

SUPPORTING STATEMENT

This information collection 3060-0986 is being submitted to obtain OMB approval for revised information collection requirements as a result of incorporating existing information collection requirements from 3060-0972 (FCC Forms 507, 508 and 509) into this information collection. The Commission will seek approval for the remaining requirements in collection 3060-0972 separately.

A. Justification:

1. Circumstances that make the collection necessary. The requirements in this information collection are used to determine the amount of, and eligibility for, high-cost universal service support received by incumbent and competitive eligible telecommunications carriers (ETCs) under the Connect America Fund. .

The Communications Act of 1934, as amended (the Act) requires the “preservation and advancement of universal service.” The information collection requirements reported under this control number are the result of various Commission actions to promote the Act’s universal service goals, while minimizing waste, fraud, and abuse.

In November 2011, the Commission adopted an order reforming its high-cost universal service support mechanisms. *Connect America Fund; A National Broadband Plan for Our Future; Establish Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform – Mobility Fund*, 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, Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (*USF/ICC Transformation Order*); see also *Connect America Fund et al.*, WC Docket No. 10-90 et al., Third Order on Reconsideration, 27 FCC Rcd 5622 (2012); *Connect America Fund et al.*, WC Docket No. 10-90 et al., Order, 27 FCC Rcd 605 (Wireline Comp. Bur. 2012); *Connect America Fund et al.*, WC Docket No. 10-90 et al., Fifth Order on Reconsideration, 27 FCC Rcd 14549 (2012); *Connect America Fund et al.*, WC Docket No. 10-90 et al., Order, 28 FCC Rcd 2051 (Wireline Comp. Bur. 2013); *Connect America Fund et al.*, WC Docket No. 10-90 et al., Order, DA 13-1115 (Wireline Comp. Bur. rel. May 16, 2013)The Commission has received OMB approval for most of the information collections required by this order. At a later date the Commission plans to submit additional revisions for OMB review to address other reforms adopted in the order (e.g., 47 C.F.R. 54.313(a)(11).

Justification for Requirements Being Incorporated From Control Number 3060-0972:

As part of its high cost program, the Commission created a universal service support mechanism for rate-of-return carriers (Interstate Common Line Support (ICLS)) to replace

implicit support in interstate access charges with explicit support that is portable to all eligible telecommunications carriers.

These requirements are also tailored to the needs of small and mid-sized local telephone companies serving rural and high-cost areas, and help to provide certainty and stability for rate-of-return carriers, encourage investment in rural America, and provide important consumer benefits.

The Universal Service Administrative Company (USAC or the Administrator) is charged with administering the ICLS mechanism under the oversight of the Commission's Wireline Competition Bureau pursuant to the authority contained in sections 1-4, 10, 154(i), 154(j), 201-205, 254, and 403 of the Communications Act of 1934 as amended, 47 U.S.C. §§ 1-4, 10, 154(i), 154(j), 201-05, 254, and 403 and section 1.3 and 1.103 of the Commission's rules, 47 C.F.R. §§ 1.3 and 1.103.

To administer the ICLS mechanism, the Administrator must collect certain data, described in more detail below. Specifically, the Administrator must collect from each rate-of-return carrier projected cost and revenue data for the July 1-June 30 funding year to accurately distribute prospective ICLS to those carriers.

The Administrator must also collect from each rate-of-return carrier actual cost and revenue data for the prior calendar year in order to accurately calculate the final ICLS for which the carrier is eligible and perform true-ups against the projected ICLS. In order to fulfill its obligation to prevent waste, fraud, and abuse in the universal service program the Administrator must also collect from selected carriers additional cost and revenue data for the purpose of validating the actual cost and revenue data filed by rate-of-return carriers.

For average schedule rate-of-return carriers that do not normally file detailed cost studies for other purposes, the Administrator must collect certain data used in average schedule formulas to calculate common line settlements, in lieu of projected and actual cost and revenue data.

There are no changes to the FCC Form 525 or FCC Form 481, which are part of this information collection. We propose to add, FCC Forms 507, 508 and 509, currently approved under collection 3060-0972, to this information collection. There are no changes to the currently approved forms 507, 508 and 509. Also, the Commission is reducing burden reporting requirements that were previously approved under collection 3060-0972. Specifically, the Commission eliminated reporting requirements for line count collections, certification requirements for competitive carriers, optional line port cost studies and optional tariff filings.

Incorporation of Currently Approved Information Collection Requirements From OMB Control Number 3060-0972 (1-3 below):

(1) 47 C.F.R §§ 54.902(c)(1), 54.903(a)(1), and 54.903(a)(3) (projected revenue requirements). In order to enable the Administrator to calculate per-line amounts of ICLS, rate-of-return carriers other than average schedule companies shall report to the Administrator their projected common line revenue requirement for each study area in which

they operate.

Consistent with their average schedule status, average schedule companies are required to submit information necessary in order for the Administrator to calculate common line revenue requirements for average schedule companies.

In accordance with 47 C.F.R. § 54.705, the Administrator has the authority to perform audits of beneficiaries of the ICLS mechanism to ensure the accuracy of data submitted.

In addition to the projected cost data (i.e., projected common line revenue requirement), rate-of-return carriers (other than average schedule companies), must file with the Administrator projected revenue data, including demand data, on the same schedule. These data are necessary to calculate the amount of ICLS that a rate-of-return carrier will receive pursuant to 47 C.F.R. § 54.901, pending the availability of actual cost and revenue data (described below).

Projected cost data, including cost and revenue data is filed on FCC Form 508.

A carrier must also certify that the projected data are accurate to the best of the carrier's knowledge and ability. If a carrier elects to have an agent perform the filing on its behalf, the carrier must authorize the agent to make the filing and certify that it has provided accurate data to the agent for the purpose of performing the filing. The agent must then also certify that the projected data are accurate to the best of its knowledge and ability. Carriers must file the data by March 31 for the following July 1 to June 30 funding year. Carriers can correct data filed on March 31 until June 30.

(2) 47 C.F.R. §§ 54.902(a)(1), 54.902(b)(1), 54.902(b)(3) and 54.903(a)(4) (true ups). A rate-of-return carrier's final ICLS is based on its actual costs and revenues and therefore any prospective ICLS provided pursuant to projected cost and revenue data must be "trued up" with the final ICLS amount. True ups also enable carriers that require additional ICLS due to unforeseen costs or unexpectedly low revenues to file actual cost data and receive increased ICLS based on those costs. Additionally, true ups serve to minimize incentives for carriers to overstate projected interstate common line revenue requirements. Through the true up process, such carriers eventually receive support that reflects their actual costs.

December of each year, rate-of-return carriers, as required, submit actual interstate common line cost data to the Administrator for the preceding calendar year. To the extent that actual cost and revenue data results in a different ICLS amount than the prospective ICLS provided pursuant to projected cost and revenue data, the Administrator adjusts a rate-of-return carrier's monthly per-line ICLS in the following calendar year.

In addition to the interstate common line cost data, rate-of-return carriers must file with the Administrator interstate common line revenue data, including demand data, on the same schedule. This data is necessary to calculate the amount of ICLS that a rate-of-return carrier will receive pursuant to 47 C.F.R. § 54.901.

The actual data, including cost and revenue data is reported on FCC Form 509.

A carrier must also certify that the actual data are accurate to the best of the carrier's knowledge and ability. If a carrier elects to have an agent for the carrier perform the filing on its behalf, the carrier must authorize the agent to make the filing and certify that it has provided accurate data to the agent for the purpose of performing the filing. The agent must then also certify that the actual data is accurate to the best of its knowledge and ability. Additionally, some carriers (approximately 60 to 120 carriers) will be selected to provide additional information to validate the data provided on FCC Form 509, pursuant to the Administrator's obligation to prevent waste, fraud, and abuse of universal service funds.

(3) 47 C.F.R. § 54.903(a)(1), and 54.903(a)(2) (line counts). Rate-of-return carriers must file their line counts, by disaggregation zone and customer class, in accordance with the schedule in 47 C.F.R. §§ 36.611 and 36.612.

In order for the Administrator to calculate appropriate levels of support, line counts must be assigned to disaggregation zones if disaggregation zones have been established within a study area. In addition, the line count information must show residential/single-line business line counts separately from multi-line business line counts.

The residential/single-line business lines reported may include single and non-primary residential lines, single-line business lines, basic rate interface (BRI) integrated services digital network (ISDN) service, and other related residence class lines.

Similarly, the multi-line business class lines reported may include multi-line business, Centrex, ISDN primary rate interface (PRI) and other related business class lines.

Such reporting requirements are necessary to enable the Administrator to calculate appropriate levels of ICLS for rate-of-return carriers.

Line count data is reported on FCC Form 507.

A carrier must also certify that the line count data are accurate to the best of the carrier's knowledge and ability. If a carrier elects to have an agent for the carrier perform the filing on its behalf, the carrier must authorize the agent to make the filing and certify that it has provided accurate data to the agent for the purpose of performing the filing. The agent must then also certify that the line count data is accurate to the best of its knowledge and ability.

Information Collection Requirements Currently Approved Under 3060-0986 (4 – 25 below):

Through the Connect America Fund, the Commission provides substantial amounts of funding to private entities in order to deploy advanced voice and broadband networks throughout the country. To ensure these funds are properly used, various reporting requirements are imposed on funding recipients. The reports, information, and certifications discussed in this section must be submitted annually to the Commission, the Administrator, and the relevant state, Tribal, or territorial authorities.

Any recipient of high-cost support must report the following:

(4) 47 C.F.R. § 54.313(a)(1). To accomplish its mission of deploying advanced networks throughout the nation, the Commission must know how support is being spent to improve the telecommunications infrastructure. Any carrier receiving high-cost support that has broadband obligations must file a five-year service quality improvement plan, and must file annually thereafter a progress report on its plan. The five-year plan must describe with specificity proposed improvements or upgrades to the carrier's network throughout its proposed service area. The carrier must estimate the area and population that will be served as a result of the improvements. The information shall be submitted at the wire center level or census block as appropriate. It is necessary and appropriate for the Commission to obtain such information from all ETCs, both federal- and state-designated, to ensure the continued availability of high-quality voice services and monitor progress in achieving our broadband goals and to assist the FCC in determining whether the funds are being used appropriately. These reporting requirements ensure that ETCs comply with the conditions of the ETC designation and that universal service funds are used for their intended purposes. They also help prevent carriers from seeking ETC status for purposes unrelated to providing rural and high-cost consumers with access to affordable telecommunications and information services. Competitive ETCs whose support is being phased down are not required to file new five-year plans, but must continue to file annual updates on any previously submitted five-year plan.

(5) 47 C.F.R. § 54.313(a)(7). The Commission seeks to ensure parity between urban and rural areas for broadband and voice rates. To accomplish this, carriers are required to report pricing information for both voice and broadband offerings.

(6) 47 C.F.R. § 54.313(a)(8). To help the Commission reduce waste, fraud, and abuse, increase accountability in its universal service programs, and ensure compliance with various requirements that take into account holding company structure, support recipients are required to report the holding company, operating companies, affiliates, and any branding (a "dba" or "doing-business-as company" or brand designation), for each such entity by Study Area Codes.

(7) 47 C.F.R. § 54.313(a)(10). To ensure parity between urban and rural rates, ETCs are required to submit a self-certification that the pricing of their voice services is no more than two standard deviations above the national average urban rate for voice services.

(8) 47 C.F.R. § 54.313(a)(11). ETCs are required to submit information and data required by 47 C.F.R. § 54.313(a)(1)-(7) separately broken out for both voice and broadband service. It is necessary and appropriate for the Commission to obtain such information from all ETCs, both federal- and state-designated, to ensure the continued availability of high-quality voice services and monitor progress in achieving the Commission's broadband goals and to assist the FCC in determining whether the funds are being used appropriately. These reporting requirements ensure that ETCs comply with the conditions of the ETC designation and that universal service funds are used for their intended purposes. The Commission is not at this time seeking approval for the requirement that ETCs report information on any outage in the

prior calendar year to its broadband service, as required by 47 C.F.R. § 54.313(a)(2). The Commission is not at this time seeking approval for the requirement in this section that ETCs submit the results of network performance tests.

In addition to the other reporting requirements contained in 47 C.F.R. §54.313(a), any recipient of high-cost support that serves Tribal lands must report the following additional information:

(9) 47 C.F.R. § 54.313(a)(9). To ensure the effective exchange of information that will lead to a common understanding between Tribal governments and ETCs on the deployment and improvement of communications on Tribal lands, to the extent an ETC serves Tribal lands, it is required to provide documents or information that the ETC engaged with Tribal governments.

In addition to the reporting requirements contained in 47 C.F.R. § 54.313(a), price cap carriers that receive frozen high-cost support must also provide the following additional information:

(10) 47 C.F.R. § 54.313(c). The Commission froze support under its high-cost support mechanisms – high-cost loop support (HCLS), safety net additive (SNA), safety valve support (SVS), high-cost model support (HCMS), local switching support (LSS), interstate access support (IAS), and interstate common line support (ICLS) – for price cap carriers and their rate-of-return affiliates, and called it “frozen high-cost support.” Recipients of frozen high-cost support must annually certify that increasing levels of support have been used to achieve the goal of universal availability of voice and broadband. Initially, for funding used in 2012, recipients need only certify that funding was used consistent with this goal. In future years, recipients must certify that a specified proportion of funding was used to build and operate broadband-capable networks used to offer the provider’s own retail broadband service in areas substantially unserved by an unsubsidized competitor.

In addition to the reporting requirements in 47 C.F.R. § 54.313(a), any price cap carriers receiving high-cost support to offset reductions in access charges must provide the following additional information:

(11) 47 C.F.R. § 54.313(d). All price cap carriers that receive support pursuant to 47 C.F.R. § 54.304, to offset reductions in access charges, must use such support to build and operate broadband-capable networks used to offer the provider’s own retail service in areas substantially unserved by an unsubsidized competitor. To monitor the use of such support and hold recipients accountable to their public interest obligations, recipients of such support must annually certify that they are doing so.

In addition to the reporting requirements in 47 C.F.R. § 54.313(a), any recipient of Connect America Phase II support shall provide the following additional information:

(12) 47 C.F.R. § 54.313(e)(1)-(2). Connect America will transition from Phase I, which utilizes frozen and incremental support to spur broadband deployment, to Phase II, which

uses a combination of a forward-looking cost model and competitive bidding to provide support for broadband deployment. Phase II has its own buildout obligations. The Commission relies on reports from Phase II funding recipients to ensure compliance with those buildout obligations. Within three years of the implementation of Phase II, funding recipients must certify that the company is providing broadband service to 85% of its supported locations at actual speeds of at least 4 Mbps downstream and 1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas. Within five years of the implementation of Phase II, recipients must certify that the company is providing broadband service to 100% of its supported locations at actual speeds of at least 4 Mbps downstream and 1 Mbps upstream, and a percentage of supported locations, as specified by the Wireline Competition Bureau, at actual speeds of at least 6 Mbps downstream and 1.5 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas.

(13) 47 C.F.R. § 54.313(e)(3). To ensure that Phase II recipients are meeting their buildout obligations, the Commission requires a progress report on the company's five-year service quality plan. The progress report must include a letter certifying that the recipient is meeting the interim deployment milestones as set forth, and that it is taking reasonable steps to meet increased speed obligations that will exist for all supported locations at the expiration of the five-year term for Phase II funding. The recipient must also report the number, names, and addresses of community anchor institutions to which it newly began providing access to broadband service in the preceding calendar year.

In addition to the reporting requirements in 47 C.F.R. § 54.313(a), any rate-of-return carrier shall provide the following additional information:

(14) 47 C.F.R. § 54.313(f)(1). Rate-of-return carriers are required to provide broadband service upon reasonable request. To monitor their progress towards meeting and complying with their public service buildout obligations, the Commission requires carriers to file a five-year service quality improvement plan, and file annually thereafter a progress report on the carrier's plan. The progress report must include a letter certifying that the carrier is taking reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 4 Mbps downstream and 1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas as determined in an annual survey, and that requests for such services are met within a reasonable amount of time. The carrier must also report the number, names, and addresses of community anchor institutions to which it newly began providing access to broadband service in the preceding calendar year.

(15) 47 C.F.R. § 54.313(f)(2). The Commission can obtain publicly available financial information from publicly traded companies. To ensure that support is sufficient but not excessive, privately held rate-of-return carriers that receive high-cost support must submit a various forms of financial statements. Those companies that borrow funds from the Rural Utilities Service (RUS) must submit a copy of their RUS Operating Report for

Telecommunications Borrowers. Carriers that do not borrow from RUS, but that undergo financial audits in the ordinary course of business, must either file a copy of their audited financial statements or provide financial information in a form consistent with the RUS Operating Report for Telecommunications Borrowers. Carriers that are not audited in the ordinary course of business must either file a financial statement that has been subject to review by a certified public accountant or file financial information in a format consistent with the RUS Operating Report for Telecommunications Borrowers. These financial disclosures may be filed pursuant to a protective order.

In addition to other applicable reporting requirements, carriers without access to terrestrial backhaul that are compelled to rely exclusively on satellite backhaul in their study areas must file the following additional certification:

(16) 47 C.F.R. § 54.313(g). The Commission recognizes that satellite backhaul may limit the performance of broadband networks as compared to terrestrial backhaul, thus carriers compelled to rely exclusively on satellite backhaul in their study area must certify that no terrestrial backhaul options exist. Any such funding recipients must certify annually that no terrestrial backhaul options exist and that they offer broadband service at actual speeds of at least 1 Mbps downstream and 256 kbps upstream within the supported area served by satellite middle-mile facilities. Latency and capacity requirements will not apply to these providers. To the extent that new terrestrial backhaul facilities are constructed, or existing facilities improved sufficiently to meet the relevant speed, latency, and capacity requirements then in effect for broadband service supported by Connect America, within twelve months of the new backhaul facilities becoming commercially available, funding recipients must provide the certifications required in 47 C.F.R. § 54.313(e) or (f) in full.

Carriers providing updates to their reported rate information submit the following information:

(17) 47 C.F.R. § 54.313(h). All incumbent local exchange carrier recipients of high-cost support must already report all of their rates for residential local service for all portions of their service area, as well as state fees (state subscriber line charges, state universal service fees and mandatory extended area service charges), to the extent the sum of those rates and fees are below the rate floor, and the number of lines for each rate specified. Carriers shall report lines and rates in effect as of June 1. In addition to the annual filing, local exchange carriers may file updates of their rates for residential local service, as well as state fees, on January 2 of each year. If a local exchange carrier reduces its rates and the sum of the reduced rates and state fees are below the rate floor, the local exchange carrier shall file such an update. For the update, carriers shall report lines and rates in effect as of December 1.

(18) Reporting Working Loops at Cost-Zone Level:

Rural carriers that disaggregate and target per-line support to zones within their study area are required to report loops at the cost-zone level, which is a modification of the general rule that carriers report loops at the study-area level. See 47 C.F.R. §§ 54.307(b) and (c). This permits USAC to calculate the per-line support amount that will be provided to any

competitive ETC serving the zone. Because per-line support will no longer need to be calculated, except in remote parts of Alaska, the burdens associated with this filing were reduced in the March 2012 supporting statement.

(19) State Certification Letter under 254(e) of the Act:

The Commission requires that states (or ETCs where the state lacks jurisdiction over ETCs) file annual certifications with the Commission to ensure that carriers use universal service support “only for the provision, maintenance and upgrading of facilities and services for which the support is intended” consistent with section 254(e). Accordingly, the Commission requires states that wish to receive federal universal service high-cost support for carriers within their boundaries (or ETCs where the state lacks jurisdiction over ETCs) to file a certification with the Commission and USAC stating that all federal high-cost funds flowing to carriers in that state has been and will be used in a manner consistent with section 254(e). Absent such certification, carriers will not receive such support. See 47 C.F.R. § 54.314.

The Commission recognizes that some state commissions may have only limited regulatory oversight to ensure that federal support is reflected in intrastate rates. States nonetheless may certify to the Commission that a carrier in the state has accounted to the state commission for its receipt of federal support and that such support has been and will be used “only for the provision, maintenance and upgrading of facilities and services for which the support is intended.” Incumbent and competitive ETCs serving lines in the state may formulate plans to ensure compliance with section 254(e), and present those plans to the state, so that the state may make the appropriate certification to the Commission. Absent the filing of such certification, carriers will not receive support. See 47 C.F.R. § 54.314.

(20) Support in Competitive Study Areas:

Rural carriers and competitive ETCs are required to file line count data on a quarterly basis upon competitive entry in rural carrier study areas. The rural carrier line counts are used to determine the appropriate per-line support for competitive eligible telecommunications carriers serving the same area. The competitive eligible telecommunications carrier’s line counts (collected on FCC Form 525) are used to calculate their total support. Because the identical support rule has been eliminated, effective January 1, 2012, for most carriers, the burdens associated with this requirement were significantly reduced in the March 2012 supporting statement.

(21) Safety Valve:

The “safety valve” mechanism enables rural carriers acquiring access lines to receive additional support over a period of five years to reflect post-transaction investment made by the acquiring carrier. Once relevant regulatory approvals are obtained and the transaction is closed, the rural carrier must provide written notice to USAC that they have acquired access lines that may become eligible for safety valve support and identify when the index year for determining eligibility began. See 47 C.F.R. § 54.305(f).

(22) Connect America Fund Phase I Incremental Support:

Carriers accepting Connect America Fund Phase I incremental support will be required to meet defined broadband deployment obligations. Eligible carriers will be required to notify the Commission, USAC, as well as relevant state and Tribal authorities of the amount, if any, of funds they accept. Carriers accepting funding must certify that (a) the locations that will be served in satisfaction of the deployment requirement associated with its identified funds are shown as unserved by fixed terrestrial broadband on the then-current version of the National Broadband Map, or are shown as served only by the incumbent carrier seeking to meet buildout obligations; (b) to the best of the carrier's knowledge, its identified locations are, in fact, unserved by fixed terrestrial broadband; (c) the carrier's current capital improvement plan did not already include plans to complete broadband deployment, without CAF Phase I incremental support, within the next three years to the locations to be counted to satisfy its deployment requirement; and (d) incremental support will not be used to satisfy any merger commitment or similar regulatory obligation. Carriers accepting funding will also be required to identify, for each location to be counted toward satisfaction of the carrier's deployment obligation, the following information: the location's census block information based on the FIPS code, the carrier's OCN, the carrier's SAC, the wire center's eight-digit CLLI code, the latitude (to 6 decimal places), and the longitude (to 6 decimal places). Carriers accepting funding have the option of providing all of the required location-identifying information at the time they file their notice of acceptance of support, or, in the alternative, they may elect to only identify the census blocks and wire centers where they will deploy. Carriers electing this latter option must provide all required information for each location no later than one year after filing notices of acceptance for purposes of satisfying the carrier's deployment obligation. That is, carriers electing to initially provide only census block and wire center information must provide complete location information for all of their locations no later than one year after they file their notices of acceptance. *See* 47 C.F.R. § 54.312(b).

In addition, to evaluate and ensure that recipients of Connect America Phase I support are meeting their public service buildout obligations, the Commission requires periodic reports on the progress of deployments. Therefore, any recipient of incremental Connect America Phase I support must certify that two years after filing a notice of acceptance of funding, the recipient has deployed to no fewer than two-thirds of the required number of locations. Three years after accepting funding, the recipient must certify that it has deployed to all required locations and that it is offering broadband service of at least 4 Mbps downstream and 1 Mbps upstream, with latency sufficiently low to enable the use of real-time communications, including Voice over Internet Protocol, and with usage caps, if any, that are reasonably comparable to those in urban areas. *See* 47 C.F.R. § 54.313(b).

(23) Local End User Rates and State Regulated Fees:

The Commission requires carriers receiving high-cost loop support or Connect America Phase I support to report, on an annual basis, the local end user rates that fall below a specified urban rate floor and the number of lines associated with each rate. *See* 47 C.F.R. §

54.313(h). This permits USAC to calculate reductions in support. Carriers are expected to provide local end user rate and state fee information in electronic form.

(24) Recordkeeping Requirement:

Carriers receiving high-cost or Connect America Fund support are subject to random compliance audits and other investigations to ensure compliance with program rules and orders, and carriers must retain records required to demonstrate to auditors that the support received was consistent with the universal service high-cost program rules. The document retention period is ten years. The carriers must make these documents and records available to the Commission, any of its Bureaus or Offices, USAC, and to their respective auditors. See 47 C.F.R. § 54.320(b).

(25) Annual Reporting Requirement:

All ETCs must include in their annual reports the information that is currently required by section 54.313, as appropriate. All ETCs that receive high-cost support must file this information with the Commission, USAC, and the relevant state commission, relevant authority in a U.S. Territory, or Tribal government, as appropriate. See 47 C.F.R. § 54.313. Statutory authority for this information collection is contained in 47 U.S.C. sections 151-154, 201-206, 214, 218-220, 251, 252, 254, 256, 303(r), 332, 403, 405 and 410.

This information collection does not affect individuals or households; thus, there are no impacts under the Privacy Act.

2. *Use of information.* The Commission will use the information requirements to determine whether and to what extent incumbent LECs and competitive ETCs providing the data are eligible to receive high-cost universal service support.
3. *Technological collection techniques.* In an effort to reduce any burden created by these information collection requirements, the Commission shall permit all respondents to file responses using automated, electronic, mechanical or other technological collection techniques where feasible. Respondents must file Form 481 online through USAC's "E-File" portal at <https://forms.universalservice.org/usaclogin/login.asp>.
4. *Efforts to identify duplication.* There will be no duplication of information. The information sought is unique to each carrier or respondent and similar information is not already available. The Commission is using already established reporting and recordkeeping requirements to satisfy certain statutory directives and eligibility criteria.
5. *Impact on small entities.* Section 254(b) directs the Commission to base policies for the preservation and advancement of universal service on six principles. A fair and reasonable application of those principles including the adoption of the additional principle of competitive neutrality will favorably impact all business entities, including smaller entities. The collection of information may affect small entities as well as large entities.

6. *Consequences if information is not collected.* The information collected is used to determine eligibility for and to calculate high-cost universal service support. Without the requested information, USAC will not be able to determine a carrier's eligibility or how much support it would receive. This may result in partial or complete denial of high-cost universal service support for the carrier.
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.* A 60-day notice was published in the *Federal Register* pursuant to 5 C.F.R. § 1320.8(d) on December 4, 2013, See 78 FR 72889. No PRA comments were received.
9. *Payments or gifts to respondents.* The Commission does not anticipate providing any payment or gifts to respondents.
10. *Assurances of confidentiality.* Parties may submit confidential information in relation to sub-item w. in Item 12 below pursuant to a protective order. We note that USAC must preserve the confidentiality of all data obtained from respondents and contributors to the universal service support program mechanism; must not use the data except for purposes of administering the universal service support program; and must not disclose data in company-specific form unless directed to do so by the Commission. Also, respondents may request materials or information submitted to the Commission or to the Administrator believed confidential to be withheld from public inspection under 47 C.F.R. § 0.459 of the FCC's rules.
11. *Questions of a sensitive nature.* There are no questions of a sensitive nature with respect to the information collections described herein.
12. *Estimates of the hour burden of the collection to respondents.* The following represents the hour burden on the collections of information:

a. Projected ICLS Revenue Requirements (Rate-of-Return Carriers) (FCC Form 508) (Incorporating requirement from 3060-0972 and program adjustment to reflect a reduction in the number of respondents):

- (1) Number of respondents: Approximately 766 Rate-of-Return carriers.
- (2) Frequency of response: Annual reporting requirement.

The Commission estimates that the Rate-of-Return carriers report to the Administrator their projected common line revenue requirement for each study area in which they operate.

- (3) Annual hour burden per respondent: 2 hours per respondent for 766 carriers that are filing on an annual basis. Total annual hour burden is calculated as follows: 766 respondents x 1

report per respondent = 766 responses x 2 hours, = **1,532 total annual hours**. The Commission estimates that respondents require approximately two hours to prepare and report their projected common line revenue requirements for each study area in which they operate.

- (4) Total Estimate of annualized cost to respondents for the hour burden: \$61,280. (1,532 hours x \$40.00/ hr.).
- (5) Explanation of calculation: We estimate that time to comply with the requirement will be 1,532 hours x \$40/hr. (attorney, administrative staff time and overhead) = \$61,280.

b. Projected ICLS Revenue Requirements (Average Schedule Carriers) (FCC Form 508) (Incorporating requirement from 3060-0972 and program adjustment to reflect a reduction in the number of respondents):

- (1) Number of Respondents: Approximately 366 average schedule carriers.
- (2) Frequency of response: Annual reporting requirement.

The Commission estimates that the average schedule carriers are required to submit information annually that is necessary for the Administrator to calculate common line revenue requirements for average schedule companies.

- (3) Annual hour burden per respondent: 1 hour per respondent for 366 carriers that are filing on an annual basis. Total annual hour burden is calculated as follows: 366 respondents x 1 submission per respondent = 366 responses x 1 hour, = **366 total annual hours**. The Commission estimates that the carriers require one hour to prepare and submit their information.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$14,640. (366 hours x \$40.00/hr.).
- (5) Explanation of calculation: We estimate that time to comply with the requirement will be 366 hours x \$40/hr. (attorney, administrative staff time and overhead) = \$14,640.

c. Projected ICLS Revenue Requirements (Updates for Rate-of-Return Carriers) (FCC Form 508) (Incorporating requirement from 3060-0972 and program adjustment to reflect a reduction in the number of respondents):

- (1) Number of Respondents: Approximately 766 Rate-of-Return carriers.
- (2) Frequency of Response: Annual reporting requirements.

Rate-of-Return carriers may voluntarily update their projected cost and revenue data annually on June 30 for the funding year ending on that date.

- (3) Annual hour burden per respondent: 2 hours per respondent for 766 carriers that are filing on an annual basis. Total annual hour burden is calculated as follows: 766 respondents x 1 response per respondent = 766 responses x 2 hours, = **1,532 total annual hours**. The Commission estimates that carriers require approximately two hours to update their projected cost and revenue data annually on June 30 for the funding year.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$61,280. (1,532 hours x \$40/hr.).
- (5) Explanation of calculation: We estimate that time to comply with the requirement will be 1,532 hours x \$40/hr. (attorney, administrative staff time and overhead) = \$61, 280.

d. Projected ICLS Revenue Requirements (Updates for Average Schedule Carriers) (FCC Form 508) (Incorporating requirement from 3060-0972 and program adjustment to reflect a reduction in the number of respondents):

- (1) Number of Respondents: Approximately 366 Average Schedule carriers
- (2) Frequency of Response: Annual reporting requirements.

The Commission estimates that the average schedule carriers may voluntarily update their projected cost and revenue data annually on June 30 for the funding year ending on that date

- (3) Annual hour burden per respondent: 1 hour per respondent for 366 carriers that are filing on an annual basis. Total annual hour burden is calculated as follows: 366 respondents x 1 response per respondent = 366 responses x 1 hour, = **366 total annual hours**. The Commission estimates that carriers require approximately one hour to update their projected cost and revenue data annually on June 30 for the funding year.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$14,640. (366 hours x \$40/hr.).
- (5) Explanation of calculation: We estimate that time to comply with the requirement will be 366 hours x \$40/hr. (attorney, administrative staff time and overhead) = \$14,640.

e. ICLS True Ups (Annually) (FCC Form 509) (Incorporating requirement from 3060-0972 and program adjustment to reflect a reduction in the number of respondents):

- (1) Number of respondents: Approximately 766 Rate-of-Return carriers.
- (2) Frequency of response: Annual reporting requirement.

Rate-of-Return carriers must report on December 31st of each year, to the Administrator, their actual interstate common line cost and revenue data.

- (3) Annual hour burden per respondent: 4 hours per respondent for 766 carriers that are filing on an annual basis. Total annual hour burden is calculated as follows: 766 respondents x 1 response per respondent = 766 responses x 4 hours, = **3064 total annual hours**. The Commission estimates that each rate-of-return carrier requires approximately four hours to prepare and submit to the Administrator its actual interstate common line cost and revenue data.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$122,560. (3064 hours x \$40/hr.).
- (5) Explanation of calculation: We estimate that time to comply with the requirement will be 3064 hours x \$40/hr. (attorney, administrative staff time and overhead) = \$122,560.

f. ICLS True Ups (Average Schedule Carriers) (FCC Form 509) (Incorporating requirement from 3060-0972 and program adjustment to reflect a reduction in the number of respondents):

- (1) Number of respondents: Approximately 366 average schedule carriers.
- (2) Frequency of response: Annual reporting requirements.

The Commission estimates that each average schedule carrier makes one information report annually.

- (3) Annual hour burden per respondent: 1 hour per respondent for 366 carriers that are filing on an annual basis. Total annual hour burden is calculated as follows: 366 respondents x 1 report per respondent = 366 responses x 1 hour, = **366 total annual hours**. The Commission estimates that average schedule carriers require approximately one hour to submit information that is necessary for the Administrator to calculate the common line revenue requirements for average schedule companies.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$14,640. (366 hours x \$40/hr.).
- (5) Explanation of calculation: We estimate that time to comply with the requirement will be 366 hours x \$40/hr. (attorney, administrative staff time and overhead) = \$14,640.

g. Validation of ICLS Cost and Revenue, filed in response to the Administrator's request for further validation (Incorporating requirement from 3060-0972 and program adjustment to reflect a reduction in the number of respondents):

- (1) Number of respondents: Approximately 100 carriers.
- (2) Frequency of response: Annual reporting requirements.

The Commission estimates that respondents make one information submission annually.

- (3) Annual hour burden per respondent: 4 hours per respondent for 100 carriers that are filing on an annual basis. Total annual hour burden is calculated as follows: 100 respondents x 1 submission per respondent = 100 responses x 4 hours, = **400 total annual hours**. The Commission estimates that respondents require approximately four hours to prepare and submit information necessary for the Administrator to calculate common line revenue requirements for average schedule companies.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$16,000. (400 hours x \$40/hr.).
- (5) Explanation of calculation: We estimate that time to comply with the requirement will be 400 hours x \$40/hr. (attorney, administrative staff time and overhead) = \$16,000.

h. ICLS Line Counts (FCC Form 507) (Incorporating requirement from 3060-0972 and program adjustment to reflect a reduction in the number of respondents):

- (1) Number of respondents: Approximately 1,132 Rate-of-Return carriers.
- (2) Frequency of response: Annually.

The Commission estimates that each carrier must file one line count data submission with the Administrator annually.

- (3) Annual hour burden per respondent: 6 hours per respondent for 1,132 carriers that are filing on an annual basis. Total annual hour burden is calculated as follows: 1,132 respondents x 1 submission per respondent = 1,132 responses x 6 hours, = **6792 total annual hours**. The Commission estimates that each carrier requires approximately six hours to prepare and submit its line count data annually, by disaggregation zone, if applicable, and customer class.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$271,680. (6792 hours x \$40/hr.).
- (5) Explanation of calculation: We estimate that time to comply with the requirement will be 6792 hours x \$40/hr. (attorney, administrative staff time and overhead) = \$271,680.

i. Reporting Working Loops at Cost-Zone Level (Currently approved – no revisions):

- (1) Number of respondents: Approximately 23. Only rural carriers or other incumbent carriers receiving Interstate Common Line Support that disaggregate their high-cost support must file. This collection applies only to rate-of-return carriers serving remote parts of Alaska.
- (2) Frequency of response: Annual and quarterly reporting requirements.

If there is no competition in the service area, the carrier is required to file annually. If competition exists in the service area the carrier is required to file quarterly. Each carrier must provide NECA with numbers of working loops at the cost-zone level. We estimate that there are approximately 23 carriers that will be filing on a quarterly basis.

- (3) Annual hour burden per respondent: 8 hours per respondent for 23 carriers that is filing on a quarterly basis. Total annual hour burden is calculated as follows: 23 respondents x 4 reports per respondent = 92 responses x 8 hours, = **736 total annual hours**. The hour burden is not expected to vary widely because of differences in activity, size, or complexity.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$29,440. (736 hours x \$40/hr.).
- (5) Explanation of calculation: We estimate that time to comply with the requirement will be 736 hours x \$40/hr.(attorney, administrative staff time and overhead) = \$29,440.

j. State Certification Letter Under 254(e) (Currently approved – no revisions):

- (1) Number of respondents: 60 respondents. (51 states, plus approximately 9 carriers will have to file their own certification).
- (2) Frequency of response: Annual reporting requirement. Each state commission must file a letter with the Commission certifying that a carrier within the state had accounted for its receipt of federal support in its rates or otherwise used the support for the “provision, maintenance, and upgrading of facilities and services for which the support is intended” in accordance with section 254(e). Carriers that are not under a state regulatory authority will have to file with the Commission directly.
- (3) Annual hour burden per respondent: 3 hours. Total annual hour burden is: 3 hours x 60 respondents = **180 hours**.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$7,200. (180 hours x \$40/hr.).
- (5) Explanation of calculation. We estimate that each state commission will spend 3 hours drafting a letter to the Commission to certify that a carrier within the state had accounted for its receipt of federal support. 60 (number of respondents) x 3 (hours to prepare certification letter) x \$40/hr.(attorney, administrative staff time and overhead) = \$7,200.

k. Support in Competitive Study Areas: (FCC Form 525) (Currently approved – no revisions):

- (1) Number of respondents: 15. Approximately 14 competitive ETCs serving remote parts of Alaska and one tribally owned competitive ETC will have to submit line count data quarterly.

- (2) Frequency of response: Quarterly reporting requirement. Each carrier must file line count data with USAC upon competitive entry in rural carrier study areas.
- (3) Annual hour burden per respondent: 6 hours. Total annual hour burden is: 15 respondents x 6 hours x 4 reports per respondent = **360 hours**.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$14,440. (360 hours x \$40/hr.).
- (5) Explanation of calculation: We estimate that 15 competitive ETCs will submit line count data quarterly, x 6 hours to complete x \$40/hr.(attorney, administrative staff time and overhead) when preparing the worksheet. 360 hours x \$40/hour = \$14,400.

I. Safety Valve (Currently approved – no revisions):

- (1) Number of respondents: 25 rural carriers will have to file a notice.
- (2) Frequency of response: On occasion reporting requirement and third party disclosure requirement. Rural carriers shall provide written notice to USAC when their index year has been established for purposes of calculating eligibility for safety valve support.
- (3) Annual hour burden per respondent: .5 hours. Total annual hour burden is: 25 respondents x .5 hours = Approximately 13 hours.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$500. (12.5 hours x \$40/hr.).
- (5) Explanation of calculation: We estimate that each carrier will spend .5 hour drafting a notice to USAC indicating when their index year has been established for purposes of calculating eligibility for safety valve support. 25 (number of respondents) x .5 (hours to prepare certification letter) x \$40/hr.(attorney, administrative staff time and overhead) = \$500.

m. Connect America Fund Phase I Incremental Support Acceptance (Currently approved – no revisions):

- (1) Number of respondents: Approximately 9 holding companies of price cap carriers will have to report the incremental funding, if any, they accept. Those carriers accepting funding will also be required to identify by wire center and census block the areas to which they will deploy broadband service.
- (2) Frequency of response: On occasion. The Commission intends to make funds available annually until this support mechanism is terminated. Eligible carriers must file with the Commission, USAC, as well as relevant state and Tribal authorities.

- (3) Annual hour burden per respondent: 6 hours per respondent for 9 respondents filing annually. Total annual hour burden is: 9 respondents x 6 hours = **54 hours**.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$2,160. (54 hours x \$40/hour.).
- (5) Explanation of calculation: We estimate that each carrier accepting funding will spend at least 6 hours reporting the funding they accept and identify the applicable wire center and census blocks they will be deploying broadband to meet their deployment obligations. 9 (number of respondents) x 6 (hours to identify the applicable wire center and census blocks and prepare the relevant reporting documents) x \$40/hr.(attorney, administrative staff time and overhead) = \$2,160.

n. Local End User Rates and State Regulated Fees (Currently approved – no revisions):

- (1) Number of respondents: Fewer than 1,434 companies (1,141 rate-of-return carriers and 293 price cap carriers) will have to report local end user rates and state regulated fees.
- (2) Frequency of response: Annually. Each carrier must file a form with USAC. Among other information, the form contains all local end user rates that fall below a specified urban rate floor and the number of lines associated with each rate. Mid-year updates are permitted.
- (3) Annual hour burden per respondent: 4 hours per respondent for 1,434 respondents filing on an annual basis. Total annual hour burden is: 1,434 respondents x 4 hours = **5,736 hours**.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$229,440. (5,736 hours x \$40/hour.).
- (5) Explanation of calculation: We estimate that each carrier will spend at least 4 hours filtering and tabulating end user rates for each line that falls below a specified urban rate floor and indicating the specific line associated with each rate. 1,434 (number of respondents) x 4 (hours to tabulate end user rates for each line and to prepare the relevant reporting documents) x \$40/hr.(attorney, administrative staff time and overhead) = \$229,440.

o. Recordkeeping Requirements (Currently approved – no revisions):

- (1) Number of Respondents: Approximately 1,857 telephone companies.
- (2) Frequency of Response: Annually.

- (3) Annual hour burden per respondent: 2 hours per respondent for 1,857 respondents retaining documents on an annual basis. Total annual hour burden is: 1,857 respondents x 2 hours = **3,714 hours**.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$148,560 (3,714 hours x \$40/hour.).
- (5) Explanation of calculation: We estimate that each carrier will spend at least 2 hours tracking document retention periods. 1,857 (number of respondents) x 2 (hours to comply with document retention requirements) x \$40 per hour (administrative staff time and overhead) = \$148,560.

p. Annual Reporting Requirements for All Funding Recipients (Currently approved – no revisions):

- (1) Number of Respondents: Approximately 1,857 telephone companies.
- (2) Frequency of Response: Annually.
- (3) Annual hour burden per respondent: 100 hours per respondent for 1,857 respondents filing on an annual basis. Total annual hour burden is: 1,857 respondents x 100 hours = **185,700 hours**.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$7,428,000 (185,700 hours x \$40/hour.).
- (5) Explanation of calculation: We estimate that each carrier will spend a total of at least 100 hours tracking, filtering, tabulating, assessing and preparing reporting requirements: 1,857 (number of respondents) x 100 (hours tracking, filtering, tabulating, assessing and preparing reporting requirements) x \$40 per hour (administrative staff time and overhead) = \$7,428,000.

q. Tribal Engagement Reporting (Currently approved – no revisions):

- (1) Number of Respondents: Approximately 300 carriers that serve Tribal lands.
- (2) Frequency of Response: Annually.
- (3) Annual hour burden per respondent: 4 hours per respondent for 300 respondents filing on an annual basis. Total annual hour burden is: 300 respondents x 4 hours = **1,200 hours**.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$48,000 (1,200 hours x \$40/hour.).

- (5) Explanation of calculation: We estimate that each carrier serving Tribal lands will spend a total of at least 4 hours preparing, reviewing, and submitting its report on Tribal engagement: 300 (number of respondents) x 4 (hours preparing, reviewing, and submitting report) x \$40 per hour (administrative staff time and overhead) = \$48,000.

r. Connect America Fund Phase I Incremental Support Certification (Currently approved – no revisions):

- (1) Number of respondents: Approximately 9 holding companies of price cap carriers will have to report the incremental funding, if any, they accept. Those carriers accepting funding will also be required to certify that they are meeting certain broadband deployment milestones.
- (2) Frequency of response: On occasion. Carriers accepting Phase I Incremental Support will be required to file this information in annual reports two and three years after acceptance. Eligible carriers must file with the Commission, USAC, as well as relevant state and Tribal authorities.
- (3) Annual hour burden per respondent: 15 hours per respondent for 9 respondents filing annually. Total annual hour burden is: 9 respondents x 15 hours = **135 hours**.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$5,400. (135 hours x \$40/hour.).
- (5) Explanation of calculation: We estimate that each carrier accepting Phase I incremental support will spend at least 15 hours certifying that it is meeting the required broadband deployment milestones. 9 (number of respondents) x 15 (hours to confirming and certifying compliance) x \$40/hour.(attorney, administrative staff time and overhead) = \$5,400.

s. Price Cap Carrier Frozen High Cost Support Certification (Currently approved – no revisions):

- (1) Number of respondents: Approximately 293 price cap carriers receiving Connect America frozen support will have to certify that they are using incrementally increasing portions of their frozen support to deploy broadband-capable networks and to offer their own retail broadband service in areas substantially unserved by an unsubsidized competitor.
- (2) Frequency of response: Annually.
- (3) Annual hour burden per respondent: 15 hours per respondent for 293 respondents filing annually. Total annual hour burden is: 293 respondents x 15 hours = **4,395 hours**.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$175,800. (4,395 hours x \$40/hour.).

- (5) Explanation of calculation: We estimate that each price cap carrier receiving frozen support will spend at least 15 hours certifying that it is using incrementally increasing portions of its frozen support to deploy broadband-capable networks and to offer its own retail broadband service in areas substantially unserved by an unsubsidized competitor. 293 (number of respondents) x 15 (hours to confirm and certify compliance) x \$40/hr. (attorney, administrative staff time and overhead) = \$175,800.

t. Price Cap Carrier High-Cost Support for Access Charges Certification (Currently approved – no revisions):

- (1) Number of respondents: Approximately 293 price cap carriers receiving high-cost support designed to offset access charges will have to certify that support received pursuant to 47 C.F.R. § 54.304 in the prior calendar year was used to build and operate broadband-capable networks used to offer provider's own retail service in areas substantially unserved by an unsubsidized competitor.
- (2) Frequency of response: Annually.
- (3) Annual hour burden per respondent: 15 hours per respondent for 293 respondents filing annually. Total annual hour burden is: 293 respondents x 15 hours = **4,395 hours**.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$175,800. (4,395 hours x \$40/hour.).
- (5) Explanation of calculation: We estimate that each price cap carrier receiving support to offset reductions in access charges will spend at least 15 hours certifying that it is using high-cost support received pursuant to 47 C.F.R. § 54.304 to deploy broadband-capable networks and to offer its own retail broadband service in areas substantially unserved by an unsubsidized competitor. 293 (number of respondents) x 15 (hours to confirm and certify compliance) x \$40/hr.(attorney, administrative staff time and overhead) = \$175,800.

u. Connect America Fund Phase II Certification (Currently approved – no revisions):

- (1) Number of respondents: Approximately 13 carriers or holding companies receiving Connect America Phase II support will be required to certify that there are meeting certain buildout milestones and submit progress reports on five-year service quality plans.
- (2) Frequency of response: Annually.
- (3) Annual hour burden per respondent: 30 hours per respondent for 13 respondents filing annually. Total annual hour burden is: 13 respondents x 30 hours = **390 hours**.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$15,600. (390 hours x \$40/hour.).

- (5) Explanation of calculation: We estimate that each Phase II funding recipient will spend at least 30 hours certifying that meeting deployment milestones and drafting the additional required items for its five-year service quality plan progress report. 13 (number of respondents) x 30 (hours to track, filter, tabulate, assess, and prepare reporting requirements for progress report and confirming and certifying compliance with buildout milestones) x \$40/hr.(attorney, administrative staff time and overhead) = \$15,600.

v. Rate-of-Return Carrier Certification (Currently approved – no revisions):

- (1) Number of respondents: Approximately 1,141 rate-of-return carriers will be required to certify that they are meeting certain buildout milestones and submit progress reports on five-year service quality plans.
- (2) Frequency of response: Annually.
- (3) Annual hour burden per respondent: 30 hours per respondent for 1,141 respondents filing annually. Total annual hour burden is: 1,141 respondents x 30 hours = **34,230 hours**.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$1,369,200. (34,230 hours x \$40/hour.).
- (5) Explanation of calculation: We estimate that each rate-of-return carrier will spend at least 6 hours certifying that meeting deployment milestones and drafting the additional required items for its five-year service quality plan progress report. 1,141 (number of respondents) x 30 (hours to track, filter, tabulate, assess, and prepare reporting requirements for progress report and confirming and certifying compliance with buildout milestones) x \$40/hr.(attorney, administrative staff time and overhead) = \$1,369,200.

w. Privately Held Rate-of-Return Carrier Certification (Currently approved – no revisions):

- (1) Number of respondents: Approximately 625 privately held rate-of-return carriers will be required to submit financial statements.
- (2) Frequency of response: Annually.
- (3) Annual hour burden per respondent: 15 hours per respondent for 625 respondents filing annually. Total annual hour burden is: 625 respondents x 15 hours = **9,375 hours**.
- (4) Total estimate of annualized cost to respondents for the hour burden: \$375,000. (9,375 hours x \$40/hour.).

- (5) Explanation of calculation: We estimate that each privately held rate-of-return carrier will spend at least 15 hours filing its RUS Operating Report for Telecommunications Borrowers, audited financial statements, or financial statements reviewed by a certified public accountant. $1,027$ (number of respondents) \times 15 (hours to prepare and submit financial statements) \times $\$40/\text{hr.}$ (attorney, administrative staff time and overhead) = $\$616,200$.

x. Carriers Lacking Terrestrial Backhaul Certification (Currently approved – no revisions):

- (1) Number of respondents: Fewer than 20 carriers that receive funding but rely exclusively on satellite for backhaul must certify as to the performance of their broadband service.
- (2) Frequency of response: Annually.
- (3) Annual hour burden per respondent: 15 hours per respondent for 20 respondents filing annually. Total annual hour burden is: 20 respondents \times 15 hours = **300 hours**.
- (4) Total estimate of annualized cost to respondents for the hour burden: $\$12,000$. (300 hours \times $\$40/\text{hour.}$).
- (5) Explanation of calculation: We estimate that each carrier receiving funding but relying exclusively on satellite for backhaul will spend at least 15 hours certifying as to the performance of its broadband service. 20 (number of respondents) \times 15 (hours to confirm and certify compliance) \times $\$40/\text{hr.}$ (attorney, administrative staff time and overhead) = $\$12,000$.

y. Residential Rate Updates (Currently approved – no revisions):

- (1) Number of respondents: Fewer than 20 carriers that have rates falling below the rate floor and make adjustments to their rates in the course of the year will file an update.
- (2) Frequency of response: On occasion.
- (3) Annual hour burden per respondent: 4 hours per respondent for 20 respondents filing occasionally. Total annual hour burden is: 20 respondents \times 4 hours = **80 hours**.
- (4) Total estimate of annualized cost to respondents for the hour burden: $\$3,200$. (80 hours \times $\$40/\text{hour.}$).
- (5) Explanation of calculation: We estimate that each carrier that files a residential rate update will spend at least 4 hours reporting its rates. 20 (number of respondents) \times 4 (hours to gather and report rates) \times $\$40/\text{hr.}$ (attorney, administrative staff time and overhead) = $\$3,200$.

The estimated respondents and responses and burden hours are listed below:

Information Collection Requirements	Number of Respondents	Number of Responses Per Year	Estimated Time per Response (hours)	Total Burden Hours	In-house Office and Overhead Costs
<u>a. Projected ICLS Revenue Requirements (Rate-of-Return) (FCC Form 508)</u>	766	766	2	1,532	\$61,280.00
<u>b. Projected ICLS Revenue Requirements (Average Schedule Carriers) (FCC Form 508)</u>	366	366	1	366	\$14,640.00
<u>c. Projected ICLS Revenue Requirements (Updates for Rate-of-Return Carriers) (FCC Form 508)</u>	766	766	2	1,532	\$61,280.00
<u>d. Projected ICLS Revenue Requirements (Updates for Average Schedule Carriers) (FCC Form 508)</u>	366	366	1	366	\$14,640.00
<u>e. ICLS True Ups (Annually) (FCC Form 509)</u>	766	766	4	3064	\$122,560.00

<u>f. ICLS True Ups (Average Schedule Carriers) (FCC Form 509)</u>	366	366	1	366	\$14,640.00
<u>g. Validation of ICLS Cost and Revenue, filed in response to the Administrator's request for further validation</u>	100	100	4	400	\$16,000.00
<u>h. ICLS Line Counts (FCC Form 507)</u>	1,132	1,132	6	6792	\$271,680.00
<u>i. Reporting Working Loops at Cost-Zone Level</u>	23	92	8	736	\$29,440.00
<u>j. State Certification Letter Under 254(e)</u>	60	60	3	180	\$7,200.00
<u>k. Support in Competitive Study Areas: (FCC Form 525)</u>	15	60	6	360	\$14,400.00
<u>l. Safety Valve</u>	25	25	0.5	13	\$500.00
<u>m. Connect America Fund Phase I Incremental Support Acceptance</u>	9	9	6	54	\$2,160.00

<u>n. Local End User Rates and State Regulated Fees</u>	1,434	1,434	4	5,736	\$229,440.00
<u>o. Recordkeeping Requirements</u>	1,857	1,857	2	3,714	\$148,560.00
<u>p. Annual Reporting Requirements for All Funding Recipients</u>	1,857	1,857	100	185,700	\$7,428,000.00
<u>q. Tribal Engagement Report</u>	300	300	4	1,200	\$48,000.00
<u>r. Connect America Fund Phase I Incremental Support Certification</u>	9	9	15	135	\$5,400.00
<u>s. Price Cap Carrier Frozen High Cost Support Certification</u>	293	293	15	4,395	\$175,800.00
<u>t. Price Cap Carrier High-Cost Support for Access Charges Certification</u>	293	293	15	4,395	\$175,800.00

<u>u. Connect America Fund Phase II Certification</u>	13	13	30	390	\$15,600.00
<u>v. Rate-of-Return Carrier Certification</u>	1,141	1,141	30	34,230	\$1,369,200.00
<u>w. Privately Held Rate-of-Return Carrier Certification</u>	625	625	15	9,375	\$375,000.00
<u>x. Carriers Lacking Terrestrial Backhaul Certification</u>	20	20	15	300	\$12,000.00
<u>y. Residential Rate Updates</u>	20	20	4	80	\$3,200.00

TOTALS:

Total Number of Respondents: 1,857 unique respondents filing multiple times.

Total Number of Responses Annually: 12,736

Total Annual Hourly Burden for requirements (a) – (y): 265,411

Total Annual “In House” Costs: \$10,616,420

13. *Estimates for the cost burden of the collection to respondents.* There are no outside contracting costs for this information collection. See the last column in the chart in item 12 above for the estimated in-house costs.
14. *Estimates of the cost burden to the Commission.* 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. *Program changes or adjustments.* The estimated total annual burden hours have been adjusted under this OMB control number due to the incorporation of certain requirements from 3060-0972 into this information collection and because there are fewer respondents than in the previous approved information collection.

The total hourly burden reported previously was estimated at 272,017 hours and, as a result of incorporating requirements from 3060-0972 into this information collection and a reduced number of respondents, the net burden hours have been reduced to 265,411 hours.

Specifically, the incorporation of the universal service reporting requirements from 3060-0972 increased burden hours by an estimated 22,702 hours (see items 12 a – h). However, the elimination of reporting requirements for line count collections, certification requirements for competitive carriers, optional line port cost studies and optional tariff filings approved under 3060-0972 reduced the estimated burden hours by an estimated 29,308 hours, resulting in a net reduction of 6,606 burden hours.

16. *Collections of information whose results will be published.* Non-proprietary information will likely 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 Commission seeks continued approval to not display the OMB expiration date on FCC Form 525, FCC Form 481, FCC Form 507, FCC Form 508 and FCC Form 509. The Commission will use an edition date in lieu of an 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. *Exceptions to 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 Commission does not anticipate that the collection of information will employ statistical methods.