

SUPPORTING STATEMENT

A. Justification:

1. The Commission seeks to revise Form 477 with changes designed to implement policy decisions made in a recent Commission Order.

Existing Information Collection Requirements:

The Commission initially established a reporting program using Form 477 to collect basic information about two critical areas of the communications industry:

- (1) the deployment of broadband services, and
- (2) the development of local telephone service competition.

This collection improves the Commission's understanding of the extent of broadband deployment, facilitating the development of appropriate broadband policies and improving the Commission's ability to carry out its obligation under section 706 of the Telecommunications Act of 1996, as amended, to "determine whether advanced telecommunications capability is being deployed to all Americans in a reasonable and timely fashion."¹ In addition, the information collected in Form 477 enhances the Commission's analysis and understanding of the extent of local telephone competition, which in turn support the Commission's efforts to open all telecommunications markets to competition and to promote innovation and investment by all participants, including new entrants, as required by the Telecommunications Act of 1996.²

New and/or Modified Information Collection Requirements:

On June 27, 2013, the Commission released a *Report and Order*, FCC 13-87, in WC Docket No. 11-10 (attached).³ With this Order, the Commission revises the Form 477 data collection to improve its ability to measure and understand the extent of broadband deployment and local telephone competition.

The Order assigns to the Commission responsibility for continuing the collection of data on broadband services deployment that is collected currently by the National Telecommunications and Information Administration (NTIA), in coordination with state entities through the State Broadband Initiative (SBI), and is used to populate the National

¹ See 47 U.S.C. § 1302.

² See 47 U.S.C. §§ 251, 252, 271.

³ *Modernizing the FCC Form 477 Data Program*, WC Docket No. 11-10, Report and Order, 28 FCC Rcd 9887 (2013) (Order).

Broadband Map.⁴ NTIA's SBI program will end in 2014, after its collection of data as of June 2014.⁵ The Order designates Form 477 as the method for continuing the collection of these data.⁶ The Order also makes certain adjustments to the way in which the Commission will collect these data, versus how they are currently collected through NTIA's SBI program, in order to reduce burdens on filers and enhance the usefulness of the data.⁷ In addition to expanding Form 477 to collect these new data on broadband deployment, the Order adopts certain modifications, summarized below, to the existing Form 477 collection of broadband and local telephone subscription data.

While the submission of broadband deployment data to NTIA's SBI program was voluntary for broadband providers, the submission of similar data to the Commission through Form 477 will be mandatory, and filers will be required to certify that the data are accurate.⁸ The Order requires fixed broadband providers to submit a list of census blocks in which they offer fixed broadband service, by technology and by maximum speed, to end users.⁹ While the SBI program collects data by speed tiers, the Order eliminates the use of speed tiers in Form 477 and instead requires fixed broadband providers to report the maximum advertised upload and download speeds they offer for each technology in each census block.¹⁰ In addition, the Order requires fixed broadband providers to distinguish, where appropriate, between residential and nonresidential deployment when filing Form 477.¹¹

The Order requires mobile broadband providers to file geospatial data on their network coverage areas.¹² These data must distinguish mobile broadband coverage by technology, by spectrum band, and by minimum advertised upload and download speed.¹³ If a provider does not advertise the minimum upload and/or download speeds, the provider must indicate the minimum upload/download data speeds that users should expect to receive for the deployed technology in the given frequency band.¹⁴

Form 477 currently requires mobile broadband providers to submit a list of census tracts in which "service is advertised and available to actual and potential subscribers," and to group such service offerings into predetermined speed tiers. The Order retains this collection but eliminates the requirement to group service offerings into speed tiers.¹⁵ In addition, the Order requires mobile voice providers to submit geospatial data on their voice network coverage areas.¹⁶ These data must distinguish mobile voice coverage by technology and by spectrum band.¹⁷

⁴ Order, 28 FCC Rcd at 9897, ¶ 23.

⁵ Order, 28 FCC Rcd at 9897, ¶ 23.

⁶ Order, 28 FCC Rcd at 9897, ¶ 23.

⁷ Order, 28 FCC Rcd at 9898, ¶ 24.

⁸ Order, 28 FCC Rcd at 9898, ¶ 24.

⁹ Order, 28 FCC Rcd at 9902, ¶ 32.

¹⁰ Order, 28 FCC Rcd at 9905, ¶ 36.

¹¹ Order, 28 FCC Rcd at 9897, ¶ 24; 9902, ¶ 32; 9906, ¶ 38.

¹² Order, 28 FCC Rcd at 9908, ¶ 42.

¹³ Order, 28 FCC Rcd at 9908-09, ¶ 42.

¹⁴ Order, 28 FCC Rcd at 9909, ¶ 42.

¹⁵ Order, 28 FCC Rcd at 9909-10, ¶ 44.

¹⁶ Order, 28 FCC Rcd at 9912, ¶ 52.

¹⁷ Order, 28 FCC Rcd at 9912, ¶ 53.

The Order adopts certain modifications to the existing Form 477 collection of broadband and local telephone subscription data in order to reduce burden and improve the quality of the data. The Order eliminates the use of speed tiers for collecting data on broadband connections, as it does for collecting data on broadband deployment.¹⁸ Filers will report the number of broadband connections by the advertised speeds associated with each product subscribed to in the relevant geographic area, census tracts for fixed and states for mobile.¹⁹ Fixed providers will report connections by the maximum advertised upload and download speeds, while mobile providers will report connections by minimum advertised upload and download speeds.²⁰

The Order also requires providers of fixed voice and interconnected Voice over Internet Protocol (VoIP) services to file subscription data by census tract, as Form 477 currently does for fixed broadband subscription data, rather than requiring such providers to submit the list of ZIP codes in which they provide service to end-user customers.²¹

In addition, the Order authorizes the collection of emergency contact information from providers using Form 477, in order to enhance the Commission's ability to meet public safety needs and obligations.²²

In accordance with the Order, Form 477 also will require filers to provide additional company information, including – to the extent applicable – the company's Universal Service Administrative Company (USAC) study area codes and its USAC identification numbers used when filing Form 499.²³ The Commission will use such information to cross reference data in other Commission filings and to analyze company ownership structures. The data will assist the Commission in fulfilling its universal service mandate and evaluating merger, forbearance, and other applications.²⁴

The Order reduces the burden on broadband providers by:²⁵

- (1) allowing multi-state providers to file data in a single, nationwide filing (Form 477), rather than with multiple state entities in multiple state-level filings through NTIA's SBI program;
- (2) eliminating the use of speed tiers in Form 477, which eliminates the effort associated with assigning the broadband speeds offered in an area and subscribed to by customers into predetermined speed tiers; and
- (3) enabling providers to submit deployment and subscription data in a single filing via Form 477.

¹⁸ Order, 28 FCC Rcd at 9915, ¶ 62.

¹⁹ Order, 28 FCC Rcd at 9915, ¶ 62.

²⁰ Order, 28 FCC Rcd at 9915, ¶ 62.

²¹ Order, 28 FCC Rcd at 9916, ¶ 64.

²² Order, 28 FCC Rcd at 9920, ¶ 75.

²³ Order, 28 FCC Rcd at 9918-19, ¶ 71.

²⁴ Order, 28 FCC Rcd at 9919, ¶¶ 72-73.

²⁵ Order, 28 FCC Rcd at 9897-98, ¶¶ 23-24.

Statutory authority for collecting information from carriers and other entities is set out in sections 4(i), 201, 218-220, 251-252, 271, 303(r), 332, and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 4(i), 201, 218-220, 251-252, 271, 303(r), 332, and 403, and in section 706 of the Telecommunications Act of 1996, as amended, codified in section 1302 of the Broadband Data Improvement Act, 47 U.S.C. § 1302.

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 Commission uses the information to prepare reports that help inform consumers and policy makers at the federal and state level of the deployment and adoption of broadband services, and the development of competition in the local telephone service market. The Commission will continue to use this information to prepare these reports, and the additional data collected as a result of the revisions to Form 477 will improve and expand the information the Commission provides in these reports.

The Commission has used the information collected in Form 477 to examine broadband deployment in conjunction with its congressionally-mandated section 706 broadband progress reports. The additional data collected as a result of the revisions to Form 477 will enhance the Commission's understanding of broadband deployment.

The Commission also uses the Form 477 data to support its analyses in a variety of rulemaking proceedings under the Communications Act, including those related to fulfilling its universal service mandate. Absent this information collection, the Commission would lack essential data needed to determine the effectiveness of its policies and fulfill its statutory responsibilities in accordance with the Communications Act of 1934, as amended.²⁶

In addition to the Form 477 data, the Commission has used the broadband deployment data collected through NTIA's SBI program in the reports and rulemaking proceedings described above. Prior to the advent of the SBI collection, the Commission relied on Form 477 broadband subscription data as a proxy for fixed broadband deployment. However, subscription data are an imperfect proxy for measuring deployment because they can understate deployment if no household in an area has chosen to subscribe to a service offered by a provider, for example. Therefore, the continuation of the collection of broadband deployment data by the Commission, with the modifications described in the answer to 1, *supra*, will ensure that the Commission can continue to examine broadband deployment in order to fulfill its various statutory obligations.

3. Respondents will continue to use a web-based interface to submit Form 477 data electronically over the Internet. The web-based interface employs HyperText Transfer Protocol over Secure Socket Layer (HTTPS) to secure the submitted information during transmission. The interface consists of a Login "page" (or "screen") and additional pages (or "parts"), which the filer uses to enter or upload the required information.

²⁶ ? See 47 U.S.C. §§ 251, 252, 271, 1302.

The revisions to Form 477 require certain upgrades and modifications to the data submission interface that will reduce burden on filers. These burden-reducing upgrades include the ability to submit data on a nationwide rather than state-by-state basis, the elimination of the requirement to associate the speeds of services offered and subscribed to with pre-determined speed tiers, additional opportunities for filers to upload data rather than entering it manually, and easier navigation within the interface.

On August 26, 2013, the Commission's Wireline Competition Bureau (WCB) released a Form 477 Data Specification²⁷ (attached), which provides direction to filers on the data they will be required to submit in accordance with the modifications adopted in the Order. It provides an overview of each section of the data collection, which will translate to a particular page or collection of pages in the interface, and lists each field that filers will need to fill out or include in their data upload. It also includes information on the required format of the data and a sample entry for each record.

On March 27, 2014, WCB released a Public Notice²⁸ included in this submission that provides information for filers on which data will be submitted by file upload, by interactive data entry, or a choice of the two methods using the new interface.

4. Without this collection, the information requested in Form 477 would not be otherwise available; in our experience, no nationwide studies of broadband deployment or of local telephone competition are based on a more complete source of data.

As described in the answer to 1, *supra*, NTIA's SBI program currently collects information on broadband deployment, and the Commission will assume responsibility for the collection of this information through Form 477 when the SBI program ends in 2014. In order to ensure a smooth transition of the data collection from NTIA to the Commission, there will likely be one overlapping collection of data by both agencies, in September 2014 for data as of June 30, 2014. Thereafter, broadband deployment data would be collected only by the Commission on Form 477.

To Commission provides state public utility commissions with access to disaggregated Form 477 subscribership data, provided the commissions have appropriate confidentiality protections in place. The Commission also provides State Broadband Data and Development grant recipients with access to aggregate Form 477 subscribership data to support the activities that are funded through that program. In order to minimize duplication of information collection efforts by ourselves and the states, we will continue to provide certain state-specific Form 477 data to those state public utility commissions that can afford equivalent protection against unauthorized release.

²⁷ *Wireline Competition Bureau Releases Data Specification for Form 477 Data Collection*, WC Docket No. 11-10, Public Notice, 28 FCC Rcd 12665 (Wireline Comp. Bur. 2013).

²⁸ *Additional Information for Form 477 Filers on New Data Submission Interface*, WC Docket No. 11-10, Public Notice, DA 14-412 (Wireline Comp. Bur. rel. Mar. 27, 2014).

5. Because Congress has tasked the Commission with encouraging deployment of broadband to all Americans and promoting competition in local telephony service, the information collection may affect small entities as well as large entities.

In conformance with the Paperwork Reduction Act, the Commission has made an effort to minimize the burden on all respondents, regardless of size. We believe that the implementation of the electronic, web-based filing interface described in the answer to 3, *supra*, has resulted in a substantially easier filing process as compared with the prior process of submitting Excel spreadsheets *via* email. Further, the Commission has limited the information requirements to those that it has deemed absolutely necessary for evaluating the status of local competition and deployment of broadband services. These efforts minimize the impact on small entities.

6. These revisions do not alter the Commission's prior conclusion that semi-annual reporting balances the Commission's need for information with the burden imposed on reporting entities.

As discussed in the answer to 2, *supra*, the information on the development of competition in local telephone services and the deployment of broadband services that is collected in Form 477 is essential for assisting the Commission in determining the effectiveness of its policies, in informing analyses in a variety of Commission rulemaking proceedings, and in understanding broadband deployment in conjunction with congressionally required section 706 reports.

As discussed in the answers to 1 and 2, *supra*, the modifications to the collection that were adopted in the Order will provide the Commission with valuable information on broadband deployment – information that will support its evaluation of broadband and local telephone policies and industry developments as they affect all Americans, including those residing in rural areas. That information would not be otherwise available.

7. As detailed above, respondents are not required to file the information collection with the Commission more often than semi-annually. Provision for confidential treatment of submitted information conforms to authorized Commission procedures, and the Commission allows reporting entities to indicate that they request confidentiality of some data on the submission interface. No other special circumstances apply to this information collection.
8. The Commission placed a 60-day notice in the Federal Register pursuant to 5 CFR § 1320.8(d). See Notice of Public Information Collection(s) being Reviewed by the Federal Communications Commission, Comments Requested, 79 Fed. Reg. 5406 dated Jan. 31, 2014. No comments were received in response to this notice.
9. The Commission has not provided any payment or gift to respondents.
10. We will continue to allow respondents to certify on the submission interface that some data contained in that submission are privileged or confidential commercial or financial information and that disclosure of such information would likely cause substantial harm to the competitive position of the entity making the submission. If the Commission receives a

request for, or proposes to disclose the information, the respondent would be required to show, pursuant to the Commission's rules for withholding from public inspection information submitted to the Commission, that the information in question is entitled to confidential treatment. We will retain our current policies and procedures regarding the protection of submitted Form 477 data subject to confidential treatment. This protection includes publishing only aggregated, non-company specific subscribership data in our reports. As discussed in the answer to 16, *infra*, most of the broadband deployment data to be collected on Form 477 as a result of the modifications discussed in the answer to 1, *supra*, will be made publicly available.

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

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

(1) Number of Respondents: approximately **2,002 respondents**.

Based on the Commission's past experience with the Form 477 information collection, we estimate there will be approximately 2,002 respondents. Respondents include facilities-based providers of broadband services, incumbent and competitive local exchange carriers (LECs), facilities-based mobile wireless service providers, and interconnected VoIP service providers.

Respondents with both incumbent LEC and non-incumbent LEC operations must submit separate reports for each type of business. The Commission estimates that the respondents are divided as follows:

90% of the respondents are businesses and institutions = **1,802 respondents**

10% of the respondents are governments = **200 respondents**

(2) Frequency of response: Responses will be made on a semi-annual basis.

(3) Total Number of Responses Annually: approximately **4,004 responses**.

The Commission estimates that each respondent will have two responses annually, to be submitted on a semi-annual basis:

Approximately 2,002 respondents x 2 responses/annum = approximately 4,004 responses.

Businesses and institutions = 1,802 respondents x 2 responses/year = **3,604 responses**

Governments = 200 respondents x 2 responses/year = **400 responses**

(4) Estimated annual hour burden: approximately **1,549,548 hours** (annual hour burden for *all* respondents).

We derived this estimate by summing the estimated annual hour burdens for each category of respondent listed in the answer to 12 (1) (*i.e.*, facilities-based providers of broadband connections, incumbent and competitive local exchange carriers (LECs), interconnected VoIP service providers, and facilities-based providers of mobile wireless service). We calculated the annual hour burden for each category by estimating the number of hours required to complete the parts of Form 477 that are applicable to the filers in each category and multiplying it by the estimated number of respondents in each category, based on the December 2012 Form 477 submissions. We also account for respondents that fall into several categories and will need to complete multiple parts, but not necessarily all, of Form 477.

The Commission estimates that the average hour burden, per semi-annual response, for the *average* respondent is 387 hours.

The estimated annual hour burden for *all* respondents is therefore:

Approximately 2,002 respondents x 2 responses/annum x approximately 387 hours/response, or approximately **1,549,548 total annual burden hours (average)**

This estimate assumes that the hour burden per response will be higher for the first two responses and will decrease to a fixed amount by the third response, as respondents become more familiar with the new filing requirements and the accompanying new submission interface. Therefore, the burden estimate of 387 hours is an average of the burden hours for the first 10 filings over the first five years. We assume that the average hour burden for the average respondent for the first response is 628 hours. This figure decreases to 406 hours for the second response and 355 for the third response and each response thereafter.

1,802 businesses/ institutions x 2 responses/yr x 387 hrs/response = **1,394,593 hrs/year**

200 governments x 2 responses/yr x 387 hrs/response = **154,955 hours/year**

- (6) Estimated Total Annualized “In House” Cost to Respondents for the hour burdens for collection of information: approximately \$68,335,066.80 (approximately \$34,133.40 per respondent on average).

The Commission estimates that respondents will use staff equivalent to Commission headquarters staff at GS 11, Step 5, plus 30% overhead, to comply with the requirement throughout the authorized period (\$44.10 per hour). The annualized cost to respondents for the hour burdens for collection of information is calculated by multiplying the estimated total annual burden for all respondents as a group (*see* the answer to 12(3), *supra*) by \$44.10 per hour.

Estimated 1,549,548 burden hours/annum x \$44.10/hour = \$68,335,066.80.

13. The annual reporting and recordkeeping cost burdens are estimated as follows:

(1) Total capital and start-up cost component (annualized over its expected useful life): \$0.
Providing the requested information will not require the purchase of additional equipment and/or software.

(2) Total operation and maintenance and purchase of services component: \$0.

Providing the requested information will not result in additional operating or maintenance expenses or in the purchasing or contracting out of information collection services.

(3) Total annualized cost requested: \$0.

14. Costs to the Commission: approximately \$255,000 per year.

The program will be administered by economists, GIS experts, analysts, and support specialists at several GS levels with the assistance of senior managers and attorneys. Based on its extensive experience administering and modifying this particular data collection, and its experience implementing other data collections, the Commission estimates that the program will cost it \$255,000 per year. The program does not envision other costs, e.g., personnel or other resources from other government agencies or from the private sector.

15. The public burden for the information collection requirements contained herein has increased by +377,388 burden hours. This increase in burden hours is due to the changes listed below. Some of these changes increase burden hours while other reduce burden, resulting in a net increase in burden hours. We note that many facilities-based broadband providers have been preparing and submitting the deployment data listed in (1) and (2) below to the NTIA SBI program for the past two to three years.

- 1) requiring facilities-based providers of fixed broadband services to report the census blocks where they offer such services;
- 2) requiring facilities-based providers of mobile broadband providers to submit shapefiles of their network coverage areas by speed, technology, and spectrum band;
- 3) requiring facilities-based providers of mobile voice providers to submit shapefiles of their network coverage areas by technology and spectrum band;
- 4) requiring providers of fixed voice and interconnected VoIP services to file subscription data by census tract;
- 5) allowing providers to file nationwide data with a single entity in a single filing; and
- 6) eliminating the use of speed tiers.

16. Most of the broadband deployment data to be collected on Form 477 as a result of the modifications discussed in the answer to 1, *supra*, will be made publicly available. NTIA currently publishes similar data on the National Broadband Map website at www.broadbandmap.gov. The Commission will coordinate with NTIA to continue the publication of the National Broadband Map using the data to be collected through the modifications to Form 477. The one exception is that mobile broadband and voice providers can request confidential treatment of their deployment data by spectrum band.

Certain information filed on Form 477 will not be made publicly available by the Commission. In our experience, the preponderance of Form 477 filers have asserted that some or all of their filed subscribership data are competitively sensitive. As noted in the answer to 10, *supra*, we will continue our current policy of publishing aggregated subscribership data in our reports. We will continue our current practice of publishing reports twice each year, within approximately four months of each semi-annual filing.

17. We are requesting continued OMB approval to not display the OMB expiration date. Displaying the OMB expiration date each time this information collection is submitted to OMB for approval would require updating that expiration date on the Form 477. The Commission will use an edition date on the form instead of the OMB expiration date. The Commission publishes the OMB Control Number, OMB expiration date and the title of this information collection in 47 CFR 0.408 of the Commission's rules.

18. The Commission notes that following:

- (a) We now estimate that the average response time is 387 hours per response rather than 327 hours; and
- (b) The total annual costs were incorrectly calculated in the 60 day Federal Register Notice, *i.e.*, there are no estimated total annual costs for this information collection.

There are no other exceptions to the certification statement, Item 19.

B. Collections of Information Employing Statistical Methods:

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