This submission is being made pursuant to 44 USC 3507 to extend an existing collection to the Office of Management and Budget (OMB) in order to obtain the three-year approval.

SUPPORTING STATEMENT

**A. Justification:**

1. Section 220 of the Communications Act of 1934, as amended, 47 USC 220, allows the Commission, at its discretion, to prescribe the forms of any and all accounts, records, and memoranda to be kept by carriers subject to this Act, including the accounts, records, and memoranda of the movement of traffic, as well as of the receipts and expenditures of moneys.

Section 219(b) of the Communications Act of 1934, as amended, 47 USC 219(b), authorizes the Commission by a general or special orders to require any carriers subject to this Act to file monthly reports concerning any matters with respect to which the Commission is authorized or required by law to act. Section 43.21 of the Commission's rules, 47 C.F.R. § 43.21, details that requirement.

ARMIS was implemented to facilitate the timely and efficient analysis of revenue requirements, rates of return and price caps; to provide an improved basis for audits and other oversight functions; and to enhance the Commission's ability to quantify the effects of alternative policy. The ARMIS 43-01 Report previously contained financial and operating data used to monitor the incumbent local exchange carriers ("ILECs") and perform routine analyses of costs and revenues. The Commission had previously granted conditional forbearance from many of these requirements, with the exception of reporting pole attachment data. To get such forbearance, carriers were required to file a detailed compliance plan with the Commission that explained how the carrier would continue to maintain cost and revenue information so that the such data would be available and reliable if the Commission were to require such data.[[1]](#footnote-1) Not all carriers had chosen to seek forbearance. In February 2017, the Commission terminated the compliance plan condition.[[2]](#footnote-2) Therefore, carriers subject to ARMIS Report 43-01 are now required only to file pole attachment cost information to allow the Commission to regulate pole attachment rates. In addition, carriers are only required to file pole attachment cost information with the Commission for those states that have not certified that they regulate pole attachments. The Commission does not require carriers to retain copies of ARMIS Report 43-01 for a specific period of time.

Statutory authority for this collection is contained in Sections 11, 219(b), and 220 of the Communications Act of 1934, as amended, 47 U.S.C. 161, 219(b), and 220.

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

2. The information contained in the ARMIS 43-01 Report provides the necessary detail to enable the Commission to fulfill its regulatory responsibilities. Automated reporting of these data greatly enhances the Commission's ability to process and analyze the extensive amounts of data that are needed to administer its rules. This report facilitates the timely and efficient analysis of revenue requirements, rates of return and price caps, jurisdictional separations, and universal service fund, and provides an improved basis for auditing and other oversight functions. It also enhances the Commission's ability to quantify the effects of policy proposals.

3. ILECs are required to file their ARMIS Reports electronically through the Internet. These filings should be submitted through the Commission’s Electronic Comment Filing System (ECFS) which can be accessed at <http://apps.fcc.gov/ecfs/>. Carriers and other interested parties will be able to access ARMIS data for reporting year 2014 and later via ECFS. ARMIS data for reporting years prior to 2014 will be available on the Commission’s website at <http://www.fcc.gov/wcb/ecfs>.

4. No duplication of the required data exists outside the agency. The Commission knows of no other existing information that would serve our regulatory purposes.

5. The collection of information does not involve small businesses or other small entities.

6. The FCC Report 43-01 is filed once per year and, thus, if the automated reporting was conducted less frequently, the Commission would not have the data in a timely manner to perform its functions. Subsequent submissions correcting previously filed data are to be filed as soon as the correction is identified.

7. Incumbent local exchange carriers file their data in electronic format as noted in item 3 above. Respondents seeking proprietary treatment of some data must provide an electronic copy using the established procedures.

8. The Commission published a 60-day notice in the Federal Register as required by 5 C.F.R. §1320.8(d) on July 13, 2020 (85 FR 16921). No comments were received from the public as a result of this notice.

9. There will be no payments or gifts to respondents.

10. Ordinarily, questions of a sensitive nature are not involved in the ARMIS Annual Summary Report. The areas in which detailed information is required are fully subject to regulation and the issue of data being regarded as sensitive will arise in special circumstances only. In such circumstances, the respondent is instructed on the appropriate procedures to follow to safeguard sensitive data. 47 CFR Part 0.459 contains the procedures for requesting confidential treatment of data.

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

12. The following represents the estimate of the annual burden hours and the annual cost burden for the collection of information. The annual burden is greatly reduced from past estimates because carriers now file based on consolidated filings on a holding company/affiliated carrier group basis rather than as individual operating companies and because the Commission has granted forbearance from all of the reporting requirements, with the exception of those related to pole attachments. We note that the burden hours imposed by the requirement is very difficult to quantify. The following represents our best estimate.

FCC Report 43-01 (ARMIS Annual Summary Report):

1. Number of respondents: **90.**

This information is filed on an operating company basis. Changes in the number of operating companies are caused by corporate mergers and acquisitions and reorganizations. In addition, some carriers choose to file their information on a holding company basis while others do so by individual operating company. To help ensure consistency, we now calculate the number of respondents based on operating companies.

2. Frequency of response: Annual reporting requirement.

3. Total Number of Responses Annually: **90**.

90 responses x 1 response/annum = 90.

4. Total Annual Burden Hours: **720 Hours.**

90 responses x 8 hours per response = 720.

5. Estimated Industry In-house Cost: **$ 36,612.**

The Commission estimates that it will take each carrier using in-house staff equivalent to a

GS 11/Step 5 Federal employee, plus 30% overhead[[3]](#footnote-3), to comply with the requirement.

90 (number of respondents) x 1 (number of filing) x 8 (hours per filing) x $50.85 per hour = $36,612.

**Total Number of Respondents: 90**

**Total Number of Responses: 90**

**Total Annual Burden Hours: 720**

**Total In-house Costs: $36,612**

13. The following represents the Commission’s estimate of the annual cost burden for respondents resulting from the collection of information.

(a)(1) Total capital and start-up cost component (annualized over its expected

useful life): $0. The reporting requirement will not require the purchase of

additional equipment.

(2) Total operation and maintenance and purchase of services component: $0.

14. The Federal government's annualized cost for the entire ARMIS program has been estimated at $648,938. This estimate was derived as follows:

|  |  |
| --- | --- |
| Employee’s Salaries Allocated to ARMIS | $390,397 |
| Benefits | 78,079 |
| Overhead | 138,137 |
| Office Space Dedicated to ARMIS (550 sq. ft. @ $43 sq. ft.) | 25,800 |
| Equipment and Supplies (i.e., computer system requirements) | 13,400 |
| Filing Equipment | 3,125 |
| **Total Annual ARMIS Cost** | **$648,938** |

Of the total annual ARMIS cost of $648,938, we estimate the FCC Report 43-01 portion to be $59,578. This estimate includes the necessary automation equipment, software, supplies, and the personnel needed to execute the automated reporting program. We note that as a result of the Commission’s forbearance actions, the government will not incur all of these costs pending

Commission reconsideration and judicial review of those actions.

15. The Commission is reporting adjustments to this information collection since the last submission to OMB. There was a decrease in the total number of respondents from 93 to 90 (down by 3 respondents). Also, there was a decrease in the total number of annual responses from 93 to 90 (down by 3 responses). We have adjusted the burden hours from 744 to 720 (down by 24 burden hours) because there are fewer respondents which decreased the burden hours.

There are no program changes.

16. Data from these reports are available on-line so that users can easily locate data for a carrier and/or specific reporting years.

17. The Commission seeks continued OMB approval not to display the OMB expiration date. Display of the expiration date would not be in the Commission’s interest because the Commission would have to update the ARMIS report each time this collection is submitted to OMB for approval. That would constitute waste and inefficiency.

18. There are no exceptions to this certification statement.

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

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

1. See Petition of AT&T Inc. for Forbearance under 47 U.S.C. § 160 from Enforcement of Certain of the Commission’s Cost Assignment Rules, 23 FCC Rcd 7302 (2008). [↑](#footnote-ref-1)
2. *Comprehensive Review of the Part 32 Uniform System of Accounts*, et al., WC Docket No, 14-130 et al., Report and Order, 32 FCC Rcd 1735 (2017) para. 44. [↑](#footnote-ref-2)
3. Salary Table 2020 – DCB, Incorporating the 2.6% General Schedule Increase and a Locality Payment of 30.48% for the Locality Pay Area of Washington-Baltimore-Arlington, DC-MD-VA-WV-PA, <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/DCB_h.pdf> The hourly salary for a GS 11/5 employee is $39.12. Thirty (30) percent overhead was added to the hourly salary, which gives a total of $39.12 + $11.73 = $50.85. [↑](#footnote-ref-3)