

SUPPORTING STATEMENT

A. Justification:

1. The Federal Communications Commission (“Commission”) is requesting that the Office of Management and Budget (OMB) approve a revision for the information collection, titled, “Contracts and Concessions – 47 CFR 43.51” under OMB Control Number 3060-0751. On November 29, 2012, the Commission released the International Settlements Policy Reform Order (“ISP Reform Order”), FCC 12-145. In this Order, the Commission decided to eliminate the international settlements policy and certain associated rules, including removal of the Section 43.51(d) filing requirements. and removal of Section 43.51(b)(3). As a result, this collection reflects a program change of -20 responses and -160 in annual burden hours.

Summary of Information Collection Requirements

The information collection requirements are summarized as follows:

47 C.F.R. 43.51(a)(1) states any communication common carrier described in paragraph (b)¹ of this section must file with the Commission, within thirty (30) days of execution, a copy of each contract, agreement, concession, license, authorization, operating agreement or other arrangement to which it is a party and amendments thereto with respect to the (i) the exchange of services; and, (ii) the interchange or routing of traffic and matters concerning rates, accounting rates, division of tolls, or the basis of settlement of traffic balances, except as provided in paragraph (c) of this section.

47 C.F.R. 43.51(a)(2) states if the contract, agreement, concession, license, authorization, operating agreement or other arrangement and amendments thereto is made other than in writing, a certified statement covering all details thereof must be filed by at least one of the parties to the agreement. Each other party to the agreement which is also subject to these

¹ 47 C.F.R. 43.51(b) states the following communication common carriers must comply with the requirements of paragraph (a) of this section: (1) A carrier that is engaged in domestic communications and has not been classified as non-dominant pursuant to Section 61.3 of this Chapter; or (2) A carrier that is engaged in foreign communications and that has been classified as dominant for any service on any of the U.S.-international routes included in the contract, except for a carrier classified as dominant on a particular route due only to a foreign carrier affiliation under Section 63.10 of this chapter. In *International Settlements Policy Reform*, Report and Order, 27 FCC Rcd 15521 (2012) (*ISP Reform Order*), the Commission eliminated the requirement in Section 43.51(b)(3) that these agreements also be filed by a carrier, other than a provider of commercial mobile radio services, that is engaged in foreign communications and enters into a contract, agreement, concession, license, authorization, operating agreement or other arrangement and amendments thereto with a foreign carrier that does not qualify for the presumption, set forth in Note 3 to this section, that it lacks market power on the foreign end of one or more of the U.S.-international routes included in the contract, unless the route appears on the Commission's list of U.S.-international routes that the Commission has exempted from the international settlements policy set forth in Section 64.1002 of this chapter. *ISP Reform Order*, 27 FCC Rcd 15521 (eliminating the international settlements policy, with one exception related to Cuba).

provisions may, in lieu of also filing a copy of the agreement, file a certified statement referencing the filed document. The Commission may, at any time and upon reasonable request, require any communication common carrier not subject to the provisions of this section to submit the documents referenced in this section.

47 C.F.R. 43.51(c) states with respect to contracts coming within the scope of paragraph (a)(1)(ii) of this section between subject telephone carriers and connecting carriers, except those contracts related to communications with foreign or overseas points, such documents shall not be filed with the Commission; but each subject telephone carrier shall maintain a copy of such contracts to which it is a party in appropriate files at a central location upon its premises, copies of which shall be readily accessible to Commission staff and members of the public upon reasonable request therefore; and upon request by the Commission, a subject telephone carrier shall promptly forward individual contracts to the Commission.

In the *ISP Reform Order*, the Commission removed Section 47 C.F.R. 43.51(d) of the rules, 47 C.F.R. 43.51(d).² That provision required U.S.-international carriers to submit annually to the Commission certain information concerning their intercarrier agreements for the interconnection of an international private line to the U.S. public switched network (U.S. PSN). This rule did not apply to interconnected private lines that terminated in countries determined by the Commission to offer U.S. carriers equivalent private line resale opportunities.

The statutory authority for this information collection is contained in Sections 154, 211, 219 and 220 of the Communications Act of 1934, as amended.

There are no impacts under the Privacy Act because this collection of information does not have an impact on individuals or households.

2. The Commission determined in the *ISP Reform Order* that the international settlements policy (ISP) and rules had become unnecessarily burdensome on U.S. carriers attempting to negotiate agreements with foreign carriers to exchange traffic at lower rates. The Commission determined that eliminating the ISP, with one exception related to Cuba, would enable more market-based arrangements between U.S. and foreign carriers on all U.S.-international routes, giving all U.S. consumers competitive pricing when they make international calls. When it eliminated the ISP, the Commission eliminated Section 43.51(b)(3), which required that the agreements described in Sections 43.51(a) and 43.51(b) be filed by U.S.-international carriers that were affiliated with foreign carriers that possessed market power on certain U.S.-international routes. The Commission also removed Section 43.51(d), which required annual reporting by U.S.-international carriers of certain information concerning their agreements for interconnection of an international private line to the U.S. public switched network. The Commission declined in the *ISP Reform Order* to adopt proposed rules requiring U.S.-international carriers to file, or provide notice of, agreements with foreign carriers to exchange traffic at rates that exceeded the Commission's "benchmark" settlement rates. The Commission

² See *supra* note 1.

stated that it would require U.S. carriers to provide information about any above-benchmark settlement rates on an as-needed basis in connection with an investigation of competition problems or a review of high consumer rates on particular routes, according confidential treatment to the information.

3. Given the minimal amount of information requested and the unique nature of each filing, the use of information technology is not feasible for this collection. Therefore, zero (0) percent of the responses are collected electronically.
4. This information collection requirement is not duplicated elsewhere in the Commission's rules.
5. This information collection will not have a significant economic impact on a substantial number of small entities/businesses.
6. The Commission's effort to achieve and maintain market-based or competitive pricing for the benefit of U.S. consumers in U.S.-international markets would be thwarted if the collection were conducted less frequently.
7. The collection of information is not being conducted in any manner known to be inconsistent with the guidelines in 5 CFR 1320.5(d)(2). There are no special circumstances associated with this collection.
8. A 60-day notice was published in the Federal Register (84 FR 13043) to solicit public comments on this information collection. The 60-day comment period began on April 3, 2019 and ended on June 3, 2019. No comments were received from the public in response to the notice.
9. The Commission does not provide any payment or gift to respondents.
10. By requiring carriers to file only limited information, and by treating information as confidential, we are able to provide the respondents with an assurance that commercially sensitive or proprietary information will not be disclosed.
11. This collection does not contain questions of a sensitive nature.

12. There are 20 respondents to this information collection. The explanation of burden estimates, number of responses, time per response and total annual burden hours are provided below.

Explanation of Burden Estimate	Number of Responses	Time Per Response	Total Annual Burden Hours
1. 47 C.F.R. 43.51(a)(1) states any communication common carrier described in paragraph (b) of this section must file with the Commission, within thirty (30) days of execution, a copy of each contract, agreement, concession, license, authorization, operating agreement or other arrangement to which it is a party and amendments thereto with respect to the (i) the exchange of services; and, (ii) the interchange or routing of traffic and matters concerning rates, accounting rates, division of tolls, or the basis of settlement of traffic balances, except as provided in paragraph (c) of this section.	5	8 On occasion	40
2. 47 C.F.R. 43.51(a)(2) states if the contract, agreement, concession, license, authorization, operating agreement or other arrangement and amendments thereto is made other than in writing, a certified statement covering all details thereof must be filed by at least one of the parties to the agreement. Each other party to the agreement which is also subject to these provisions may, in lieu of also filing a copy of the agreement, file a certified statement referencing the filed document. The Commission may, at any time and upon reasonable request, require any communication common carrier not subject to the provisions of this section to submit the documents	5	8 On occasion	40

referenced in this section. 3. 47 C.F.R. 43.51(c) states that with respect to contracts coming within the scope of paragraph (a)(1)(ii) of this section between subject telephone carriers and connecting carriers, except those contracts related to communications with foreign or overseas points, such documents shall not be filed with the Commission; but each subject telephone carrier shall maintain a copy of such contracts to which it is a party in appropriate files at a central location upon its premises, copies of which shall be readily accessible to Commission staff and members of the public upon reasonable request therefore; and upon request by the Commission, a subject telephone carrier shall promptly forward individual contracts to the Commission.	10	6 On occasion	60
Totals:	20 Responses	6-8 Hours Time Per Response	140 Annual Burden Hours

Total Annual In-House Costs: We estimate that the in-house professional staff are paid at an average hourly rate of \$45 per hour to undergo the burden for this filing requirement.

140 Annual Burden Hours X \$45 Per Hour = **\$6,300 Annual In-House Costs**

13 (a). Total Capital or Start-Up Costs

There are no capital or start-up costs associated with this collection. The information is readily available to respondents and is already collected and maintained by them in the normal course of business. Therefore, respondents are not assumed to hire or contract-out any work associated with the filing requirements.

(b). Total Operations and Maintenance Costs

There are no total operations and maintenance costs.

(c). Total Annualized Costs: 0.

14. The annualized Federal government costs are as follows:

It is estimated that one GS-14 Attorney spends approximately 8 hours per month reviewing documents that the carriers submit to the Commission. 8 hours per month
X 12 months in a year = 96 annual burden hours.

Federal Government Staff	Number of Staff	Salary Per Hour	Annual Burden Hours	Annualized Costs
GS-14/Step 5 Attorney	1	\$62.23	96	\$5,974.08

15. The program changes to this collection to reflect the Commission's decision in the *ISP Reform Order* to eliminate the international settlements policy and certain associated rules, including removal of the Section 43.51(d) filing requirements and removal of Section 43.51(b) (3). Removal of the Section 43.51(d) filing requirement eliminates 10 responses and 80 burden hours. Removal of Section 43.51(b)(3) reduces the number of responses to Sections 43.51(a) and 43.51(b) from 40 to 20. As a result, this information collection reflects a program change of -20 responses and -160 annual burden hours.

16. The results of this information collection requirement will not be published for statistical use.

17. No applicable. We are not seeking approval to not display the expiration date for OMB approval of this information collection.

18. There are no exceptions to the Certification Statement.

Part B. Collections of Information Employing Statistical Methods.

Not applicable. This information collection does not employ statistical methods.