

SUPPORTING STATEMENT

A. Justification:

1. The Federal Communications Commission (“Commission”) is requesting that the Office of Management and Budget (OMB) approve the revision of OMB Control No. 3060-0686 titled, “International Section 214 Authorization Process and Tariff Requirements – 47 CFR Sections 63.10, 63.11, 63.13, 63.18, 63.19, 63.21, 63.24, 63.25 and 1.1311.” This information collection is being revised to receive OMB approval for information collection requirements that were adopted in the Matter of Reform of Rules and Policies on Foreign Carrier Entry Into the U.S. Telecommunications Market (Report and Order), FCC 14-48, released April 22, 2014.

The Commission requests OMB approval for the following information collection requirements adopted in the Report and Order:

Section 63.11(g)(2)¹ - In the case of a prior notification filed pursuant to paragraph (a) of this section, the U.S. authorized carrier must demonstrate that it continues to serve the public interest for it to operate on the route for which it proposes to acquire an affiliation with the foreign carrier authorized to operate in the non-WTO Member country.² Such a showing shall include a demonstration as to whether the foreign carrier lacks market power in the non-WTO Member country with reference to the criteria in §63.10(a) of this chapter. If the U.S. authorized carrier is unable to make the required showing in §63.10(a), the U.S. authorized carrier shall agree to comply with the dominant carrier safeguards contained in section 63.10(c), effective upon the acquisition of the affiliation. If the U.S. authorized carrier is notified by the Commission that the affiliation may otherwise harm the public interest pursuant to the Commission’s policies and rules, then the Commission may impose conditions necessary to address any public interest harms or may proceed to an immediate authorization revocation hearing.

¹ NOTE TO PARAGRAPH (g)(2): Under §63.10(a), the Commission presumes, subject to rebuttal, that a foreign carrier lacks market power in a particular foreign country if the applicant demonstrates that the foreign carrier lacks 50 percent market share in international transport facilities or services, including cable landing station access and backhaul facilities, intercity facilities or services, and local access facilities or services on the foreign end of a particular route.

² The World Trade Organization (WTO) is a global international organization dealing with the rules of trade between nations, including commitments by member countries to facilitate trade in basic telecommunications services and other pro-competitive regulatory principles. See http://wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm. There are currently 160 WTO Member countries, and the remaining countries that have not opened up their markets pursuant to WTO accords collectively represent only about one percent of the world’s gross domestic product.

Section 63.18(k)³ - states that for any country that the applicant has listed in response to paragraph (j) of this section that is not a member of the World Trade Organization, the applicant shall make a demonstration as to whether the foreign carrier has market power, or lacks market power, with reference to the criteria in §63.10(a) of this chapter.

Report and Order

On April 22, 2014, the Commission released a Report and Order titled “Reform of Rules and Policies on Foreign Carrier Entry Into the U.S. Telecommunications Market,” FCC 14-48. In the Report and Order, the Commission eliminates the effective competitive opportunities (ECO) test that applied to Commission review of (1) Section 214 applications filed by foreign carriers or certain of their affiliates that have market power in a non-World Trade Organization (WTO) country they seek to serve, and (2) notifications filed by U.S. authorized Section 214 carriers that have acquired, or seek to acquire, an affiliation (as defined in the rules) with a foreign carrier that has market power in a non-WTO country which the U.S. carrier is authorized to serve. Under this approach, the Commission will continue to require a foreign carrier applicant for a Section 214 authorization or a U.S. authorized carrier filing a foreign affiliation notification to provide information set out in its rules to establish its qualifications to receive such authorization or to identify its foreign affiliation. To ensure that the Commission receives sufficient information to assess whether applications and notifications involving an affiliation with a non-WTO carrier requires a closer review, the Report and Order revises Sections 63.18(k) and 63.11(g)(2) of the rules to state specifically that, if an applicant or notification filer is a foreign carrier, or is affiliated with a foreign carrier (as defined in the rules) in a non-WTO country which the U.S. carrier is authorized to serve, the applicant or notification filer must demonstrate whether or not the foreign carrier has market power in that country.

As is the case under the current rules, if the applicant is itself, or is affiliated with, a foreign carrier that may have market power in a non-WTO country, then the application will not be eligible for streamlined processing and will be placed on a 28-day public notice, thus giving interested parties an opportunity to file comments as to whether there are competitive or other public interest concerns with the foreign country at issue. Notifications of affiliation with a foreign carrier that may have market power in a non-WTO country which the U.S. carrier is authorized to serve will continue to require a 45-day notification prior to consummation of the

³ NOTE TO PARAGRAPH (k): Under §63.10(a), the Commission presumes, subject to rebuttal, that a foreign carrier lacks market power in a particular foreign country if the applicant demonstrates that the foreign carrier lacks 50 percent market share in international transport facilities or services, including cable landing station access and backhaul facilities, intercity facilities or services, and local access facilities or services on the foreign end of a particular route.

**International Section 214 Process and Tariff
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transaction. The Commission will closely analyze applications and notifications where particular issues and concerns are raised, and may request additional information from the applicant or notification filer to determine whether the public interest would be served by granting the application or notification.

The Commission has maintained its current competitive safeguards, including the “no special concessions” rule, thus continuing to protect competition and prevent anticompetitive strategies that foreign carriers can use to discriminate among U.S. carriers. The Commission coordinates these applications with the United States Trade Representative (USTR) and other Executive Branch agencies to protect national security and take into account law enforcement, foreign policy and trade policy considerations.

Impact of Information Collection Requirements on Applicants and Commission Staff

By eliminating the ECO Test and seeking additional information only in response to concerns raised by a particular application or notification, the Commission is reducing the burden on applicants and notification filers in preparing information required under its rules, as well as reducing burden hours of Commission staff responsible for analyzing and determining whether to grant applications and notifications. The ECO Test was extremely detailed and applicants, who, like other applicants, do not necessarily represent or speak on behalf of their home government market, were placed in a difficult position of having to make a showing as to whether their home market government supported an open market or not.

Section 214-Related Application Forms Approved and Developed by the Commission

The Commission requests continued approval of the following Section 214-related forms which have been developed:

1. International Section 214 Application (FCC Form 214) (47 CFR 63.18)
2. International Section 214 Authorizations for Assignment or Transfer of Control (FCC Form 214TC) (47 CFR 63.24)
3. International Section 214 Special Temporary Authority Application (FCC Form 214STA) (47 CFR 63.25)
4. International Section 214 Foreign Carrier Affiliations Notification (FCC Form 214FCN) (47 CFR 63.11)

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Section 214-Related Application Forms Approved and Pending Development

On January 28, 2014, the Office of Management and Budget approved the continuance of previous terms of clearance of Section 214 related FCC Forms which are pending development. See ICR Reference Number: 201311-3060-017. The Commission plans to develop two such forms that impact this information collection. We do not know the specific time frame for the development of each application form. However, we estimate that the new projected completion date for both forms is December 30, 2018. The development of application forms is contingent upon the availability of budget funds, human resources and other factors.

In February, 2006, the Commission received blanket approval of the two application forms listed below with the following terms of clearance: As applications contained within the supporting statement are developed, a change worksheet should be submitted to OMB at least 60 days prior to deployment to allow sufficient review time. The change worksheets should include the specific information collection elements requested, as well as the associated burden hours.

“ITC-Other Filings” has been removed from the pending development section in this information collection because the applicants/respondents notify the Commission of miscellaneous items such as name changes, etc., by letter filed electronically in the Commission’s IBFS system. That is, there is a “Letter” form that can be accessed through IBFS quick search that serves as a general filing category, thereby eliminating the need for a duplicative category such as “Other Filings.” Therefore, the Commission is no longer considering development of this form.

The following Section 214-related applications are pending development:

1. International Section 214 – Amendment (47 CFR 63.50)
2. International Section 214 – Modification

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

The statutory authority for this information collection is as follows: Sections 1, 4(i), 4(j), 11, 201-205, 208, 211, 214, 219, 220, 303(r), 309, 310 and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 154(j), 161, 201-205, 208, 211, 214, 219, 220, 303(r), 309, 310 and 403.

2. The information will be used by the Commission staff in carrying out its duties under the Communications Act. The information collections pertaining to Part 63 are necessary largely to determine the qualifications of applicants to provide common carrier international telecommunications service, including applicants that are, or are affiliated with, foreign carriers,

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and to determine whether and under what conditions the authorizations are in the public interest, convenience, and necessity. The information collections are also necessary to maintain effective oversight of U.S. international carriers generally.

3. In December 2006, the Commission received OMB approval of mandatory electronic filing of all section 214-related applications and notifications under OMB Control No. 3060-0686.⁴ A total of 100 percent of Section 214 authorizations are filed electronically in the International Bureau Filing System (IBFS).

4. To the extent that information collection requirements contained in Section 310(b)(4) are similar to those in Section 214, the Commission does not require the filing of duplicative information by carriers filing under both Sections 310 and 214. The information that is collected under the rules is not available elsewhere.

5. In developing this collection, the Commission considered the impact of our information collection requirements on small businesses and other small entities. While we cannot project exactly how many foreign carriers or affiliates of foreign carriers from non-WTO Member countries may in the future seek entry into the U.S. telecommunications market, there is nothing in the record to suggest that there will be significantly more such carriers than there have in the past. Therefore, the Commission certifies that the requirements of this Report and Order will not have a significant economic impact on a substantial number of small entities.

6. The frequency of filing applications pursuant to Sections 214 and 310(b)(4) will be determined largely by the applicant seeking to provide U.S international common carrier service under Section 214, and/or to exceed the parameters of an existing Section 310(b)(4) foreign ownership ruling issued by the Commission prior to August 9, 2013. Carriers will also determine largely the frequency of filing under the other rules included in this collection, with the exception of the quarterly reports required of certain carriers under Section 63.10(c). If the collections are not conducted or are conducted less frequently, applicants will not obtain the authorizations necessary to provide telecommunications services, and the Commission will be unable to carry out its mandate under the Communications Act of 1934. In addition, without the information collections, the United States would jeopardize its ability to fulfill the U.S. obligations as negotiated under the WTO Basic Telecom Agreement because these collections

⁴ The International E-Filing R&O (FCC 05-91) eliminated paper filings by requiring applicants to file electronically all applications and other filings related to international telecommunications services via the user-friendly, Internet-based electronic filing system called the International Bureau Filing System (IBFS). We would like to maintain OMB approval for mandatory electronic filing of all Section 214-related applications and filings pursuant to 47 CFR Sections 1.1000 through 1.0018, 63.11(j), 63.18(q), 63.19(d), 63.20, 63.21(j) and 63.53, including currently existing applications and applications that are pending development by the Commission.

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are imperative to detecting and deterring anticompetitive conduct. They are also necessary to preserve the Executive Branch agencies' and the Commission's ability to review foreign investments for national security, law enforcement, foreign policy, and trade concerns.

Regarding Section 63.11, carriers determine largely when to notify the Commission of planned investments by or in foreign carriers. If the information is not collected by the Commission, we will not be able to prevent carriers that control bottleneck facilities in foreign countries from using those bottlenecks to discriminate against unaffiliated U.S. carriers.

7. There are no special circumstances associated with this collection of information.
8. On October 23, 2014, the Commission published a 60-day notice in the Federal Register (79 FR 63396) seeking comments on the information collection requirements contained in this supporting statement. No comments were received from the public as a result of the published notice.
9. The Commission does not provide any payment or gift to respondents.
10. The Commission has not granted assurances of confidentiality to those parties submitting the information. In those cases where a respondent believes information requires confidentiality, the respondent can request confidential treatment under Section 0.459 of the Commission's rules, 47 C.F.R. § 0.459.
11. This collection does not include any questions of a sensitive nature.
12. The information collection requirements are summarized in the chart below. The total number of respondents, on an annualized basis, for this information collection is approximately 495.⁵

⁵ Of the following rule categories and respondents within those categories, over 50 percent of the total respondents are either filing for an initial section 214 authorization or for a transfer of control or assignment of a section 214 authorization: Section 310(b) petitions (10); Section 63.10(a)(4) notifications (1); Section 63.10(c) reports (20); Section 63.11 notifications (9); Section 63.13 requests (3); Section 63.18 applications for facilities-based, resale and other 214 authority) (180); Section 63.19 notifications (7); Section 63.21(a) notifications (1); Section 63.21(e), (f) third party disclosures (20); Section 63.21(h) subsidiary notifications (20); Section 63.21(i) name change notifications (25); Section 63.24(e)(1), (e)(2) substantial transfers of control and assignments (83); Section 63.24(f) (2) pro forma transfers of control and assignments (87); and Section 63.25 requests for temporary authority (29). The number of respondents reported in the 2013 Supporting Statement is 1,670 respondents. Since the 2013 Supporting Statement is based on the same fiscal period as this statement, and the data recorded in the IBFS database for those years has remained the same, IB staff believes that the annualized number of respondents reported in the 2013 Supporting Statement is erroneous and not based on actual data.

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| Rule Section and Explanation of Burden Estimate⁶ | Number of Responses | Frequency of Response | Time Per Response (in hours) | Total Annual Hour Burden |
|---|----------------------------|------------------------------|-------------------------------------|---------------------------------|
| Section 310(b) of the Communications Act of 1934, as amended, PETITIONS FOR DECLARATORY RULING To exceed the limits of a ruling issued before August 9, 2013 | 10 | 1 | 15 | 150 |
| 47 CFR 63.10(a)(4) Notification filed by a carrier classified as non-dominant under this provision of the initiation of services through the resale of an affiliated U.S. facilities-based carrier's international switched services. | 1 | 1 | 1 | 1 |
| 47 CFR 63.10(c) Reports and other requirements of carriers classified as dominant. Any carrier classified as dominant for the provision of services on a particular route is required to provide service through a separate affiliate and (1) file quarterly traffic and revenue reports pursuant to section 43.61, (2) file quarterly provisioning and maintenance reports of network facilities and services procured from its foreign carrier affiliate, and (3) file quarterly circuit status | 240 ⁷ | Quarterly | 1 | 240 |

⁶ For all applications, records must be maintained by respondents and the time for maintaining these records are included in the estimated time per response.

⁷ The Commission arrived at the annual number of responses of 240 based on the following calculation: 20 respondents x 12 responses (3 responses per quarter x 4 quarters).

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| reports set out in the section 43.82 manual. | | | | |
| 47 CFR 63.11(a), (e) Foreign carrier affiliation notifications. An authorized U.S. carrier must notify the Commission 45 days before consummation of (1) a transaction that results in the acquisition by the U.S. carrier, or certain of its affiliates as described in the rule, of a controlling interest in a foreign carrier that is authorized to operate in a market that the U.S. carrier is authorized to serve, or (2) a transaction that results in acquisition of greater than 25 percent of the capital stock, or of a controlling interest, in the authorized U.S. carrier by a foreign carrier that is authorized to operate in a market that the U.S. carrier is authorized to serve, unless the U.S. carrier is able to make one of the showings in paragraph (b) of this section. The U.S. carrier must provide in its prior notification the information specified in 63.11(e) and certify that the contents of the notification are true. | 1 | 1 | 6 | 6 |
| 47 CFR 63.11(b)-(c), (e) Foreign carrier affiliation notification after consummation of a transaction. An authorized U.S. carrier that becomes affiliated with a foreign carrier and has not previously notified the Commission shall notify the Commission within 30 days after consummation of the acquisition. The U.S. carrier must provide the information specified in 63.11(e) and certify that the contents of the notification are true. | 8 | 1 | 6 | 48 |

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| <p>47 CFR 63.11(f)</p> <p>In order to retain non-dominant status on a newly affiliated route, the U.S. carrier must include in its notification a showing of eligibility pursuant to the criteria described in 63.10.</p> | 9 | 1 | 1 | 9 |
| <p>47 CFR 63.11(g)(2)</p> <p>In the case of a prior notification filed under §63.11(a), the U.S. authorized carrier must demonstrate that it continues to serve the public interest for it to operate on the route for which it proposes to acquire an affiliation with the foreign carrier authorized to operate in the non-WTO country. Such a showing shall include a demonstration as to whether the foreign carrier lacks market power in the non-WTO country with reference to the criteria in §63.10(a). If the U.S. authorized carrier is unable to make the required showing in §63.10(a), the U.S. authorized carrier shall agree to comply with the dominant carrier safeguards contained in section 63.10(c), effective upon the acquisition of the affiliation. If the U.S. authorized carrier is notified by the Commission that the affiliation may otherwise harm the public interest pursuant to the Commission's policies and rules, then the Commission may impose conditions necessary to address any public interest harms or may proceed to an immediate authorization revocation hearing.</p> | 1 | 1 | 2 hours (if no comments are filed) 8 hours (if comments are filed). This burden includes a possible, additional information request by Commission staff in the event concerns are raised. | 8 |

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| <p>47 CFR 63.11(h)</p> <p>Accuracy of contents of notification and certifications. All carriers are required to file corrected notification information within 45 days after filing, except that the carrier shall immediately notify the Commission of representations of certifications that are no longer true.</p> | 9 | 1 | 1 | 9 |
| <p>47 CFR 63.13</p> <p>A U.S. international carrier modifying its regulatory status from dominant to non-dominant for the provision of services on a particular route must demonstrate in its application that it qualifies for non-dominant classification pursuant to section 63.10.</p> | 3 | 1 | 2 | 6 |
| <p>47 CFR 63.18</p> <p>Contents of applications for international common carriers for facilities-based (63.18(e)(1)) and/or resale authority (63.18(e)(2))</p> <p>Application (FCC Form 214) includes information demonstrating how grant of the application will serve the public interest, convenience and necessity pursuant to section 214 of the Communications Act of 1934. The specific information and certifications are included in sections 63.18(a) through (j), and sections 63.18(n) through (p). Applicants must also certify to comply with conditions in sections 63.21 and 63.22 of the rules.</p> | 180 | 1 | 9 | 1,620 |

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| <p>47 CFR 63.18(e)(3)</p> <p>Section 214 based authority to provide services not covered by 63.18(e)(1) and 63.18(e)(2). See FCC's exclusion list at http://www.fcc.gov/ib. Applicant must certify that it will comply with conditions in 63.21 and 63.22. If applying for facilities-based authorization, must also certify that environmental assessment is not required under 47 CFR 1.1306. See 63.18(g).</p> | 1 | 1 | 9 | 9 |
| <p>47 CFR 63.18(k)</p> <p>For any country that the applicant has listed in response to 63.18(j) of this section that is not a Member of the World Trade Organization, the applicant shall make a demonstration as to whether the foreign carrier has market power, or lacks market power, with reference to the criteria in section 63.10(a) of this chapter.</p> | 1 | 1 | 2 hours (if no comments filed) 8 hours (if comments filed). This burden includes a possible, additional information request by Commission staff in the event concerns are raised. | 8 |
| <p>47 CFR 63.18(m)</p> <p>Carrier must provide information in its application to demonstrate that it qualifies for non-dominant classification pursuant to 63.10.</p> | 12 | 1 | 2 This burden includes a possible, additional information request by Commission staff in the event concerns are raised. | 24 |

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| <p>47 CFR 63.19(a)(1) and (a)(2)</p> <p>Any international carrier that seeks to discontinue, reduce or impair service, including the retiring of international facilities, dismantling, or removing of international trunk lines shall notify affected customers at least 30 days prior to planned action and file a copy of notification with the FCC.</p> | 6 | 1 | 2 | 12 |
| <p>47 CFR 63.19(b)</p> <p>If a carrier classified as dominant discontinues, reduces or impairs the dominant service, or retires facilities that impair or reduce the service, the carrier shall file an application pursuant to sections 63.62 and 63.500.</p> | 1 | 1 | 4 | 4 |
| <p>47 CFR 63.21(a)</p> <p>Conditions applicable to all common carriers. Each carrier is responsible for accuracy of certifications in its section 214 application. Each carrier is responsible for filing a corrected certification within 30 days with a reference to the original FCC file number. The information may be used by the Commission to determine whether a change in regulatory status is warranted under section 63.10. See also section 63.11.</p> | 1 | 1 | .5 | .5 |
| <p>47 CFR 63.21(e) and (f)</p> | 20 | 1 | 1 | 20 |

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| <p>Third party disclosure requirement. A carrier may not access or use customer proprietary network information derived from a foreign network unless the carrier obtains approval from the customer. Authorized carriers may not receive proprietary or confidential information pertaining to a competing U.S. carrier, obtained by the foreign carrier unless the competing U.S. carrier provides its permission in writing.</p> | | | | |
| <p>47 CFR 63.21(h) Provision of service through wholly-owned direct or indirect subsidiaries. An authorized carrier must provide a notification to the Commission within 30 days after the subsidiary begins providing service. The carrier must provide its FCC file number and identify the subsidiary's name and place of legal organization.</p> | 20 | 1 | 1 | 20 |
| <p>47 CFR 63.21(i) An authorized carrier or a subsidiary operating pursuant to 63.21(h) must notify the Commission within 30 days of a name change and reference FCC file numbers under which the carrier's authorizations were granted.</p> | 25 | 1 | 1 | 25 |
| <p>47 CFR 63.24 (e)(1), (e)(2) Assignments and Transfers of Control for substantial transactions. Applications for substantial transactions. Under 63.24(a), a carrier must apply to the Commission prior to assigning or transferring its international section 214 authorization to another party, whether</p> | 83 | 1 | 9 | 747 |

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| <p>voluntarily or involuntarily, directly or indirectly. The application shall include a narrative of the proposed transfer or assignment and information contained in certain sections of 63.18, as specified in 63.24(e)(2). The assignee or transferee must notify the Commission no later than 30 days after consummation of the proposed assignment or transfer of control.</p> | | | | |
| <p>47 CFR 63.24(f)(1), (f)(2)</p> <p>Assignments and Transfers for non-substantial, or pro forma transactions.</p> <p>Notifications for pro forma transactions. A carrier that is subject to a pro forma assignment or transfer of control is not required to seek prior Commission approval before assigning or transferring its section 214 authorization, but must file a notification with the Commission no later than 30 days after the assignment or transfer is completed. The notification must include a certification that the transfer of control was pro forma and does not result in a change in the actual controlling party. The notification must also include information contained in certain sections of 63.18, as specified in 63.24(f)(2)(i).</p> | 87 | 1 | 3 | 261 |
| <p>47 CFR 63.25</p> <p>Request for special temporary authority or emergency service.</p> <p>Applicants must file a request with the Commission stating why temporary authority or emergency service is required, along with the type of facilities proposed to be used, and the services</p> | 29 | 1 | 2 | 58 |

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| <p>to be provided. Temporary service shall mean service for a period not exceeding 6 months.</p> <p>A carrier may request continuing authority to provide temporary or emergency service by the construction or installation of facilities where the costs do not exceed \$35,000 or an annual rental of not more than \$7,000. If granted, the carrier shall, not later than the 30th day following the end of each 6-month period covered by such authority, file a statement setting forth the type of facility, the cost and the dates of commencement of the project.</p> | | | | |
| <p>Totals:</p> | <p>748 Number of Responses</p> | | <p>0.50 – 15 hours Per Response</p> | <p>3,285.5 rounded 3,286 Total Annual Burden Hours</p> |

In-House Cost to Respondents: We estimate that in-house staff is paid at an estimated rate of \$40 per hour.

$$3,286 \text{ hours} \times \$40 \text{ per hour} = \mathbf{\$131,440 \text{ Total In-House Costs to Respondents}}$$

13. Annual Burden Cost:

(a). **Capital and Start-Up Costs: 0**

(b). **Operations and Maintenance Costs**

Outside Legal Assistance: We estimate that the respondent will require outside legal assistance for 50% (374) of the total number of responses.⁸ The cost of outside legal assistance is estimated at \$300 per hour. This figure is based on a small survey of local firms in the D.C. area and is considered a conservative estimate.

374 responses x \$300 per hour x 4 hours per response = **\$448,800 Total Outside Legal Costs**

Application Filing Fees: Part 214-related application fees are \$1,050. The annualized application fees collected by the FCC for FY2011, 2012 and 2013 are the following: 180 responses (Section 214 applications) + 83 responses (substantial assignments and transfers of control applications) + 29 responses (request for special temporary authority applications) = 292 applicants.

A total of 292 respondents/applicants x \$1,050/application = **\$306,600 Total**

Application Fees

(c). **Total Annual Cost Burden:**

| Description of Estimated Costs to Respondents | Total Costs |
|---|------------------|
| Outside Legal Assistance | \$448,800 |
| Application Filing Fees | \$306,600 |
| Total Cost to Respondents | \$755,400 |

14. Estimates of Annualized Cost to the Federal Government:

⁸ The rules and requirements in this collection will not require respondents to maintain any special equipment.

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The estimates of annualized cost to the Federal government are summarized in the chart below. As shown in the chart, the annualized costs to the Federal government are \$407,796.

| Federal Government Staff | Number of Staff | Salary Per Hour | Annual | |
|-------------------------------------|------------------------|------------------------|---------------------|-------------------------|
| | | | Burden Hours | Annualized Costs |
| GS-15/Step 5 Attorney | 3 | \$67.88 | 1000 | \$203,640 |
| GS-14/Step 5 Attorney | 2 | \$57.70 | 1000 | \$115,400 |
| GS-15/Step 5 Engineers | 1 | \$67.88 | 500 | \$33,940 |
| GS-11/Step 5 Administrative Support | 1 | \$34.26 | 1,600 | \$54,816 |
| | 7 | | | \$407,796 |

15. Adjustments and Program Changes:

The information collection for the 2014 Statement is undertaken as a result of a Commission order that eliminated the effective competitive opportunities (ECO Test) from rule sections 63.11(g)(2) and 63.18(k) of the Commission’s rules that apply to section 214 applications and foreign carrier affiliation notifications. The revisions to the hour and cost burdens associated with these two rules are discussed in the Program Changes section below. The Commission is also making adjustments to the hour and cost burdens associated with other rules and requirements covered by this information collection, as discussed in the Adjustments section below. Overall, as compared to the currently approved 2013 Statement, the 2014 Statement reduces: the number of respondents from 1,670 to 495; the number of annual responses from 10,264 to 748; the annual hour burden from 34,376 to 3,286; and the total annualized cost burden from \$3,625,390 to \$755,400.

Adjustments: This section provides an explanation of adjustments made to the 2013 Supporting Statement that significantly impact the respondents’ total hour burden and total cost burden that were approved by OMB on January 28, 2014. Other adjustments to the 2013 Supporting Statement involve eliminating the reference in Question 13 to respondents’ use of outside engineering assistance (because compliance with the rules in this collection generally no longer requires engineering expertise); review of Commission costs in processing respondent

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submissions; and explanations of the purpose of the information collection and the impact of the collection on small businesses. Although the fiscal period (2011, 2012, and 2013) is the same for both the 2013 and 2014 Supporting Statements, the calculation of hour and cost burdens in the 2013 Supporting Statement is not supported by data recorded in the International Bureau Filing System (IBFS) database for that fiscal period. The hour and cost burden in the 2013 statement is significantly higher than that calculated in the 2014 statement and, as explained below, is due primarily to over counting of responses. The Commission considers the adjustments to hours and costs to be a one-time adjustment, with future supporting statements more accurately reflecting annualized hours and costs that are calculated using creditable data, such as that recorded in the Commission's IBFS database.

Question 12 Hour Burden Adjustments: The chart to Question 12 of the 2013 and 2014 Supporting Statements reports the total annual hour burden to respondents for filing FCC applications and related submissions under certain rule sections contained in Part 63 of the Commission's rules. For each rule section, the number of responses, the frequency of response, and the time per response in hours is recorded. The annual hour burden calculation for each rule section is derived by multiplying the number of responses by the number of hours required per response.

The total hour burden reported in the 2014 Supporting Statement for the rules and requirements covered by this collection, other than Sections 63.18(k) and 63.11(g)(2), is 3,270 and the corresponding total hour burden reported in the 2013 Supporting Statement is 32,264, a decrease of **28,994** in the total annual hour burden. A comparison of the two Supporting Statements reveals that the significant discrepancy in total hour burden is due to the difference in the number of responses reported in the charts to Question 12 of each statement. The total number of responses reported in the chart to Question 12 of the 2014 Supporting Statement for the rules and requirements covered by this collection, other than Sections 63.18(k) and 63.11(g)(2), is 746 and the corresponding total number of responses reported in the 2013 Supporting Statement is 9,560, a difference of **8,814** responses. IB staff has concluded that the high response number reported in the 2013 Supporting Statement is due to over counting responses by (1) counting responses for rule sections that are merely informative, (2) not taking into consideration the differences between rule sections that apply routinely to all filers and rule sections that do not apply routinely to all filers, resulting in counting responses for a single application filing multiple times, and (3) not relying on the number of filings recorded in the IBFS database.

International Bureau (IB) staff, in the 2014 Supporting Statement, corrected for over counting of responses by first eliminating the response numbers associated with informative rule sections

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contained in the 2013 Supporting Statement.⁹ IB staff then examined the remaining rule sections in Question 12 chart of the 2013 Supporting Statement to identify rules that apply routinely to an application filing, and then, as explained below, grouped those rule sections into one category.¹⁰ Non-routine rule sections that apply to specific circumstances are given their own separate category in the chart to Question 12. Finally, after regrouping rule sections, IB staff counted, for each rule section, the number of filings/responses recorded in the IBFS database, and reported those numbers in the rule sections in the chart to Question 12. For filings not recorded in the IBFS database, such as 63.10(c), the number of responses was obtained by interviewing IB staff responsible for processing filings associated with those rule categories. For each rule section category, the annual hour burden was calculated by multiplying the number of responses by the number of estimated hours per response. The total annual hour burden is the sum of the hours contained in each rule category.

Question 13 Cost Burden Adjustments: The total annual cost burden to respondents in the 2013 and 2014 Supporting Statements is calculated by adding the annualized outside legal assistance cost estimate to the annualized application fees. The Commission determines outside legal costs by taking 50% of the total number of responses and multiplying that number by the estimated average time per response. That number is then multiplied by \$300 per hour to determine the total outside legal costs.

The total annual cost burden reported in the 2014 Supporting Statement for the rules and requirements covered by this collection, other than Sections 63.18(k) and 63.11(g)(2), is \$754,200,¹¹ and the corresponding total cost burden reported in the 2013 Supporting Statement is

⁹ The number of responses in the chart to Question 12 of the 2013 Supporting Statement for informative rule sections 63.10(a)(3), 63.10(b) and 63.18(f) totaled 1,056.

¹⁰ For example, the content requirements of a FCC section 214 application for the provision of international service are contained in sections 63.18(a) through 63.18(q) of the Commission's rules. Most of these requirements are answered by each applicant/respondent applying for section 214 authority. IB staff identified sections 63.18(a) through (e), 63.18(h) through (j), and 63.18(n) through (q) as sections routinely answered by each prospective applicant for a section 214 authorization, and then placed these routine rule requirements into one rule section category – section 63.18. The annualized number of responses reported for rule section 63.18 was then obtained by counting the number of section 214 applications recorded in the IBFS database for the fiscal period, and then dividing that number by three. By contrast, in the 2013 Supporting Statement, most of the 63.18 routine rule sections were each listed in their own separate category, resulting in over counting of the number of responses per application.

¹¹ The outside legal cost in the 2014 statement for all rules and requirements in the collection, other than Sections 63.18(k) and 63.11(g)(2), is \$447,600 (373 Responses (50% of 746) x \$300/burden hour x 4 average burden hours/response). The application fee cost based on the number of annualized applications (292) is \$306,600 (292 x \$1,050/applications). Thus, the total annual cost burden for all rules and requirements in the 2014 collection, other than Sections 63.18(k) and 63.11(g)(2), is \$754,200 (\$447,600 + \$306,600 = \$754,200). The 4 hour average burden per response was calculated by dividing total burden hours by total number of responses in the 2014 collection (3,286/748 = 4.39 hours) and then rounding that number (4.39) down to 4.

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\$3,414,190, a decrease of **\$2,659,990** in the total annual cost burden.¹² The significant cost difference is due to the significant difference in the number of responses reported in the 2013 and 2014 Supporting Statements. As discussed above, the total number of responses in the 2014 Supporting Statement for the rules and requirements covered by this collection, other than Sections 63.18(k) and 63.11(g)(2), is 746, and the corresponding total number of responses reported in the 2013 Supporting Statement is 9,560, a difference of **8,814** responses. IB staff that prepared the 2014 Supporting Statement relied on data contained in the IBFS database, and supplemented that data, when necessary, with conversations with IB staff responsible for reviewing and processing filings for rule sections contained in the Question 12 chart to ensure that accurate filing and cost support data is being used for purposes of the Paperwork Reduction Act. As explained above, it is not clear how the response numbers reported in the 2013 Statement were derived. The Commission considers the significant changes in the 2014 Supporting Statement to be a one-time adjustment, with future supporting statements that more accurately reflect annualized costs based on creditable supporting data.

Question 14 Adjustments: Adjustments were also made to Question 14 to reflect estimates of annualized costs to the FCC based on the number and type of IB staff required to review and process applications, notifications and reports filed by respondents. The 2013 Supporting Statement reported annualized costs of \$693,950 and the estimate of annualized costs for the 2014 Supporting Statement is \$407,796. Based on conversations with management, the number of full time staff attorneys was reduced from ten to five, the engineering staff was reduced from two to one and an administrative support staff support position was added to account for processing applications and preparing public notices associated with the applications and notifications filed by respondents.

Other Adjustments: The Commission is also revising the burden estimates associated with certain petitions for declaratory ruling that are filed with the Commission pursuant to section 310(b)(4) of the Communications Act of 1934 (the “Act”), as amended, 47 U.S.C. § 310(b)(4), to account for them more accurately with this submission to OMB. On April 18, 2013, the Commission adopted final rules in IB Docket No. 11-133 which, among other things, modified the policies and procedures for Commission review of foreign investment in common carrier and certain aeronautical radio station licensees under section 310(b)(4) of the Act. *Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act, as Amended*, Second Report and Order, FCC 13-50, 28 FCC Rcd 5741 (2013). OMB approved the information collection associated with the

¹² The outside legal cost in the 2013 statement for all rules and requirements in the 2013 collection, other than Sections 63.18(k) and 63.11(g)(2), is \$2,868,000 (4,780 Responses (50% of 9,560) x \$300/burden hour x 2 average burden hours/response). The application fee cost in the 2013 statement is \$546,190. Thus, the total annual cost burden for all rules and requirements in the 2013 collection, other than Sections 63.18(k) and 63.11(g)(2), is \$3,414,190 (\$2,868,000 + \$546,190 = \$3,414,190).

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final rules in IB Docket No. 11-133 under OMB Control Number 3060-1163. The final rules and associated information collection in OMB Control Number 3060-1163 apply only to section 310(b) petitions for declaratory ruling filed on or after the effective date of the rules (August 9, 2013). Licensees that received a foreign ownership ruling prior to August 9, 2013, continue to be subject to the Commission's foreign ownership policies and procedures within the parameters of their particular rulings, unless and until they obtain a new ruling under the new rules (should they desire to do so). The burdens associated with obtaining a new ruling are included in OMB Control Number 3060-1163. That information collection does not replace the collection for section 310(b) contained in OMB Control Number 3060-0686. Unless and until a licensee obtains a new ruling under the new rules, the burdens associated with the licensee's on-going compliance with its pre-August 9, 2014, ruling will continue to be covered by OMB Control No. 3060-0686. The Commission requests OMB approval, however, for a non-substantive change to this collection to update licensees' hour and cost burdens of complying with Section 310(b)(4) rulings issued prior to August 9, 2014. The revised annual hour and cost burdens associated with these rulings are included in the adjustments to this information collection.

Program changes: This section addresses changes to the collection of information under OMB Control Number 3060-0686 as a result of a Commission order that eliminated the effective competitive opportunities (ECO Test) from, and revised, sections 63.11(g)(2) and 63.18(k) of the Commission's rules that apply to section 214 applications and foreign carrier affiliation notifications filed by foreign carriers or certain of their affiliates from non-WTO countries. Specifically, we address in this section the changes to information collection requirements for rule sections 63.18(k) and 63.11(g)(2). The annual hour and cost burdens associated with these rule sections in the 2014 Supporting Statement are significantly lower than those reported in the 2013 Supporting Statement. IB staff that prepared this information collection relied on data contained in the IBFS database, and supplemented that data, when necessary, with conversations with IB staff that reviews filings under rule sections 63.18(k) and 63.11(g)(2), to ensure that accurate filing and cost support data is being used for purposes of the Paperwork Reduction Act.

Question 12 Hour Burden Changes for 63.18(k) and 63.11(g)(2): As explained below, the total annual hour burden reported in the 2013 Supporting Statement for sections 63.18(k) and 63.11(g)(2) is 2,112 hours and the total annual hour burden reported in the 2014 Statement for these rules is 16 hours, a decrease of **2,096** in total annual hour burden for these two rules. The number of respondents and the number of annual responses reported in Question 12 of the 2014 Supporting Statement for section 63.18(k) is **one**, and the respondent and annual response number for section 63.11(g)(2) is also **one**. This number is based on records in the IBFS database and confirmed by IB staff responsible for processing such filings. IB staff estimates that it will take an applicant/respondent approximately eight hours to prepare a response under section 63.18(k), and notification filers under 63.11(g)(2) will also require approximately eight hours to prepare their filings. Thus, the total annual hour burden for these two rules is 16 hours. We note here

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that the hour burden allocated to each applicant and notification filer does not include the hours allocated to the section 63.18 application itself.

By contrast, Question 12 of the 2013 Supporting Statement reports that the total number of respondents and responses for rule section 63.18(k) is 352, with an hourly burden estimated at 2 hours per response, for a total hour burden of 704 hours. For rule section 63.11(g)(2), the 2013 Supporting Statement, Question 12, listed 352 responses, with an hourly burden estimated at 4 hours per response, for a total hour burden of 1,408. Together, the total annual hour burden for these two rules in the 2013 Supporting Statement is 2,112 hours (704 + 1,408 = 2,112). Therefore, for section 63.18(k), the 2014 Supporting Statement, Question 12, reports 351 fewer annual responses and 696 fewer annual hours than the 2013 Supporting Statement. For section 63.11(g)(2), the 2014 Supporting Statement reports 351 fewer annual responses and 1,400 fewer annual hours than the 2013 Supporting Statement. The significant decrease in total annual hour burden (696 + 1,400 = **2,096**) is due to over counting of the number of responses for both rule sections. The response numbers in the 2013 Supporting Statement are unsubstantiated and not supported by data contained in FCC records.

Question 13 Cost Burden Changes for 63.18(k) and 63.11(g)(2): As explained below, the total annual cost burden reported in the 2013 Supporting Statement for sections 63.18(k) and 63.11(g)(2) is \$211,200 and the total annual cost burden reported in the 2014 Statement for these rules is \$1,200, a decrease of **\$210,000** in total annual cost burden for these two rules.

In the 2014 Supporting Statement, the annual cost burden to the respondent in preparing a response under revised section 63.18(k) is the cost of outside legal assistance, which is \$600 per application (.5 (50% of 1 response) x 4 average hrs./response x \$300 per hour).¹³ The application fee is not included as part of the calculation of the annual cost burden because the applicant has already remitted that fee to the Commission as part of the section 214 application filing. A response under section 63.18(k) of the Commission's rules is, as explained above in the adjustment section, a non-routine filing, and therefore counted as a separate response. However, the underlying respondent/applicant has already remitted an application fee for the section 214 application, of which 63.18(k) is a part. The estimated annual cost burden to the respondent for filing a notification under revised section 63.11(g)(2) is also \$600 because the response number for that rule section is the same as that for section 63.18(k). Thus, the annual cost burden for these two rules is an aggregate \$1,200 (\$600 x 2).

The total annual cost burden reported in the 2013 Supporting Statement to the respondent for filing an application requiring a 63.18(k) showing is \$105,600,¹⁴ and the total annual burden cost

¹³ The 4 hour burden per response represents the average burden per response for the 2014 Supporting Statement.

¹⁴ The estimated annual cost burden to the respondent in the 2013 Statement for 63.18(k) applications is outside legal assistance calculated by multiplying 50% of the number of responses by the time and hourly rate per response

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to the respondent for filing a notification pursuant to section 63.11(g)(2) is also \$105,600,¹⁵ since, for calculation purposes, the number of reported responses for each rule section in the chart to Question 12 was 352 responses. Thus, the total annual cost burden for these two rules in the 2013 Supporting Statement is \$211,200 (\$105,600 x 2).

The significant cost difference between the 2013 and 2014 Supporting Statements (\$211,200 – \$1,200 = **\$210,000**) is due to the significant difference in the number of responses reported in those statements. The combined number of responses reported in the 2013 Supporting Statement for both rule sections is 704 while the combined number of responses reported in the 2014 Supporting Statement is two. As discussed above, IB staff that prepared the 2014 Supporting Statement relied on data contained in the IBFS database, and supplemented that data, when necessary, with conversations with IB staff responsible for reviewing and processing filings for rule sections contained in the Question 12 chart to ensure that accurate filing and cost support data is being used for purposes of the Paperwork Reduction Act. As explained above, it is not clear how the response numbers reported in the 2013 Statement were derived.

The Commission considers the significant changes in the 2014 Supporting Statement to be a one-time adjustment, with future supporting statements that more accurately reflect annualized costs based on creditable supporting data. While the Commission cannot project exactly how many foreign carriers, or affiliates of foreign carriers from non-WTO Member countries, may in the future seek entry into the U.S. telecommunications market, there is nothing in the record to suggest that there will be significantly more than one filing per year. Moreover, under the Commission's modified rules, if additional information is required to be collected from an applicant, the Commission will take steps, if necessary, to modify this supporting statement to reflect either an increase or decrease in burden hours and costs that apply to respondents and Commission staff.

16. The Commission does not plan to publish the information for statistical use.
17. No waiver of the OMB expiration date is necessary.
18. There are no exceptions to the certification statement.

((176 (50% of 352 responses) x 2 hr. average/response x \$300/hr. = \$105,600). See Supporting Statement, OMB Control No. 3060-0686, November, 2013.

¹⁵ The estimated annual cost burden to the respondent in the 2013 Statement for 63.11(g)(2) notification filings is calculated by multiplying 50% of the number of responses by the time and hourly rate per response ((176 (50% of 352 responses) x 2 hr. average/response x \$300/hr. = \$105,600). See Supporting Statement, OMB Control No. 3060-0686, November, 2013.

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B. Collections of Information Employing Statistical Methods:

This information collection does not employ statistical sampling.