

SUPPORTING STATEMENT

This collection is being submitted to the Office of Management and Budget (OMB) for approval to extend an existing collection. There is no change to the reporting, recordkeeping and/or third party disclosure requirements. There is no change to the Commission's previous burden estimates.

A. Justification:

1. The following collections of information implement Section 276 of the Telecommunications Act of 1996:

a. State Showing of Proof of Market Failure for Exception to Market-Rate Local Coin Call Requirement. States must comply with the Commission's market-rate local coin call requirement, except where they show proof of market failure. Such a showing could consist of, for example, a detailed summary of the record of a state proceeding that examines the costs of providing payphone service within that state and the reasons why the public interest is served by having the state set rates within that market. (47 U.S.C. Section 276(c)).

b. State Review of Adequacy of Provision of Public Interest Payphone. Each state must review whether it has adequately provided for public interest payphones in a manner consistent with the Order. (47 U.S.C. Section 276(b)(2)).

c. Payphone Providers' Transmission of specific Payphone Coding Digits. All payphones are required to transmit specific identification ("ANI"), which will assist in identifying them to compensation payers. Currently, the local exchange carriers ("LECs") are required to tariff federally originating line screening ("OLS") services that provide a discrete code to identify payphones that are maintained by non-LEC providers. Because this requirement would be generated in conjunction with LECs' existing OLS services, this would involve little cost to them. (47 U.S.C. Section 276(b)(1)(A)).

d. LEC Verification of Disputed ANIs and Maintaining and Making Available the Verification Data. LECs must provide verification of disputed ANIs on request and in a timely manner. In order to facilitate the process and provide efficient verification of disputed ANIs, the LECs must maintain and make available the verification data for at least 18 months after the close of the compensation period. The Commission believes that this requirement will facilitate the proper verification of disputed ANIs without imposing undue burdens on LECs, PSPs, or carrier payers, some of whom may be small entities. (47 U.S.C. Section 276(b)(1)(A)).

e. LEC Timely Notification of Payphone Disconnection. LECs are required to notify the carrier-payers of each payphone's disconnection on a basis that is as timely as possible.

The Commission declined to require LECs to notify all carrier-payers of each payphone disconnection within 24 hours, because the Commission believes that would be too great a burden to place on LECs, particularly when they are required to provide ANI lists only on a quarterly basis. (47 U.S.C. Section 276(b)(1)(A)).

f. LEC Indication on the Payphone's Monthly Bill That the Amount Due is for Payphone Services. LECs are required to affirmatively state on their bills to PSPs that the bills are for payphone service, to facilitate payment of compensation and to avoid disputes. (47 U.S.C. Section 276(b)(1)(A)).

g. LEC Tariff Filing. Incumbent LECs must file revised tariffs for central office coin transmission services and CCL charges, to ensure that LEC services are priced reasonably and do not include subsidies. This also requires LECs to submit proposed interconnection requirements to the Commission. Pursuant to the goal of Section 276 to treat LEC and independent payphone provider payphones in a similar manner, the Commission's rules have been amended to provide for the registration of central-office implemented coin payphones to enable independent payphone providers as well as LECs to utilize central-office implemented payphones. To facilitate such registration, LECs must submit proposed interconnection requirements to effectuate interconnection of central-office implemented coin payphones to the network. LECs only have to file these tariffs with the state, except for tariffs for unbundled features, which must be filed with both the Commission and the state. (47 U.S.C. Section 276(b)(1)(B)).

h. Reclassification of LEC-Owned Payphones. Incumbent LECs must either reclassify their payphone assets as nonregulated or transfer them to a separate affiliate engaged in nonregulated activities. Such reclassification or transfer includes establishing Part 64 cost pools, which are groupings of costs that maximize the extent to which cost causative allocation factors can be used to divide costs between regulated and nonregulated activities, as well as revising their cost allocation manuals. (47 U.S.C. Section 276(b)(1)(B)).

i. Payphone Provider's Verification of its Status to Payer of Compensation. Pursuant to the mandate in Section 276(b)(1)(A) that all payphone providers be fairly compensated for calls using their payphones, the Order establishes a definition of a payphone eligible for compensation as a payphone that appears on LEC-provided customer-owned, coin-operated telephone ("COCOT") lists. If a payphone provider does not appear on this list, it must provide alternative verification information to the payer of compensation. Otherwise, the payer would be unable to verify that the particular payphone provider was in fact eligible for compensation. (47 U.S.C. Section 276(b)(1)(A)).

j. Payphone Providers' Posting of Local Coin Call Rate on Each Payphone Placard. Pursuant to the mandate in Section 276(b)(1)(A) that the Commission establish a fair compensation plan, the Commission decided to let the market set the price for coin calls originated at payphones. In order to ensure that callers have information about the price of the calls they make, payphone providers are required to post the local coin call rate within the informational placard on each payphone. (47 U.S.C. Section 276(b)(1)(A)).

k. LEC Provision of Emergency Numbers to Carrier-Payers. Pursuant to the mandate in Section 276(b)(1)(A) that emergency calls shall not be subject to per call compensation, the rules in the Order On Reconsideration provide that LECs shall supply to carrier-payers a list of emergency numbers so that carrier-payers will know that they do not have to compensate payphone providers for those calls.

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

Note: This submission is being made pursuant to authority contained in sections: 47 U.S.C. §§ 276.

2. The information collected under Payphone Providers' Transmission of Specific Payphone Coding Digits; LEC Verification of Disputed ANIs and Maintaining and Making Available the Verification Data; LEC Timely Notification of Payphone Disconnection; LEC Indication on the Payphone's Monthly Bill That the Amount Due is for Payphone Services; State Showing Proof of Market Failure for Exception to Market-Rate Local Coin Call Requirement; and Payphone Provider's Verification of Its Status to payer of Compensation; and Payphone Providers' Posting of Local Coin Call Rate on Each Payphone Placard must be provided to third parties. The information collected under State Review and Removal of Adequacy of Provision of Public Interest Payphones; and LEC Tariff Filing; Reclassification of LEC-Owed Payphones must be provided to third parties and submitted to the FCC. The information collected under LEC Provision of Emergency Numbers to Carrier-Payers would be used to ensure that interexchange carriers, payphone service providers ("PSP") LECs, and the states, comply with their obligations under the 1996 Act.

3. Generally, there is no improved technology identified by the Commission to reduce the burden of these collections. However, the Commission does not prohibit the use of improved technology where appropriate. The Commission took into account critical factors such as the time it will take before appropriate technological ability can be achieved, and who has the available information/data, before requiring these collections. Accordingly, the Commission provides for transition flexibility and choice of arrangements which the Commission believes will substantially reduce the burden of this collection.

4. There will be no duplication of information. In most instances, the information sought is unique to each respondent.

5. The collections of information may have some impact on small businesses or other small entities. The Commission considered many alternatives before choosing the least burdensome methods to accomplish the objectives of Section 276. Wherever possible, the Commission has provided for flexibility, such as permitting electronic submissions where appropriate and permitting certain functions to be contracted out to third parties.

6. Failing to collect the information, or collecting it less frequently, would violate the language and/or intent of the 1996 Act to "establish a per call compensation plan to ensure that all payphone service providers are fairly compensated for each and every

completed intrastate and interstate call”, 47 U.S.C. § 276(b)(1)(A), and “promote competition among payphone service providers and promote the widespread deployment of payphone services to the benefit of the general public.” 47 U.S.C. § 276(b).

7. FCC requirements do not impose any obligations that would require parties to report information to the FCC more often than quarterly, nor will these requirements impose any other special circumstances. In some instances, a respondent might need to make a showing or filing more often than quarterly due to actions by private parties. For example, pursuant to implementing the 1996 Act, LECs must provide verification of disputed ANIs on request and in a timely manner. The verification may have to be provided more often than quarterly.

8. Pursuant to 5 CFR 1320.8, the Commission published a notice in the Federal Register to solicit public comment on February 5, 2019 (84 FR 1727). No PRA Comments were received as a result of this notice.

9. The Commission does not provide payment or gifts to the respondents.

10. The Commission is not requesting respondents to submit confidential information to the Commission. If the Commission requests respondents to submit information which respondents believe is confidential, respondents may request confidential treatment of such information under section 0.459 of the Commission’s rules.

11. There are no questions of a sensitive nature with respect to the information collected.

12. The following represents the estimates of hour burden of the collections of information. We note that the hour burden imposed by the following requirements is very difficult to quantify at this time. The following represents our best estimate.

a. State showing of proof of market failure for exception to market-rate local coin call requirement. (Section 276(c)).

- 1) Number of respondents. 50
- 2) Frequency of response. On occasion reporting/recordkeeping requirements.
- 3) Annual burden per respondent. 50 hours. Total annual burden: **2,500 hours.**
- 4) Total estimate of annualized in-house cost to respondents for the hour burdens for collection of information. \$137,500
- 5) Explanation of calculation. We estimate that this obligation will take approximately 50 hours at \$55 per hour, and will occur once for 50 respondents. $50 \text{ (number of respondents)} \times 1 \text{ (number of submissions)} \times 50 \text{ (hours to prepare)} \times \$55 = \$137,500.$

b. State review of adequacy of provision of public interest payphones. (Section 276(b)(2)).

- 1) Number of respondents. 50
- 2) Frequency of response. On occasion reporting requirement.
- 3) Annual burden per respondent. 50 hours. Total annual burden: **2,500 hours.**
- 4) Total estimate of annualized in-house cost to respondents for the hour burdens for collection of information. \$137,500

5) Explanation of calculation. We estimate that this obligation will take approximately 50 hours at \$55 per hour, and will occur once for 50 respondents. $50 \text{ (number of respondents)} \times 1 \text{ (number of submissions)} \times 50 \text{ (hours to prepare)} \times \$55 = \$137,500$.

c. Transmit specific payphone coding digits. (Section 276(b)(1)(A)).

- 1) Number of respondents. 657
- 2) Frequency of response. On occasion reporting requirement.
- 3) Annual burden per respondent 20 hours. Total annual burden: **13,140 hours.**
- 4) Total estimate of annualized in-house cost to respondents for the hour burdens for collection of information \$722,700.

5) Explanation of calculation. We estimate that the establishment of this obligation will take approximately 20 hours at \$55 per hour, and will occur once for 657 respondents. $657 \text{ (number of respondents)} \times 1 \text{ (frequency)} \times 20 \text{ (hours to prepare)} \times \$55 = \$722,700$.

d. Providing verification of disputed ANIs and maintaining and making available the verification data. (Section 276(b)(1)(A)).

- 1) Number of respondents. 400.
- 2) Frequency of response. On occasion reporting/recordkeeping reporting requirements.
- 3) Annual burden per respondent .50 hours. Total annual burden: **200 hours.**
- 4) Total estimate of annualized in-house cost to respondents for the hour burdens for collection of information \$3,400.

5) Explanation of calculation. We estimate that this obligation will take approximately .50 hours of clerical time at \$17 per hour, and will occur quarterly for 400 respondents. $400 \text{ (number of respondents)} \times 1 \text{ (number of submissions required)} \times .50 \text{ (hours to prepare)} \times \$17 = \$3,400$.

e. Timely notification of payphone disconnection. (Section 276(b)(1)(A)).

- 1) Number of respondents. 400
- 2) Frequency of response. Quarterly reporting requirement.
- 3) Annual burden per respondent .50 hours. Total annual burden: **800 hours.**
- 4) Total estimate of annualized in-house cost to respondents for the hour burdens for collection of information \$13,600.

5) Explanation of calculation. We estimate that this obligation will take approximately 2 hours of clerical time at \$17 per hour, and will occur once for 400 respondents. $400 \text{ (number of respondents)} \times 4 \text{ (number of submissions)} \times .50 \text{ (hours to prepare)} \times \$17 = \$13,600$.

f. Monthly bills indicating that charges are for payphone services. (Sections 276(b)(1)(A)).

- 1) Number of respondents. 400
- 2) Frequency of response. Monthly reporting requirement.
- 3) Annual burden per respondent 1 hour. Total annual burden: **4,800 hours.**
- 4) Total estimate of annualized in-house cost to respondents for the hour burdens for collection of information. \$264,000

5) Explanation of calculation. The obligation will take approximately 1 hour per submission at \$55 per hour. This obligation will occur 12 times for 400 respondents. $400 \text{ (number of respondents)} \times 1 \text{ (hour per submission)} \times 12 \text{ (months)} \times \$55 = \$264,000$.

g. LEC tariff filings. (Section 276(b)(1)(B)).

- 1) Number of respondents. 400
- 2) Frequency of response. On occasion reporting/third-party reporting requirements.
- 3) Annual burden per respondent. 100 hours. Total annual burden: **40,000 hours.**
- 4) Total estimate of annualized in-house cost to respondents for the hour burdens for collection of information. \$2,200,000
- 5) Explanation of calculation. We estimate that this obligation will take approximately 100 hours at \$55 per hour, and will occur once for 400 respondents. $400 \text{ (number of respondents)} \times 1 \text{ (number of submissions required)} \times 100 \text{ (hours to prepare)} \times \$55 = \$2,200,000$.

h. Reclassification of LEC-owed payphones. (Section 276(b)(1)(B)).

- 1) Number of respondents. 400
- 2) Frequency of response. On occasion reporting requirement.
- 3) Annual burden per respondent. 100 hours. Total annual burden: **40,000 hours.**
- 4) Total estimate of annualized in-house cost to respondents for the hour burdens for collection of information. \$2,200,000
- 5) Explanation of calculation. We estimate that this obligation will take approximately 100 hours at \$55 per hour, and will occur once for 400 respondents. $400 \text{ (number of respondents)} \times 1 \text{ (number of submission required)} \times 100 \text{ (hours to prepare)} \times \$55 = \$2,200,000$.

i. Payphone provider's verification of its status to payer of compensation. (Section 276(b)(1)(A)).

- 1) Number of respondents. 657
- 2) Frequency of response. On occasion reporting/third-party disclosure requirements.
- 3) Annual burden per respondent. 1 hour. Total annual burden: **657 hours.**
- 4) Total estimate of annualized in-house cost to respondents for the hour burdens for collection of information. \$11,169
- 5) Explanation of calculation. We estimate that this obligation will take approximately 1 hour of clerical time at \$17 per hour, and will occur once for 657 respondents. $657 \text{ (number of respondents)} \times 1 \text{ (number of submissions required)} \times 1 \text{ (hours to prepare)} \times \$17 = \$11,169$.

j. Payphone Providers' Posting of Local Coin Call Rate on Each Payphone Placard. (Section 276(b)(1)(A)).

- 1) Number of respondents. 657
- 2) Frequency of response. On occasion reporting/third-party disclosure requirements.
- 3) Annual burden per respondent. 20 hours. Total annual burden: **13,140 hours.**

4) Total estimate of annualized in-house cost to respondents for the hour burdens for collection of information. \$223,380.

5) Explanation of calculation. We estimate that this obligation will take the average payphone provider approximately 20 hours at \$17 per hour, and will occur once for 657 respondents. $657 \text{ (number of respondents)} \times 1 \text{ (frequency)} \times 20 \text{ (hours to prepare)} \times \$17 = \$223,380$.

k. LEC Provision of List of Emergency Numbers (Section 276(b)(1)(A)).

1) Number of respondents. 400

2) Frequency of response. On occasion reporting/third-party disclosure requirements.

3) Annual burden per respondent. 1 hour. Total annual burden: **400 hours.**

4) Total estimate of annualized in-house cost to respondents for the hour burdens for collection of information. \$22,000

5) Explanation of calculation. We estimate that this obligation will take approximately 1 hour at \$55 per hour, and will occur once for 400 respondents. $400 \text{ (number of respondents)} \times 1 \text{ (frequency)} \times 1 \text{ (hours to prepare)} \times \$55 = \$22,000$.

*** Total number of respondents for all sections of collection for reporting purposes is 4,471.**

$50+50+657+400+400+400+400+400+657+657+400 = 4,471$ respondents.

Total number of responses for all sections of collections for reporting purposes is 10,071.

$50+50+657+400+1,600+4,800+400+400+657+657+400 = 10,071$ responses.

Total in-house cost to the respondent for all sections of collection for reporting purposes is \$5,975,969.

$\$137,500+\$137,500+\$722,700+\$3,400+\$13,600+\$264,000+\$2,200,000+\$2,200,000+\$11,169+\$223,380+\$22,000 = \$5,935,249$

*** Total annual burden for all sections of collections for reporting purposes is 118,137.**

Total Annual Burden: $2,500 + 2,500 + 13,140 + 200 + 800 + 4,800 + 40,000 + 40,000 + 657 + 13,140 + 400 = 118,137$ hours.

13. The following represents the Commission's estimate of the annual cost burden to respondents or record keepers resulting from the collection of information: (A) total capital and start up cost component: \$0.00; (b) total operation and maintenance and purchase of services: \$0.00.

14. The LEC Tariff Filings would be submitted to the Pricing Policy Division of the Wireline Competition Bureau. An employee being paid at the GS-14, Step 5 level

(approximately \$63.64 per hour) could review the report in about 2 hours. The reports on Reclassification of LEC-Owed Payphones would be submitted to the Pricing Policy Division of the Wireline Competition Bureau. For each of these 400 reports, an employee being paid at the GS-14, Step 5 level (approximately \$63.64 per hour) could review the report in about 2 hours = \$50,912. If necessary, any reports generated pursuant to State Review of Adequacy of Provision of Public Interest Payphones would be submitted to the Pricing Policy Division of the Wireline Competition Bureau. An employee being paid at the GS-14, Step 5 level (approximately \$63.64 per hour) could review the 50 reports in about 2 hours - \$6,364.

Total Cost to the Government is: $\$50,912 + \$6,364 = \$57,276$.

15. There are no adjustments or program changes since the last submission to OMB.

16. The Commission does not anticipate that it will publish the results of these collections of information.

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

18. There are no exceptions to the Certification Statement.

B. Collections of Information Employing Statistical Methods:

This collection of information does not employ statistical methods.