

## SUPPORTING STATEMENT

This collection is being submitted to the Office of Management and Budget (OMB) for review and approval to extend the existing collection. There is no change to the reporting, recordkeeping and/or third party disclosure requirement. There is an increase in the number of respondents that results in an 80-hour increase in the total annual hours. See item 15 for description of changes in burden.

### **A. Justification:**

1. Under the schools and libraries universal service support mechanism (also known as the E-rate program), eligible schools, libraries, and consortia that include eligible schools and libraries, may receive discounts for eligible telecommunications services, Internet access, internal connections, and basic maintenance of internal connections. Once an eligible school or library has purchased service or equipment using an E-rate discount, section 254 of the Communications Act of 1934, as amended, prohibits that school or library from reselling or otherwise transferring the purchased service, or any equipment components of such a service, in consideration for money or any other thing of value. In the *Schools and Libraries Third Report and Order* (CC Docket No. 02-6, 18 FCC Rcd 26912), the Federal Communications Commission (FCC) further prohibited schools and libraries from transferring the equipment components of eligible services to other schools within three years of their purchase, even without receiving money or other consideration in return, with one exception. If the school or library that orders the eligible services or equipment permanently or temporarily closes, then that school or library can transfer any services and equipment components of those services to another school or library, so long as the school or library notifies the Universal Service Administrative Company (USAC) of the transfer. Additionally, both the transferor and recipient must maintain detailed records documenting the transfer and the reason for the transfer for a period of five years. See 47 C.F.R. § 54.513.

Pursuant to 44 U.S.C. § 3507 of the Paperwork Reduction Act (PRA) of 1995, the FCC now seeks OMB approval for an extension of this currently approved collection. As reflected below, this extension request only adjusts the number of respondents affected by this information collection based on updated information received from USAC, the administrator of the E-rate program. Specifically, it adjusts the annual number of respondents from 20 to 100 based upon the average number of transfer notifications to USAC from 2010 through 2012.

Statutory authority for this collection of information is contained in Sections 1, 4(i), 4(j), 201-205, 214, 254, and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 154(j), 201-205, 214, 254, 403.

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.

2. The purpose of this collection of information is to promote the goal of preventing waste, fraud, and abuse. If an eligible service or equipment component of a service is transferred due to the permanent or temporary closure of a school or library, the transferor must notify USAC of the transfer. Further, to enable USAC to verify compliance with the equipment transfer prohibition as part of its beneficiary audit review, the transferring and receiving entities must maintain detailed records documenting the transfer and the reason for the transfer for a period of five years.

3. In an effort to reduce any burden created by this information collection requirement on a respondent,

USAC permits respondents to file the notification letter concerning the transfer of equipment by email, fax, or mail.

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

5. There is no identified impact on small entities. This information collection is only being imposed on public school districts, private schools, and public library systems that choose to transfer services and equipment components of those services purchased under the E-rate program.

6. Failure to collect this information would prevent the FCC from implementing section 254 of the Act and from tracking the transfer of those services and equipment components of those services purchased under the E-rate program.

7. There are no special circumstances that would cause the information collection to be collected in an inconsistent manner.

8. The FCC published a 60 day notice in the Federal Register as required by 5 CFR 1320.8. See 78 FR 6322, dated January 30, 2013. No PRA comments were received.

9. The FCC does not anticipate providing payments or gifts to respondents.

10. The FCC does not request that respondents submit confidential information to the FCC. If the FCC does request applicants to submit information that the respondents believe is confidential, respondents may request confidential treatment of such information under section 0.459 of the FCC's rules.

11. The request does not address any matters of a sensitive nature.

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

- (1) Number of Respondents: Approximately 100 public school districts, private schools, and public library systems.
- (2) Frequency of Response: On occasion reporting, third party disclosure, and recordkeeping requirement. We require the recipient, who closes permanently or temporarily and transfers equipment to another eligible entity, to notify USAC of such transfer.
- (3) Annual Burden per Respondent: 1 hour. Total Annual Burden: **100 hours**.
- (4) Total estimate of annualized cost to respondents for the hour burden for collection of information: \$4,000.
- (5) Explanation of calculation: We estimate that this obligation will take approximately 1 hour and will occur on occasion for public school districts, private schools, public library systems, and service providers.  $100$  (number of respondents)  $\times$   $1$  (hours to prepare notification letter)  $\times$   $1$  (number of submissions)  $\times$   $\$40$  per hour (including administrative staff time and overhead) =  $\$4,000$ .

13. We estimate that there will be no capital or start-up costs for this requirement. We do not believe that this requirement will necessitate any additional equipment. We estimate that there will be no operation, maintenance, or purchase of services cost for this requirement.

14. There will be few, if any, costs to the FCC because the notice and enforcement requirements are already part of the FCC's duties. Moreover, there will be minimal costs to the federal government since an outside

party, USAC, administers this program.

15. The public burden for this collection is now 100 total annual hours. This is an adjustment increase of 80 annual burden hours, which is due to an increase in the number of respondents that filed equipment transfer notifications due to the increase in school closings and consolidations.

16. The FCC will make any non-proprietary information publicly available on the Internet as the FCC deems appropriate.

17. The Commission is not seeking approval to not display the OMB expiration date. The Commission publishes a list of OMB-approved information collections in 47 CFR 0.408 of the Commission's rules.

18. There are no exceptions to the certification statement for this PRA submission.

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

The FCC does not anticipate that this information collection will employ statistical methods.