

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. More recently, the Commission reformed this universal service support mechanism, enabling rate-of-return carriers to elect to receive fixed support or to continue to receive cost-based support. The new cost-based support is known as Connect America Fund Broadband Loop (CAF BLS) support.

To administer the CAF BLS support mechanism, the Universal Service Administrative Company collects demand, cost, and revenue data from rate-of-return carriers that did not elect to receive fixed support. In addition, rate-of-return carriers are required to submit demand, cost, and revenue data to the Commission to ensure that their cost-based rates are just and reasonable.

General Support Facilities (GSF) Allocation

The GSF cost category includes assets that support other operations, such as land, buildings, vehicles, and general purpose computer investment. 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. Carriers may use the general purpose computer investment amount they develop for this purpose 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 cost-based 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

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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 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 demand, cost, and revenue 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 demand, cost, and revenue 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, 90 FR 44068, September 11, 2025. No comments were received.
9. The Commission does not anticipate providing any payment or gift to respondents.
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

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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 calculate the amount of general purpose computer investment to be allocated to the billing and collection category to be 200 carriers.

(2) Frequency of response: Every three years.

The Commission estimates that carriers will calculate the amount of general purpose computer investment to be allocated to the billing and collection category once every three years.

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

200 carriers x 1 response = 200 responses over three years.

200 responses divided by 3 years = Approximately 67 responses.

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

The Commission estimates that carriers require approximately 20 hours to calculate the amount of general purpose computer investment to be allocated to the billing and collection category.

200 carriers x 20 hours/data filing x 0.333 = **1,332 hours.**

(5) Total In-House Costs: **\$103,070.16.**

The Commission estimates that each respondent uses staff equivalent to a GS-14/Step 5 (\$77.38/hour) Federal employee.

1,332 hours/annual data filing x \$77.38 hour = \$103,070.16.

b. **Transport and Special Access Deaveraging:**

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(1) Number of respondents: 1 rate-of-return carrier.

(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: 1 response.

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

1 carrier x 1 tariff filing/year = 1 response.

(4) Annual hour burden per respondent:

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

1 carriers x 90 hours/tariff filing = **90 hours**.

(5) Total In-House Costs: **\$6,964.20**.

The Commission estimates that each carrier uses staff equivalent to a GS-14/Step 5 (\$77.38/hour) Federal employee.

90 hours/deaveraged rate tariff fillings x \$77.38/hour = \$6,964.20.

Total Number of Respondents: $200 + 1 = 201$ respondents.

Total Number of Responses Annually: $67 (200/3) + 1 = 68$ responses.

Total Annual Hourly Burden: $1,332 + 90 = 1,422$ hours.

Total In-House Costs: $\$103,070.16 + \$6,964.20 = \$110,034.36$.

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.

The collections will not require the purchase of additional equipment.

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(2) Total operation and maintenance and purchase of service component (O&M) costs: \$1,040.

Respondents are subject to a tariff filing fee of \$1,040.

Based on the above, we expect 1 respondent to file approximately one tariff modification per year.

1 respondent x 1 tariff modification/year x \$1,040/tariff filing fee = \$1,040.

Total annualized cost requested: **\$1,040.**

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 increased from \$960 to \$1,040. Despite the increased fee, the total annual cost burden has decreased from \$55,800 to \$1,040 (-\$54,760) as the result of a decrease in the number of respondents filing tariffs from 202 to 201(-1), the number of tariff filings per year decreased from 69 to 68 (-1) and the number of annual burden hours decreased from 1,512 to 1,422 (-90).

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.