

**Service Quality Measurement Plan for Interstate Special Access and
Monthly Usage Requirements (272 Sunset Rulemaking)**

SUPPORTING STATEMENT

A. Justification:

1. This submission is being made pursuant to 44 U.S.C. § 3507. On August 31, 2007, the FCC released a Report and Order, *Petition of AT&T Inc. for Forbearance Under 47 U.S.C. 160(c) with Regard to Certain Dominant Carrier Regulations for In-Region, Interexchange Services*, WC Docket Nos. 02-112, 06-120, CC Docket No. 00-175, 22 FCC Rcd 16440 (2007) (*Section 272 Sunset Order*). In this rulemaking, the Commission adopted two new information collection requirements that would apply to AT&T, Qwest, and Verizon, (collectively, the Bell Operating Companies or BOCs), as follows:

- (a) First, the Commission will require these BOCs, including their independent incumbent local exchange carrier (LEC) affiliates, to report special access performance metrics on a quarterly basis.

The Commission has established a new framework to govern the provision of in-region, long distance services that allows the BOCs to provide in-region, interstate, long distance services either directly or through affiliates that are neither section 272 separate affiliates nor rule 64.1903 affiliates. *Section 272 Sunset Order*, WC Docket Nos. 02-112, 06-120, CC Docket No. 00-175, FCC 07-159 .

Because the BOCs are no longer required to comply with the section 272 structural safeguards, the Commission established special access performance metrics reporting requirements, *i.e.*, ordering, provisioning, and repair and maintenance to ensure that the BOCs and their independent incumbent LEC affiliates do not engage in non-price discrimination in the provision of special access services to unaffiliated entities.

The information gleaned from these performance metrics will provide the Commission and other interested parties with reasonable tools to monitor each BOC's performance in providing these special access services to itself and its competitors.

- (b) Second, the Commission will require AT&T, Qwest, and Verizon to provide each of their residential customers who subscribe to a call plan that establishes a single rate for unlimited wireline local exchange and long distance telecommunications service with the total number of long distance telecommunications service minutes used by that customer each month.

This monthly usage reporting requirement will help ensure that, as a result of the relief granted in the *Section 272 Sunset Order*, residential interstate long distance consumers will receive adequate information regarding their monthly usage in order to make informed choices among alternative long distance calling plans.

Statutory authority for these information collections is contained in Sections 1, 2, 4(i), 4(j), 201-204, 214, 220(a), 251, 252, 271, 272, and 303(r) of the Communications Act of 1934, as

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amended, 47 U.S.C. §§ 151, 152, 154(i), 154(j), 201-204, 214, 220(a), 251, 252, 271, 272, and 303(r).

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

2. (a) The Commission adopted special access performance metrics that were approved in the *AT&T and Verizon Merger Orders* (FCC 05-183, 05-184, 06-189),¹ as well as the *Qwest Section 272 Sunset Forbearance Order* (FCC 07-13)² to help ensure that the BOCs, and their independent incumbent LEC affiliates, refrain from non-price discrimination in their provision of special access services. Each BOC and each of AT&T's and Verizon's independent incumbent LEC affiliates will now have to implement these metrics to the extent the BOC or independent incumbent LEC provides one or more of the special access services, covered by the *Section 272 Sunset Order*, to itself, to any affiliate, or to third parties.

The BOCs and their independent incumbent LEC affiliates shall provide the Commission with their performance measurement results on a quarterly basis. The Commission believes that this reporting requirement will not be burdensome for the BOCs, as they need to track such information in connection with previous Commission orders. The special access performance metrics reporting requirements adopted in the *AT&T and Verizon Merger Orders* will expire 48 months after the merger closing date, whereas the special access performance metrics reporting requirements adopted in the *Section 272 Sunset Order* have no sunset date.

- (b) The BOCs committed to, and the Commission conditioned the relief granted in the *Section 272 Sunset Order* on, their providing their long distance customers with the total number of long distance telecommunication service minutes used each month. Qwest committed to this monthly usage requirement for a period of two years in the *Qwest Section 272 Sunset Forbearance Order* to help its customers make cost-effective decisions concerning alternative long distance plans. AT&T and Verizon, as part of the *Section 272 Sunset Order*, agreed to provide monthly usage information to their residential long distance customers for a period of three years. The Commission is not requiring that the BOCs file the monthly usage information with the Commission.

¹ *AT&T Inc. and BellSouth Corporation Application for Transfer of Control*, WC Docket No. 06-74, Memorandum Opinion and Order, 22 FCC Rcd 5662, 5807, Appendix F (Special Access) (2007); *SBC Communications Inc. and AT&T Corp. Applications for Approval of Transfer of Control*, WC Docket No. 05-65, Memorandum Opinion and Order, 20 FCC Rcd 18290, 18317-18, para. 51 (2005); *Verizon Communications Inc. and MCI, Inc. Application for Approval of Transfer of Control*, WC Docket No. 05-75, Memorandum Opinion and Order, 20 FCC Rcd 18433, 18459-60, para. 51 (2005). (*Merger Orders*)

² *Petition of Qwest Communications International Inc. for Forbearance from Enforcement of the Commission's Dominant Carrier Rules As They Apply After Section 272 Sunsets*, WC Docket No. 05-333, Memorandum Opinion and Order, 22 FCC Rcd 5207 (2007) (*Qwest Section 272 Sunset Forbearance Order*).

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3. (a) The performance metrics reports shall be provided in an Excel spreadsheet format to demonstrate the BOCs' and, with regard to AT&T and Verizon, their independent incumbent LEC affiliates', monthly performance in delivering interstate special access services, covered by the *Section 272 Sunset Order*, within each of the states in their respective regions. These data shall be reported on an aggregated basis for interstate special access services. The BOCs and their independent incumbent LEC affiliates shall provide performance measurement results (broken down on a monthly basis) for each quarter to the Commission by the 45th day after the end of the quarter.

The Commission is committed to minimizing the information collection requirements for the BOCs and their independent incumbent LEC affiliates by offering various options for filing the required performance metric reports. The reports, for example, may be filed electronically or through paper copies.

- (b) The BOCs will provide their residential customers with the total number of long distance telecommunications service minutes used by the customer on his or her monthly bill at no additional charge. The BOCs will not file any reports or certifications with the Commission. The BOCs may provide this information to their customers in the same format that they provide their monthly bills.
4. (a) The *AT&T and Verizon Merger Orders*, as well as the *Qwest Section 272 Sunset Forbearance Order* require AT&T, Verizon, and Qwest to provide special access performance reports. Under the *Section 272 Sunset Order*, the BOCs and their independent incumbent LEC affiliates shall provide the Commission with their performance measurement results on a quarterly basis.
 - (b) The Commission had not required the BOCs to record and provide their customers with their monthly usage information before granting Qwest relief in the *Qwest Section 272 Sunset Forbearance Order* and AT&T and Verizon relief in the *Section 272 Sunset Order*. The BOCs are required to provide the monthly usage information to their subscribers and do not need to file any reports or certifications with the Commission.
 5. Because the special access performance metrics and monthly usage reporting requirements only affect the BOCs and each of AT&T's and Verizon's independent incumbent LEC affiliates, the information collection does not impact any small businesses or other small entities.
 6. Because the BOCs are no longer required to comply with the section 272 structural safeguards, the Commission established the special access performance metrics described above to ensure that the BOCs and their independent incumbent LEC affiliates do not engage in non-price discrimination in the provision of special access services to unaffiliated entities.

The frequency of the performance metric filings will provide the Commission and other interested parties with reasonable tools to monitor each BOC's performance in providing

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these special access services to itself and its competitors in light of the regulatory relief granted as part of the *Section 272 Sunset Order*.

For the same reason, the Commission also established the monthly usage reporting requirement to help ensure that residential interstate long distance consumers receive adequate information regarding their monthly usage in order to make informed choices among alternative long distance calling plans. The frequency of the usage information will allow consumers to make cost-effective decisions concerning alternative long distance plans in light of the regulatory relief granted as part of the *Section 272 Sunset Order*.

7. No other special circumstances will apply to these information collection requirements
8. Pursuant to 5 C.F.R. § 1320.8(d), the Commission published a notice in the *Federal Register* to solicit public comment on these reporting requirements on January 25, 2008 (73 FR 4567) 58021).³ No comments were received following publication of the notice.
9. The Commission does not anticipate providing any payment or gift to respondents.
10. The Commission anticipates that the BOCs may request confidentiality protection for the special access performance information submitted by the BOCs and their independent incumbent LEC affiliates. The BOCs are not required to file their customers' monthly usage information with the Commission.
11. The information collection does not address any matters of a sensitive nature, nor are there any privacy impacts.
12. The following represents the hour burden on the collections of information discussed herein.

(1) Number of respondents: 3

There are three companies that are subject to the filing requirements: AT&T, Qwest, and Verizon.

(2) Frequency of response: Quarterly and monthly (3rd party disclose) reporting requirements.

(3) Total number of responses annually: 48 responses/year

(a) quarterly: 3 respondents x 4 responses/year = 12

(b) monthly: 3 respondents x 12 responses/year = 36 (3rd party disclosure requirements)

Total: 12 + 36 = 48 responses

³ The Commission published the Federal Register Notice on October 12, 2007 (72 FR 58021) for the *Section 272 Sunset Order*, Sunset of the BOC Separate Affiliate and Related Requirements and 2000 Biennial Regulatory Review Separate Affiliate Requirements, WC Docket No. 02-112; CC Docket No. 00-175; FCC 07-159.

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(3) Annual hour burden per respondent: 62.5 hours (average)

(a) 25 hours per quarterly requirement; and

(b) 75 hours per monthly 3rd party requirement.

(4) Total annual hour burden: 3,000 hours

(a) The Commission estimates that each of the BOCs require approximately 25 hours on a quarterly basis to comply with the metric requirements. This estimate includes estimates for the time needed to identify, compile, and, in some cases, estimate, information at the requested level of detail. We also note that the estimate provided is an average, with some respondents requiring more time to complete the reporting requirement and others requiring less time. Thus:

$$3 \text{ BOCs} \times 25 \text{ hours/quarter} \times 4 \text{ quarters/year} = 300 \text{ hours.}$$

(b) The Commission estimates that on average each of the BOCs require approximately 75 hours on a monthly basis to comply with the requirement to provide residential customers with the call usage data per their monthly calling plan provisions. This average includes estimates for the time needed to identify and compile information at the requested level of detail. We also note that the estimate provided is an average, with some respondents requiring more time to complete than others. Thus:

$$3 \text{ BOCs} \times 75 \text{ hours/month/3}^{\text{rd}} \text{ party disclosures} \times 12 \text{ months/year} = 2,700 \text{ hours}$$

$$\text{Total: } 300 + 2,700 = 3,000 \text{ hours}$$

(5) Total estimated cost to respondents to comply with the information collection requirements: \$245,051.250.

(6) Explanation of the calculation:

The Commission estimates that the BOCs use personnel comparable in pay to a GS 15/5, or approximately \$62.83 per hour, plus 30% for overhead to comply with these two information collection requirements.

(a) We estimate that the quarterly information collection requirement will take each BOC respondent approximately 25 hours. We assume that each of the BOCs will use some combination of in-house staff services when preparing the reports. Thus:

$$\begin{aligned} 3 \text{ BOCs} \times 25 \text{ hours/quarter} \times 4 \text{ reports/year} \times \$62.83/\text{hour} &= \$18,850.10 \\ 30\% \text{ overhead} &= \underline{\$5,655.03} \\ \text{Total} &= \$24,505.13 \end{aligned}$$

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- (b) We also estimate that the monthly information collection requirement will take each BOC respondent approximately 75 hours. We assume that each of the BOCs will use some combination of in-house staff services when preparing the reports. Thus:

$$\begin{aligned} 3 \text{ BOCs} \times 25 \text{ hours/quarter} \times 4 \text{ reports/year} \times \$62.83/\text{hour} &= \$169,650.87 \\ 30\% \text{ overhead} &= \underline{\$50,895.26} \\ \text{Total} &= \$220,546.13 \end{aligned}$$

$$\text{Total: } \$24,505.13 + \$220,546.13 = \$245,051.25$$

Total Number of Respondents: 3

Total Number of Responses Annually: 12 + 36 = 48

Total Annual Hour Burden: 300 hours + 2,700 hours = 3,000 hours

Total Cost to Respondents (Industry Cost): \$24,505.13 + \$220,546.13 = \$245,051.25

13. The following represents the Commission's estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information.

(a) Total capital start-up costs component annualized over its expected useful life: \$0.

The collections will not result in additional capital expenditures such as computers or software.

(b) Total operation and maintenance and purchase of services component: \$0.

All respondents will file the reports quarterly, so operation and maintenance costs will be limited to Internet access or postage, ink, and similar costs incurred in the normal course of doing business.

(c) Total annual cost requested: \$0.

14. There will be few, if any, additional costs to the Commission because notice and enforcement requirements are already part of the Commission's duties. Moreover, there will be minimal cost to the federal government since outside parties administer the mechanisms for the special access performance metrics report and the BOCs will provide the monthly usage information to their customers.
15. This is a new information collection. As described above, although the respondents are required to collect metric-related information as part of the *AT&T* and *Verizon Merger Orders* and the *Qwest Section 272 Sunset Forbearance Order*. The metric-related information collection in the *Section 272 Sunset Order* is independent of their obligations to

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implement special access metrics as a result of their voluntary commitments in connection with the *Merger Orders* and the *Qwest Section 272 Sunset Forbearance Order* and will remain in effect until there is an affirmative Commission determination that such metrics no longer are necessary.

The Commission notes that there are no “total annual costs” based on our re-evaluation and analysis of the information..

16. (a) The Commission does not anticipate publishing any of the information collected. Rather, the BOCs’ submissions will be available for public review to the extent consistent with the Commission’s procedures for protecting confidential information.

(b) The Commission will not receive the monthly usage information provided by the BOCs to their customers.
17. The information collection requirements do not include any forms; therefore, Commission is not seeking approval to not display an OMB expiration date.
18. The Commission notes that based on further analysis we have determined that there are no “total annual costs,” as reported in the 60 day Federal Register Notice.

There are no other 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.