

## SUPPORTING STATEMENT

### A. Justification:

1. In the 1999 *Fifth Report and Order (Pricing Flexibility Order)* of the *Access Charge Reform* proceeding,<sup>1</sup> the Commission modified its rules to eliminate the public interest showing previously required by section 69.4(g) of the Commission's rules and to enable price cap LECs to establish new access rate elements, in addition to the access rate elements currently required by section 69.4.<sup>2</sup>

The Commission eliminated the new services test in sections 61.49(f) and (g)<sup>3</sup> for all new access services *except* for loop-based access services.<sup>4</sup>

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

Statutory authority for this information collection is contained in sections 1, 4(i), 4(j), 201-205, 303(r), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 154(j), 201-205, 303(r), and 403.

2. The information submitted by price cap LECs will enable the Commission to determine whether the proposed rates for new loop-based access services are in the public interest and whether they meet the new services test.

3. The Commission permits and encourages carriers to file the information electronically.

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 this collection.

6. Failing to collect the information would violate the intent of the 1996 Act: to ensure that access to the evolving, advanced telecommunications infrastructure would be made broadly available in all regions of the nation at just, reasonable and efficient rates.

7. We are not aware of any circumstances that require the collection to be conducted in any manner

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<sup>1</sup> See *Access Charge Reform*, CC Docket No. 96-262 *et al.*; *Price Cap Performance Review*, CC Docket No. 94-1; *Fifth Report and Order and Notice of Proposed Rulemaking*, 14 FCC Rcd 14221 (1999) (FCC 99-206) (*Pricing Flexibility Order*), *aff'd*, *WorldCom v. FCC*, 238 F.3d 449 (D.C. Cir. 2001).

<sup>2</sup> See *Pricing Flexibility Order*, 14 FCC Rcd at 14240-41, para. 39.

<sup>3</sup> 47 C.F.R. §§61.49(f) and (g). Pursuant to these sections, a price cap LEC must show how its new service rates will recover no more than the carrier's direct costs of providing the service, plus a reasonable level of overheads, and no less than the carrier's direct costs of providing the service.

<sup>4</sup> *Pricing Flexibility Order*, 14 FCC Rcd at 14240-41, para. 39.

inconsistent with the guidelines in 5 C.F.R. § 1320.5.

8. The Commission published a 60-day Notice in the *Federal Register* on June 21, 2017, (82 FR 28319) seeking comments from the public. No comments were received as a result of the Notice.
9. The Commission does not anticipate providing 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 to be withheld from public inspection under section 0.459 of the Commission's rules (47 C.F.R. § 0.459).
11. There are no questions of a sensitive nature with respect to the information collected.
12. The following represents the estimated hour burden of the information collection.

- (1) Number of respondents: 13.
- (2) Frequency of response: On occasion reporting requirement.
- (3) Total number of responses annually: 13.  
13 respondents x 1 response each per year = 13 responses.
- (4) Annual hour burden per respondent: 10 hours.
- (5) Total annual burden: **130 hours**.

The Commission estimates that price cap LECs would make 1 filing per year, each of which would take approximately 10 hours to prepare.

13 respondents x 1 filing/year x 10 hours = 130 hours.

- (6) Total estimate of "in-house" cost to respondents: **\$5,627.70**.
- (7) Explanation of the calculation:

The Commission estimates that the respondents will use personnel comparable in pay to a GS-12/Step 5 employee, earning \$43.29 per hour. Thus:

130 hours/year x \$43.29 / hour = \$5,627.70.

13. The following represents the Commission's estimate of the annual cost burden to respondents or recordkeepers resulting from the information collection:
  - (a) These information collection requirements impose no start-up costs on respondents.
  - (b) Estimated operations and maintenance cost to respondents:

Respondents are subject to a filing fee of \$925 per filing, which has increased from \$845 per filing since the last submission was approved by OMB. We anticipate that approximately 13 respondents will be subject to the filing requirement. Thus:

13 responses x 1 annual response x \$925 filing fee = **\$12,025.**

14. Estimated costs to the Commission: **\$2,251.08.**

We estimate that it will take a Grade 12/Step 5 employee earning \$43.29 /hour four hours to review each filing.

13 filings per year x 4 hours per filing x \$43.29 per hour = \$2,251.08.

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

(a) The Commission has increased the tariff filing fee from \$845 to \$925, thus increasing the total annual cost from 10,895 to \$12,025, an increase of \$1,130.

(b) There are no program changes.

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 the information collection.

18. There are no exceptions to the Certification Statement.

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

This collection does not employ statistical methods.