

Note: This submission is being made pursuant to 44 U.S.C. 3507 to revise this information collection. The Commission has not changed the reporting requirement for this information collection. We note that the Commission has granted AT&T, Verizon, legacy Qwest, and other similarly-situated carriers forbearance from Form 492-A. *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*, WC Docket Nos. 07-21, 05-342, Memorandum Opinion and Order, 23 FCC Rcd 7302 (2008) (*AT&T Cost Assignment Forbearance Order*). The Commission seeks OMB approval for a revision of a currently approved information collection in order to obtain the three year clearance.

### SUPPORTING STATEMENT

#### **A. Justification:**

1. Section 220 of the Communications Act of 1934, as amended, 47 U.S.C. 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 the receipts and expenditures of monies.

Section 219(b) of the Communications Act of 1934, as amended, 47 U.S.C. 219(b), authorizes the Commission by general or special orders to require any carrier subject to this Act to file monthly reports of earnings and expenses and to file periodic and/or special reports concerning any matters with respect to which the Commission is authorized or required by law to act.

Filing of FCC Form 492 is required by Section 65.600 of the FCC's rules. The annual filing of FCC Form 492 is required from the National Exchange Carrier Association (NECA) collectively for carriers that participate in both its tariffs and revenue-sharing pools and each local exchange carrier that is subject to section 61.38 of the Commission's Rules and which has filed individual access tariffs during the enforcement period, excluding carriers that elected incentive regulation for business data services (BDS) pursuant to the *Rate-of-Return BDS Order*, WC Docket No. 16-43 et al., Report and Order, 33 FCC Rcd 10403 (2018), NECA and each local exchange carrier subject to the previously stated section shall file their annual FCC Form 492 with the Commission. These carriers are also required to file within 15 months after the end of each calendar year a report reflecting any corrections or modifications. A copy of each report must be retained in the principal office of the respondent and shall be filed in such manner as to be readily available for reference and inspection. The Commission does not specify a retention period for this report. The Rate of Return Monitoring Reports are necessary to enable the Commission to scrutinize the access tariffs and enforce rate-of-return prescriptions.

## Rate of Return Reports

3060-0355  
September 2021

The statutory authority for this collection of information is contained in 47 U.S.C. Sections 160, 161, 209(b) and 220.

FCC Form 492A is no longer filed given Commission forbearance for price-cap carriers.<sup>1</sup> However, rate-of-return carriers are still required to file using FCC Form 492.

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

2. The information contained in FCC Form 492 is used by staff members for enforcement purposes and by the public in analyzing the industry. The reports are also used by the Commission in the tariff review process and provide both the Commission and the carriers with an early warning system if rate adjustments are necessary to correct significant targeting errors. It also enhances the Commission's ability to quantify the effects of policy proposals.

3. The Commission requires carriers to file Form 492 data via fillable online pdf files and mail three hard copies to the FCC. Form 492 is available on the FCC's Forms page, <https://www.fcc.gov/licensing-databases/forms>.

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

5. The collection of information does not involve small businesses or other small entities. These forms are filed only by the local exchange carriers (LECs) that have filed access tariffs with the FCC and NECA. Most of the small companies choose to be in the NECA pools instead of filing their own access tariff with the Commission.

6. The FCC Form 492 is filed at least once per year. If the form was filed less frequently, the Commission would not be able to conduct its studies of these data in a timely manner. These data also are necessary to support other Commission oversight functions. As noted above, submissions correcting previously filed data are to be filed within 15 months after the end of each calendar year.

7. The Commission has OMB approval to maintain paper copies for seven years and then dispose of each yearly filing in year eight.

8. A 60-day notice was published in the Federal Register pursuant to 5 CFR § 1320.8(d). See 86 FR 37154, July 14, 2021. No PRA comments were received.

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<sup>1</sup> See Memorandum Opinion and Order and Notice of Proposed Rulemaking, 23 FCC Rcd 13647 (2008), <https://docs.fcc.gov/public/attachments/FCC-08-203A1.pdf>.

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

10. In most cases, rate-of-return reports do not require submission of any confidential or commercially-sensitive data. The Commission contends that 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. If a respondent finds it necessary to submit confidential or commercially-sensitive data, Section 0.459, 47 CFR, contains the procedures for requesting confidential treatment of data.

11. There are no questions that request confidential or sensitive information in this collection.

12. The following represents the estimate of the annual burden hours and the annual cost burden for this collection of information. We note that the hour burden imposed by the requirement is very difficult to quantify. The following represents our best estimate.

FCC Form 492:

1. Number of respondents: **35**
2. Frequency of response: Annual reporting requirement.
3. Total Number of Responses Annually: **35**  
35 carriers x 1 response/annum
4. Total Annual Hourly Burden: 350

The Commission estimates that each respondent takes approximately 10 hours to comply with the requirement.

35 respondents x 10 hours per response = 350 hours.

5. Estimated Industry Cost: **\$25,620**

35 (number of respondents) x 1 (number of filings) x 10 (hours per filing) x \$73.20 per hour = \$25,620.<sup>2</sup>

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<sup>2</sup> Salary Table 2021 DCB, Incorporating the 1% General Schedule Increase and a Locality Payment of 30.48%, For the Locality Pay Area of Washington-Baltimore-Arlington, DC-MD-VA-WV-PA, Total Increase 1%, Effective January 2021, [https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2021/DCB\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2021/DCB_h.pdf).

The Commission estimates it will take each respondent using in-house staff equivalent to a GS-13 Step 5 Federal employee (\$56.31/hour), plus 30% overhead (\$16.89/hour), which equates to a total hourly rate of \$73.20/hour to comply with the requirements.

13. The following represents the Commission's estimate of the annual cost burden for respondents or record keepers 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 does not necessitate the purchase of additional equipment.

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

14. The Federal Communications Commission no longer tabulates a report based on the data incorporated in FCC Form 492; therefore, there is no measurable incremental cost to the Federal Government.

15. The Commission is reporting program changes/decreases to the number of respondents, responses and burden hours with this collection. The total number of respondents and total annual responses decreased to 35 from 175 (-140) and the total burden hours decreased to 350 from 1,400 (-1,050). These program changes/decreases are due in part to the Commission's new rules allowing rate-of-return incumbent LECs receiving model-based or other forms of high-cost universal service support to elect incentive regulation effective either July 1, 2019 or July 1, 2020.<sup>3</sup> None of the interstate access rates of carriers that adopted incentive regulation are based on rate-of-return regulation and so none of these carriers are required to file FCC Form 492. Furthermore, FCC Form 492A data are no longer filed given Commission forbearance for price-cap carriers.

There are no adjustments to this collection.

16. The hard copy report from Form 492 are stored in a binder for monitoring purposes.

17. The Commission does not seek approval not to display the expiration date of OMB approval based on the Commission's rules. The Commission publishes a list of all OMB-approved information collections with their associated OMB control numbers, titles and OMB expiration dates under 47 CFR 0.408 of the Commission's rules.

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<sup>3</sup> *Regulation of Business Data Services for Rate-of-Return Local Exchange Carriers; Business Data Services in an Internet Protocol Environment; Special Access for Price Cap Local Exchange Carriers*; WC Docket Nos. 17-144, 16-143, and 05-25, Report and Order, Second Further Notice of Proposed Rulemaking, and Further Notice of Proposed Rulemaking, 33 FCC Rcd 10403, 10447-50, paras. 125-137 (2018).

18. There are no exceptions to the Certification Statement.

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

The Commission does not employ the use of statistical methods.