

## SUPPORTING STATEMENT

This submission is being made pursuant to 44 U.S.C. 3507 of the Paperwork Reduction Act of 1995 to revise existing collection 3060-0806 (FCC Forms 470 and 471).

### 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 Federal Communications Commission (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. FCC Forms 470 and 471 are required to determine eligibility by schools and libraries for discounts under the program so that they can purchase eligible services.

The Commission is revising this collection in an effort to simplify the application process and to better collect information related to the broadband services being ordered by schools and libraries under the E-rate program. We propose collapsing the telecommunications services and Internet access categories into one category of service on the FCC Form 470 to simplify the application process. We also propose eliminating outdated questions that were originally designed to determine the impact of services and create new questions that will better gauge the technology and speed related to E-rate applicants' Internet and broadband connectivity. Specifically, Block 2 of the FCC Form 471, Impact of Service Ordered for Schools and Libraries from this Form 471, will be eliminated and questions asking about broadband and other connectivity services will be added to Block 5 for each funding request. The FCC Form 471 is also revised to allow applicants to indicate whether they are a federal entity.

In the Commission's attempt to reduce the number of information collections, we incorporate the following information collection requirements in OMB Control Number 3060-0774 into this submission so it can be removed from the OMB inventory:

- 47 C.F.R. §§ 54.501(c)(3) and 54.516 – Schools and libraries recordkeeping.
- 47 C.F.R. §§ 54.500(g), 54.504(a)-(e), 54.505(b)(1), (2), 54.507(d) & 54.509(a) – Description of services requested and certification
- 47 C.F.R. § 54.519 – State telecommunications networks

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](#), [201-205](#), [218-220](#), [254](#), [303\(r\)](#), [403](#) and [405](#).

- a. Submission of FCC Form 470 "Description of Services Requested and Certification."

Applicants in the E-rate program must submit an FCC Form 470 with a description of the services needed to USAC, which administers the fund. The information from the FCC Form 470

**Universal Service – Schools and Libraries Universal Service Program,  
FCC Forms 470 and 471**

is then posted on USAC’s website for all potential competing service providers to review. After waiting 28 days, the applicant can enter into an agreement for services. See 47 CFR § 54.504(b). Applicants and consultants completing the FCC Form 470 must provide basic information on the form, including contact information and demographic information to assist in the processing of the application.

Pursuant to section 254(h) of the Telecommunications Act of 1996, 47 U.S.C. § 254(h), as amended by the No Child Left Behind Act of 2001, 20 U.S.C. §§ 7801(18) and (38), schools and libraries must certify, the Form 470, under oath, *inter alia*, that:

- (1) the applicant is an eligible school or library or consortium;
- (2) the supported services are covered by a technology plan, or the applicant is properly exempted from having such a plan;
- (3) the applicant will conduct a competitive bidding process in accordance with Commission rules;
- (4) the funding will be used for educational purposes;
- (5) the applicant has not received anything of value from the service provider, other than the requested services, in connection with the request for services;
- (6) the applicant has the necessary resources to use the services purchased effectively;
- (7) the signatory has the authority to submit the request on behalf of the applicant; and
- (8) the applicant has complied with applicable federal, state, and local procurement laws

These certifications on the FCC Form 470 are important to maintain the integrity of the E-rate program and are necessary to ensure that only eligible entities receive support under the program. See 47 CFR § 54.504(b)(2).

b. Submission of FCC Form 471 “Services Ordered and Certification.”

The FCC Form 471 must be filed each year by all E-rate applicants. Once a school or library has complied with the Commission’s competitive bidding requirements and entered into an agreement for eligible services, it must file an FCC Form 471 application to notify USAC of the services that have been ordered, the service providers with whom the applicant has entered into an agreement, and an estimate of the funds needed to cover the discounts to be given for eligible services. See 47 CFR § 54.504(c). Applicants also must provide their FCC Registration Number. See 47 CFR §§ 1.8002 and 1.8003.

Besides basic information about the applicant or consultant filling out the form, the form gathers information about the broadband services that the school or library is currently using to help USAC determine the technological needs of the E-rate program. Since economically disadvantaged schools and rural schools receive a greater share of E-rate program funding, the form also contains a discount calculation worksheet for certifying the percentage of students eligible in that school for the national school lunch program (or other acceptable indicators of

**3060-0806                      October 2013**  
**Universal Service – Schools and Libraries Universal Service Program,**  
**FCC Forms 470 and 471**

economic disadvantage determined by the Commission). *See* 47 CFR § 54.505(b)(1). Similarly, libraries must make certifications about students eligible for national school lunch programs in nearby areas. *See* 47 CFR § 54.505(b)(2). Since rural schools and libraries receive slightly more funding than urban participants, the FCC Form 471 requires applicant’s demographic location. *See* 47 CFR § 54.505(b)(3).

Pursuant to section 254(h) of the Telecommunications Act of 1996, 47 U.S.C. § 254(h), as amended by the No Child Left Behind Act of 2001, 20 U.S.C. §§ 7801(18) and (38), schools and libraries must certify in the Form 471, under oath, *inter alia*, that:

- (1) the applicant is an eligible school or library or consortium;
- (2) the applicant has the necessary resources to use the services purchased effectively;
- (3) the supported services are covered by a technology plan, or the applicant is properly exempted from having such a plan;
- (4) the applicant will conduct a competitive bidding process in accordance with Commission rules;
- (5) the funding will be used for educational purposes;
- (6) the applicant acknowledges the penalties for not complying with program rules;
- (7) the applicant acknowledges that the program is conditional on serving the most disadvantaged schools and libraries;
- (8) the applicant complies with document retention requirements;
- (9) the signatory has the authority to submit the request on behalf of the applicant; and
- (10) the applicant understands and will comply with all other E-rate program rules and requirements.

*See* 47 CFR § 54.504(c)(1). This information collection does not affect individuals or households; thus, there are no impacts under the Privacy Act.

2. The information in this collection is used by USAC to administer the basic functions of the E-rate program, including facilitating the purchase of services by E-rate applicants, collecting information on the services ordered and certifying compliance with fundamental E-rate program rules. All the requirements contained herein are necessary to implement the congressional mandate for universal service.
3. Applicants will be able to electronically file or mail their submissions. Copies of the forms will be available on the Administrator’s website.
4. There will be no duplication of information. The information sought is unique to each respondent and similar information is not already available.

**Universal Service – Schools and Libraries Universal Service Program,  
FCC Forms 470 and 471**

5. Entities directly subject to the requirements in the forms 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 1996 Act and ensuring that schools and libraries receiving discounted Internet access, Internet services, and internal connections are eligible to participate and are doing so in accordance with applicable rules and regulations.
7. Applicants are required to retain records filed with the administrator for five years. The records are needed in the event the applicant is audited. If an applicant is audited, it should be able to demonstrate to the auditor how the entries in its application were provided.
8. The Commission published a notice pursuant to 5 CFR § 1320.8 in the *Federal Register* on July 5, 2013, 78 FR 40475. No comments were received in response to the notice. The Wireline Competition Bureau also released a Public Notice on July 17, 2013 (DA 13-1590). Three comments and one reply were filed in response to the Public Notice. Based on the comments and reply, a few additional changes were made to the wording in the FCC forms and instructions for Forms 470 and 471. Specifically, on the FCC Form 470 and accompanying instructions, the checkbox language for requests for proposals (RFPs) for each category of service was changed to read: “YES, I have released or intend to release an RFP for **one or more** of these services.” And: “NO, I have not released and do not intend to release an RFP for **any of** these services.” On the FCC Form 471 and accompanying instructions, the newly added “Federal Entity” checkbox was deleted in item 5b; in block 5, the “skip to Item 25” language was deleted; and, in 24b, the language was changed from “public library spaces” to “public library rooms.”
9. There will be no payments or gift 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 the collections of information:
  - a. Submission of FCC Form 470 “Description of Service Requested and Certification.”

Applicants in the E-rate program must submit an FCC Form 470 with a description of the services needed to USAC, which administers the fund. The information from the FCC Form 470 is then posted on USAC’s website for all potential competing service providers to review. After waiting 28 days, the applicant can enter into an agreement for services. Applicants and consultants completing the FCC Form 470 must provide basic information on the form, including contact information and demographic information to assist in the processing of the application.

    - (1) Number of respondents: Approximately 35,000 public school districts, private schools and public library systems.
    - (2) Frequency of response: On occasion and third party disclosure. Each school and library must submit an FCC Form 470, describing the services desired, to the Administrator before entering into an agreement for E-rate supported services.

**Universal Service – Schools and Libraries Universal Service Program,  
FCC Forms 470 and 471**

- (3) Annual burden per response: 3 hours to fill out the form and .5 hour for the five-year recordkeeping requirement. The total annual hour burden is: 122,500 hours.
- (4) Total estimate of annualized cost to respondents for the hour burdens for collection of information: \$6,001,275.
- (5) Explanation of calculation: We estimate that this requirement will take approximately 3 hours to fill out the form and .5 hour for the five-year recordkeeping requirement and will occur annually for 35,000 schools and libraries.  $35,000$  (number of respondents)  $\times$  1 (number of submissions)  $\times$  3 (hours to comply with requirements, to prepare form, including time for reading instructions)  $\times$  \$48.99 per hour (including administrative staff time and overhead) +  $35,000$  (number of respondents)  $\times$  1 (number of submissions)  $\times$  .5 (hours to comply with the five-year recordkeeping requirement)  $\times$  \$48.99 per hour (including administrative staff time and overhead) = \$6,001,275.

b. Submission of FCC Form 471 “Services Ordered, Certification, and Termination.”

The FCC Form 471 must be filed each year by all E-rate applicants. Once a school or library has complied with the Commission’s competitive bidding requirements and entered into an agreement for eligible services, it must file an FCC Form 471 application to notify USAC of the services that have been ordered, the service providers with whom the applicant has entered into an agreement, and an estimate of the funds needed to cover the discounts to be given for eligible services. Besides basic information about the applicant or consultant filling out the form, the form gathers information about the broadband services that the school or library is currently using to help USAC determine the technological needs of the E-rate program. Since economically disadvantaged schools and rural schools receive a greater share of E-rate program funding, the form also contains a discount calculation worksheet for certifying the percentage of students eligible in that school for the national school lunch program (or other acceptable indicators of economic disadvantage determined by the Commission). Similarly, libraries must make certifications about students eligible for national school lunch programs in nearby areas. Since rural schools and libraries receive slightly more funding than urban participants, the FCC Form 471 requires applicant’s demographic location.

- (1) Number of respondents: Approximately 47,000 public school districts, private schools and public library systems.
- (2) Frequency of response: Annually and third party disclosure. Each school and library must submit FCC Form 471, describing the services desired, to the Administrator.
- (3) Annual burden per response: 4 hours to fill out the form and .5 hour for the five-year recordkeeping requirement. The total annual hour burden is: 211,500 hours.
- (4) Total estimate of annualized cost to respondent for the hour burdens for collection of information: \$10,361,385.
- (5) Explanation of calculation: We estimate that this requirement will take approximately 4 hours to fill out the form and .5 hour for the five-year recordkeeping requirement and will occur once a year for 47,000 respondents.  $47,000$  (number of respondents)  $\times$  1 (number of submissions required)  $\times$  4.5 (hours to comply with requirements, to prepare form, including time for reading instructions and five year record keeping requirement)  $\times$  \$48.99 per hour (including administrative staff time and overhead) +  $47,000$  (number of respondents)  $\times$  1 (number of submissions required)  $\times$  .5 (hours to comply with the five-year recordkeeping requirement)  $\times$  \$48.99 per hour (including administrative staff time and overhead) = \$10,361,385.

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

**Total Number of Respondents:** 35,000 + 47,000 = **82,000 Respondents**

**Total Number of Responses:** 35,000 + 47,000 = **82,000 Responses**

**Total Annual Hourly Burden:** 122,500 + 211,500 = **334,000 Hours**

13. Total Annual Costs to Respondents:

(1) Total annualized capital/start-up costs: \$0.00.

The collections will not require the purchase of additional equipment.

(2) Total operation and maintenance and purchase of service component (O&M) costs: \$0.00.

The collections will not result in additional operation or maintenance expenses.

(3) Total annualized cost requested: \$0.00

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 Commission notes the following changes that have affected the information collection burdens:

(1) Outdated questions on the FCC Form 471 that were originally intended to determine the impact of services ordered have been removed.

(2) Both types of Priority One services are now consolidated into one field on the FCC Form 470 and applicants are no longer required to break out the services they are seeking as telecommunications services or Internet access.

(3) Data collection related to the broadband services being ordered by schools and libraries is now limited to applicants requesting broadband and other connectivity services and is tied directly to individual funding requests.

(4) Applicants can now indicate whether they are a federal entity on the FCC Form 471.

(5) More applicants are applying for E-rate program funding.

A burden change is requested. The public burden for the collection contained herein is now **334,000** burden hours which is an increase of **9,000** burden hours.

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 this information collection. 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. The Commission notes that, pursuant to the *Fifth Report and Order*, applicants are required to retain certain records longer than three years. Applicants must retain records five years to be able to demonstrate to the auditor how the entries in their application were provided.

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

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