SUPPORTING STATEMENT

A. Justification.

1. Title 47 CFR Part 3 establishes rules related to the administration of accounting authorities.

   (a) The rules are required to ensure adherence to international telecommunications settlement procedures.

   (b) The collection requirements provide information necessary for the FCC to determine whether an applicant is qualified to act as an accounting authority.

   Background:

   The FCC has standards for accounting authorities[1] in the maritime mobile and maritime-satellite radio services. The Commission will use the information to determine eligibility of applicants for certification as an accounting authority, to monitor activity, to insure compliance, and to identify accounting authorities to the International Telecommunications Union (ITU). Respondents are individuals or entities seeking certification or those already certified to be accounting authorities.

   47 CFR § 3.10 requires applicants to meet the requirements and conditions contained in the Part 3 rules in order to be certified as an accounting authority.

   (a) No individual or other entity, including accounting authorities approved by other administrations, may act as a United States accounting authority and settle accounts of U.S. licensed vessels in the maritime mobile or maritime mobile-satellite services without a certification from the FCC.

   (b) Accounting authorities with interim certification as of the effective date of this rule must submit to the application process discussed in 47 CFR § 3.20. These accounting authorities will be "grandfathered" into this process, *i.e.*, granted permanent certification provided they demonstrate their eligibility and present a proper application.

   (c) Applicants must provide formal financial statements or documentation proving all assets, liabilities, income, and expenses.

   (d) Applicants must also provide any additional information that the Commission deems necessary.

[1] On July 13, 1999, the FCC adopted a *Report and Order and Further Notice of Proposed Rulemaking*, In the Matter of 1998 Biennial Regulatory Review—Review of Accounts Settlement in the Maritime Mobile and Maritime Mobile-Satellite Radio Services and Withdrawal of the Commission as an Accounting Authority in the Maritime Mobile and Maritime Mobile-Satellite Radio Services, IB Docket No. 98-96, FCC 99-150, in which the Commission proposed to withdrawal the FCC from its role as a nationwide clearinghouse for settling accounts for maritime mobile, maritime satellite, aircraft, and handheld terminal radio services. However, this proposal was never finalized and the FCC continues to assume its role as a nationwide clearinghouse.

Applicants must offer their services to any member of the public making a reasonable request therefore, without undue discrimination against any customer or class of customer, and fees charged from providing such services shall be reasonable and non-discriminatory.

(a) The FCC will waive this requirement for applicants who settle their own accounts only and are eligible to be "grandfathered" during the initial application period.

(b) Should the need for additional accounting authorities be proven, accounting authorities will be required, however, to offer their services to the public or relinquish their certification.

47 CFR § 3.28 details the reasons for denial of accounting authority privileges.

47 CFR § 3.29 states that the Commission will publish the name of an applicant in a Public Notice before granting certification and will invite public comment on the qualifications of the applicant from any interested parties.

(a) The FCC will publish a Public Notice listing the names and addresses of all newly certified accounting authorities.

(b) The FCC will also notify the International Telecommunications Union within 30 days of any changes to its approved list of accounting authorities.

47 CFR § 3.50 requires accounting authorities to maintain, for the purpose of compliance with these rules, all settlement records for a period of at least seven (7) years following settlement of an account with a foreign administration or agent.

47 CFR § 3.51 states that the FCC must be notified immediately should any accounting authority plan to relinquish its certification or cease to perform settlements as authorized.

(a) Additionally, the Commission must be advised in advance of any proposed transfer of control of an accounting authority's firm or organization, by any means, to another entity.

(b) The applicant must certify acceptance of all accounts and must furnish a list of the accounts to the Commission at the time of application.

47 CFR § 3.52 requires accounting authorities to maintain procedures for resolving complaints and/or inquiries from its contractual customers (vessels for which it performs settlements), the FCC, the ITU, and foreign administrations or their agents.

(a) These procedures must be available to the Commission upon request.

(b) If an account is in dispute, the Commission will determine the amount due the foreign administration, recognized operating agency or accounting authority and may direct the accounting authority to pay the accounts to a foreign administration.

(c) If the accounting authority does not pay the disputed accounts within a reasonable timeframe, the Commission may take action to levy a forfeiture, cancel the AAIC[2] privilege and/or to revoke any operating authority or licenses held by that accounting authority, *see* 47 CFR § 3.72.

47 CFR § 3.53 requires an accounting authority to inform the FCC immediately should it receive notice from any source that a foreign administration or facility is refusing or plans to refuse legitimate public correspondence to or from any U.S. registered vessel.

47 CFR § 3.54 requires that the Commission be notified in writing within 15 days of any change in address of an accounting authority.

The FCC Forms 44 and 45 were modified to include the FCC Registration Number (FRN).

In addition, the Commission received blanket OMB approval to add the FRN to all of our application forms as they have come up for expiration.[3]

The statutory authorities for this collection of information are Sections 4(i), 4(j), 11, 201-205, and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. 154(i), 154(j), 161, 201-205, and 303(r).

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

2. The Commission will use the data in this information collection:

(a) to determine the eligibility of applicants for certification as accounting authorities,

(b) to monitor settlement activities to ensure compliance, and

(c) to identify accounting authorities to the International Telecommunications Union for disclosure in their List of Ship Stations Report.

3. The Commission believes that most accounting authority respondents will prepare their applications for certification manually.

At present, the Commission has no plans to implement mandatory electronic filing for this collection. The Commission does not wish to restrict respondents' methods for providing the necessary data, and will accept applications that include paper and/or electronic mail formats.

The Commission also makes the application forms available on the FCC Internet website at www.fcc.forms.

4. The Commission does not impose any similar information collection requirements on the public.

[2] AAIC is the Accounting Authority Identification Code (AAIC).
[3] *See* OMB Control Number 3060-0728. This information collection entitled "Supplemental Information Requesting FCC Registration Number for Debt Collection" has expired and the previous form was phased out. It was replaced with the CORES Registration Form, FCC Form 160, under OMB Control Number 3060-0917.

5. In conformance with the Paperwork Reduction Act of 1995, the Commission has made a diligent effort to minimize the burden on all respondents, including small businesses. The Commission has limited the information collection requirements to those that are necessary for evaluating and processing the certification applications and to ensure compliance with the accounting regulations for maritime mobile and maritime mobile-satellite radio services.

6. 47 CFR § 3.72 sets forth the reasons for further enforcement action.

   (a) This action may include forfeiture, suspension, or cancellation of an accounting authority certification, if the Commission determines that the public interest requires such.

   (b) Establishment of this collection will help to minimize the U.S. Government's liability for failure by an accounting authority to perform the settlement process satisfactorily.

   (c) Failure to pay foreign countries or agents amounts that are due them can result in a denial of communications between U.S. licensed ships, possibly affecting commercial enterprises and/or U.S. security.

7. As noted above, 47 CFR § 3.50 requires accounting authorities to maintain, for the purpose of compliance with these rules, all settlement records for a period of at least seven (7) years following settlement of an account with a foreign administration or agent.

   (a) The purpose of this requirement is to be in a position to audit the financial records of registered accounting authorities.

   (b) General guidelines recommend that businesses retain certain financial records for at least seven years for audit purposes.

   Otherwise, the Commission is not aware of any circumstances that would create any information collection requirements not consistent with the PRA's general requirements under 5 CFR § 1320.5(d)(2).

8. The Commission initiated a 60-day public comment period with publication of a Notice in the *Federal Register* on August 14, 2026 (91 FR 52690). The Commission received no comments from the public in response to publication of this Notice.

9. Respondents will not receive any payments or gifts.

10. Under 47 CFR § 3.62, applicants should comply with 47 CFR § 0.459 of FCC Rules when requesting confidentiality since the Commission does not offer confidentiality automatically.

11. This information collection does not address any issues of a sensitive nature.

12. 47 CFR § 3.21(b) states that at any given time there will be no more than 25 certified accounting authorities.

Total Number of Respondents: 10 respondents

Currently, there are no more than 10 certified accounting authorities.

Total Number of Responses Annually: 22 responses

Form 44 Certification Application – Filed only for new authority. Averages less than 1 response annually.

Form 45 Statistical Report of Settlement Activities – 10 responses annually.

Initial Inventory of Vessels Report - filed within 60 days of receiving final approval as an accounting authority. No responses in recent years.

Semi-Annual Inventory of Vessels Report - Filed only if there are additions, modifications or deletions to an accounting authority's vessel inventory. Averages less than 1 response annually.

End of Year Inventory of Vessels Report – 10 responses annually.

Total Number of Responses Annually: 22 responses

Total Annual Burden Hours: 24 hours

The Commission estimates the average burden on each Form 44, Application for Certification is 3 hours, thus:

1 response x 3 hours/application = 3 hours

The Commission estimates the average burden on each Form 45, Annual Statistical Report of Settlement Operations, is 1 hour, thus

10 accounting authorities x 1 hour/Form 45 = 10 hours

The Commission estimates the average burden on preparing each inventory report of vessels (initial, semi-annual, or year-end) is 1 hour each, thus:

0 Initial Inventory of Vessels Reports x 1 hour/report = 0 hours
1 Semi-Annual Inventory of Vessels Report x 1 hour/report = 1 hour
10 End of Year Inventory of Vessels Reports x 1 hour/report = 10 hours

Total Annual Burden Hours: 3+10+0+1+10 = 24 hours

Total "In-House" Staff Costs: $2,063.57

The Commission estimates that respondents will perform all these activities using "in-house" accounting and audit staff, equivalent to a GS-13/Step 5 ($66.14 /hour) in the Federal GS Salary Schedule plus 30% overhead.

24 hours x $66.14 /hour = $1,587.36

30% overhead = $ 476.21
Total: $2,063.57

Total Respondents: 10
Total Responses: 1+10+0+1+10=22
Total Annual Burden Hours: 3 +10+0+1+10 = 24 hours
Total "In-House" Staff Costs = $2,063.57

13. The Commission notes that the accounting authorities are required to submit formal financial statements to the FCC along with their annual Form 44 submission. We believe that these accounting authorities will choose to have an independent auditing firm prepare the financial statements.

    (a) Total annualized capital/startup costs: None.

    (b) Total annual costs (O&M): $250,000.

    The Commission believes that the independent auditing firms will charge their customers approximately $250.00/hour to prepare the annual financial statements. The Commission also believes that it requires approximately 100 hours reviewing the applicant's financial records and preparing the statements.

    10 accounting authorities x 1 set of financial statements/authority x $250.00/hour x 100 hours = $250,000

    (c) Total annualized cost requested: $250,000

14. The Commission uses either financial analysts or accountants to review these occasional, semi-annual, and annual certification applications, reports of settlement operations and inventory of vessels reports. The Commission further assumes that these financial analysts or accountants are GS-13/Step 5 at $66.14 /hour plus 30% overhead cost:

    (a) We estimate that reviewing the Form 44 certification applications requires two (3) hours:

    1 application x 3 hours/review x $66.14/hour = $198.42
    30% overhead = $ 59.53
    Total: $257.95

(b) We estimate that reviewing the annual Form 45 settlement activity reports requires 30 minutes (0.5 hours):

10 applications x 0.5 hours/review x $66.14/hour = $330.70
30% overhead = $ 99.21
Total: $429.91

(c) We estimate that reviewing the inventory of vessels reports requires 30 minutes (0.5 hours) per report:
11 inventory reports x 0.5 hours/review x $66.14/hour = $363.77

30% overhead = $109.13
Total: $472.90

Total Cost to Federal Government: $257.95 + $429.91 + $472.90 = $1,160.76

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

16. The data will not be published for statistical uses.

17. The Commission requests OMB approval not to display the expiration date for OMB approval on FCC Forms 44 and 45. This will allow continued use of the version of the form that respondents already have.

18. There are no exceptions to the Certification Statement.

B. Collections of Information Employing Statistical Methods.

This information collection does not use any statistical methods.