

**Section 54.202, Telecommunications Carriers Eligible to Receive Universal Service Support.**

## SUPPORTING STATEMENT

**A. Justification:**1. *Circumstances that make the collection necessary.* —

With this submission, the Commission requests a revision of this information collection (decrease in reporting and recordkeeping requirements). There is a decrease in burden (see item 12 of this supporting statement) as a result of existing requirements from this collection being previously moved into information collection 3060-0986.

**Revised Information Collection Requirements**

The format for ETC designation burden has been reduced to one category for a more streamlined approach consistent with applicable rule sections identified below, *i.e.*, the ETC Annual Reporting and ETC Recordkeeping requirements were transferred to 3060-0986.

**Currently Approved Information Collection Requirements**

Section 254(e) of the Act provides that “only an eligible telecommunications carrier (ETC) designated under section 214(e) shall be eligible to receive specific Federal universal service support.”

Section 214(e)(2) of the Act gives state commissions the primary responsibility for performing ETC designations.

Section 214(e)(6) vests the Commission with authority to designate as an ETC “a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a State commission.”

The Commission’s rules for ETC designation require the collection of the following information as stated below, except whereby the Commission has waived information collection requirements when enforcing them would not serve the public interest.

*ETC Designation Application.*

Section 54.202 of the Commission’s rules requires carriers seeking designation from the Commission to submit an application that certifies that the carrier will comply with the service requirements applicable to the support that it receives, 47 C.F.R. § 54.202(a)(1)(i).

Additionally, applicants must submit a five year plan that describes with specificity proposed improvements or upgrades to the applicant’s network throughout its proposed service area, with estimates of the area and population that will be served as a result of the improvements, § 54.202(a)(1)(ii).

Except, a common carrier seeking designation as an ETC in order to provide supported services only under subpart E of Part 54 of the Commission’s rules (Universal Service Support for Low-Income Consumers) does not need to submit such a five-year plan.

An applicant must demonstrate its ability to remain functional in emergency situations, including:

- (a) a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source,

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- (b) is able to reroute traffic around damaged facilities, and
- (c) is capable of managing traffic spikes resulting from emergency situations, § 54.202(a)(2), and
- (d) demonstrates that it will satisfy applicable consumer protection and service quality standards, § 54.202(a)(3).

A commitment by wireless applicants to comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service will satisfy this requirement and other commitments will be considered on a case-by-case basis.

A common carrier seeking designation as an ETC for purposes of receiving support only under subpart E of Part 54 of the Commission's rules (Universal Service Support for Low-Income Consumers) must demonstrate:

- (a) that it is financially and technically capable of providing the Lifeline service in compliance with subpart E, § 54.202(a)(4), and
- (b) must submit information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, including details on the number of minutes provided as part of the plan, additional charges, if any, for toll calls, and rates for each such plan, § 54.202(a)(5).

To the extent the carrier offers plans to Lifeline subscribers that are generally available to the public, it may provide summary information regarding such plans, such as a link to a public Web site outlining the terms and conditions of such plans.

If the common carrier is seeking designation as an ETC under section 214(e)(6) for any part of Tribal lands, it shall provide a copy of its petition to the affected tribal government and tribal regulatory authority, as applicable, at the time it files its petition with the Federal Communications Commission.

In addition, the Commission shall send any public notice seeking comment on any petition for designation as an eligible telecommunications carrier on Tribal lands, at the time it is released, the affected tribal government and tribal regulatory authority, as applicable, by the most expeditious means available, § 54.202(c).

Designation as an ETC makes a telecommunications carrier eligible to receive support from the Universal Service Fund's high-cost and low-income programs, which support the extension of telecommunications services to underserved rural and low-income communities. In the absence of this information collection, the Commission's ability to fulfill its statutory obligation and to oversee the use of federal universal service funds and to combat waste, fraud, and abuse in the use of federal funds would be compromised.

Statutory authority is contained in sections 201(b), 214(e)(6), and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 201(b), 214(e)(6), 303(r).

2. *Use of information.* — The Commission will use the information collected to ensure that each ETC satisfies its obligation under Section 214(e) of the Communications Act of 1934, as amended, to provide services supported by the universal service mechanism(s) throughout the areas for which each ETC is designated.
3. *Technological collection techniques.* — The Commission encourages ETCs to use information technology to whatever extent possible to reduce the burden of this information collection.

Respondents currently respond both with paper copies and via the Internet (the Commission's Electronic Comment Filing System).

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

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5. *Impact on small entities.* — The collections of information may affect small entities as well as large entities. The Commission has limited the information requirements to those necessary for the purposes for which the information will be used and we expect respondents to use information technology and standardized practices to minimize the time necessary to comply with these requirements.
6. *Consequences if information is not collected.* — Without the requested information, the Commission would be unable to determine whether each applicant satisfies its obligation under Section 214(e) of the Communications Act of 1934, as amended, to provide services supported by the universal service mechanism(s) throughout the areas for which each ETC is designated.
7. *Special circumstances.* — We do not foresee any special circumstances that would cause an information collection to be conducted under extraordinary circumstances..
8. *Federal Register notice; efforts to consult with persons outside the Commission.* — Pursuant to 5 CFR Section 1320.8(d), the Commission published a notice in the *Federal Register* to solicit public comment on March 27, 2014, see 79 FR 17149. We have received no comments.
9. *Payments or gifts to respondents.* — The Commission will not pay or provide any payment or gift to respondents for complying with this information collection.
10. *Assurances of confidentiality.* — Pursuant to 47 C.F.R. § 0.459, a respondent may request that information submitted to the Commission not be put in the public record. The respondent must state the reasons, and the facts on which those reasons are based for withholding the information from the public record. The Chief of the Wireline Competition Bureau may grant a confidentiality request that presents, by a preponderance of the evidence, a case for non-disclosure consistent with the Freedom of Information Act, 5 U.S.C. § 552. If a confidentiality request is denied, the respondent has five days to appeal the decision before the Commission. If the appeal before the Commission is denied, the respondent has five days to seek a judicial stay.
11. *Questions of a sensitive nature.* — This information collection does not address any private matters of a sensitive nature.
12. *Estimates of the hourly burden of the collection to respondents filing.* — Pursuant to these requirements, we estimate that about 20 entities will apply for federal designation each year. We expect that each applicant will already have many of the plans and systems in place to report the information collected here, including a network improvement plan.

Note: Not every federally designated ETC must comply with every information collection requirement because the Commission has waived information collections when enforcing them would not serve the public interest. For example, the Commission does not require wireless resellers that rely on the facilities of other carriers and that participate in only the low-income program to submit five-year plans. Nevertheless, our calculations presuppose that all federally designated ETCs must comply with all requirements because the overall effect on the burden of this information collection is minimal.

*Estimates of the hour burden of the collection to respondents filing:*

- (1) Number of respondents: 20
- (2) Frequency of response: Annually
- (3) Annual hour burden per respondent: 40 hours per respondent for 20 respondents filing annually.  
Total annual hour burden is: 20 respondents x 40 hours = **800 hours**.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$32,000.

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(800 hours x \$40/hr.).

- (5) Explanation of calculation: We estimate the average ETC will require a total of at least 40 hours to complete the information collections required for its application:

20 (number of respondents) x 40 (hours preparing, reviewing, and submitting application) x \$40 per hour (administrative staff time and overhead) = \$32,000

Overall, as a result of this information collection, the Commission estimates the following:

**TOTAL NUMBER OF RESPONDENTS = 20.**

**TOTAL NUMBER OF ANNUAL RESPONSES = 20.**

**TOTAL NUMBER OF ANNUAL BURDEN HOURS = 800.**

**TOTAL "IN HOUSE" COSTS = \$32,000.**

13. *Estimates of the cost burden of the collection to respondents.* — There are no outside contracting costs for this information collection.
14. *Estimates of the cost burden to the Commission.* — There will be few, if any additional costs to the Commission because oversight and enforcement requirements are already part of Commission duties. Moreover, there will be minimal cost to the Federal government since an outside party administers the program.
15. *Program changes or adjustments.* —  
As a result of the transfer of the ETC Annual Reporting and ETC Recordkeeping requirements to 3060-0986, we note that:
- The total number of respondents has been reduced from 33 to 20, which is a reduction of 13 respondents;
  - The total number of responses has been reduced from 1,529 to 20, which is a reduction of 1,509 responses;
  - The Total Annual Hourly Burden has been reduced from 1,356 to 800 hours per year, which is a decrease of 556 hours. The adjusted decrease is due to an increase in the number of respondents for the ETC designation, but a decrease in ETC Annual Reporting, due to those specific requirements being moved into information collection 3060-0986;
16. *Collections of information whose results will be published.* — Non-proprietary information may be made publicly available although the Commission does not have specific plans for doing so at this time.
17. *Display of expiration date for OMB approval of information collection.* — The information collection does not include any Commission forms; consequently, the Commission has no reason to seek approval to avoid displaying the expiration date on forms for OMB approval.
18. *Exceptions to the certification statement for Paperwork Reduction Act submissions (Item 19 of OMB Form 83-I).* There are no exceptions to the certification statement.

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

The information collection does not employ any statistical methods.