estimate of the annual cost burden to respondents or record keepers resulting from the collections of information:

(1) Total capital and start-up cost component (annualized over its useful life): \$0.

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

(3) Total annualized cost requested: \$0.

14. The estimated annual cost to the Federal government for the 275 reports filed annually is based on the following: a Public Utilities Specialist taking 6 hours to fulfill the requirements at a grade 13 step 5 grade level (\$48.83/hour):

275 reports x \$48.83/hour x 6 hours = **\$80,569.50**

A Public Contract Clerk will file the reports for a total of 2 hours per year at a grade 5 step 5 grade level (\$18.69/hour):

275 reports x \$18.69/hour x 2 hours = **\$10,279.50**

Total Cost to Federal Government: \$80,569.50+\$10,279.50 = \$90,849.00

15. The Commission has made the following adjustments to the previous submission:

a) The total annual burden hours for the collection is now 3,397 hours, which is a decrease of

Section 43.51 – Reports and Records of Communications Common Carriers and Affiliates

1,650 hours from the 5,047 hours reported in 2011. This adjustment reflects the Commission's belief that carriers will utilize advanced technology to decrease the amount of time it takes to compile and file the required information.

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 information collection.
18. Since the 60 Day Notice was published in the Federal Register on June 4, 2014, the Commission inadvertently published the total annual burden hours as 5,047 hours and the estimated time per response as 6 hours. With this submission, the Commission is correcting the total annual burden hours to be read as 3,397 burden hours and the estimated time per response to be read as 4 hours. There are no other exceptions to the certification statement for this collection.

B. Collections of Information Employing Statistical Methods:

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