

## SUPPORTING STATEMENT

This information collection 3060-0853 is comprised of three FCC forms: FCC Form 479, Certification by Administrative Authority to Billed Entity of Compliance with Children's Internet Protection Act; FCC Form 486, Receipt of Service Confirmation Form; and the FCC Form 500, Funding Commitment Change Request Form.

This collection is being submitted to revise the existing collection, affecting a revision to the FCC Form 500 as part of the *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, *A National Broadband Plan For Our Future*, GN Docket No. 09-51, Notice of Proposed Rulemaking, FCC 10-83 (rel. May 20, 2010). This collection also corrects the burden for the provision of Internet safety policy to the FCC. The FCC Forms 479 and 486 remain unchanged with this submission to the Office of Management and Budget (OMB).

### **A. Justification:**

1. The existing information collection is being revised to require schools and libraries to also report on the FCC Form 500 to the Universal Service Administrative Company (USAC) the disposal of equipment purchased with a discount under the schools and libraries universal service program, also known as the E-rate program, for payment or other consideration. This revision has no effect on FCC Forms 479 and 486, which are also part of the existing information collection. This revision specifically pertains to the FCC Form 500 and also corrects the burden for the provision of Internet safety policy to the FCC. The Internet safety policy requirement was proposed in a Notice of Proposed Rulemaking, FCC 09-96, CC Docket 02-6 (75 FR 2826, dated January 19, 2010 and approved by OMB on March 25, 2010) (See item 12 of this Supporting Statement for the other burdens associated with this collection).

Specifically, the revised FCC Form 500 would require a school or library disposing of equipment to report the following information to USAC: (1) the applicant's name, entity number, address, and telephone number; (2) the name, address, telephone number, and email address of the applicant's authorized point of contact; (3) the date of the disposal of obsolete equipment; (4) the name of each piece of equipment disposed of, including the date of purchase and the funding request number(s) associated with the disposed equipment; (5) any payment, trade-in value, or other consideration received for such disposal of equipment; (6) the name of the entity that paid or otherwise gave the applicant valuable consideration for the equipment; (7) formal declaration by the school board or other authorized body or individual that the equipment subject to disposal is surplus; and (8) certification that the information provided on the form is true and accurate to the best of the applicant's knowledge, evidenced by the signature of someone authorized to so certify by the applicant and the date.

Requiring schools and libraries to submit this information as part of the FCC Form 500 could facilitate our ongoing efforts to mitigate waste, fraud and abuse. Additionally, it would allow USAC and the Commission to better assess how long program participants are using equipment purchased with E-rate discounts prior to disposal of any obsolete equipment, and to track what E-rate program participants do with equipment they no longer use. Moreover, such revision would require limited information, all of which is easy to obtain whenever a school or library seeks to dispose of obsolete equipment.

As noted in 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, 218-220, 254, 303(r), 403 and 405 of the Communications Act of 1934, as amended, 47 U.S.C. § 151-154, 201-205, 218-220, 254, 303(r), 403 and 405.

2. The purpose of this information collection is to allow USAC and the Commission to better assess how long program participants are using equipment purchased with E-rate discounts prior to disposal of any obsolete equipment, and to track what E-rate program participants do with equipment they no longer use.

All of the requirements contained herein are necessary to implement the congressional mandate for universal service.

3. Copies of this form will be available via USAC's web site or through a request to USAC's Client Service Bureau. This form must be filed manually and mailed. This revision would require limited information, all of which is easy to obtain whenever a school or library seeks to dispose of obsolete equipment. Thus, there will be a minimal burden imposed upon schools and libraries as a result of this information collection.

4. There will be no duplication of information. The information sought is unique to each respondent and similar information is not already available.

5. Entities directly subject to the requirements in the form are primarily schools and libraries. This form has been designed to impose the least possible burden on the respondents.

6. Failing to collect this information would prevent the Commission from tracking what E-rate program participants do with equipment they no longer use and the Commission's ongoing efforts to mitigate waste, fraud and abuse.

7. Not applicable. This collection is not designed in any known manner to be inconsistent with OMB's guidelines.

8. The proposed rule (NPRM) was published in the Federal Register pursuant to 5 C.F.R. § 1320.8 (d) on June 9, 2010 (75 FR 32699). At the time of submission of this proposed rule to the OMB for approval, no comments have been received.

9. There will be no payments or gifts to respondents.

10. The Commission is not requesting that the respondents submit confidential information to the Commission. If the Commission requests applicants to submit information that the respondents believe is confidential, respondents 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 collected.

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

**a. FCC Form 500, Funding Commitment (FRN) Change Request Form (revised):**

Billed entities use the FCC Form 500 to make adjustments to previously filed forms, such as changing the contract expiration date filed with the FCC Form 471, or changing the funding year service start date filed with the FCC Form 486. The billed entity will be required to retain copies of the signed and completed FCC Form 500. The burden hours estimate below includes the existing burden hours for the existing collection in addition to estimated burden hours for this revised collection.

- (1) Number of respondents: Approximately 5,100.
- (2) Frequency of response: On occasion reporting requirement and third party disclosure requirement.
- (3) Annual burden per response: 1.7 hours for certifying to the Billed Entity. The total annual hour burden is: **8,670 hours.**
- (4) Total estimate of the annualized cost to respondents for the hour burdens for collection of information: \$346,800.
- (5) Explanation of calculation: We estimate that this obligation will take approximately 1.7 hours and will occur once a year for 5,100 respondents. 5,100 (number of respondents) x 1 (number of submissions required) x 1.7 (hours to comply with requirements, to prepare form, including time for reading instructions) x \$40 per hour (including administrative staff time and overhead) = \$346,800.

**b. FCC Form 479, Certification by Administrative Authority to Billed Entity of Compliance with Children's Internet Protection Act (no change in burden in this submission to OMB)**

Administrative Authorities for Billed Entities and their consortia generally must submit signed certifications on FCC Form 479 to the Billed Entity, or to their consortium,

certifying as to the state of the Billed Entity in its compliance with CIPA. The Billed Entity is required to retain copies of the signed and completed FCC Form 479.

- (1) Number of respondents: Approximately, 10,000.
- (2) Frequency of response: Annual reporting requirement, recordkeeping requirement and third party disclosure requirement.
- (3) Annual burden per response: 1 hour. The total annual burden is **10,000 hours**. (No change in this estimate from the previous submission to the OMB.)
- (4) Total estimate of the annualized cost to respondents for the hour burdens: **\$400,000.**
- (5) Explanation of calculation: We estimate that this obligation will take approximately 1 hour and will occur once a year for 10,000 respondents. We estimated 10,000 respondents x 1 submission x 1 hour per response (to comply with requirements, to prepare form, including time for reading instructions) x \$40 per hour (including administrative staff time and overhead) = \$400,000.

**c. FCC Form 486, Receipt of Service Confirmation Form (*no change in burden in this submission to OMB*)**

Billed Entities must use the FCC Form 486 to authorize the payment of invoices from service providers, indicate approval of technology plans, and indicate compliance with CIPA.

- (1) Number of respondents: Approximately 30,000. Respondents include: schools, school boards, local education agency, or other authority with responsibility for administration of the school, library, library board, or other authority with responsibility for administration of the library.
- (2) Frequency of response: Annual reporting requirement and third party disclosure requirement. In order to receive discounts for Internet access and internal connections services under the universal service support mechanism, school and library authorities must certify that they are enforcing a policy of Internet safety that includes measures to block or filter Internet access for both minors and adults to certain visual depictions.
- (3) Annual burden per response: 1.5 hours. The total annual burden is: **45,000 hours.** (No change in this estimate from the previous submission to the OMB.)
- (4) Total estimate of the annualized cost to respondents for the hour burdens: **\$1,800,000.**
- (5) Explanation of calculation: We estimate that this obligation will take approximately 1.5 hours and will occur once a year for 30,000 schools and libraries. . We estimated 30,000 respondents x 1 submission x 1.5 hours per response (to comply with requirements, to prepare form, including time for reading instructions) x \$40 per hour (including administrative staff time and overhead) = \$1,800,000.

**d. Provision of Internet Safety Policy to the Federal Communications Commission (revised)**

The rules are being revised to require that schools and libraries provide to the Commission, upon request, copies of the Internet safety policies that are adopted pursuant to section 254(l) of the Act.

- (1) Number of respondents: Approximately 200.
- (2) Frequency of response: On occasion reporting requirement and third party disclosure requirement.
- (3) Annual burden per response: .25 hours for providing the policies to the Commission. The total annual burden is: **50 hours.**
- (4) Total estimate of the annualized cost to respondents for the hour burdens: **\$300,000.**
- (5) Explanation of calculation: We estimate that this obligation will take approximately .25 hours and will occur once a year for 200 respondents. We estimated 200 respondents x 1 submission x .25 hours per response (to comply with requirement) x \$40 per hour (including administrative staff time and overhead) = \$2,000.

**Summary of Proposed Estimated Total Annual Burden Hours:**

**Total Number of Respondents** =  $5,100 + 10,000 + 30,000 + 200 = 45,300$ .

**Total Number of Responses** =  $5,100 + 10,000 + 30,000 + 200 = 45,300$ .

**Total Annual Burden** =  $8,670 + 10,000 + 45,000 + 50 = 63,720 \text{ hours}$ .

**Total Annual In-House Cost Burden** =  $\$346,800 + \$400,000 + \$1,800,000 + \$2,000 = \$2,548,800$ .

13. We estimate that there will be no capital or start-up costs to comply with this collection. We do not believe that these requirements will necessitate the purchase of additional equipment. We estimate that there will be no operation, maintenance or purchase of services, or costs associated with this collection.

14. There will be few, if any costs to the Commission because notice and enforcement requirements are already part of Commission duties. Moreover, there will be minimal cost to the Federal government since an outside party (USAC) will administer this program.

15. The Commission is reporting a proposed change in the public burden for this collection is 71,170 total annual hours. The Commission is reporting a 1,220 program change increase which is due to the revisions in FCC Form 500 and the correction to the burden for the provision of Internet safety policy to the FCC. (See item 1 of this Supporting Statement).

16. Non-proprietary information from the FCC Forms 479 and 486 may be made publicly available at some point, although the Commission does not have specific plans for doing so at this time.

17. The Commission seeks continued approval to not display the OMB expiration date for OMB approval of the information collection. Display of the expiration date would not be in the Commission's or USAC's interest because, each time this IC is submitted to OMB for approval we are required to change the OMB expiration date and we would have to destroy all of the unused paper forms bearing the expiration date. We would also have to ensure that USAC changes the OMB expiration date on all the electronic versions of the forms. This would constitute waste and would not be cost effective. The Commission will use an edition date in lieu of the OMB expiration date. Additionally, the Commission publishes the OMB control number, OMB expiration date, and title in 47 CFR 0.408 of their rules.

18. Not applicable.

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

The Commission does not anticipate that the collection of information will employ statistical methods.