

SUPPORTING STATEMENT

A. Justification:

1. *Circumstances that make collection necessary.* Following the passage of the Telecommunications Act of 1996 (1996 Act), the Commission adopted interstate access charge and universal service support reforms. These reforms were designed to establish a “pro-competitive, deregulatory national policy framework” for the United States telecommunications industry.

Specifically, the Commission aligned the interstate access rate structure more closely with the manner in which costs are incurred, and created a universal service support mechanism for rate-of-return carriers (Interstate Common Line Support (ICLS)) to replace implicit support in interstate access charges with explicit support that is portable to all eligible telecommunications carriers.

To administer the ICLS mechanism, the Universal Service Administrative Company required, among other things, that rate-of-return carriers collect projected cost and revenue data. In addition, carriers are required to submit tariff data to ensure that their rates are just and reasonable.

GSF Allocation

Rate-of-return carriers that use general purpose computers to provide non-regulated billing and collection services are required to allocate a portion of their general purpose computer costs to the billing and collection category, which requires them to determine general purpose computer investment. Carriers may use the general purpose computer investment amount they develop for a period of three years.

On November 18, 2011, the Commission released the *USF/ICC Transformation Order* (FCC 11-161), which comprehensively reformed and modernized the universal service and intercarrier compensation systems to ensure that robust, affordable voice and broadband services are available to Americans throughout the nation. The *USF/ICC Transformation Order* does not affect the requirement that carriers allocate these costs as part of the rate development process for common line and special access services.

Transport and Special Access Deaveraging

Rate-of-return carriers may modify their access tariffs to offer transport and special access services at deaveraged rates. The carriers must have a tariffed cross-connect element and define their applicable zones. Rate-of-return carriers do not have to file for approval of their zone plans before making a tariff filing. The *USF/ICC Transformation Order* capped rate-of-return carrier switched access rates. Thus, rate-of-return carriers should no longer incur the costs of studies

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otherwise needed to establish deaveraged switched access transport rates. These carriers, however, still are able to deaverage special access rates because the *USF/ICC Transformation Order* does not affect these rates.

The Commission is seeking the Office of Management and Budget (OMB) approval for an extension of this existing information collection in order to obtain the three year approval.

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

Statutory authority for this collection of information is contained in sections 1-4, 10, 154(i), 154(j), and 201-205 of the Communications Act of 1934 as amended, 47 U.S.C. §§ 1-4, 10, 154(i), 154(j), and 201-205.

2. The Commission uses the tariff data to make sure that rates are just and reasonable, as required by sections 201-205 of the 1996 Act.
3. In an effort to reduce any burden created by these information collection requirements, the Commission encourages respondents to file their data electronically.
4. There will be no duplication of information filed. The information sought is unique to each carrier or respondent and similar information is not already available. The Commission is using already-established reporting and recordkeeping requirements to satisfy statutory directives.
5. The collections of information may affect small entities as well as large entities. The collections have been carefully designed to minimize the burden on all carriers, regardless of size.
6. If the Commission does not collect the tariff data, the Commission and interested parties will be unable to ascertain whether tariff rates are just and reasonable.
7. The Commission does not foresee any special circumstances that would cause an information collection to be conducted under extraordinary circumstances.
8. Pursuant to 5 CFR 1320.8(d), the Commission placed a notice in the Federal Register, 87 FR 68490, November 15, 2022. No comments were received.
9. The Commission does not anticipate providing any payment or gift to respondents.

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10. The Commission does not request that respondents submit confidential information to the Commission. If the Commission does request applicants to submit information that the respondents believe is confidential, respondents may request confidential treatment of such information under the Commission's rules, 47 C.F.R § 0.459.

11. There are no questions of a sensitive nature with respect to the information collections described herein.

12. Estimates of hour burden of the collection of information.

a. **GSF Allocation:**

(1) Number of respondents: 200 carriers.

The Commission estimates the number of carriers that will file the GSF allocation data to be 200 carriers.

(2) Frequency of response: Every three years.

The Commission estimates that carriers will file the data once every three years.

(3) Total Number of Responses Annually: 67 responses annually.

$200 \text{ carriers} \times 1 \text{ response}/3 \text{ years} = 200 \text{ responses}$

$200 \text{ responses divided by } 3 \text{ years} = \text{Approximately } 67 \text{ responses}$

(4) Annual hour burden per respondent: 1,332 hours.

The Commission estimates that carriers require approximately 20 hours to file their data.

$200 \text{ carriers} \times 20 \text{ hours/data filing} \times 0.333 = \mathbf{1,332 \text{ hours.}}$

(5) Total In-House Costs: **\$95,744.16.**

The Commission estimates that each respondent uses staff equivalent to a GS-14/Step 5 (\$71.88/hour) Federal employee.

$1,332 \text{ hours/annual data filing} \times \$71.88 \text{ hour} = \$95,744.16.$

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b. Transport and Special Access Deaveraging:

(1) Number of respondents: 2 rate-of-return carriers.

(2) Frequency of response: On occasion reporting requirements.

Each carrier has the option when it elects to file tariffs.

(3) Total Number of Responses Annually: 2 responses.

The Commission believes that each carrier elects to file tariffs implementing deaveraged transport and special access rates at least once annually.

2 carriers x 1 tariff filing/year = 2 responses.

(4) Annual hour burden per respondent:

The Commission estimates that respondents require approximately 90 hours to file tariffs implementing deaveraged transport and special access rates.

2 carriers x 90 hours/tariff filing = **180 hours.**

(5) Total In-House Costs: **\$12,938.40.**

The Commission estimates that each carrier uses staff equivalent to a GS-14/Step 5 (\$71.88/hour) Federal employee.

180 hours/deaveraged rate tariff filings x \$71.88/hour = \$12,938.40.

Total Number of Respondents: 200 + 2 = 202 respondents

Total Number of Responses Annually: 67 + 2 = 69 responses

Total Annual Hourly Burden: 1,332 + 180 = 1,512 hours

Total In-House Costs: \$95,744.16 + \$12,938.40 = \$108,682.56.

13. Estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information.

(1) Total annualized capital/start-up costs: \$0.00.

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The collections will not require the purchase of additional equipment.

(2) Total operation and maintenance and purchase of service component (O&M) costs: **\$55,800.**

Respondents are subject to a tariff filing fee of \$930.

Based on the above, we expect 20 respondents to file approximately three tariff modifications per year.

20 respondents x 3 tariff modifications/year x \$930/tariff filing fee = \$55,800.

Total annualized cost requested: **\$55,800.**

14. There will be few, if any, costs to the Commission because tariff review is already part of the Commission's duties.
15. The Commission notes that since the previous submission, the tariff filing fee has decreased from \$960 to \$930. As a result, the total annual cost burden is estimated to be \$55,800, a decrease of \$1,800 since the last submission to OMB.

There are no program changes.
16. The information is not of a sensitive nature. Carriers that submit information that they deem proprietary are instructed to label the information as such and submit it separately.
17. The Commission seeks continued OMB approval not to display the expiration date for OMB approval of the information collections.
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.