

Section 64.1120(e), Verification of Orders for Telecommunications Service

SUPPORTING STATEMENT

A. Justification

1. Section 258 of the Communications Act of 1934, as amended (the Act), prohibits the practice of “slamming,” the submission or execution of unauthorized changes in a subscriber’s selection of a provider of telephone exchange service or telephone toll service.¹ The Commission’s implementing rules require, among other things, that a carrier obtain subscriber authorization and follow specific verification procedures before a carrier change may occur.²

Carriers typically sought waiver of the carrier change authorization and verification rules in order to affect the valid sale or transfer of a subscriber base from one carrier to another. The Commission received numerous waiver petitions every month. Thus, in the *First Report and Order and Fourth Report and Order*,³ the Commission amended 47 CFR § 64.1120 of its rules, as part of its biennial regulatory review effort,⁴ to establish a streamlined self-certification process for the carrier-to-carrier sale or transfer of subscriber bases, thereby eliminating the need for carriers to obtain waivers of Commission rules prior to closing a transaction. The process is designed to ensure that the affected subscribers have adequate information about the carrier change in advance, that they are not financially harmed by the change, and that they will experience a seamless transition of service from their original carrier to the acquiring carrier. This process also provides the Commission with information it needs to fulfill its consumer protection obligations.

Under the rules, carriers need not obtain individual authorization and verification for carrier changes associated with a sale or transfer of a subscriber base, provided that, not later than 30 days before the planned carrier change, the acquiring carrier notifies the Commission, in writing, of its intention to acquire the subscriber base and certifies that it will comply with the required procedures, including the provision of advance written notice to all affected subscribers. These rules reduce regulatory burdens, while providing adequate consumer protections, consistent with section 258 of the Act and our carrier change requirements.

Section 64.1120(e) of the Commission’s rules contains the following information collection requirements:

a. Section 64.1120(e). Verification of Orders for Telecommunications Service

- (1) Section 64.1120(e)(1). Pursuant to Section 64.1120(e)(1), no later than 30 days before the planned transfer of the affected subscribers from the selling or transferring carrier to the acquiring carrier, the acquiring carrier shall file with the Commission’s Office of the Secretary a letter notification in CC Docket No. 00-257 providing the names of the parties

¹ See 47 U.S.C. § 258(a).

² See 47 CFR § 64.1120.

³ See *2000 Biennial Review – Review of Policies and Rules Concerning Unauthorized Changes of Consumers’ Long Distance Carriers; Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996*, First Report and Order in CC Docket No. 00-257 and Fourth Report and Order in CC Docket No. 94-129, 16 FCC Rcd 15966, 16007 (2001).

⁴ See *2000 Biennial Regulatory Review*, CC Docket 00-175, Report, 16 FCC Rcd 1207 (2001)(agreeing with Commission staff recommendations detailed in the 2000 Biennial Review Updated Staff Report, released concurrently); Updated Staff Report (2001), Appendix IV, at 134 (recommending that the Commission propose and seek comment on expedited procedures for handling the sale or transfer of subscriber bases under the carrier change authorization and verification rules).

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to the transaction, the types of telecommunications services to be provided to the affected subscribers, and the date of the transfer of the subscriber base to the acquiring carrier.

The acquiring carrier also shall certify compliance with the requirement to provide advance subscriber notice in accordance with section 64.1120(e)(3) of the Commission's rules, with the obligations specified in that notice, and with other statutory and Commission requirements that apply to this streamlined process. In addition, the acquiring carrier shall attach a copy of the notice sent to the affected subscribers.

- (2) Section 64.1120(e)(2). Pursuant to Section 64.1120(e)(2), if, subsequent to the filing of the letter notification with the Commission required by Section 64.1120(e)(1), any material changes to the required information should develop, the acquiring carrier shall file written notification of these changes with the Commission no more than 10 days after the transfer date announced in the prior notification. The Commission reserves the right to require the acquiring carrier to send an additional notice to the affected subscribers regarding such material changes.
- (3) Section 64.1120(e)(3). Pursuant to Section 64.1120(e)(3), not later than 30 days before the transfer of the affected subscribers from the selling or transferring carrier to the acquiring carrier, the acquiring carrier shall provide written notice to each affected subscriber of the information specified. The acquiring carrier is required to fulfill the obligations set forth in the advance subscriber notice. The advance subscriber notice shall be provided in a manner consistent with 47 U.S.C. § 255 and the Commission's rules regarding accessibility to blind and visually-impaired consumers, 47 CFR §§ 6.3, 6.5.

This information collection does not affect individuals or household; thus, there are no impacts under the Privacy Act. This information collection does not contain personally identifiable information (PII) on individuals.

The Commission is requesting an extension of this collection in order to receive the full three-year OMB approval/clearance for this collection.

The statutory authority citation for the information collection requirements is found at 47 U.S.C. § 258, Illegal Changes in Subscriber Carrier Selections, Public Law 104-104, 110 Stat. 56, and 47 U.S.C. § 201, Service and Charges, 48 Stat. 107; 52 Stat. 588.

2. The information will be used to implement section 258 of the Act. The information will expedite procedures for handling the sale or transfer of subscribers, while adequately protecting consumers.
3. The rules do not specifically provide for technological collection techniques or other forms of electronic technology. To the extent that carriers wish to utilize such technology, they may do so as long as their actions are consistent with our requirements.
4. The information collection requirements are not duplicative of any currently existing federal regulatory obligation.
5. There will not be a significant impact on a substantial number of small businesses/entities by this information being collected.

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6. If rules had not been implemented, carriers would continue the process of seeking a waiver of the authorization and verification requirements, a process that is potentially burdensome to carriers seeking to appropriately sell or acquire customer accounts.
7. The collection is not conducted in any manner that is inconsistent with the guidelines in 5 CFR § 1320.
8. Pursuant to 5 CFR § 1320.8(d), the Commission placed a notice in the *Federal Register* seeking comments on the information collection requirements contained in this collection. See 86 FR 64201, published November 17, 2021. No comments were received from the public.
9. The Commission does not anticipate providing any payment or gift to respondents.
10. Confidentiality concerns are not relevant to this proceeding. The Commission is not requesting that respondents submit confidential information.
11. This information collection does not raise any questions or issues of a sensitive nature.
12. Estimates of the hour burden for the collection of information are as follows:

(a) Section 64.1120(e)(1) – (2): Notification and Certification to the Commission

Annual Number of Respondents: 50 carriers (respondents)⁵

Annual Number of Responses: 50 notifications + 50 certifications = **100 responses**

Annual Burden Hours: The Commission estimates that approximately 50 acquiring carriers (respondents) will send letter notifications and certifications to the Commission. This process will be done “on occasion” and will require approximately 1 hour per respondent to comply with the requirement.

50 notifications x 1 hour/ respondent = **50 hours**

50 certifications x 1 hour/ respondent = **50 hours**

100 hours

Annual “In-house Cost”: The Commission assumes that respondents use “in-house” personnel whose pay is comparable to senior level federal employees (GS-13/5), thus, the Commission estimates respondent’s cost to be about \$56.31 per hour to comply with the requirement:

100 responses x 1 hour/notification and certification x \$56.31 = **\$5,631**

(b) Section 64.1120(e)(3): Pre-Transfer Subscriber Notification

Annual Number of Respondents: 50 carriers

Annual Number of Responses: 50 written notices

Annual Burden Hours: The Commission estimates that the same 50 respondents will give each affected subscriber written notice. This process will be done “on occasion” and will require approximately 5 hours per respondent to comply with this requirement.

⁵ The Commission estimates that there are approximately 50 carriers that will be affected by this collection. These 50 carriers will submit various information collections requirements as noted in this document.

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50 written notices x 5 hours/written notices/carrier = **250 hours**

Annual “In-house Cost”: The Commission assumes that respondents use “in-house” personnel whose pay is comparable to senior level federal employees (GS-13/5), thus, the Commission estimates respondent’s cost to be about \$56.31 per hour to comply with the requirement:

50 written notices x 5 hours/notice/respondent x \$56.31 = **\$14,077.50**

Total Number of Respondents: = 50 respondents

Total Number of Responses: 50 notifications + 50 certifications + 50 notices = **150 responses**

Total Annual Burden Hours: 50 hours + 50 hours + 250 hours = **350 hours**

Total Annual “In House” Cost: \$5,631 + \$14,077.50= **\$19,708.50**

13. The following represents the Commission’s estimate of the annual cost burden to respondents resulting from the collection of information: The Commission believes that carriers will use in-house personnel to notify and certify with the Commission of its sale or transfer of subscriber bases and prepare written notices to affected subscribers. Thus:

(a) Total annualized capital/start-up costs: **None**

(b) Total annual operational or maintenance cost (O&M): **None**

(c) Total annualized cost requested: **None**

14. Estimated annualized cost to the Federal Government is \$7,899. It is expected that it will require one hour for a Commission staff person at a GS-13/5 level to review carriers’ notification and certification documents related to the sale and transfer of subscriber bases and to review carriers’ written notice sent to affected subscribers:

150 responses x 1 hour processing x \$56.31 = **\$8,446.50**

Total Cost to Federal Government: \$8,446.50

15. There are no adjustments or program changes to the information collection.

16. There will be no publication of this information collection.

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

18. There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods

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