

SUPPORTING STATEMENT

This collection is being submitted to extend an existing collection with adjustments to the hour and cost burdens to more accurately reflect the most current information available.

A. Justification:

1. The following collections of information are implemented pursuant to the attached First Report and Order and Order on Reconsideration issued in CC Docket No. 96-98 implementing the Telecommunications Act of 1996.

a. Submission of Information Necessary to Reach Agreement. Parties negotiating agreements under section 252 are required to provide each other with information necessary to reach agreement. 47 U.S.C. § 252 are required to provide each other with information necessary to reach agreement. 47 U.S.C. § 252 (b). See also 47 CFR Sections 51.301, 51.100.

b. Submission of Agreements to the State Commission. Carriers must file interconnection agreements negotiated or arbitrated under the 1996 Act with the appropriate state commissions. Once agreements are approved by the state commission, incumbent LECs are also required to make their approved agreements available to all parties. 47 U.S.C. §§ 252 (e)(1), 252(i). See also 47 CFR Sections 51.100, 51.3, 51.303, 51.809.

c. Burden of Proof Regarding Interconnection and Access to Unbundled Network Elements. To submit an order to obtain a high-capacity unbundled transmission facility, a requesting carrier must undertake a reasonably diligent inquiry and, based on that inquiry, self-certify that to the best of its knowledge; its request is consistent with the availability thresholds set forth in the Commission's rules. Upon receiving such a request, the incumbent LEC must immediately process it and provision the element, and may subsequently bring any dispute regarding access to that UNE before a state commission or other appropriate authority." An incumbent LEC that denies a request to combine network elements must prove by clear and convincing evidence that the requested combination is not technically feasible or that the requested combination would impair the ability of other carriers to interconnect or to access unbundled network elements. 47 U.S.C. §§ 251 (c)(2), (c)(3). See also CFR Sections 51.305, 51.323, 51.319.

d. Collocation. When an incumbent LEC alleges that there are space constraints, it must provide the state commission with detailed floor plans or diagrams of those premises. When an incumbent LEC objects to collocation of equipment by a telecommunications carrier, the incumbent LEC bears the burden of demonstrating to the state commission that the equipment will not be actually used for the purpose of obtaining interconnection or gaining access to unbundled network elements. An incumbent LEC providing collocation must permit interconnection of copper or coaxial cable if such interconnection is first approved by the state commission. 47 U.S.C. § 251 (c)(6). See also 47 CFR Sections 51.321, 51.323.

e. Notification that a State Commission Has Failed to Act. Any interested party seeking preemption of a state commission's jurisdiction based on the state commission's failure to act shall notify the Commission as follows: (1) file with the Secretary of the Commission a detailed petition, supported by an affidavit, that states with specificity the basis for any claim that it has failed to act; (2) serve the state commission and other parties to the proceeding on the same day that the party serves the petition on the Commission; and (3) within 15 days of the filing of the petition, the state commission and parties to the proceeding may file a response to the petition. 47 U.S.C. § 252(e). See also 47 CFR Section 51.803.

f. Rural and Small Carriers. Rural and small carriers may have to submit information to state commissions in order to (1) justify a continued exemption under section 251 (f)(1) once a bona fide request has been made; and (2) petition a state commission for a suspension or modification of the Act's requirements under section 251(f)(2). 47 U.S.C. § 251(f). See also 47 CFR Section 51.403.

g. Pole Attachment Modifications. Absent a private agreement establishing notification procedures, utilities must provide no less than 60 days' written notification of a modification of a pole attachment to parties holding attachments on the facility to be modified. Notice should be sufficiently specific to apprise the recipient of the nature and scope of the planned modification. If the contemplated modification involves an emergency situation for which advanced written notice would prove impractical, the notice requirement does not apply, except that notice should be given as soon as reasonably practicable, which in some cases may be after the modification is completed. This requirement does not apply to routine pole maintenance activities. Utilities and parties with attachments should exchange maintenance handbooks or other written descriptions of their standard maintenance practices. Changes to these practices should be made only upon 60 days' written notice. 47 U.S.C. § 224(h). See also 47 CFR Section 1.1403.

h. Pole Attachment Access Requests and Denials of Access. The Commission adopts procedures to provide a complete record of pole access requests and denials of requests. Therefore, cable operators and telecommunications carrier must provide written request for access to utilities. If access is not granted within 45 days of the request, the utility must confirm the denial in writing by the 45th day. The denial must be specific, and the utility must include all relevant evidence supporting its denial. It must enumerate how the evidence relates to one of the reasons that access can be denied under Section 224(f)(2), i.e., lack of capacity, safety, reliability or engineering standards. 47 U.S.C. §§ 224(f), 251(b)(4). See also CFR Section 1.1403.

i. Dispute Resolution Process for Denials of Access. The Commission also adopts a dispute resolution process for denials of access. Upon the receipt of a notice of denial from the utility, the requesting party shall have 60 days to file its complaint with the Commission. We anticipate that by following the required procedure for denials of access, the Commission will, upon receipt of a complaint, have all relevant information upon which to make its decision. The petition must be served pursuant to Section 1.1404(b) of the Commission's rules. Final decisions relating to access will be resolved by the Commission. 47 U.S.C. §§ 224(f), 251(b)(4). See also CFR Sections 1.1403, 1.1404.

j. Preparation of Forward-Looking Economic Cost Studies to Determine Rates for Interconnection and Unbundled Network Elements During Arbitration Proceedings. States may prepare themselves, or require parties to prepare, forward-looking economic cost studies to determine rates for unbundled elements during arbitration proceedings. 47 U.S.C. §§ 251(c)(2), (c)(3), (c)(6), 252(d)(1). See also 47 CFR Section 51.505.

k. Preparation of a Cost Study on Avoidable Cost to Determine Resale Discounts. States may prepare themselves, or require parties to prepare, avoided cost studies to determine resale discounts. Initially, a state may choose a percentage within the Commission's default discount percentage range, or set a discount through review of an avoided cost study prepared by a state or a party. A state that chooses to employ the Commission's default discount percentage range must articulate a reason for its choice, and must set resale discount through review of an avoided cost study within a reasonable time after choosing the default percentage. 47 U.S.C. §§ 251 (c) (4), 252(d)(3). See also 47 CFR Sections 51.609, 51.611.

l. Preparation of Forward-Looking Economic Cost Studies Conducted to Determine Reciprocal Rates for Transport and Termination of Telecommunications Traffic. Parties may prepare forward-looking economic cost studies to demonstrate their costs incurred for the transport and termination of telecommunications traffic. 47 U.S.C. §§ 251(b)(2). See also 47 CFR Sections 51.505, 51.511, 51.705.

m. Measurement of Traffic for Purposes of Determining Whether Transport and Termination Traffic Flows are Symmetrical. Parties will measure traffic flow to determine their reciprocal compensation payment obligations. Those parties regulated under a bill-and-keep arrangement may wish to measure relative traffic flow to determine whether it is roughly balanced. 47 U.S.C. §§ 251(b)(5), 252(d)(2). See also 47 CFR Sections 51.713, 51.703, 51.705.

n. Filing Required for Arbitration. Parties must provide documentation to states (or the Commission acting under 252(e)(5)) when arbitration is to occur. This information will consist of a statement of unresolved issues and the positions of the parties with respect to those issues, and a list of other issues discussed and resolved by the parties. This information also may include the forward-looking economic or avoided cost studies mentioned in the above sections "j" through "m." 47 U.S.C. § 252 (b)(2). See also 47 CFR Section 51.807.

o. Determination of Rates for Interconnection, Unbundled Network Elements, and Transport and Termination of Telecommunications Traffic – State Commission Review of Forward-Looking Economic Cost Studies. The statute provides that during arbitration the state commission shall set prices for interconnection, unbundled network elements, and transport and termination of telecommunications traffic. In the First Order on Reconsideration, the Commission created a proxy to assist state commissions in setting rates for the flat-rated component of the local switching network element. The state commission sets such prices either through review of a forward-looking economic cost study, or by choosing one of the Commission's proxies. 47 U.S.C. §§ 251 (b), (c)(2), (c)(3), (c)(6), 252(d)(1). See also 47 CFR Section 51.507, 51.503, 51.505.

p. Determination of Resale Discount Percentage – State Commission Review of Avoided Cost Studies. The statute provides that during arbitration, the state commission shall set the percentage discount for resale of telecommunications services. Initially, a state may choose a discount percentage within the Commission’s default discount percentage range, or set a discount through review of an avoided cost study prepared by a state or a party. A state that chooses to employ the Commission’s default discount percentage range must set a resale discount through review of an avoided cost study within a reasonable time after choosing the default percentage. 47 U.S.C. §§ 251 (c)(4), 252(d)(3). See also 47 CFR Section 51.611.

q. Petition for Incumbent LEC Status. A state commission, or any other interested party, may request that the Commission issue an order declaring that a particular LEC be treated as an incumbent LEC, or that class or category of LECs be treated as incumbent LECs. 47 U.S.C. § 251(h)(2).

r. Use of Proxies by State Commissions – Articulating Written Reasons for Choice State commissions may set rates for interconnection, unbundled network elements, transport and termination of telecommunications traffic, and resale utilizing a proxy or default percentage as an alternative to conducting or reviewing a cost study. In the First Order on Reconsideration, the Commission created a proxy to assist state commissions in setting rates for the flat-rated component of the local switching network element. 47 U.S.C. §§ 251 (b)(5), (c)(2), (c)(3), (c) (4), (c)(6), 252 (d)(1), (d)(2), (d)(3). See also 47 CFR Sections 51.503, 51.505.

s. Preparation of Forward-looking Economic Cost Studies to Establish Rates for Transport and Termination of Paging and Radiotelephone Service, Narrowband Personal Communications Services, and Paging Operations in the Private Land Mobile Radio Services. A state commission shall establish the rates that licensees in the Paging and Radiotelephone Service, Narrowband Personal Communications Services, and Paging Operations in the Private Land Mobile Radio Services may charge to other carriers for transport and termination of traffic, to the extent these carriers are unable to reach agreement on transport and termination rates in their interconnection agreements. Such rates must be based on forward-looking economic costs, and may not be set utilizing a proxy. Given the lack of information in the record concerning paging providers’ costs, the Commission was unable to set a proxy for transport and termination rates for use by these carriers. 47 U.S.C. § 251 (b)(5). See also 47 CFR Sections 20.11, 51.505, 51.513.

As noted on the OMB Form 83i, this information collection does not affect individuals or households; thus, there are no impacts under the Privacy Act.

The statutory authority for this collection is contained in sections: 1-4, 201-205, 214, 224, 251, 252, and 303 (r) of the Communications Act of 1934, as amended, and Section 601 of the Telecommunications Act of 1996, 47 U.S.C. 151-154, 201-205, 224, 251, 252, 303 (r) and 601.

2. The information collected under the Submission of Information Necessary to Reach Agreement; Pole Attachment Modifications; Pole Attachment Access Requests and Denials of Access; and Use of Proxies by State Commissions requirements must be provided to third parties. The information collected under the Dispute Resolution Process for Denials of Access; Notification that a State Commission Has Failed to Act; and Petition for Incumbent LEC Status

must be submitted to the FCC. The information collected under the Rural and Small Carriers requirement must be provided to the state commission. The Submission of Agreement to the State Commission requirement; the Burden of Proof Regarding Interconnection, and Access to Unbundled Network Elements; Collocation; Measurement of Traffic for Purposes of Determining Whether Transport and Termination Traffic Flows are Symmetrical; Filing Regarding Arbitration; Determination of Interconnection and Unbundled Network Element Prices; Determination of Resale Discount Percentage; Preparation of Forward-looking Economic Cost Studies to Establish Rates for Transport and Termination for Paging and Radiotelephone Service, Narrowband Personal Communications Services, and Paging Operation in the Private Land Mobile Radio Services; and various cost studies must be provided to third parties, state commissions and/or, in some instances, the FCC. All of the requirements would be used to ensure that local exchange carriers comply with their obligations under the 1996 Act.

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. There is no duplication of information. In most instances, the information sought is unique to each carrier.
5. The collection of information may affect small entities as well as large entities. For small entities, the 1996 Act in section 251(f), provides for exemption, suspension, or modification of certain requirements in some instances. That provision would affect information collected under the proposed burdens of proof regarding interconnection, unbundling, and collocation requirements, the submission of agreements to the state commission, the proposed notice that the state commission has failed to act, and pole attachment requests.
6. Failing to collect the information, or collecting it less frequently, would violate the language and/or intent of the 1996 Act to foster opportunities for competing carriers to enter the local telephone market.
7. FCC requirements do not impose any obligations that would require parties to report information to the FCC more often than quarterly, nor will our requirements impose any other special circumstances. In some instances, a respondent might need to make a showing or filing more often than quarterly due to actions by private parties. For example, pursuant to the 1996 Act, if a pole owner modifies its poles more often than quarterly, it would be required to give notice of such modification more often than quarterly to persons with attachments to such poles.
8. Pursuant to 5 CFR Section 1320.8 (d), the Commission placed a notice in the Federal Register. See 71 FR 15741, dated March 29~~1~~, 2006. (Copy attached). No comments were received.
9. The Commission does not anticipate providing any payment or gift to respondents.
10. The Commission is not requesting respondents to submit confidential information to the Commission. If the respondents request to submit information which they believe is

confidential, they may request confidential treatment of such information under section 0.459 of the Commission's rules.

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

12. The following represents the estimates of hour burden of the collections of information:

a. Submission of Information Necessary to Reach Agreement.

(1) Number of Respondents: Approximately 100. There are approximately 1200 incumbent LECs, of which there are roughly 16 Class A carriers, including the Bell Operating Companies (BOCs). We estimate initially that the majority of negotiations will take place between new entrants and Class A carriers, but that over time competitive LECs also may seek interconnection arrangements with other incumbent LECs. Negotiations under the 1996 Act will take place on a state by state basis, so an incumbent LEC negotiating with a requesting carrier may actually be conducting several separate negotiations. We estimate that on average there will be two such incumbent LECs per state.

(2) Frequency of Response: On occasionally. This obligation arises in the general context of negotiations between parties when the requesting carrier does not adopt an existing agreement. We estimate, based on the current number of negotiations and the number of agreements reached since passage of the 1996 Act, that on average an incumbent LEC (on a state by state basis) will have to submit such information five times a year.

(3) Annual hour burden per respondent: 250 hours (5 times/per year x 50 hours/per response) x 100 respondents. Total annual burden: **25,000 hours**.

(4) Total estimate of annualized cost to respondents for the hour burdens of collection of information: \$1,375,000.

(5) Explanation of Calculation: We estimate that it will take approximately 50 hours any time the incumbent LEC is required to provide information necessary to reach agreement. 100 (number of respondents) x 5 (number of estimated annual notifications) x 50 (hours) x $\$55$ per hour = \$1,375,000.

b. Submission of Agreements to the State Commission.

(1) Number of Respondents: 100.

(2) Frequency of Response: On occasionally. This obligation will arise any time an incumbent LEC and a requesting telecommunications carrier reach an agreement through arbitration or negotiation. Agreements reached under the 1996 Act will be done so on a state by state basis, so an incumbent LEC and a requesting carrier may actually conclude several separate agreements between them. We estimate that on average, there will be two incumbent LECs per state (and the District of Columbia) concluding agreements through negotiation or arbitration with twenty requesting carriers. Therefore, we estimate that each incumbent LEC will submit on average twenty agreements to state commissions each year.

(3) Annual hour burden per respondent: 20 agreements x 1 hour per ~~agreement~~ = agreement = 20 hours per respondent x 100 respondents = 2,000 hours. Total annual burden: **2,000 hours**.

(4) Total estimate of annualized cost to respondents for the hour burdens of collection of information: \$110,000.

(5) Explanation of Calculation: We estimate that, on average, filing will take an hour or less for each agreement. The actual amount of time might vary as a result of on individual state filing requirements. 100 (number of respondents) \times 20 (number of annual submissions) \times 1 (hours) \times $\$55$ per hour = $\$110,000$.

c. Burden of Proof Regarding Interconnection and Access to Unbundled Network Elements.

(1) Number of Respondents: Approximately 100.

(2) Frequency of Response: On occasionally. This obligation arises when parties are unable to negotiate an agreement, and an incumbent LEC alleges that a request for interconnection or unbundling is not technically feasible. We believe that a reasonable estimate is that, on average, incumbent LECs will have to make such a showing 5 times a year at 25 hours/per response. The number of showing may be higher initially, but should decrease over time as disputes over these issues get resolved.

(3) Annual hour burden per respondent: ~~125~~ 25 hours (5 responses/per year \times 25 hours/per response) \times 100 respondents. Total annual burden: **12,500 hours**.

(4) Total estimate of annualized cost to respondents for the hour burdens of collection of information: $\$687,500$.

(5) Explanation of Calculation: There are roughly 1200 incumbent LECs, but we estimate that only 100 incumbent LECs will be subject to interconnection and unbundling requests. We estimate that it will take approximately 25 hours any time the incumbent LEC is required to prove that it cannot satisfy a request for interconnection or unbundling. 100 (number of respondents) \times 5 (number of estimated showings) \times 25 (hours per showing) \times $\$55$ per hour = $\$687,500$.

d. Collocation.

(1) Number of Respondents: Approximately 100.

(2) Frequency of Response: On occasionally. This obligation arises when parties are unable to negotiate an agreement, and an incumbent LEC alleges that it is unable to satisfy a request for physical collocation because it is not practical for technical reasons or because of space limitations. It will also occur when an incumbent LEC objects to collocation of specific equipment because it alleges the equipment is not used for the purpose of obtaining interconnection or access to unbundled elements. We believe that a reasonable estimate is that, on average, incumbent LECs will have to make such a showing 10 time a year. We note that the number of showing may be higher initially, but should decrease over time as disputes over these issues get resolved.

(3) Annual hour burden per respondent: ~~50~~ 5 hours (5 hours/per response \times 10 times/per year) \times 100 respondents. Total annual burden: **5,000 hours**.

(4) Total estimate of annualized cost to respondents for the hour burdens of collection of information: $\$275,000$.

(5) Explanation of Calculation: There are roughly 1200 incumbent LECs, but only approximately 100 incumbent LECs that will be subject to requests for collocation. We estimate that it will take approximately five hours any time the incumbent LEC is required to prove that it cannot satisfy a request for collocation. 100 (number of respondents) \times 10 (number of estimated showings) \times 5 (hours per showing) \times $\$55$ per hour = $\$275,000$.

e. Notification that State Commission has Failed to Act.

(1) Number of Respondents: Approximately 30.

(2) Frequency of Response: ~~On occasion~~Infrequently. We estimate that this obligation will arise very rarely, only when state commissions have failed to carry out their statutory obligation. We believe a reasonable estimate to be once a year.

(3) Annual hour burden per respondent: 10 hour. Total annual burden: **300 hours**.

(4) Total estimate of annualized cost to respondents for the hour burdens of collection of information: \$16,500.

(5) Explanation of Calculation: We estimate that it will take approximately one hour or less and will occur less than once a year. 30 (number of respondents) \times 1 (number of annual notifications) \times 10 (hours per notification) \times $\$55$ per hour = $\$16,500$.

f. Rural and Small Carriers

(1) Number of Respondents: Approximately 500.

(2) Frequency of Response: Third party disclosure requirement~~Infrequently~~. Rural carriers will have to provide information to state commissions in order to maintain their exemption once a bona fide request has been made, and small carriers will have to provide information to state commissions in order to receive a suspension or modification of certain of the Act's requirements. We believe that a reasonable estimate is that such an obligation will arise at most once a year.

(3) Annual hour burden per respondent: 10 hours. Total annual burden: **5,000 hours**.

(4) Total estimate of annualized cost to respondents for the hour burdens of collection of information: \$275,000.

(5) Explanation of Calculation: There are approximately 1200 incumbent LECs eligible to apply for either statutory provision (although fewer carriers will be eligible for section 251(f)(1) than section 251(f)(2)). We expect, however, that not all rural carriers will immediately receive bona fide requests and that not all small carriers will immediately seek suspensions or modifications and therefore, we estimate that at most, approximately 500 carriers will be affected. We estimate that it will take approximately ten hours any time the incumbent LEC must provide such information. 500 (number of respondents) \times 1 (number of estimated annual notifications) \times 10 (hours per submission) \times $\$55$ per hour = $\$275,000$.

g. Pole Attachment Modifications

(1) Number of respondents: 12,250.

(2) Frequency of response: On occasionally.

(3) Annual hour burden per respondent : 30 minutes \times 750 modifications =375 hours for 1400 respondents making modification notices. 30 minutes for 12,250 respondents making notice of changes in standard maintenance practices. Total annual burden: **531,125 hours**.

(4) Estimate of annualized costs to respondents: Notices of modifications and revisions to standard maintenance practices will impose an annual burden of 531,125 hours on entities, requiring para-professional staff paid at \$25 per hour. $531,125$ hours \times $\$25$ = $\$13,278,125$.

(5) We estimate there are approximately 200 private electric utilities in the nation, and approximately 1,200 incumbent LECs. We assume pole modifications are an ongoing activity for utilities as they react to emergencies, growth in demand, public works projects and technological improvements. The actual number of modifications may vary widely among utilities due to the size of the entity and its area of operation; therefore we estimate that over the course of a year, each utility will make an average of 750 pole modifications that will require

notice; this being roughly 2 per day. Each notice will be distributed to approximately 3 entities that are attached to the pole. Each notice will have an average burden of 30 minutes. 1,400 utilities x 750 notices each = 1,050,000 notices each year. 1,050,000 notices x .50 hours = 525,000 hours. We also estimate electric and telephone utilities, cable operators and other telecommunications carriers will modify their standard maintenance practices an average of once per year, necessitating a written notice to respective parties with which they have pole attachment arrangements. We estimate that the notice will be distributed to 3 affected entities that are attached to the utility's poles. We estimate an average burden of 30 minutes for each notice. The entities subject to this information collection are 11,000 cable operators, the 1,200 utilities and another 50 prospective telecommunications carriers. 12,250 entities x 1 notice each = 12,250 notices, 12,250 notices x 30 minutes = 6,125 hours.

h. Pole Attachment Access Requests and Denials of Access

(1) Number of respondents: 2,750 (2,500 requests and 250 denials)

(2) Frequency of response: On occasionally.

(3) Estimate of annual burden hours per respondent: 2 hours for requests. 10 hours for denials of requests. Total annual burden: **7,500 hours** (5,000 for requests and 2,500 for denials of requests).

(4) Estimate of annual costs to respondents: Procedures for access requests and denials of such requests will impose an annual burden of 7,500 hours on entities, requiring professional staff paid at \$55 per hour. 7,500 hours x \$55 = \$412,500.

(5) Explanation of calculation: Most existing cable operators and existing LECs are assumed to already have pole attachment agreements established. However, because of the number of revised attachment plans that may occur on an annual basis, and the number of prospective LECs and other telecommunication carriers that may come into existence in the near future, the Commission estimates there will be 50 access requests per state filed with utilities each year. We estimate an average burden of two hours per access request. 50 requests in each state x 50 states = 2,500 requests. 2,500 requests x 2 hours each = 5,000 hours. We further estimate that 10% of requests will be denied, requiring utilities to issue written denials, each with an average burden of 10 hours. 5 denials in each state x 50 states = 250 denials. 250 denials x 10 hours each = 2,500 hours.

i. Dispute Resolution Process for Denials of Access

(1) Number of respondents: 250. (125 complainants and 125 defendants)

(2) Frequency of response: On occasionally.

(3) Estimate of annual burden hours per respondent: 25 hours for entities using in-house legal assistance. 10 hours for entities using outside legal counsel. Total annual burden: **4,375** ((25 hours x 125) + (10 x 125)) **hours**.

(4) Estimate of annual costs to respondents: Procedures for performing all aspects of the dispute resolution process will impose an annual burden of 4,375 hours on entities, requiring 3,125 hours (in-house assistant) paid at \$55 per hour and 1,250 hours (outside legal counsel) paid at \$200 per hour. 3,125 hours x \$55 = \$171,875, plus 1,250 hours x \$200 = \$250,000, equals total cost of \$421,875.

(5) The Commission estimates an average burden of 25 hours for each complainant with an average burden of 25 hours for each respondent. Defendants will use an average burden of 10

hours to coordinate information with outside legal counsel. $125 \times 25 \text{ hours} = 3,125 \text{ hours}$. $125 \times 10 \text{ hours} = 1,250 \text{ hours}$. Total burden hours 4,375 ($3,125 + 1,250$).

j. Preparation of Forward-looking Economic Cost Studies to Determine Rates for Interconnection and Unbundled Network Elements During Arbitration Proceeding.

(1) Number of Respondents: Approximately 15.

(2) Frequency of Response: On occasionally and third party disclosure requirement. ~~One~~ response (cost study) average/per year. Parties would seek to set prices when another carrier requests an interconnection arrangement. Upon receiving such a request, the state may decide to prepare its own cost study, or direct the incumbent LEC to prepare a cost study. Such cost studies would be prepared only when parties cannot agree on pricing issues during negotiation, and the state arbitrator decides to set interconnection and unbundled element prices above the Commission proxies, or when a party, on its own initiative, decides to prepare cost studies in preparation for arbitration. Some proxies would require a state to perform a forward-looking cost calculation which will require information from the incumbent LEC.

(3) Annual hour burden per respondent: 1 response ($6 \text{ employees} \times 90 \text{ days} \times 8 \text{ hours per day}$) = 4,320 hours. It is unlikely that a state would require parties to conduct a cost study every year. Instead, parties may ultimately perform a cost study once every several years, depending upon the term of their agreement. Apart from a few proxies that require a state to perform a cost calculation, if a state elects to set prices utilizing a proxy instead of a cost study, it would incur a negligible paperwork burden. Total annual burden: **4,320 hours.**

(4) Total estimate of annualized cost to respondents for the hour burden for collection of information: \$6,480,000.

(5) Explanation of the Calculation: We estimate that performing a cost study would require on average, the services of two engineer, one database computer specialist, one accountant, and two economists, each working 8 hours per day, for ninety days. We estimate such employees will earn an average wage of \$100 per hour. $\$100 \times 8 \text{ hours per day} \times 6 \text{ employees} \times 90 \text{ days}$ equals \$432,000 per cost study.

k. Preparation of a Cost Study on Avoidable Costs to Determine Resale Discounts.

(1) Number of Respondents: Approximately 15.

(2) Frequency of Response: On occasionally. Parties would seek to set prices when another carrier requests a resale arrangement. Upon receiving such a request, parties would prepare cost studies only when they cannot agree on pricing issues during negotiation, and decide not to utilize a default discount percentage. Initially, states would conduct avoided cost studies if they choose to depart from the default discount percentage range set by the Commission. A state that chooses to employ the Commission's default discount percentage range must articulate a reason for its choice, and must set a resale discount through review of an avoided cost study within a reasonable time after choosing the default percentage.

(3) Annual hour burden per respondent: 480 hours. Total annual burden: **7,200 hours.**

(4) Total estimate of annualized cost to respondents for the hour burdens for collection of information: \$540,000.

(5) Explanation of the Calculation: To perform an avoided cost study would require the services of two accountants working 8 hours per day for thirty days, at an average rate of \$75 per hour. $16 \text{ person hours} \times 30 \text{ days}$ equals 480, multiplied by \$75 per hour equals \$36,000 per avoided cost study. $\$36,000 \times 15 = \$540,000$.

l. Preparation of Forward-looking Economic Cost Studies to Determine Reciprocal Rates for Transport and Termination of Telecommunications Traffic.

(1) Number of Respondents: Approximately 30.

(2) Frequency of Response: On occasionally. The statute requires reciprocal compensation for transport and termination of traffic. The Commission, in this Order, adopts a presumption that transport and termination costs are in balance. Parties seeking to disprove this presumption to justify transport and termination prices higher or lower than the Commission's default rates may choose to perform cost studies to prove their actual costs. We expect that 15 carriers will be required to perform such studies, in addition to the 15 carriers that perform cost studies for unbundled network elements.

(3) Annual hour burden per respondent: 450 hours. Total annual burden: **13,500 hours.**

(4) Total estimate of annualized cost to respondents for the hour burdens for collection of information: \$1,080,000.

(5) Explanation of the Calculation: We estimate that performing cost studies would require on average the services of one engineer, one database computer specialist, and one economist, each working 8 hours per day, for 30 days. We estimate such employees will earn an average wage of \$100 per hour. $\$100 \times 8 \text{ hours per day} \times 3 \text{ employees} \times 30 \text{ days}$ equals \$72,000 per cost study. For the 15 companies that perform cost studies for unbundled elements, the cost will be zero because the UNE study will include the information necessary to establish termination rates. The total cost for the 30 respondents is $\$72,000 \times 15 = \$1,080,000$

m. Measurement of Traffic for Purposes of Determining Whether Transport and Termination Traffic Flows are Symmetrical.

(1) Number of Respondents: 550.

(2) Frequency of Response: Recordkeeping requirement Regularly.

(3) Annual hour burden per respondent: Parties generally already monitor their traffic for their own billing purposes. Record-keeping requirements necessary to measure relative traffic flow are likely to take an additional 700 hours per year. Total annual burden: **385,000 hours.**

(4) Total estimate of annualized cost to respondents for the hour burdens for collection of information: \$13,475,000.

(5) Explanation of the Calculation: $700 \text{ hours per year} \times \$35 \text{ per hour} \times 550 \text{ respondents}$ equals \$13,475,000. Persons monitoring telecommunications traffic generally earn substantially less than the economists, engineers, and accountants needed to perform forward-looking economic and avoided cost studies. There are approximately 500 incumbent LECs that are too large to be exempt from the Commission requirements adopted in the Order, and we estimate that there will be perhaps 50 additional facilities-based market entrants, or 550 carriers in total who will choose to measure traffic flows.

n. Filing Required for Arbitration.

(1) Number of Respondents: Approximately 50.

(2) Frequency of Response: On occasionally and third party disclosure requirement (average of 5/per year per state) = 250 responses/per year. This obligation arises when parties are unable to negotiate an agreement, and request arbitration by a state commission. We believe that a reasonable estimate is that each state commission will conduct approximately five arbitrations per year.

(3) Annual hour burden per respondent: (5 hours/arbitration x 50 states x 5 time/per year/state) x 2 parties involved. Total annual burden: **2,500 hours**.

(4) Total estimate of annualized cost to respondents for the hour burdens of collection of information: \$250,000 per year.

(5) Explanation of Calculation: The statute envisions that parties will resolve disputes through arbitration. Section 252(b)(2) mandates that parties provide a statement of unresolved issues and the positions of the parties with respect to those issues, a list of other issues discussed and resolved by the parties. It will take each party's attorney about two hours to draft statements showing the outstanding issues and issues upon which parties have reached agreement. This burden requirement does not include estimates regarding substantive matters to be resolved in arbitration such as terms of interconnection or determination of pricing which are estimated in sections "c," "d," "o," and "p." Assuming 250 arbitrations per year, 2 parties per arbitration, 5 hours of attorney time at approximately \$100 per hour = \$250,000 per year.

o. Determination of Rates for Interconnection, Unbundled Network Elements, and Transport and Termination of Telecommunications Traffic – State Commission Review of Forward-looking Economic Cost Studies.

(1) Number of Respondents: 15

(2) Frequency of Response: On occasionally and third party disclosure requirement. States would review cost studies only when parties cannot agree on pricing issues during negotiation, and the state decides not to utilize the Commission's proxies to set prices for interconnection and unbundled network elements.

(3) Annual hour burden per respondent: 2,880 hours per respondent. Total annual burden: ~~is~~ **43,200 hours**.

(4) Total estimate of annualized cost to respondents for the hour's burden for collection of information: \$2,376,000

(5) Explanation of Calculation: To review a cost study proposing rates for unbundled network elements and transport and termination rates would cost a state commission \$158,400, computed as follows: four economists working 90 8-hour days = \$55 x 4 economists x 90 days x 8 hours per cost study. Total annualized cost equals \$158,400 x 15 studies = \$2,376,000.

p. Determination of Resale Discounts

(1) Number of Respondents: Approximately 15.

(2) Frequency of Response: On occasionally and third party disclosure requirement. States would review cost studies only when parties cannot agree on pricing issues during negotiation, and the state decides not to utilize the Commission's proxies to set prices for interconnection and unbundled network elements.

(3) Annual hour burden per respondent: 160 hours. Total annual burden: **2,400 hours**.

(4) Total estimate of annualized cost to respondents for the hours burdens for collection of information: \$132,000.

(5) Explanation of the Calculation: To review an avoided cost study to determine a resale discount percentage, would cost a state commission \$5,600, computed as follow: two economists working for two 40 hour weeks = \$55 x 80 x 2 = \$8,800 per cost study. Total annualized cost equals \$132,000, computed as follows: \$8,800 per study, multiplied by 15 studies per year, equals \$132,000.

q. Petition of Incumbent LEC Status.

(1) Number of Respondents: Approximately 30.

(2) Frequency of Response: On occasion~~Infrequently~~. We estimate that such petitions will occur rarely when parties or state commissions believe that a competing carrier should be treated as an incumbent LEC.

(3) Annual hour burden per respondent: 1 hour. Total annual burden: **30 hours**.

(4) Total estimate of annualized cost to respondents for the hour burdens of collection of information: \$1,650.

(5) Explanation of Calculation: We estimate that it will take approximately one hour or less and will occur less than once a year. 30 (number of respondents) x 1 (number of annual notifications) x 1 (hours per notification) x \$55 per hour = \$1,650.

r. Use of proxies by State Commission – Articulating Written Reasons for Choice.

(1) Number of Respondents: approximately 5.

(2) Frequency of Response: On occasional.

(3) Annual hour burden per respondent: 120 hours. Total annual burden: **600 hours**.

(4) Total estimate of annualized cost to respondents for the hour burdens for collection of information: \$45,000.

(5) Explanation of the Calculation: To write an opinion containing written reasons for choosing to set rates for interconnection and unbundled elements, transport and termination of telecommunications traffic, and resale, utilizing a proxy instead of a forward-looking or avoided cost study, should take 120 hour or less of attorney time, at an average rate, including benefits, of \$75 per hour. This \$75 per hour figure is lower than the \$100 per hour rate estimated in paragraph (n), because government attorneys typically earn less than their private sector counterparts. Assuming that state commissions in five states chose to set rates utilizing proxies instead of cost studies, the total annualized cost to respondents would be 5 x 120 x \$75, or \$45,000.

s. Preparation of Forward-Looking Economic Cost Studies to Establish Rates for Transport and Termination for Paging and Radiotelephone Service, Narrowband Personal Communications Services, and Paging Operations in the Private Land Mobile Radio Services.

(1) Number of Respondents: approximately 5.

(2) Frequency of Response: On occasional.

(3) Annual hour burden per respondent: 720 hours. Total annual burden: **3,600 hours**.

(4) Total estimate of annualized cost to respondents for the hour burdens for collection of information: \$360,000.

(5) Explanation of the Calculation: In comparison to incumbent LECs, there are fewer licensees subject to this rule, and they typically have less extensive networks than those of incumbent LECs. We estimate that approximately five respondents will perform cost studies, and under paragraphs (j) and (l), or one economist and one accountant working 8 hours per day for 45 days, or 720 hours multiplied by \$100 per hour, or \$72,000, multiplied by 5 cost studies, for a total of \$360,000.

Totals for all items (a through s): 25,000 + 2,000 + 12,500 + 5,000 + 300 + 5,000 + 531,125 + 7,500 + 4,375 + 4,320 + 7,200 + 13,500 + 385,000 + 2,500 + 43,200 + 2,400 + 30 + 600 + 3,600 = **1,055,150 total annual burden hours**.

* **Total number of respondents for all sections of collection for reporting purposes is 12,250.**

* **Total number of responses for all sections of collection for reporting purposes is 1,058,44683,196.**

* **Total estimated burden for all sections of collections is 1,055,150 burden hours for reporting purposes.**

13a. The following represents the Commission's estimate of the annual cost burden to respondents or record-keepers resulting from the collections of information:

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

13b. Estimated operations and maintenance cost to respondents as follow:

The following cost represents the only section (a-s) that has an outside cost associated to respondents;

i. Dispute Resolution Process for Denials of Access: The Commission estimates that 125 entities (or 50% of the estimated respondents) will use the assistance of outside legal counsel paid at \$200 per hour. $125 \times 25 \text{ hours} \times \$200 \text{ per hour} = \mathbf{\$625,000}$.

14. Estimated costs to the Commission:

The following costs represent the only sections (a-s) that have cost associated to them;

c. Burden of Proof Regarding Interconnection and Access to Unbundled Network Elements. None, unless the Commission has to act under section 252(e). The Commission would act under section 252 (e), if the Commission concluded that a state had failed to act. We estimate that the Commission may accept on average 50% of the estimated 30 notification annually that a state commission has failed to act. For each arbitration conducted by the Commission, we estimate that a Commission arbitrator will work eight hours a day for approximately four months. $15 \text{ arbitration} \times 640 \text{ hours} @ \$55 \text{ per hour} = \$528,000 \text{ per year}$.

d. Collocation. None, unless the Commission has to act under section 252 (e). Estimated costs to the Commission for are included within those for 'c' above.

e. Notification that a state Commission Has Failed to Act. The number of notifications estimated to be filed per year is 30, with an average of 10 hours to review. $30 \text{ notifications} \times 10 \text{ hours} @ \$55 \text{ per hour} = \$16,500 \text{ per year}$.

i. Dispute Resolution Process for Denials of Access. The number of complaint cases estimated to be filed per year is 200, with an average burden of 50 hours for the Commission to review and resolve all aspects of each complaint case.

200 complaint cases x 50 hours @ \$55per hour = \$550,000.

o. Determination of Rates for Unbundled Network Elements and Transport and Termination of Telecommunications Traffic. None, unless the Commission must act under section 252(e). In that case, the estimated cost is \$158,400 per cost study, as explained in section 12(o) above.

p. Determination of Resale Discounts. None, unless the Commission must act under section 252(e). In that case, the estimated cost is \$8800 per cost study, as explained in section 12(p) above.

s. Preparation of Forward-Looking Economic Cost Studies to Establish Rates for Transport and Termination of Paging and Radiotelephone Service, Narrowband Personal Communications Services, and Paging Operations in the Private Land Mobile Radio Services. None.

Total Cost to the Federal Government is: \$1,094,500.

15. A change in burden is requested to more accurately reflect the current information available. The Commission has adjusted the individual burden hours (items a through s) due to more or less respondents or responses in each item. Therefore, the annual burden hours for many of the items has been changed or adjusted. The collections of information contained herein now totals **1,055,150 total annual burden hours**.

16. The Commission does not anticipate that it will publish any of the information to be collected as a result of the requirements.

17. Not applicable. The commission does not intend to seek approval not to display the expiration date for OMB approval of the information collections.

18. A change in the burden and response information is requested to more accurately reflect the current information available. The Commission's 60 day notice had different estimates than what is reported on this submission to OMB. The information used in the 60 day notice has been updated. The collections of information contained herein now totals 1,055,150 total annual burden hours, 1,083,196 total responses and \$625,000 in burden cost. Because the Commission reviewed each and every reporting requirement in item 12, some of the estimates were incorrect when this collection was previously submitted to OMB. Therefore, the Commission is adjusting the total annual burden for this collection of information.

B. Collections of Information Employing Statistical Methods:

Not applicable.