

Federal Communications Commission

Explanation of Non-Substantive Changes to OMB Control Number: 3060-0806:

Purpose of this Submission: This submission is being made for proposed non-substantive revisions to an existing information collection pursuant to 44 U.S.C. § 3507. This submission seeks to adjust the part of the information collection regarding cost allocation requirements without any changes to the burden hours or the associated forms and instructions.

Background: Cost allocation is required by 47 CFR Section 54.504(e) of the FCC's rules and is part of the FCC's requirements for applying for funding from the schools and libraries universal service support mechanism (the E-rate program) on FCC Form 471 (OMB Control Number 3060-0806). Applicants must cost allocate out costs of ineligible components from funding requests that contain a mix of eligible and ineligible services. A Wireline Competition Bureau (Bureau) 2010 order provided a limited exception to the Federal Communications Commission's (FCC's) cost allocation requirement for certain types of bundled offerings. See *Schools and Libraries Universal Service Support Mechanism; A National Broadband Plan for Our Future*, CC Docket No. 02-6, GN Docket No. 09-51, Order, 25 FCC Rcd 17324 (Wireline Comp. Bur. 2010) (*2010 Order*). On April 9, 2013, the Bureau issued a Public Notice seeking comment on discontinuing this limited exemption (DA 13-592). This notice was published in the Federal Register on April 23, 2013 (78 FR 23877-01).

Summary of Proposed Revisions to Information Collection:

- Revision to Existing Requirement: After the *2010 Order*, funding requests consisting of a mix of eligible and ineligible components other than those that fell within the limited exemption remained subject to cost allocation. The Wireline Competition Bureau of the FCC released an order on May 23, 2014, DA 14-712 (*2014 Order*), which eliminates the limited exemption for cost allocation from the *2010 Order*. The *2014 Order* requires applicants whose funding requests consist of a mix of eligible and ineligible components and fell within the limited exemption to cost allocate such services beginning in funding year 2015, in addition to any other ineligible components that have always required cost allocation.
- No Impact on Burden Hours: We estimate that by eliminating the *2010 Order* exception, applicants whose funding requests fell within the scope of the exception may need an additional 10 minutes to cost allocate any ineligible services that may have been exempt under the *2010 Order* policy. However, in 2010, the burden hours were not reduced to reflect the limited exemption provided in the *2010 Order*. Thus, the current burden estimate accurately reflects the burdens associated with the cost allocation requirements as clarified by the *2014 Order*.
- No Changes to Forms, Instructions or Supporting Statement. The *2014 Order* does not change or affect the FCC Form 470, FCC Form 471, or accompanying instructions, or any other requirements associated with this information collection.