

## SUPPORTING STATEMENT

This submission is being made to the Office of Management and Budget (OMB) for approval pursuant to 44 U.S.C. 3507 of the Paperwork Reduction Act of 1995 to extend this existing collection.

### **A. Justification:**

1. In the Report and Order issued in CC Docket No. 96-187, adopted and released in January 1997, the Commission adopted measures to implement the specific streamlining tariff requirements for local exchange carriers (LECs) pursuant to the Telecommunications Act of 1996 (1996 Act or Communications Act). The Commission requires the following information be collected from LECs eligible for streamlined regulation:

a. Electronic filing requirement: The 1996 Act provides that LECs may file tariffs on seven and fifteen days' notice (47 U.S.C. § 204(a)). The Commission implemented a program for the electronic filing of tariffs that will require local exchange carriers to file tariffs and file documents in tariff proceedings by means of the Electronic Tariff Filing System (ETFS) as well. Requirements for the ETFS system were articulated in an Order released by the Bureau May 28, 1998 (DA 98-914).

b. Requirement that carriers desiring tariffs proposing rate decreases to be effective in seven days file separate transmittals: The 1996 Act provides that LEC tariffs seeking rate increases shall be effective in fifteen days and LEC tariffs seeking rate decreases shall be effective in seven days. The 15 day notice period applies to transmittals that contain both rate increases and decreases. Carriers wishing to take advantage of the seven day notice period must file rate decreases in separate transmittals. This will permit all of the carriers' rate changes to receive streamlined treatment. Carriers filing a rate decrease have the opportunity to file in the shorter seven-day notice period by transmitting rate decreases in a separate filing. Any other tariff filed pursuant to section 204(a)(3) of the Communications Act, including those that propose a rate increase or any change in terms and conditions of service other than a rate charge, shall be filed on 15 days' notice.

c. Requirement that carriers identify transmittals filed pursuant to the streamlined provisions of the 1996 Act: Because of the short notice periods, the Commission adopted the requirement that carriers specifically identify transmittals filed pursuant to Section 204(a)(3), including whether the transmittals contain rate increases, rate decreases or both. The Commission requires that LECs display prominently in the upper right hand corner of the tariff transmittal letters a statement indicating that the tariff filing contains a proposed rate increase, decrease or both. This requirement will result in minimal inconvenience to the LECs while allowing the Commission and public to identify quickly whether the tariff is eligible for streamlined treatment and the notice period to be applied to the filing. Without such a statement, we will treat transmittals as filed outside of section 204(a)(3), i.e., not on a streamlined basis.

d. Requirement that price cap LECs file their Tariff Review Plans (TRPs) prior to filing their annual access tariffs: Under existing Commission rules, LECs are required to submit revisions to their annual access tariffs on 90 days' notice to be effective on July 1. Because these revisions are eligible for streamlined treatment, we require carriers subject to price cap regulation to file a TRP which will facilitate review of the annual access filings within the streamlined notice periods by resolving most

of the major issues currently raised with the annual access proceedings. We also find that this requirement will not impose an unnecessary burden on the LECs because they are currently required to file TRPs at the time they file their annual access tariffs in order to comply with the cost support requirements of our rules.

e. Petitions and Replies: Petitions against LEC tariff transmittals will be filed as currently specified in Section 1.773(a) and replies will be filed as currently specified in Section 1.773(b) of the Commission's rules. These rules require petitions against a tariff filing made on seven days' notice to be filed within three calendar days after the date of the filing. Replies to such petitions must be filed and served within two calendar days after the date the petition is filed with the Commission. Petitions against a tariff filing made on at least 15 days' notice shall be filed and served within seven calendar days after the date of filing. Replies to such petitions shall be filed and served within four days after service of the petition. All tariffs and associated documents filed on 15 days' notice or less must include, among other things, the facsimile number of the individual designated by the filing carrier to receive personal or facsimile service of petitions. Petitions and replies in connection with such tariff filings shall be served by hand or facsimile.

f. Standard Protective Orders: In the Report and Order, the Commission issued a standard protective order for use in review of LEC tariff filings submitted pursuant to section 204(a)(3). Reviewing parties must keep a written record of all copies made and to provide this record to the Submitting Party upon reasonable request.

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

Statutory authority for this collection of information is contained in Sections 1, 4(i) and 204(a)(3) of the Communications Act of 1934, as amended 47 U.S.C. §§ 151, 154(i) and 204(a)(3).

2. The information collected via electronic filing will facilitate access to tariff and associated documents by the public, especially by interested persons or entities who do not have ready access to the Commission's public reference center, and state and federal regulators. Electronic access to carrier tariffs should also facilitate the compilation of aggregate data for industry analysis purposes without imposing new reporting requirements on carriers. Carriers desiring tariffs proposing rate decreases to be effective in seven days must file a separate transmittal. This requirement will ensure that a tariff filing proposing a rate decrease is given the shortest notice period possible under the 1996 Act. The Commission also adopted the requirement that carriers identify transmittals filed pursuant to the streamlining provisions of the 1996 Act. All of the requirements help to ensure that local exchange carriers comply with their obligations under the Communications Act and that the Commission is able to ensure compliance within the streamlined timeframes established by the 1996 Act.

3. The Commission determined in the Report and Order that a program for the electronic filing of tariff transmittals and associated documents will facilitate the tariff review process. It delegated authority to the Chief, Wireline Competition Bureau to develop the specifics for the program. A program for electronic filing affords filing carriers and interested parties instant notification of and access to tariffs. The Commission found that requiring the electronic filing of tariffs and associated documents will facilitate the tariff review process under the shortened tariff review period.

4. There is no known duplication of effort. Also, there is no known information, already available, that would serve our regulatory purpose. Each of the information collection requirements adopted in the Report and Order will result in either information being filed electronically rather than on paper, or that information, such as the TRP reports, being filed on a different date than previously

required, or in a different format, such as the separate filing of tariffs containing only a proposed rate decrease. The requirement that carriers include a statement in the tariff transmittal letter indicating whether the tariff is being filed on a streamlined basis will not duplicate information contained in the transmittal. The requirement that carriers maintain records pertaining to protective orders is not a duplication of information.

5. The collection of information will affect large and small entities. We have considered the alternative of not requiring the LECs to submit the information noted above. We believe, however, that these requirements would not impose a significant burden on carriers and the minimal burden resulting from these proposals is outweighed by the Commission's need to fulfill its statutory duties.

6. Failing to collect the information, or collecting it less frequently, would make it difficult for the Commission to assure that the rates, terms, and conditions of service are just and reasonable under Section 201(b) of the Act, and not unreasonably discriminatory under Section 202(a) the Act. 47 U.S.C. §§ 201-203.

7. The collections are not being conducted in any manner inconsistent with the guidelines of 5 C.F.R. § 1320.5(d)(1).

8. A 60-day notice was published in the Federal Register pursuant to 5 C.F.R. § 1320.8 soliciting public comments on May 28, 2015 (80 FR 30457). No PRA comments were received as a result of the notice.

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

10. The Commission is not requesting respondents to submit confidential information with tariffs eligible for streamlined regulation. If the Commission requests respondents to submit information which the respondents believe is confidential, respondents may request confidential treatment of such information under Section 0.459 of the Commission's rules. In the case where such requests are made in the course of a tariff filing that is eligible for streamlined treatment, the Commission will routinely impose a standard protective order. A standard protective order to be used in streamlined tariff proceedings is attached to the Report and Order. These protective orders are necessary because the Commission would be unable to resolve within the seven or 15 day notice period the controversy that arises when a carrier requests confidential treatment of cost data filed with tariff transmittals. A party can file a Freedom of Information Act (FOIA) request to gain access to the documents if the notice period does not afford the Commission adequate time to fully resolve these requests.

11. The information is not of a sensitive nature. Carriers submitting information that they deem proprietary are instructed to label the information as such and submit it separately.

12. The following represents the estimated hour burden of the information collection:

a. **Reporting Requirement** (Electronic filing requirement):

(1) Number of respondents: Approximately 50.

(2) Frequency of response: Approximately 15. This obligation would occur any time a LEC files a tariff document.

(3) Total number of responses annually: Approximately 750.

Approximately 50 respondents x approximately 15 responses per respondent per year = 750 responses annually.

(4) Annual hour burden per respondent: 5 hours per respondent.

(5) Total annual estimated burden: **3,750 hours**.

The Commission estimates that approximately 50 LECs will file 750 filings electronically. We estimate that it will take approximately five hours each time a LEC is required to file electronically.

Approximately 50 respondents annually x 5 hours/response x approximately 15 responses/respondent = 3,750 hours

(6) Total estimate of “in-house” cost to respondents: \$100,000

(7) Explanation of calculation:

The Commission estimates that approximately 50 LECs will file 750 filings electronically. We estimate that it would take approximately five hours any time a LEC is required to file electronically.

The Commission estimates that the average in-house cost for respondents is approximately \$80 an hour.

750 (number of filings) x 5 (hours per filing) x \$80 per hour = \$300,000.

b. **Reporting Requirement** (Requirement that carriers desiring tariffs proposing rate decreases to be effective in seven days file separate transmittals):

(1) Number of respondents: Approximately 10.

(2) Frequency of response: On occasion reporting requirement. LECs rarely file just a decrease in rates.

(3) Total number of responses annually: Approximately 10.

(4) Annual hour burden per respondent: 5 hours.

(5) Total annual estimated burden: **50 hours**.

Approximately 10 respondents x approximately 1 response per respondent per year x 5 hours per response = 50 hours.

(6) Total estimate of “in-house” cost to respondents: \$3,200.

(7) Explanation of calculation:

We estimate that approximately 10 LECs will be required to file separate transmittals to ensure that rate decreases became effective in seven days. We estimate that it would take

approximately five hours any time a LEC files a tariff that complies with this requirement.

10 LECs (number of respondents) x 1 (number of annual notifications) x 5 (hours per filing) x \$ 80 per hour = \$4,000.

c. **Reporting Requirement** (Requirement that carriers identify transmittals filed pursuant to the streamlined provisions of the 1996 Act):

- (1) Number of respondents: Approximately 50.
- (2) Frequency of response: On occasion reporting requirement. This obligation will occur any time an ILEC files a tariff pursuant to section 204(a)(3).
- (3) Total number of responses annually: 750 (coincides with the electronic filing requirement in subsection 12(a)).
- (4) Annual hour burden per respondent: .25 hours per respondent.
- (5) Total annual estimated burden: **188 hours**.

Approximately 50 respondents file an estimated 15 responses per year that must be identified pursuant to this requirement. The Commission estimates that adding the identification to these filings will take approximately .25 hours (15 minutes) per response.

50 respondents x 15 responses annually x .25 hours per response = 187.5 hours rounded up to 188 hours.

- (6) Total estimate of “in-house” cost to respondents: \$15,000.

- (7) Explanation of calculation:

We estimate that 50 LECs are required to file electronically and that each may file an estimated 15 responses per year that must be identified pursuant to this requirement and it will take .25 hours (15 minutes) per filing to comply with this requirement.

750 (estimated number of filings) x .25 (hours per filing) x \$80 per hour = \$15,000.

d. **Reporting Requirement** (Requirement that price cap LECs file their Tariff Review Plans prior to filing their annual access tariffs):

The Tariff Review Plan (TRP) filing requirement was modified by the Report and Order and that is why it is mentioned in this information collection. However, the TRP filing requirement is the subject of a separate OMB information collection. See OMB control number 3060-0400. As such, for purposes of this information collection requirement 12(d) has zero burden hours.

e. **Reporting Requirement** (Filing Petitions and Replies Electronically):

- (1) Number of respondents: Approximately 10 (5 petitioners and 5 carriers filing replies).

(2) Frequency of response: On occasion reporting requirement.

(3) Total number of responses annually: Approximately 10.

(4) Annual hour burden per respondent: 5 hours.

(5) Total annual estimated burden: **50 hours**.

Approximately 10 respondents x approximately 1 response per respondent per year x 5 hours per response = 50 hours.

(6) Total estimate of “in-house” cost to respondents: \$4,800.

(7) Explanation of calculation:

We estimate that approximately 10 respondents will file petitions and replies on tariffs filed. We estimate that it will take approximately 5 hours to comply with the requirement.

10 respondents x 1 (number of annual filings) x 5 (hours per filing) x \$80 per hour = \$4,000.

f. **Third Party Disclosure Requirement (Filing Petitions and Replies Electronically)**:

(1) Number of respondents: Approximately 10 (5 petitioners and 5 carriers filing replies).

(2) Frequency of response: Third party disclosure requirement.

(3) Total number of responses annually: Approximately 10.

(4) Annual hour burden per respondent: 1 hour.

(5) Total annual estimated burden: **10 hours**.

Approximately 10 respondents x approximately 1 response per respondent per year x 1 hours per response = 10 hours.

(6) Total estimate of “in-house” cost to respondents: \$800.

(7) Explanation of calculation:

We estimate that approximately 10 respondents will file petitions and replies on tariffs filed that will then need to be served by hand or facsimile to the individual designated by the carrier. We estimate that it will take approximately 1 hour to comply with the third party disclosure requirement.

10 respondents x 1 (number of filings) x 1 (hour per filing) x \$80 per hour = \$800.

g. **Recordkeeping Requirement (Standard Protective Order)**:

(1) Number of respondents: Approximately 3.

(2) Frequency of response: On occasion recordkeeping requirement.

(3) Total number of responses annually: Approximately 3.

(4) Annual hour burden per respondent: 1 hour.

(5) Total annual estimated burden: **3 hours**.

Approximately 3 respondents x approximately 1 response per respondent per year x 3 hours per response = 3 hours.

(6) Total estimate of “in- house” cost to respondents: \$240.

(7) Explanation of calculation:

We estimate that approximately 3 respondents will file electronically. We believe that the recordkeeping will be conducted in the normal course of business and therefore estimate that it would take approximately 1 hour to comply with the requirement.

3 respondents x 1 (hour for compliance) x \$80 per hour = \$240.

**h. Reporting Requirement (Standard Protective Order):**

(1) Number of respondents: Approximately 3.

(2) Frequency of response: On occasion reporting requirement.

(3) Total number of responses annually: Approximately 3.

(4) Annual hour burden per respondent: 1 hour.

(5) Total annual estimated burden: **3 hours**.

Approximately 3 respondents x approximately 1 response per respondent per year x 1 hours per response = 3 hours.

(6) Total estimate of “in-house” cost to respondents: \$240.

(7) Explanation of calculation:

We estimate that approximately 3 respondents will file electronically. We estimate that it would take approximately 1 hour to comply with the requirement.

3 respondents x 1 (hour for compliance) x \$80 per hour = \$240.

**Total number of Responses (items a through h): 750 + 10 + 750 + 10 + 10 + 3 + 3 = 1,536 total annual responses.**

**Summary of Burden Hour Estimates:**

	<b>Hours:</b>
(a) Reporting Requirement (Electronic filing requirement)	3,750
(b) Reporting Requirement (Requirement that carriers desiring tariffs)	50

	proposing rate decreases to be effective in seven days file separate transmittals)	
(c)	Reporting Requirement (Requirement that carriers identify transmittals filed pursuant to the streamlined provisions of the 1996 Act)	188
(d)	Reporting Requirement (Requirement that price cap LECs file their Tariff Review Plans prior to filing their annual access tariffs)	0
(e)	Reporting Requirement (Filing Petitions and Replies Electronically)	50
(f)	Third Party Disclosure Requirement (Filing Petitions and Replies Electronically)	10
(g)	Recordkeeping Requirement (Standard Protective Order)	3
(h)	Reporting Requirement (Standard Protective Order)	<u>3</u>
		<b>4,054</b>

**Total Annual Burden Hours = 4,054 hours.**

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

a. For the purposes of filing tariffs electronically, LECs may want to invest in a stand-alone personal computer and modem. We estimate that the LECs' capital expenditures for a dedicated personal computer and modem would be approximately \$3,000 (annualized at \$600 for 5 years). Thus, the total cost for new equipment is estimated at **\$39,000** (\$3,000 x 13<sup>1</sup>). Thus, this figure annualized over a five year period is **\$7,800** per year. Therefore, the annualized capital/startup cost is **\$7,800**.

b. We estimate that annual operation and maintenance fees for the additional personal computer and modem would be approximately \$500 per respondent. \$500 (computers) x 13 carriers = \$6,500. Carriers filing tariffs are subject to the Commission's filing fees of \$845 per filing. Thus, total annual operation and maintenance. 750 (number of filings) x \$910 (filing fee) = **\$682,500**.

**Total annualized operation and maintenance cost is = \$6,500 + \$682,500 = \$689,000.**

14. Except for the electronic filing requirements for LEC tariffs, there will be few if any additional costs to the Commission. The information collection requirements will result in a savings of Commission resources that are currently used to review LEC tariff filings. The following represent the Commission's estimates of the annual costs to the federal government as a result of the requirements:

a. Electronic filing requirement: Annual maintenance costs will be approximately \$50,000. The Commission anticipates that the electronic filing program will result in a savings of staff time and Commission costs because it will provide the staff with instant access to all tariffs and related documents.

b. Requirement that carriers desiring tariffs proposing rate decreases to be effective in seven days must be filed in separate transmittals: No additional costs anticipated.

c. Requirement that carriers identify transmittals filed pursuant to the streamlined provisions of the 1996 Act: No additional costs anticipated.

d. Requirement that price cap carriers file their tariff review plans prior to filing their annual access tariffs: No additional costs anticipated.

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<sup>1</sup> The Commission estimates that most LECs wishing to invest in a stand-alone personal computer and modem have already done so. Based on currently-available information, we estimate that approximately one quarter of LECs, (i.e., 13 LECs) have not yet invested in a stand-alone personal computer and modem.

e. Petitions and Replies: No additional costs anticipated.

f. Standard Protective Order Recordkeeping Requirement: No additional costs anticipated.

g. Standard Protective Order Reporting Requirement: No additional costs anticipated.

15. The Commission notes the following adjustments since the last submission to OMB:

a. The total annualized capital/start-up costs have decreased from \$150,000 to \$7,800 (-\$142,200) because most LECs have already purchased a personal computer and modem in order to fulfill the electronic filing requirement.

b. The operation and maintenance fees for the additional personal computer and modem decreased from \$25,000 to \$6,500 (-\$18,500). Also, the carriers' tariff filing fees increased from \$845 to \$910. Therefore, these fees increased from \$633,750 to \$682,500 (+\$48,750). Therefore, the total annual operating and maintenance (O&M) cost increased by \$30,250 after oversetting the decrease for operating and maintaining the additional computers and modem.

c. Therefore, the total annualized costs have decreased from \$808,750 to \$696,800 (-\$111,950).

16. The Commission does not anticipate that it will publish any of the information proposed to be collected.

17. The Commission does not intend to seek approval not to display the expiration date for OMB approval of the information collection.

18. When the 60 Day Notice was published in the Federal Register on May 28, 2015 (80 FR 30457), the Commission inadvertently stated that total annual costs as \$728,000. The total annual costs are \$696,800 and are reflected in this supporting statement. There are no other exceptions to the certification statement.

**B. Collection of Information Employing Statistical Methods:**

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