

Supporting Statement

This collection is being submitted to the Office of Management and Budget (OMB) to revise an expiring collection. The Federal Communications Commission (Commission) has increased the total annual burden hours. This increase is due to an increase in the number of respondents. Therefore, the total annual burden hours have increased by 8,400 hours. The revisions are described below. This information collection contains forms: FCC Form 479, Schools and Libraries Universal Service Certification by Administrative Authority to Billed Entity of Compliance with Children's Internet Protection Act; FCC Form 486, Schools and Libraries Universal Service Receipt of Service Confirmation and Certification of Compliance with the Children's Internet Protection Act and Technology Plan Requirements Form; and the FCC Form 500, Schools and Libraries Universal Service Funding Commitment Adjustment Request Form.

**A. Justification:**

1. The Communications Act of 1934, as amended by the Telecommunications Act of 1996 (Act), directed the Commission to take steps necessary to establish support mechanisms to ensure the delivery of affordable telecommunications service for all Americans, including consumers in high cost areas, low-income consumers, rural health care providers, and eligible schools and libraries. Section 254(h) of the Act, as implemented by the Commission in its *Universal Service Order* (CC Docket No. 96-45, FCC 97-157), established, *inter alia*, the federal universal service support mechanism for schools and libraries. Under the schools and libraries support mechanism (also known as the E-rate program), eligible schools, libraries, and consortia that include eligible schools and libraries may apply for discounts for telecommunications services, Internet access, internal connections, and basic maintenance of internal connections. This information collection is necessary for the fair and efficient functioning of the E-rate program, and for the implementation of a congressional directive with respect to that program.

FCC Forms 479 and 486 enable participants in the program to certify that they are in compliance with the Children's Internet Protection Act (CIPA), 47 U.S.C. § 254 (h) and (l) when they seek discounts for Internet access, internal connections and basic maintenance of internal connections. With the exception of program participants who receive only telecommunications services, CIPA compliance is a necessary prerequisite to invoicing and payment. CIPA provides that schools and libraries that have computers with Internet access must certify that they have in place certain Internet safety policies and technology protection measures in order to be eligible to receive program services under section 254(h) of the Communications Act of 1934 (the Act), as amended. See 47 CFR § 54.520. FCC Form 486 also is the form that school and library applicants use to notify the Universal Service Administrative Company (USAC or the Administrator) of their service start dates and certify compliance with E-rate program technology plan requirements. FCC Form 500 is used by E-rate participants to make adjustments to previously filed forms, such as changing the contract expiration date filed with the FCC

Form 471, changing the funding year service start date filed with the FCC Form 486, or cancelling or reducing the amount of funding commitments.

#### FCC Forms 479 and 486

This revision will require administrative changes to the FCC Forms 479 and 486 and instructions. We have also modified the existing certification regarding recordkeeping on these forms to ensure consistency with section 54.516, which requires the applicants to retain all documents related to the application, receipt, and delivery of E-rate supported services for at least 5 years after the last day of service delivered in any particular funding year. The FCC Forms 479 and 486 and instructions have also been updated in places where some of the dates or other information is outdated or unnecessary. For example, the check boxes for the Item 6(e) and Item 6(c) waivers were removed from the FCC Form 479 and FCC Form 486, respectively. These library-specific waivers are already encompassed in the Item 6(d) and Item 6(b) waivers on the FCC Form 479 and FCC Form 486, respectively. The FCC Form 486 and instructions were also changed to reflect that the *Schools and Libraries Sixth Report and Order* (CC Docket No. 02-6, GN Docket No. 09-51, 25 FCC Rcd 18762) changed the requirements for technology planning in the E-rate program. Under the new requirements, only internal connections and basic maintenance of internal connections funding requests must be covered by approved technology plans. Therefore, applicants that receive Priority One services only no longer need to certify to technology plan coverage on the FCC Form 486.

#### FCC Form 500

We modified the FCC Form 500 certification regarding recordkeeping to ensure consistency with section 54.516, which requires applicants to retain all documents related to the application, receipt, and delivery of E-rate supported services for at least 5 years after the last day of service delivered in any particular funding year and to produce such records upon request the entities authorized by the rule.

Another revision to the form allows applicants to seek extensions of the implementation deadline for non-recurring services. The other revision allows applicants to notify USAC when they are transferring equipment with the three year timeframe in accordance with the Commission's rules. These proposed revisions are explained in (a) and (b) below:

##### (a) Extension of the deadlines for non-recurring services

In general, E-rate applicants must use the funded services within the funding year, which runs from July 1 through June 30, except that the Commission's rules give applicants three additional months, until September 30 following the close of the funding year, to install one-time services known as non-recurring services. USAC may extend the September 30 deadline if the applicant falls within at least one of four designated circumstances. The applicant must, however, submit any required documentation to USAC to support an extension on or before the September 30 deadline.

Specifically, under the 47 C.F.R. 54.507(d) of the Commission's rules, applicants qualify for an extension of the September 30 deadline for non-recurring services if they satisfy one of the following criteria: (1) applicants whose funding commitment decision letters

are issued by the Administrator on or after March 1 of the funding year for which discounts are authorized; (2) applicants who receive service provider change authorizations from the Administrator on or after March 1 of the funding year for which discounts are authorized; (3) applicants whose service providers are unable to complete implementation for reasons beyond the service provider's control; or (4) applicants whose service providers are unwilling to complete installation because funding disbursements are delayed while the Administrator investigates their application for program compliance. USAC will extend the deadline for non-recurring services automatically if the circumstances at issue involve criterion (1) or criterion (2). Applicants must submit extension requests with USAC if they seek extensions based on the latter two criteria. The non-recurring services implementation deadline extension request is currently approved under a separate OMB Control Number (OMB 3060-0992). We propose to transfer this requirement to the current information collection for the FCC Form 500. Once this revision is approved by OMB, we will discontinue OMB Control Number 3060-0992.

(b) Equipment transfers

In the *Schools and Libraries Third Report and Order* (CC Docket No. 02-6, 18 FCC Rcd 26912), the Commission determined that it would prohibit schools and libraries from transferring eligible services and the equipment components of eligible services to other schools within three years of their purchase, even without receiving money or other consideration in return. There was one exception made to this general rule. If the school or library that orders the eligible services or equipment permanently or temporarily closes, then that school or library can transfer any eligible services and equipment components of those services to another eligible school or library, so long as the school or library notifies 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. The equipment transfer notification requirements are currently approved under OMB Control Number 3060-1062. We propose to transfer this requirement to the current information collection for the FCC Form 500. We will discontinue OMB 3060-1062 once this revision is approved. The requirement to maintain detailed records documenting the transfer for a period of at least five years was added to the existing certification regarding recordkeeping.

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 is to ensure that schools and libraries that are eligible to receive discounted Internet access and internal connections have in place certain Internet safety policies. Libraries receiving Internet access and internal connection services supported by the schools and libraries support mechanism must certify, by completing a FCC Form 486 (Receipt of Service Confirmation and

Certification of Compliance with the Children's Internet Protection Act and Technology Plan Requirements Form), that respondents are enforcing a policy of Internet safety and enforcing the operation of a technology prevention measure. Respondents who received a Funding Commitment Decision Letter indicating services eligible for universal service discounts must file FCC Form 486 in order to start the payment process. In addition, all members of a consortium must submit signed certifications to the Billed Entity (using a FCC Form 479; Certification by Administrative Authority to Billed Entity of Compliance with Children's Internet Protection Act) of each consortium, in language consistent with that adopted on the FCC Form 486. FCC Form 500 is used by E-rate participants to make adjustments to previously filed forms, such as changing the contract expiration date filed with the FCC Form 471, changing the funding year service start date filed with the FCC Form 486, or cancelling or reducing the amount of funding commitments. This form will also be used to request extensions of the deadline for non-recurring services and to notify USAC of equipment transfers.

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

3. Copies of the forms will be available via the Administrator's web site or through a request to the Administrator's Client Service Bureau. In an effort to reduce any burden created by these information collection requirements, the Administrator generally permits electronic filing of FCC forms.
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. The forms have been designed to impose the least possible burden on the respondents.
6. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing section 254 of the Act, and from ensuring that schools and libraries receiving discounted Internet access, Internet services, and internal connections have in place Internet safety policies.
7. Not applicable. The collections are not designed in any known manner to be inconsistent with OMB's guidelines.
8. The Commission published a notice pursuant to 5 CFR § 1320.8. *See*, 78 FR 40476, July 5, 2013. No comments were received in response to the notice. The Wireline Competition Bureau also released a Public Notice on July 24, 2013 (DA 13-1636). One comment was filed in response to the Public Notice. Based on the comment, a few additional changes were made to the wording in the FCC Form 500 and instructions for FCC Forms 479 and 486. Specifically, in the FCC Form 500, in Item 9, applicants are instructed to list funding request numbers (FRNs) individually and to write in "CANCEL ALL" if they wish to cancel all of the FRNs on an FCC Form 471. Also, the instructions for the FCC Forms 479 and 486 eliminate language that provided a further explanation regarding Children's Internet Protection Act compliance and

replace it with a sentence indicating that if any Internet access services such as basic Internet access, web hosting or e-mail service are included or bundled with telecommunications services, telecommunications, VoIP or fiber services, CIPA compliance is required.

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 479, Certification by Administrative Authority to Billed Entity of Compliance with Children's Internet Protection Act**

Administrative Authorities for Billed Entities and their consortia generally must submit signed certifications on Form 479 to the Billed Entity, or to their consortium, certifying that the Billed Entity is in compliance with CIPA. The Billed Entity is required to retain copies of the signed and completed FCC Form 479.

- (1) Number of respondents: Approximately 10,300. (This represents an increase from 10,000 to 10,300 respondents in estimates from the previous submission to OMB and is based on the number of consortia participants for funding year 2011 and 2012).
- (2) Frequency of response: Annual and third party disclosure. 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. When respondents are not the Billed Entity, they must submit a signed Form 479 to their Billed Entities.
- (3) Annual burden per response: 1 hour. The total annual hour burden is: 10,300 hours.
- (4) Total estimate of the annualized cost to respondents for the hour burdens for collection of information: \$412,000.
- (5) Explanation of calculation: We estimate that this obligation will take approximately 1 hour and will occur once a year for 10,300 respondents.  $10,300$  (number of respondents)  $\times$   $1$  (number of submissions required)  $\times$   $1$  (hours to comply with requirements, to prepare form, including time for reading instructions)  $\times$   $\$40$  per hour (including administrative staff time and overhead) =  $\$412,000$ .

- b. **FCC Form 486, Receipt of Service Confirmation and Certification of Compliance with the Children's Internet Protection Act and Technology Plan Requirements Form**

Billed Entities must use the 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 38,500. Respondents include: school, 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. (This represents an increase from 30,000 to 38,500 in estimates from the previous submission to OMB and is based on an increased number of submitted FCC Forms 486).

(2) Frequency of response: Annual and third party disclosure. 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) Burden per response: 1.5 hours. The total annual hour burden is: 57,750 hours.

(4) Total estimate of the annualized cost to respondents for the hour burdens for collection of information: \$2,310,000.

(5) Explanation of calculation: We estimate that this obligation will take approximately 1.5 hours and will occur once a year for 38,500 schools and libraries.  $38,500$  (number of respondents)  $\times$   $1$  (number of submissions required)  $\times$   $1.5$  (hours to comply with requirements, to prepare form, including time for reading instructions)  $\times$   $\$40$  per hour (including administrative staff time and overhead) =  $\$2,310,000$ .

### **c. FCC Form 500, Funding Commitment (FRN) Adjustment Request Form**

Billed Entities use the Form 500 to make adjustments to previously filed forms, such as changing the contract expiration date filed with the Form 471, changing the funding year service start date filed with the Form 486, or cancelling or reducing the amount of funding commitments. The proposed revisions to this the form would allow applicants to seek extensions of the implementation deadline for non-recurring services and use the form to notify USAC when they are transferring equipment with the three year timeframe in accordance with the Commission's rules.

(1) Number of respondents: Approximately 6,900. (This represents an increase from 5,000 to 6,900 in estimates from the previous submission to OMB and is based on the actual FCC Forms 500 submitted in funding year 2011 and to account for the potential additional respondents that will use this form).

(2) Frequency of response: On occasion and third party disclosure.

(3) Annual burden per response: 1.5 hours for certifying to the Billed Entity. The total annual hour burden is: 10,350 hours.

(4) Total estimate of the annualized cost to respondents for the hour burdens for collection of information: \$414,000.

(5) Explanation of calculation: We estimate that this obligation will take approximately 1.5 hours and will occur once a year for 6,900 respondents.  $6,900$  (number of respondents)  $\times$   $1$  (number of submissions required)  $\times$   $1.5$  (hours to comply with requirements, to prepare form, including time for reading instructions)  $\times$   $\$40$  per hour (including administrative staff time and overhead) =  $\$414,000$ .

#### **d. Maintaining and Updating the Internet Safety Policy**

School and library applicants must maintain Internet safety policies, update them as necessary and 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 35,000. Respondents include: school, 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. (This represents an increase from 30,000 to 35,000 in estimates from the previous submission to OMB and accounts for filers of both the FCC Form 479 and FCC Form 486).

(2) Frequency of response: On occasion and third party disclosure.

(3) Annual burden per response: .75 hours. This represents an increase of .50 hours from .25 to account for schools and libraries that maintain and are on occasion required to update their Internet safety policies. These entities may also need to submit copies of these policies to the Commission upon request. The hours are also increased to account for schools that are required to update their Internet safety policies to provide for the education of minors about appropriate online behavior, including interacting with other individuals on social networking websites and in chat rooms and cyberbullying awareness and response as required by the Protecting Children in the 21st Century Act. The total annual hour burden is: **26,250 hours**.

(4) Total estimate of the annualized cost to respondents for the hour burdens for collection of information: \$1,050,000.

(5) Explanation of calculation: We estimate that this obligation will take approximately .75 hours and will occur once a year for 35,000 respondents.  $35,000$  (number of respondents)  $\times$   $1$  (number of submissions required)  $\times$   $.75$  (hours to comply with requirements and/or update or supply Internet safety policies)  $\times$   $\$40$  per hour (including administrative staff time and overhead) =  $\$1,050,000$ .

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

**Total Number of Respondents** =  $10,300 + 38,500 + 6,900 + 35,000 = 90,700$

**Respondents**

**Total Number of Responses** =  $10,300 + 38,500 + 6,900 + 35,000 = 90,700$  Responses

**Total Annual Burden** =  $10,300 + 57,750 + 10,350 + 26,250 = 104,650$  Hours

13. (1) Total capital start-up costs component annualized over its expected useful life: \$0. The collections will not require the purchase of additional equipment.

(2) Total operation and maintenance and purchase of service component: \$0. The collections will not result in additional operation or maintenance expenses.

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 will administer this program.

15. The public burden for the information collection requirements contained herein will become **104,650** burden hours, which is an increase of **95,900** burden hours. This increase includes an increase of 8,400 burden hours as a result of the increase in the number of respondents for the FCC Forms 479, 486 and 500 and an additional 26,250 burden hours added to adjust the hours reported in the 2011 submission. The increase reflects updated information received from the Universal Service Administrative Company for FCC Forms 479, 486, and 500 indicating an increase in actual participation in the E-rate program. Specifically, for the FCC Form 479, the Commission increased the number of respondents from 10,000 to 10,300 based on the number of consortia participants for funding year 2011 and 2012. For the FCC Form 486, the Commission increased the number of respondents from 30,000 to 38,500 based on increased number of submitted FCC Forms 486. For the FCC Form 500, the Commission increased the number of respondents from 5,000 to 6,900 based on the actual FCC Forms 500 submitted in funding year 2011 and to account for the potential additional respondents that will use this form.

The burden hours were also adjusted from the hours reported in the 2011 submission in the section called “Provision of Internet Safety Policy to the Federal Communications Commission” (now called “Maintaining and Updating the Internet Safety Policy”) to include 5,000 more respondents and increase the burden hours per response from .25 to .75. The Commission believes that the number of respondents reported in the last submission did not account for filers of both the FCC Form 479 and FCC Form 486. The Commission also believes that the initial year of compliance with the schools-only requirement to update Internet safety policies to provide for education of minors about appropriate online behavior, including interacting with other individuals on social networking websites and in chat rooms and cyberbullying awareness and response (as required by the Protecting Children in the 21st Century Act) will require .50 hours more than the .25 estimate of burden hours per response reported in 2011.

16. The results of these collections are not published.

17. The Commission seeks continued approval to not display the expiration date for OMB approval of the information collections. The Commission will use an edition date in lieu of the OMB expiration date. This is necessary so that when the OMB expiration date changes, the Commission does not have to update electronic versions or destroy paper stocks. Finally, the Commission publishes a list of all OMB-approved information collections, including this one, in 47 C.F.R. § 0.408.

18. Not applicable.

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

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