

SUPPORTING STATEMENT

New information collection: Application for Mobility Fund Phase I Support – FCC Form 680

A. Justification:

The Federal Communications Commission (Commission) is seeking Office of Management and Budget (OMB) approval for a new information collection. We are submitting this collection to the OMB in order to obtain the full three year clearance.

1. *Circumstances that make the collection necessary.* On November 18, 2011, the Commission released the Connect America Fund & Intercarrier Compensation Reform Order, WC Docket Nos. 10-90, 07-135, 05-337, 03-109; GN Docket No. 09-51; CC Docket Nos. 01-92, 96-45; WT Docket No. 10-208; FCC 11-161, which adopted rules to govern the Connect America Fund Mobility Fund. In adopting the rules, the Commission comprehensively reformed and modernized the universal service and intercarrier compensation systems to ensure that all Americans have access to robust, affordable broadband and advanced mobile services. Concluding that mobile voice and broadband services provide unique consumer benefits, and that promoting the universal availability of such services is a vital component of the Commission's universal service mission, the Commission created the Mobility Fund. Mobility Fund Phase I support will be awarded through a nationwide reverse auction. For Phase 1 of the Mobility Fund, the Commission provided up to \$300 million in one-time support to immediately accelerate deployment of networks for mobile broadband services in unserved areas. The Commission also established a separate and complementary one-time Tribal Mobility Fund Phase I to award up to \$50 million in additional universal service funding to Tribal Areas, including Alaska, to accelerate mobile broadband availability in these remote and underserved areas. The Commission will use a two-stage application process similar to the one used in spectrum license auctions. Based on the Commission's experience with auctions and consistent with the record, this two-stage collection of information balances the need to collect information essential to conduct a successful auction with administrative efficiency.

To implement the reform and conduct the reverse auctions, the Commission adopted new rules for the Mobility Fund which includes new information collections. Therefore, the Commission is seeking approval by the Office of Management and Budget under the Paperwork Reduction Act of the information collections contained in the new rules. The Commission plans to submit at a later date additional revisions or new collections for OMB review to address other reforms adopted in the order.

The Commission estimates that up to 250 parties may submit applications for Mobility Fund Phase 1 support. The number of applicants will vary, dependent on the number the number of winning bidders.

The following are the new collections of information required for all competitive bidding used to determine recipients of universal service support and specifically, for all competitive bidding used to determine the recipients of support available through Phase I of the Mobility Fund .

- a. *Application by Winning Bidders for Mobility Fund Support – Application Contents.* Section 54.1005 requires winning bidders for Mobility Fund support to file an application no later than 10 business days after the public notice identifying them as winning bidders. The application must provide: the identification of the party seeking the support, including ownership information as set forth in 47 C.F.R. §1.2112(a), 47 C.F.R. § 54.1005(b)(2)(i); certification that the applicant is financially and technically capable of meeting the public interest obligations for support, § 54.1005(b)(2)(ii) and § 54.1006; proof of its status as an Eligible Telecommunications Carrier (ETC) or as a Tribal entity and certification that the proof is accurate, § 54.1005(b)(2)(iii); a description of the spectrum access and certification that the description is accurate and that the applicant will retain such access for at least five (5) years after the date on which it is authorized to receive support, § 54.1005(b)(2)(iv); detailed project description, § 54.1005(b)(2)(v); certifications that the applicant has available funds for all project costs that exceed the amount of support and that it will comply with all program requirements, § 54.1005(b)(2)(vi) and § 54.1008; any guarantee of performance that the Commission may require, § 54.1005(b)(2)(vii); certification that the applicant will offer service in supported areas at rates that are within a reasonable range of rates for a period extending until five (5) years after the date on which it is authorized to receive support, § 54.1005(b)(2)(viii); any applicable certifications required in § 54.1004, § 54.1005(b)(2)(ix); certification that the party submitting the application is authorized to do so on behalf of the applicant, §54.1005(b)(2)(x); and additional information as the Commission may require, §54.1005(b)(2)(xi).
- b. *Letter of Credit.* Section 54.1007(a) and (b) require a winning bidder to obtain and provide a letter of credit and an opinion letter from its legal counsel.
- c. *Ownership Information.* As identified above, parties are required to provide the ownership information required in §1.2112(a) of the Commission’s rules. To minimize the reporting burden on winning bidders, we will allow them to use ownership information stored in existing Commission databases and update that ownership information as necessary. The approval for this information collection can be found in OMB approval 3060-0799.
- d. *Service to Tribal Lands.* Sections 54.1004(d)(3) and 54.1008(d) require a winning bidder to certify in its application for support that it has substantively engaged appropriate Tribal officials regarding certain issues described in that rule section and provide a summary of the results of such engagement.

- e. *Timely and Sufficient Application.* Section 1.21004(a) creates a binding obligation for winning bidder to apply for support by the applicable deadline, 47 C.F.R § 1.21004(a).

Statutory authority for this information collection is contained in 47 U.S.C. 154, 254 and 303(r).

2. *Use of Information.* The Commission needs to use the information collected to determine whether the winning bidders are qualified to receive Mobility Fund support. After the auction has concluded, a winning bidder will be required to file the FCC Form 680 to qualify for and receive support. Those applications will be subject to a review of the applicants' eligibility and qualifications to receive support. Commission staff will review the information collected and will determine whether applicants claiming status to receive support are eligible for the status claimed. Without such information, the Commission could not determine whether to provide the support to the winning bidder.

3. *Technological collection techniques.* The Commission is committed to meeting the requirements of the E-Government Act, which requires Government agencies to provide the general public the option of submitting information or transacting business electronically to the maximum extent possible. The form associated with this collection will be available electronically through the Internet.

4. *Efforts to identify duplication.* Each application submitted will be for a new project and for new purposes. Some of the questions may overlap with material provided in other filings required for obtaining Commission benefits. To avoid duplication, the application filing system developed by the Commission will automatically populate certain information in this collection with information that is currently on file with the Commission. Applicants will be allowed to update the information as needed for this filing.

5. *Impact on small entities.* The collection of information may affect small entities as well as large entities. In conformance with the Paperwork Reduction Act of 1995, the Commission is making an effort to minimize the burden on all respondents regardless of size. The Commission has limited the information requirement to that which is necessary for evaluating and processing the application and to deter possible abuses of the Commission's processes.

6. *Consequences if information is not collected.* The Commission needs to use the information collected to determine whether applicants are legally, technically, and financially qualified to receive Mobility Fund support. Without the requested information, the Commission would be unable to determine whether the winning bidder is eligible to receive the support. Thus, the information is being collected to meet the objectives of the Universal Service Fund program.

7. *Special circumstances.* Not applicable

8. *Notice required by 5 C.F.R. 1320.8(d).* The Commission published a notice in the Federal Register on December 20, 2011 (76 FR 78921 01). No PRA comments were received as a result of this notice. A reference to this notice is included in the submission to the OMB.

9. *Payments or gifts to respondents.* Respondents will not receive any payments or gifts.

10. *Assurance of confidentiality.* Information collected in FCC Form 680 will be made available for public inspection. Applicants may request confidential treatment of information collected in FCC Form 680 pursuant to 47 C.F.R. §0.459 of the Commission's rules.

11. *Questions of a sensitive nature.* This information collection does not address any private matters of a sensitive nature.

12. *Estimates of the hour burden of the collection to respondents.*

(1) Number of respondents: Approximately 250.

(2) Frequency of response: On occasion reporting requirement.

(3) Annual burden per respondent: 1.5 hours. The total annual hour burden is **375 hours.**

(4) Total estimate of annualized cost to respondents for the hour burdens for collection of information: \$27,851

The Commission estimates that parties will use staff equivalent to a GS-14/Step 5 (\$57.13/hour) Federal employee, plus 30% overhead, to complete and submit the application.

375 hours x \$57.13/hour = \$21,424
30% overhead = \$ 6,427
Total: \$27,851

TOTAL ANNUAL BURDEN HOURS = 375 HOURS.

13. *Estimates of the cost burden of the collection to respondents.* There is no cost burden to the respondents. Applicants should not incur capital and start-up costs or operation and maintenance of purchase of services in connection with responding to the information collection in FCC Form 680. The information collected in FCC Form 680 should be collected and maintained as part of the customary and usual business or private practice of the applicant.

TOTAL CAPITAL AND START-UP COSTS or OPERATION AND MAINTENANCE (O&M) = \$0.

14. *Estimates of the cost burden to the Commission.* The Commission estimates that on average staff review of the information collected in FCC Form 680, including time spent by staff attorneys, will take 1.5 hours per application, including time to identify any deficiencies in an initial application, review resubmitted applications as necessary, and identify the nature of any legal issues requiring policy review.

Total Estimated Annual Cost to the Federal Government: 250 applications x 1.50 hours x \$57.13 (Attorney, GS-14/Step 5) = \$21,424.

TOTAL ANNUAL COST TO THE GOVERNMENT: \$21,424

15. *Program changes or adjustment.* This is a new information collection resulting in a program change increase of 375 total annual burden hours.

16. *Collections of information whose results will be published.* The Commission will make any non-proprietary information publicly available on the Internet as the Commission deems appropriate.

17. *Display of expiration date for OMB approval of information collection.* The Commission seeks approval to not display the OMB expiration date on FCC Form 680. This will prevent the Commission from having to change the expiration date whenever we re-submit this information collection for approval. The Commission will use an edition date on the form instead of the OMB expiration date. The Commission will publish the OMB control number and OMB expiration date in the Code of Federal Regulations. See 47 C.F.R. § 0.408.

18. *Exception to the certification statement for Paperwork Reduction Act submission (Item 19 of the OMB Form 83-1).* There are no exceptions to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

B. Collections of Information Employing Statistical Methods:

No statistical methods are employed.