

SUPPORTING STATEMENT

This submission is being made as an extension to an existing information collection pursuant to 44 U.S.C. § 3507.

A. Justification:

1. Section 276 of the Communications Act, as amended (the Act), requires that the Federal Communications Commission (Commission or FCC) establish rules ensuring that payphone service providers or PSPs are “fairly compensated” for each and every completed payphone-originated call. The Commission’s Payphone Compensation Rules satisfy section 276 by identifying the party liable for compensation and establishing a mechanism for PSPs to be paid. The Payphone Compensation Rules:
 - Place liability to compensate PSPs for payphone-originated calls on the facilities-based long distance carriers or a switch-based resellers (SBR) from whose switches such calls are completed.
 - Define these responsible carriers as “Completing Carriers” and require them to develop their own system of tracking calls to completion.
 - Require Completing Carriers to file with PSPs a quarterly report and must also submit an attestation that the payment amount for that quarter is accurate and is based on 100% of all completed calls.
 - Require quarterly reporting obligations for other facilities-based long distance carriers in the call path, if any, and define these carriers as “Intermediate Carriers.”
 - Require Completing Carriers and Intermediate Carriers to retain certain payphone records, for dispute resolution purposes, for 27 months.
 - Give parties flexibility to agree to alternative compensation arrangements (ACA) so that small Completing Carriers may avoid the expense of instituting a tracking system.

On February 22, 2018, the Commission adopted a Report and Order, FCC 18-21 (2018 *Payphone Order*), that: (1) eliminated the payphone call tracking system audit and associated reporting requirements; (2) permitted a company official, including but no longer limited to, the chief financial officer (CFO), to certify that a Completing Carrier’s quarterly compensation payments to PSPs are accurate and complete; and (3) eliminated expired interim and intermediate per-payphone compensation rules that no longer apply to any entity.

The statutory authority for this collection is contained in sections 1, 4, and 276 of the Act, 47 U.S.C. §§ 151, 154, and 276.

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

2. For the final rules, the information collected under Completing Carrier filing of quarterly reports and Intermediate Carrier filing of quarterly reports must be provided to third parties. The information collected under Completing Carrier establishment of call tracking system must be provided to third parties. The information collected annually under Completing Carrier establishment of call tracking system, Completing Carrier filing of quarterly reports, and Intermediate Carrier filing of quarterly reports is used to ensure that Completing Carriers comply with their obligations under section 276.
3. The Commission in an earlier Order on Reconsideration encouraged 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. Although the calculations in question 12 below are based on an estimated 153 Completing Carriers, the final rules permit Completing Carriers to contract around these paperwork requirements. Based on the record in the proceeding, the Commission estimates that the vast majority of Completing Carriers will comply with these paperwork requirements through clearinghouses rather than directly with individual PSPs. Moreover, elimination of the audit and associated reporting requirements, as well as permitting a company official other than the CFO to attest to the accuracy of the requisite quarterly reports and compensation, serve to minimize the burden on all Completing Carriers.
6. Failing to collect the information, or collecting it less frequently, would violate the language and/or intent of section 276 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,” 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. Commission requirements do not impose any obligations that would require parties to report information to the Commission, 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.

8. The Commission published a 60-day notice in the *Federal Register* initiating a public comment period on this renewed collection on February 23, 2021 (86 FR 10965). No comments were received. A copy of the notice is included in the submission to OMB.
9. Respondents will not receive any payments or gifts.
10. The Commission is not requesting that the respondents submit confidential information. Respondents may, however, request confidential treatment for information that they believe to be confidential under 47 C.F.R. § 0.459 of the Commission's rules.
11. There are no questions of a sensitive nature with respect to the information collected, nor are there any impacts related to the Privacy Act of 1974.
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. The following represents our best high estimate concerning the final rules.
 - a. Completing Carrier Filing of a Quarterly Report. (47 U.S.C. § 276(b)(1)(A)).

1) Number of Respondents: 112

As of January 22, 2021, the number of Completing Carriers is estimated to be 112, which was obtained from the FCC Form 499 Filer Database, available at <http://apps.fcc.gov/cgb/form499/499a.cfm>. The number of Operator Service Providers (27) plus active Prepaid Calling Card providers (85) is 112 (27 + 85 = 112).

2) Frequency of Response: Quarterly reporting requirements and third-party disclosure.

3) Total Number of Responses Annually: 896 responses

Two responses per respondent—one for the quarterly report and the second for the third-party disclosure

112 respondents x 1 responses x 4 times/annum = 448 (quarterly reports)

112 respondents x 1 responses x 4 times/annum = 448 (third party disclosure)

Total: 448 + 448 = 896 responses

4) Annual burden per respondent: 122 hours (average).

5) Total Annual Hour Burden: 13,542 hours.

The Commission estimates that respondents require approximately 30 hours to file the quarterly report:

112 respondents x 4 responses/annum x 30 hours/response = 13,440 hours

The Commission estimates that respondents require approximately 0.5 hours (30 minutes) to comply with the third-party disclosure requirement:

112 respondents x 4 responses/annum x 0.5 hours/third party response = 224 hours

Total Hours: 13,440 + 224 = 13,664 hours

b. Intermediate Carrier Filing of a Quarterly Report. (47 U.S.C. § 276(b)(1)(A)).

1) Number of Respondents: 148

As of January 22, 2021, the number of Intermediate Carriers is estimated to be 176, which was obtained by reference to the FCC Form 499 Filer Database, available at <http://apps.fcc.gov/cgb/form499/499a.cfm>.

This requirement only applies to the Intermediate Carriers and reflects quarterly reporting by those carriers.

2) Frequency of Response: Quarterly reporting requirements.

3) Total Number of Responses Annually: 592.

148 respondents x 4 responses /annum = 592

4) Annual Burden per Respondent: 80 hours (average).

5) Total Annual Hour Burden: 11,840 hours.

The Commission estimates that respondents require approximately 20 hours to file the quarterly report:

148 respondents x 4 responses/annum x 20 hours/response = 11,840 hours

c. Retention of Data for 27 Months. (47 U.S.C. § 276(b)(1)(A)).

1) Number of Respondents: 260.

Total Number of Respondents: Completing Carriers (112) plus Intermediate Carriers (148) = 260 (112 + 148 = 260).

This requirement applies to Completing Carriers and Intermediate Carriers.

2) Frequency of Response: Recordkeeping requirement.

3) Total Number of Responses Annually: 260.

112 respondents x 1 recordkeeping requirement/annum = 112 responses

148 respondents x 1 recordkeeping requirement/annum = 148 responses

Total: 112 + 148 = 260 responses

4) Annual Burden per Respondent: 6 hours.

5) Total Annual Hour Burden: 1,560 hours.

112 respondents x 1 recordkeeping requirement/annum x 6 hours = 672 hours

148 respondents x 1 recordkeeping requirement/annum x 6 hours = 888 hours

Total: 672 + 888 = 1,560 hours

Summary of Burden Calculations:

Total Number of Respondents: 112 + 148 = 260 respondents.

Total Number of Responses Annually: 896 + 592 + 260 = 1,748 responses.

Total Annual Burden Hours: 13,664 + 11,840 + 1,560 = 27,064 hours.

Total In-House Costs: None.

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.

(c) Total annualized cost requested: \$0.00.

14. There is no annual cost to the Federal government because the *2018 Payphone Order* eliminated the audit and associated reporting requirements. All other reporting requirements involve reports to PSPs but not to the Commission.

15. The Commission notes the following changes:

The Commission is reporting decreases/adjustments to this information collection. The decrease in the total number of respondents from 329 to 260 (-69) is due to a decrease in the number of Completing Carriers (OSPs and prepaid calling card providers) and Intermediate Carriers (interexchange carriers) reflected in the FCC Form 499 Filer Database, available at <http://apps.fcc.gov/cgb/form499/499a.cfm>, which accounts for a

reduction in total annual responses from 2,257 to 1,748 (-509) and a decrease in the total annual burden hours from 34,720 hours to 27,064 (-7,656).

There are no program changes to this information collection.

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 since the information collection requirements do not include any forms, etc.
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.