3060-0824
September 2012

SUPPORTING STATEMENT

This collection is being submitted to the Office of Management and Budget as a revision of the FCC Form 498. See page 2 for a description of the revision to the form. There is no change in the Commission's estimated number of respondents, responses and/or burden hours.

A. <u>Justification:</u>

1. *Circumstances that make collection necessary.* The Telecommunications Act of 1996 (1996 Act) directed the Commission to initiate a rulemaking to reform the system of universal service so that universal service is preserved and advanced as markets move toward competition. Based on the recommendations of the Federal-State Joint Board on Universal Service, the Commission released a Report and Order in CC Docket No. 96-45 on May 8, 1997, to implement the congressional directives set out in Section 254 of the Communications Act, as amended by the 1996 Act (the Act). As part of that implementation, the Commission appointed the Universal Service Administrative Company (USAC) as administrator of the federal universal service support mechanisms.

   One of the functions of USAC is to provide a means for the billing, collection, and disbursement of funds for the universal service support mechanisms. In October 1998, OMB approved FCC Form 498, the "Service Provider Information Form," to enable USAC to collect service provider name and address, telephone number, Federal Employer Identification Number (EIN), contact names, contact telephone numbers, and remittance information. FCC Form 498 enables participants to request a Service Provider Identification Number (SPIN) and provides the official record for participation in the universal service support mechanisms. The remittance information provided by participants on FCC Form 498 enables USAC to make payments to participants in the universal service support mechanisms.

   Pursuant to 47 C.F.R. §§ 54.202, 54.301, 54.303, 54.307, 54.309, 54.311, 54.407, 54.422, 54.515, 54.611, 54.702, 54.802, and 54.902, USAC will collect service provider name, phone numbers, other contact information, and remittance information for all four of the universal service support mechanisms -- Schools and Libraries, Rural Health Care, High-Cost and Low-Income. FCC Form 498 is now called the "Service Provider Identification Number and Contact Information Form" and allows fund participants to direct remittance to third parties or receive payments directly from USAC. Additionally, based on administrative and operational experience and feedback from the community of service providers, FCC Form 498 has been revised to more clearly present and collect the information being requested and to correct common errors in data collection.

The following revisions have been made to the FCC Form 498 for which we seek OMB approval:

- added an additional field in block 3 for a company's Federal Registration Number (FRN);
- added a column for the Study Area Code Company Name in block 8;
- added the ability for a carrier to designate an alternate bank account for the payment of BEAR funds in block 11;
- added a box in block 1 and a supplemental information sheet to allow respondents to include information about affiliates;
- updated the Principal Communications Types in block 14 to include additional business types as listed on the FCC Form 499-A;
- added a box after every program on the form that will allow service providers to cease participation in the associated program without having to deactivate their entire SPIN.

Corresponding adjustments were made to the instructions to reflect the proposed changes to the form.

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 and 254 of the Communications Act of 1934, as amended, 47 U.S.C. § 151-154, 254, and Part 54 of the Commission's rules.

2. *Use of information.* The information collected by FCC Form 498 is used by USAC to disburse federal universal service support consistent with the specifications of eligible participants in the universal service programs. FCC Form 498 submissions also provide USAC with updated contact information so that USAC can contact universal service fund participants when necessary. Without such information, USAC would not be able to distribute support to the proper entities and this would prevent the Commission from fulfilling its statutory responsibilities under the Act to preserve and advance universal service.

3. *Technological collection techniques.* Copies of the forms will be available to participants via USAC's web site or through a request to USAC's Client Service Bureau. Applicants may file online, by mail, or by fax.

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

5. *Impact on small entities.* In conformance with the Paperwork Reduction Act of 1995, the Commission is making an effort to minimize the burden on all respondents,

regardless of size. The form has been designed to impose the least possible burden on the respondents, as respondents will only complete those sections of the form that pertain to the programs in which they participate. For greater flexibility and to reduce the time burden on applicants, the FCC Form 498 enables service providers to elect either one remittance financial institution account for all four universal service programs or multiple remittance financial institution accounts. The Commission has limited the information requirements to those absolutely necessary for obtaining the remittance information USAC needs to make disbursements. Applicants also are allowed to elect either one contact for all four programs or multiple contacts.

6. *Consequences if information is not collected.* Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing section 254 of the Act and attaining the goals of affordable telecommunications service and access to advanced services throughout the nation.

7. *Frequency of collection.* Respondents will provide this once to obtain a SPIN for the first time and on subsequent occasions only as their own contact and remittance information changes.

8. Federal *register notice; efforts to consult with persons outside the Commission.* A 60 day notice was published in the Federal Register as required by 5 CFR 1320.8(d) to solicit public comment on July 20, 2012 (77 FR 42728). No PRA comments were received as a result of the notice.

9. Payments *or gifts to respondents*. The Commission will not provide payments or gifts to respondents on the sole basis of their submission of this form. Some respondents, however, may receive universal service support payments based on the Commission's rules.

10. *Assurance of confidentiality.* The Commission notes that USAC must preserve the confidentiality of all data obtained from respondents and contributors to the universal service programs, must not use the data except for purposes of administering the universal service programs, and must not disclose data in company-specific form unless directed to do so by the Commission. With respect to the Service Provider Identification Number and Contact Information Form (FCC Form 498), USAC shall publish each participant's name, SPIN, and contact information via USAC's website. All other information, including financial institution account numbers or routing information, shall remain confidential.

11. *Questions of a sensitive nature.* There are no questions of a sensitive nature with respect to the information collected.

12. *Estimates of the hour burden of the collection to respondents.*

<u>Submission of FCC Form 498 "Service Provider Information Form"</u>

- <u>Number of respondents:</u> Approximately 5,000 service providers.

- Frequency of response: On occasion reporting requirement. Service providers must submit FCC Form 498 with contact information to USAC to initially request a SPIN, and on occasion as information changes.
- Annual burden per response: 1.5 hours. The total annual hour burden is **7,500 hours.**
- Total estimate of the annualized cost to respondents for the hour burdens for collection of information: $300,000.
- Explanation of calculation: We estimate that this obligation will take approximately 1.5 hours and will occur once a year for 5,000 program participants. 5,000 (number of respondents) x 1 (number of submissions required) x 1.5 (hours to prepare form, including time for reading instructions) x $40 per hour (including administrative staff time and overhead) = $300,000.

Total Annual Burden =7,500 burden hours.

13. *Estimate of the cost burden of the collection to respondents.* We estimate that there will be no capital or start-up costs to comply with this collection because the information relates to contact and remittance information that readily will be available. 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. *Estimate of the cost burden to the Commission.* There will be no capital or start up 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 will administer this program.

15. *Program changes or adjustment.* There is no change in the Commission's burden estimates. The annual public burden for the information collections contained in this submission remains 7,500 annual burden hours

16. *Collections of information whose results will be published.* USAC shall publish each participant's name, SPIN, and contact information via USAC's website. All other information, including financial institution account numbers or routing information, shall remain confidential.

17. *Display of expiration date for OMB approval of information collection.* The Commission seeks continued approval to not display the expiration date for OMB approval of this information collection. Display of the expiration date on the forms and instructions would not be in the Commission's interest because, after the three year approval period or whenever this IC is revised, we would have to destroy all of the unused forms bearing the OMB expiration date and the electronic versions would have to be updated as well. This would be inefficient and constitute waste and would not be cost effective.

18. *Exceptions to the certification statement for Paperwork Reduction Act submissions (Item 19 of the OMB Form 83-i*). There are no exceptions to item 19.

B. <u>Collections of Information Employing Statistical Methods:</u>

No statistical methods are employed.