**SUPPORTING STATEMENT**

**A. Justification:**

1. *Circumstances that make the collection necessary:*

 In the 1999 *Fifth Report and Order* (*Pricing Flexibility Order*),[[1]](#footnote-2) the Federal Communications Commission (Commission) modified the rules that govern the provision of interstate access services by those price cap incumbent local exchange carriers (price cap LECs) subject to price regulation to advance the pro-competitive, de-regulatory national policies embodied in the Telecommunications Act of 1996 (the Act).

The Commission, among other things, granted immediate pricing flexibility to price cap LECs in the form of streamlined introduction of new switched access services without prior approval or cost support information.[[2]](#footnote-3) The Commission modified its rules to eliminate the public interest showing previously required by section 69.4(g) of the Commission’s rules[[3]](#footnote-4) and to enable price cap LECs to establish any new switched access rate element, in addition to the access rate elements currently required by section 69.4.[[4]](#footnote-5) The Commission also eliminated the new services test in sections 61.49(f) and (g) [[5]](#footnote-6) for all new switched access services *except* for loop-based switched access services. [[6]](#footnote-7)

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

Statutory authority for this information collection is Sections 1, 4(i), 4(j), 201-205, 303(r), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 154(j), 201-205, 303(r), 403, and 5 U.S.C. § 553.

2. The information submitted by price cap LECs will enable the Commission to determine whether the proposed rates for new loop-based switched access services are in the public interest and whether they meet the new services test.

3. Generally, there is no improved technology identified by the Commission to reduce the burden of these collections. However, the Commission does not prohibit the use of improved technology where appropriate.

4. We know of no duplication of this information. There is no similar information available in this area.

5. The burden has been minimized for all subject to this collection.

6. Failing to collect the information would violate the language and/or intent of the 1996 Act: to ensure that access to the evolving, advanced telecommunications infrastructure would be made broadly available in all regions of the nation at just, reasonable and efficient rates.

7. We are not aware of any circumstances that require the collection to be conducted in any manner inconsistent with the guidelines in 5 C.F.R. § 1320.5.

8. The Commission published a 60-day Notice in the *Federal Register* on July 22, 2025 (90 FR 34499) seeking comments from the public. No comments were received as a result of the Notice.

9. The Commission does not anticipate providing any payment or gift to respondents.

10. No information of a confidential nature is being sought; however, respondents may request materials or information submitted to the Commission to be withheld from public inspection under section 0.459 of the Commission’s rules (47 C.F.R. § 0.459). *See also* 47 C.F.R. § 1.774(b).

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

12. The following represents the estimated hour burden of the information collection. This estimate includes the time required to meet the public interest and new services requirements.

 (1) Number of respondents: 1.

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

 (3) Total number of responses annually: 1.

 1 respondent x 1 response each per year = 1 response.

 (4) Annual hour burden per respondent: 30 hours.

 (5) Total annual burden: **30 hours.**

The Commission estimates that price cap LECs would make 1 filing per year, each of which would take approximately 30 hours to prepare.

 1 respondent x 1 filing/year x 30 hours = 30 hours.

(6) Total estimate of “in house” cost to respondents: **$1,652.10.**

 (7) Explanation of the calculation:

The Commission estimates that the respondents will use personnel comparable in pay to a GS-12/5 employee, earning $55.07 per hour. Thus:

30 hours per year x $55.07/hour = $1,652.10.

13a. The following represents the Commission’s estimate of the annual cost burden to respondents or recordkeepers resulting from the information collection:

 These information collection requirements impose no start-up costs on respondents.

13b. Estimated operations and maintenance cost to respondents:

Respondents are subject to a filing fee of $1,040 per filing. Thus:

 1 response x 1 annual response x $1,040 filing fee = **$1,040.**

14. Estimated costs to the Commission:

We estimate that it will take a GS 12/Step 5 employee earning $55.07 per hour approximately four hours to review each filing.

1 filing per year x 4 hours per filing x $55.07 per hour = **$220.28.**

15. The Commission has increased the tariff filing fee from $930 to $1,040 since the last submission was approved by OMB (+$110). However, because the number of respondents and the total annual responses have decreased from 13 to 1 (-12), the total annual burden hours has decreased from 130 to 30 (-100) and the total annual cost has decreased from $12,090 to $1,040 (-$11,050).

There are no program changes.

16. The Commission does not anticipate that it will publish any of the information collected.

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

18. There are no exceptions to the Certification Statement.

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

This collection does not employ statistical methods.

1. *Fifth Report and Order and Notice of Proposed Rulemaking*, 14 FCC Rcd 14221 (1999) (*Pricing Flexibility Order*), aff’d, WorldCom v. FCC, 238 F.3d 449 (D.C. Cir. 2001). [↑](#footnote-ref-2)
2. *See Pricing Flexibility Order*, 14 FCC Rcd at 14239-41, paras. 37-39. [↑](#footnote-ref-3)
3. 47 C.F.R §69.4(g). Under this section, a price cap LEC must file a petition showing that its proposed new loop-based switched access rate element would be in the public interest or that another LEC previously has established the same rate element.

 [↑](#footnote-ref-4)
4. *See Pricing Flexibility Order*, 14 FCC Rcd at 14240-41, para. 39. Section 69.4(g) subsequently became “reserved” section 69.4(f) as a result of a *Second Report and Order and Further Notice of Proposed Rulemaking* in CC Docket Nos. 00-256, *Fifteenth Report and Order* in CC Docket No. 96-45, and Report and Order in CC Docket No. 98-77 and 98-166 released on November 8, 2001. *See* 66 Fed. Reg. 59719, 59729 (Nov. 30, 2001).

 [↑](#footnote-ref-5)
5. 47 C.F.R. §§61.49(f) and (g). Pursuant to these sections, a price cap LEC must show how its new service rates will recover no more than the carrier's direct costs of providing the service, plus a reasonable level of overheads, and no less than the carrier's direct costs of providing the service. Those tariffs must be filed on at least 15 days' notice. A price cap LEC must incorporate its new services into the appropriate price cap basket and indices within six to 18 months after the new service tariff takes effect, in conjunction with the carrier's annual access tariff filing. [↑](#footnote-ref-6)
6. The Commission was concerned that new services that employ local loop facilities raise cost allocation issues that the Commission has not yet addressed. *Pricing Flexibility Order*, 14 FCC Rcd at 14240-41, para. 39. [↑](#footnote-ref-7)