

This submission is being made pursuant to 44 U.S.C. § 3507 of the Paperwork Reduction Act of 1995. The Commission is seeking to **extend** this currently-approved information collection from the Office of Management and Budget (OMB) while proposals to revise this information collection are pending before the Commission.

SUPPORTING STATEMENT

A. Justification:

On February 7, 2013, the Commission released a *Notice of Proposed Rulemaking (Rural Call Completion NPRM)*, In the Matter of Rural Call Completion, WC-Docket 13-39, FCC 13-18. The information collection requirements in the NPRM received OMB pre-approval on June 18, 2013.

On November 8, 2013, the Commission released a *Report and Order and Further Notice of Proposed Rulemaking (Rural Call Completion Order or Order)*, In the Matter of Rural Call Completion, WC Docket No. 13-39, FCC 13-135. The information collection requirements in the *Order* received OMB approval on June 3, 2014.

On November 13, 2014, the Commission released the *Rural Call Completion Reconsideration Order (Reconsideration Order)*, WC Docket No. 13-39, FCC 14-175, which made minor modifications to this information collection. The information collection requirements in the *Reconsideration Order* received OMB approval on January 29, 2015.

On June 22, 2017, the Wireline Competition Bureau released a *Report (Data Report)*, In the Matter of Rural Call Completion, WC Docket No. 13-39, DA 17-595, analyzing the data collected in the first eight sets of quarterly reports (covering the period from April 2015 to March 2017) filed by providers pursuant to this information collection. The Bureau cautions that its confidence in the reliability of the data collected is fairly low due to several issues which limit the utility and effectiveness of the data collection.¹ The *Data Report* finds that, as a result of these data quality issues, the Commission is generally unable to use the data to reliably identify rural areas potentially experiencing call completion problems.² The data quality issues have also hindered the Commission's ability to use the data as the sole basis for initiating enforcement actions against covered providers.³

On July 14, 2017, the Commission released a *Second Further Notice of Proposed Rulemaking (Second FNPRM)* seeking comment on proposals to revise the rural call completion rules to better address ongoing problems with the completion of long-distance telephone calls to rural areas. The proposed changes are intended to make the rules more effective and less burdensome than those currently in place.

OMB approval of the current information collection will expire on January 31, 2018. Under the current rules, providers are obligated to compile data and file quarterly reports with the Commission. It is likely that one or more quarterly reports will come due before the Commission

¹ See *Data Report* at 15-16, paras. 33-35.

² See *id.* at 16-17, para. 38.

³ See *id.*

takes further action on the pending *Second FNPRM*, but after the expiration of the existing OMB approval.

The Commission believes that rural call completion is a continuing problem and that continued Commission focus on the issue is warranted. Given the approaching deadline to renew OMB approval for this information collection, and the fact that the rules underlying this information collection are still in effect and will remain so while the *Second FNPRM* on this matter is pending, we request an extension of the current information collection requirements contained in this collection. We expect that the Commission's proposals will be resolved within that time frame, at which point the Commission would seek any necessary modification to the current collection.

1. Existing Information Collection Requirements:

In the *Rural Call Completion Order*, the following information collection requirements were adopted as proposed and are listed as follows:

- (a) The *Order* required facilities-based originating long distance providers to retain certain records detailing call completion performance to rural and nonrural areas for a period encompassing the most recent six months.
- (b) The *Order* permits the Commission to monitor compliance with sections 201 and 202, and with the longstanding prohibition against carriers blocking, choking, reducing, or restricting particular types of calls,⁴ which required facilities-based originating long distance providers to collect and file certain call-completion data with the Commission.
- (c) The *Order* required only those originating long-distance providers and other covered providers with more than 100,000 retail long-distance subscribers (business or residential) to retain, collect and file basic information on call attempts and to periodically report the summary analysis of that information to the Commission.
- (d) The information collection requirement reduced a covered provider's record retention obligations to three months and eliminated its reporting obligations if it certifies annually that for each of the preceding 12 months: (1) its average call answer rate for all rural carriers to which the provider attempted more than 100 calls in a month was no more than 2 percent less than the average call answer rate for all calls it placed to non-rural carriers in the same month; (2) the call answer rates for 95 percent of those rural carriers to which it attempted more than 100 calls were no more than 3 percent below the average rural call answer rate; and (3) it has a process in place to investigate its performance in completing calls to individual rural telephone companies for which the call answer rate is more than 3 percent below the average of the rural call answer rate for all rural telephone companies to which it attempted more than 100 calls.
- (e) The *Order* also required carriers to file the data in a Microsoft Excel workbook file containing a worksheet designed to minimize the burden on the carriers.

⁴ See, e.g., *Developing a Unified Intercarrier Compensation Regime, Establishing Just and Reasonable Rates for Local Exchange Carriers*, CC Docket No. 01-92, WC Docket No. 07-135, Declaratory Ruling, 27 FCC Rcd 1351 (2012); *Access Charge Reform*, CC Docket No. 96-262, FCC 01-146, Seventeenth Report and Order and Further Notice of Proposed Rulemaking, 16 FCC Rcd 9923, 9932-33, para. 24 (2001); *Blocking Interstate Traffic in Iowa*, FCC 87-51, Memorandum Opinion and Order, 2 FCC Rcd 2692 (1987).

Current Information Collection Requirements:

In the *Rural Call Completion Order*, the Commission requires “covered providers” to record, retain and report call completion data.⁵ Covered providers are providers of long-distance service that make the initial long-distance call path choice for more than 100,000 domestic retail subscriber lines (in the previous submission covered providers were defined as “facilities based” providers, and “subscribers” were used instead of “subscriber lines”). These providers generally must collect call completion data, retain such data for six months, and file quarterly reports with the Commission. A “safe harbor” is provided for certain providers, which limits data retention for those providers to three months. The *Order* affords covered providers the option to report separately on calls originated by automated telephone dialing systems. The *Order* requires VoIP providers servicing calls from the Internet to the PSTN, to comply with rules as revised on reconsideration in the *Order*.⁶ The *Order* also requires covered providers to use lists of rural and nonrural Operating Company Numbers (OCNs) published by the National Exchange Carrier Association (NECA).

The *Rural Call Completion Order* requires certain providers to file a one-time letter in the docket explaining that they do not make the initial long-distance call path choice and to identify the long-distance provider or providers to which they hand off their end-user customers’ calls. A provider with over 100,000 subscriber lines that is not recording, retaining and reporting because it is not making the initial long-distance call path choice but rather is reselling another providers long-distance service must file the name of the provider whose service is being resold.

The *Rural Call Completion Order* affords covered providers the option to report separately on calls originated by automated telephone dialing systems.

The *Rural Call Completion Order* requires covered providers to report the numbers of calls attempted and the number of calls answered, as well as the derived call answer rate, by each individual OCN. The previous collection required reporting only for rural OCN’s to which more than 100 calls were attempted. The *Order* requires covered providers to use lists of rural and nonrural OCNs published by the National Exchange Carrier Association (NECA).

The *Rural Call Completion Order* encourages rural incumbent local exchange carriers to report quarterly on the number of incoming long-distance call attempts received, the number answered on its network, and the call answer rate calculation for each of the previous three months. Finally, the *Order* requires additional information in the call detail record for categories of an unanswered call (i.e., whether the line was busy, the line rung but wasn’t answered, or the number dialed wasn’t in use).

The *Rural Call Completion Order* eliminated the requirement to retain and report data on long-distance calls to Competitive Local Exchange Carrier customers. The *Order* does not require covered providers to retain call data records for long-distance call attempts to nonrural ILECs.

Reconsideration Order

The Commission subsequently made minor modifications to this information collection on November 13, 2014, in the *Reconsideration Order*. In the *Reconsideration Order*, the Commission granted USTelecom/ITTA’s request that the reporting requirements exclude on-net intraLATA toll calls that are

⁵ *Rural Call Completion*, WC Docket No. 13-39, Report and Order and Further Notice of Proposed Rulemaking, 28 FCC Rcd 16154 (2013) (*Rural Call Completion Order* or *Order*).

⁶ *Id.*

not handed off to unrelated carriers and are delivered directly to the terminating local exchange carrier or to the tandem that it subtends. The Commission found that this traffic comprises a small portion of on-net traffic (traffic that is not handed off to unrelated carriers) in general, that other on-net traffic will provide an adequate benchmark for off-net performance, and that the cost of applying the rules to this particular subset of traffic outweigh the benefits.

Specifically, the *Reconsideration Order* decreases the reporting burden on providers by excluding IntraLATA phone calls from the retention of call attempt records in §§ 64.2103 and 64.2105:

Amended § 64.2103 Retention of Call Attempt Records

(e) IntraLATA toll calls carried entirely over the covered provider's network or handed off by the covered provider directly to the terminating local exchange carrier or directly to the tandem switch serving the terminating local exchange carrier's end office (terminating tandem), are excluded from these requirements.

Amended § 64.2105 Reporting Requirements:

(e) IntraLATA toll calls carried entirely over the covered provider's network or handed off by the covered provider directly to the terminating local exchange carrier or directly to the tandem switch that the terminating local exchange carrier's end office subtends (terminating tandem), are excluded from these requirements.

Statutory authority for this collection of information is contained in sections 201, 202, 217, 218, 220(a), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 201, 202, 217, 218, 220(a), 403.

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

2. The information collected through these data collections will be used by the Commission to determine whether long distance providers are complying with their sections 201 and 202 obligations to provide telephone service to both rural and nonrural customers on a just, reasonable, and nondiscriminatory basis.
3. Long-distance providers covered by the rules will file data each quarter in a Microsoft Excel workbook file containing worksheets designed to minimize the burden on the providers. The workbook template (FCC Form 480) will be downloadable from the FCC website. When populated with the required information collection by the covered provider, the workbook will be uploaded to the FCC website.
4. The requested data is not intended to duplicate data in other reports, and this data is not currently available in any other reports submitted to the Commission.
5. This collection of information impacts small businesses or other small entities. In addition to the previously noted application of some requirements only to providers with more than 100,000 retail long-distance subscribers, the Commission has taken the following steps to minimize the burden of compliance with these rules.
 - a) The *Rural Call Completion Order* provides a safe harbor which reduces reporting and retention obligations of covered providers certifying electronically on the WC Docket 13-39 that: by contract, they restrict directly connected intermediate providers to no more than one additional intermediate provider in the call path before the call reaches the terminating provider; any

nondisclosure agreement with an intermediate provider permits the originating provider to reveal the intermediate provider's identity to the Commission and to any rural carrier whose incoming long-distance traffic is affected by the intermediate provider's performance; and they have a process in place to monitor the performance of their intermediate providers in completing calls to individual rural telephone companies.⁷

- b) The *Rural Call Completion Order* encourages Rural Local Exchange Carriers (RLECs) that receive long-distance calls, to report quarterly the number of long-distance calls received and answered on their networks. Although most RLECs are small entities this reporting is entirely voluntary.
- c) The *Rural Call Completion Order* allows carriers to determine how they will define the requirements delineated in Appendix C.⁸ This flexibility will decrease the reporting burden on all providers.

7. There are no special circumstances that are associated with this information collection.

8. The Commission published a 60 Day Notice in the Federal Register on October 16, 2017 (82 FR 48079) as required by 5 CFR 1320.8(d). Only one comment was filed in response to the 60 Day Notice, by NTCA-The Rural Broadband Association.⁹ It supports extending the current information collection requirements until such time as the rules underlying this information collection are replaced or modified when the Commission addresses the *Second FNPRM*.¹⁰

9. The Commission does not anticipate providing any payment or gift to respondents with this collection of information.

10. Under the final rules adopted in the *Rural Call Completion Order*, providers subject to the reporting requirements may request Commission nondisclosure of data submitted, on the report at the time that the data is submitted. In addition, the Chief of the Wireline Competition Bureau will release information to a state upon request, if the state consents to maintain the confidentiality of this information.

11. This collection of information does not address any matters of a sensitive nature.

12. The following represents the estimated number of burden hours for the proposed recordkeeping and reporting requirements.

Number of respondents: 60.

The recordkeeping and reporting requirements as adopted apply to long-distance service providers and other covered providers that make the initial long distance call path choice for more than 100,000 retail long-distance subscribers lines. We estimate that approximately 60 such wireline, wireless and wholesale providers will be required to file an electronic report with the FCC. We also estimate that as many as five such providers may be eligible for a safe harbor provision with reduced retention and reporting burdens. However, for purposes

⁷ *Id.*

⁸ *Id.*

⁹ Paperwork Reduction Act Comments of NTCA – The Rural Broadband Association, OMB Control No. 3060-1186 (filed Dec. 15, 2017).

¹⁰ *Id.* at 2.

of this estimate, we conservatively assume that all 60 providers will incur the full retention and reporting requirements.

The *RCC Order* encourages Rural LECs to which long-distance calls are directed to report quarterly on the number of long-distance call attempts received and the number answered on their networks. None of the approximately 1,350 RLECs have voluntarily done so to date.

The estimated total number of respondents is 60 (60 mandatory + 0 voluntary = 60).

Frequency of response: **Quarterly reporting requirement.**

Total number of responses annually: **280.**

The total number of responses annually is comprised of the required quarterly reporting of an estimated 60 providers that are covered by the rules, and the voluntary quarterly reporting by 10 of those same providers segregating out their autodialer traffic. $((4/\text{yr} \times 60 \text{ responses}) + (4/\text{yr} \times 10 \text{ responses}) = 280 \text{ responses/yr})$.

Estimated time per response: **26 hours (per quarter).**¹¹

We note that the hourly burden on respondents may vary widely because of differences in size and organizational complexity of operating subsidiaries. For covered providers which are required to file reports using the Excel workbook, we now estimate the burden may range from 2 to 4 days per response, and we use 3 days (24 hours) as the average.

Some of these same covered providers may also select to voluntarily report separately on autodialer traffic. We estimate that at most 10 of the estimated 60 covered providers will do so, incurring an additional burden of 12 man-hours per response.

The time per response is estimated at 26 hours $((60 \times 24\text{hr}) + (10 \times 12\text{hr})) / (60) = 26\text{hrs})$.

Total Annual Hourly Burden:

$(4/\text{yr} \times 60 \times 24\text{hr}) + (4/\text{yr} \times 10 \times 12\text{hr}) = \mathbf{6,240 \text{ hours}}$ ¹²

The Commission estimates that for each of 4 quarterly filings approximately 60 long-distance provider respondents will require 24 hours of reporting time, with 10 of those respondents undertaking an additional 12 hours of reporting time.

Total estimate of “in-house” cost to respondents: **\$330,720.**

It is difficult to provide a sound estimate of respondents’ costs without conducting a survey. However, assuming that respondents use mid-level personnel comparable in pay to the

¹¹ This estimated time per response also includes the time needed to fulfill the recordkeeping requirements.

¹² The Commission made a conservative assumption that all providers with over 100,000 subscriber lines are already recording, retaining and reporting. Therefore, no providers would be required to file the one-time letter filing with the Commission. This supporting statement does not account for a burden for the letter filing because of this assumption.

Federal government, we estimate respondent's cost to be \$53 per hour:¹³ (6,240 hours x \$53/hr = \$330,720).

13. The following represents the estimated number of annual cost burden to respondents resulting from the proposed collection of information.

Total capital and start-up cost component (annualized): \$550,000/yr.

As a customary business practice, most long-distance service providers collect call data records with the specified information in a central repository to support business and network operations systems. It is also a customary practice to archive this information in a readily retrievable electronic form. However, we have found that some long-distance providers do not collect and retain information on failed call attempts that is necessary for segregating the percentage of calls failing to complete to rural areas from all calls being carried to all destinations. These providers may be required to add additional information to the call data records that they already collect. We estimate that one in four providers is likely to incur this start-up cost.

We note that the cost to add additional information to a call data record will vary widely among those providers that need to do so, based on the size of their networks and age of their equipment. We estimate that on average a provider that needs to add information to their existing call data record format will incur a one-time software development cost of \$200,000, and we estimate that one quarter of covered providers will be in this category. ($\frac{1}{4} \times 60 \times \$200,000 = \$3,000,000$).

We estimate that those 10 covered providers that choose to also segregate and report autodialer traffic will incur an additional \$50,000 startup cost. ($10 \times \$50,000 = \$500,000$).

In addition, all covered providers will incur a one-time start-up cost for automating the process of assembling the Excel Workbook worksheet report from their call data record repositories. The cost to initially automate the process of generating the electronic report will vary widely among providers, based on the capabilities of existing business operations application software. We estimate that on average each provider will incur a one-time report generation software application development cost of \$15,000; ($60 \times \$15,000 = \$900,000$).

The total start-up cost is estimated to be \$4,400,000; ($\$3,000,000 + \$500,000 + \$900,000 = \$4,400,000$). We proposed to sunset the reporting and retention rules at the end of transition for reforming intercarrier compensation, approximately eight years from now. Hence, we calculate the annualized startup cost to be \$550,000; ($\$4,400,000 / 8\text{yr} = \$550,000/\text{yr}$).

Total operations and maintenance and purchase of services component: None.

Providers that may be required to add additional information to the call data records they already collect are in any case effectively required to do so to achieve regulatory compliance not associated with this information collection; providers were reminded of these regulatory

¹³ Assuming the respondents use personnel comparable in pay to mid-level Federal Government employees, GS-13/5, \$52.66/hr., we rounded the hourly salary rate up to a whole number, which is \$53/hr.

compliance obligations in the Commission's Declaratory Ruling DA 12-154 dated February 6, 2012.¹⁴

Total annualized cost requested: \$550,000.

14. The following represents the Commission's estimate of the annual cost burden for the Federal Government to process the reported information under the proposed collection.

Estimated time per response: 60 minutes (1 hour).

We estimate that the 240 reports required to be filed by cover providers (*i.e.*, 60 per quarter) and the 40 optional reports to be filed by covered providers (*i.e.*, 10 per quarter) will each require 60 minutes to review. Therefore, the average time per report is 60 minutes per report. $((60 \text{ min} \times (240 + 40)) / (240 + 40) = 60 \text{ min})$.

Total number of responses annually: 280.

Total estimate of cost to Federal Government: \$14,840.

Assuming mid-level personnel will be required to review and analyze reported information, we estimate the Federal Government's hourly cost to be \$53 per hour (280 responses x 1 hour/response x \$53/hr = \$14,840).

15. The Commission is requesting OMB approval of an extension with adjustments to this collection. The change to the Commission's previous burden estimates is caused by the reduced number of reporting entities. Based on the Commission's experience to date with these rules, we estimate approximately 60 wireline, wireless, and wholesale providers will be required to file an electronic report with the FCC. We note that the number of providers this estimate replaces, 225, was also an approximation. In light of this adjustment, the number of reporting entities decreased from 225 respondents to 60 respondents (-165); the total annual responses decreased from 940 responses to 280 responses (-660); the total annual burden hours decreased from 11,280 hours to 6,240 hours (-5,040); and the total annual cost decreased from \$793,750 to \$550,000 (-\$243,750). The adjustments to this collection are due to overstating the number of providers in the last submission to OMB. Therefore, these revised figures are accurately reflected in this submission to OMB.

There are no program changes.

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

17. The Commission will not display the expiration date for OMB approval of the information collection.

18. There are no exceptions to the Certification Statement.

B. Collections of Information Employing Statistical Methods:

This information collection does not employ any statistical methods.

¹⁴ *In the Matter of Developing a Unified Inter-carrier Compensation Regime, Establishing Just and Reasonable Rates for Local Exchange Carriers*, CC Docket No. 01-92, WC Docket No. 07-135, Declaratory Ruling, 27 FCC Rcd 1351 (2012).