

**Competitive Carrier Line Count Report,
and Self-Certification as a Rural Carrier
2016**

3060-0986

January

SUPPORTING STATEMENT

This information collection 3060-0986 is being submitted to obtain OMB approval for revised information collection requirements.

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.

On November 18, 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*), and the Commission and Wireline Competition Bureau have since adopted a number of orders that implement the *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, 28 FCC Rcd 7227 (Wireline Comp. Bur. 2013); *Connect America Fund*, WC Docket No. 10-90, Report and Order, 28 FCC Rcd 7766 (Wireline Comp. Bur. 2013); *Connect America Fund*, WC Docket No. 10-90, Report and Order, 28 FCC Rcd 7211 (Wireline Comp. Bur. 2013); *Connect America Fund*, WC Docket No. 10-90, Report and Order, 28 FCC Rcd 10488 (Wireline Comp. Bur. 2013). The Commission has received OMB approval for most of the information collections required by

these orders. At a later date the Commission plans to submit additional revisions for OMB review to address other reforms adopted in the orders (e.g., 47 C.F.R. 54.313(a)(11)).

Justification for Revised Requirements:

In July 2014, the Commission adopted *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 29 FCC Rcd 8769 (2014) to implement the rural broadband experiments. To monitor and gather data about the use of rural broadband experiments support, the Commission adopted several reporting requirements for recipients, including the requirement that they submit a section 54.313 annual report and that the states that designate them as ETCs (or the recipients themselves if they are designated as ETCs by the Commission) submit an annual section 54.314 use certification.

In December 2014, the Commission adopted *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order, 29 FCC Rcd 15644 (2014) to implement reporting requirements for recipients of Phase II model-based support. To ensure that Connect America Phase II (Phase II) model-based support is being used for its intended purposes, the Commission required that recipients provide certain information in their annual reports and certify that they have met certain build-out milestones. The Commission also adopted a requirement that all high-cost recipients certify in their annual reports that they are offering at least one broadband service that meets the Commission's public interest obligations at rates that are reasonably comparable to rates offered in urban areas for comparable offerings. And the Commission adopted non-compliance measures for all recipients of Phase II support.

Also in December 2014, the Commission adopted *Modernizing the E-rate Program for Schools and Libraries et al.*, WC Docket No. 13-184 et al., Second Report and Order and Order on Reconsideration, 29 FCC Rcd 15538 (2014). In this order, the Commission required that price cap carriers receiving Phase II model-based support and rate-of-return carriers that receive high-cost support certify in their section 54.313 annual reports that they have bid on category one telecommunications and Internet access services at reasonably comparable rates in response to all FCC Form 470 postings for eligible schools and libraries located within any area in a census block where the price cap carrier is receiving Phase II model-based support or within the rate-of-return carrier's service area. Recipients will not be required to make this certification until the bidding requirement has been fully implemented.

We propose to revise this information collection, as well as Form 481 and its accompanying instructions to reflect these new requirements. We also propose to make a number of non-substantive changes to Form 481 and its instructions. We also propose to delete information collection requirements for the Phase II state-level elections (item k below) that is now outdated, and adjust the number of respondents for the state certification letter and annual reporting (items w & cc below) to reflect that rural broadband experiment recipients must now meet certain requirements. Finally, we propose to modify the Phase II certifications (item hh below) to reduce the hours to reflect that some aspects of this requirement have been superseded by the new Phase II model-based support reporting requirements we propose to

adopt (items a & b below), to adjust the number of respondents to reflect the number of price cap carriers that accepted Phase II model-based support, and to require those recipients to use a template to meet the existing requirement that they provide the number, names, and addresses of newly served community anchor institutions.

Finally, we propose to include FCC Form 505 in this information collection. The requirements, burdens and costs associated with this form were added to this information collection when the OMD approved the consolidation of 3060-1188 with 3060-0986.

Revised Information Collection Requirements (1-6 below):

FCC Form 481 Collection Requirements

(1) Geocoded Information and Capital Expenditure Reporting for Phase II Model-Based Support Recipients

Price cap carriers that elected to receive Phase II model-based support are required to deploy service meeting the Commission's public interest obligations to a set number of locations in each state where they have accepted support by specific build-out milestones. The Commission required that price cap carriers submit with their initial service quality improvement plan and annual progress reports geocoded location information so that the Commission can monitor price cap carriers' progress in meeting such milestones, and the total amount of Phase II support, if any, that they used for capital expenditures in the previous year. 47 C.F.R. § 54.313(e). Geocoded locations are necessary for the Commission to verify that carriers have in fact deployed to the number of locations claimed. Moreover, requiring that price cap carriers report how much Phase II support was used for capital expenditures will allow the Commission to track where funding is spent and ensure that funds are used for proper purposes.

For each location to be counted towards satisfaction of a price cap carrier's deployment obligation, that price cap carrier must report the following information in its annual report:

- (a) The location's 15-digit census block code,
- (b) The carrier's NECA-assigned operating company code (OCN),
- (c) The carrier's study area code (SAC),
- (d) The latitude (to six decimal places),
- (e) The longitude (to six decimal places),
- (f) The street address, city, state, and zip code for that location,
- (g) Whether the census block is a Phase II or extremely high-cost census block,

- (h) The date that the carrier deployed service to that location, and
- (i) The number of units at the location

If two locations have identical latitude and longitude coordinates (e.g., two apartments that are vertically aligned), recipients must provide an explanation for the duplication. If a price cap carrier is no longer serving a location that it has reported towards its build-out obligation, it must identify that location as a dropped location and report the listed information.

In their July 1, 2016 annual report, price cap carriers will be required to report the list of geocoded locations already meeting the Commission's public interest obligations at the end of calendar year 2015. In their July 1, 2017 report and every year thereafter ending July 1, 2021, price cap carriers will be required to report the locations to which they newly deployed service meeting the Commission's public interest obligations in the prior year. In their July 1, 2021 annual report, price cap carriers will also be required to include the total number and geocodes of all the supported locations that they deployed to with service meeting the Commission's public interest obligations.

Each year, price cap carriers will also be required to report the total amount of Phase II support, if any, the price cap carrier used for capital expenditures in the previous calendar year.

See proposed changes to FCC Form 481 screenshot and instructions, Lines 2017A and 2017B, and Line 2017 template.

(2) Build-Out Certifications for Phase II Model-Based Support Recipients

The Commission adopted build-out milestones for price cap carriers that receive Phase II model-based support. 47 C.F.R. §§ 54.313(e)(3)-(6). Specifically, for each state where a price cap carrier elected to receive Phase II model-based support, price cap carriers must submit with its FCC Form 481:

- (a) On July 1, 2018 a certification that the recipient offered broadband meeting the requisite public interest obligations to 40 percent of its supported locations in the state on December 31, 2017,
- (b) On July 1, 2019 a certification that the recipient offered broadband meeting the requisite public interest obligations to 60 percent of its supported locations in the state on December 31, 2018,
- (c) On July 1, 2020 a certification that the recipient offered broadband meeting the requisite public interest obligations to 80 percent of its supported locations in the state on December 31, 2019, and

- (d) On July 1, 2021 a certification that the recipient offered broadband meeting the requisite public interest obligations to 100 percent of its supported locations in the state on December 31, 2020.

By requiring price cap carriers to submit these certifications, the Commission will be able to monitor price cap carriers' use of Phase II model-based support as they build out their networks to ensure that the support is being used for its intended purposes.

See proposed changes to FCC Form 481 screenshot and instructions, Lines 2020, 2021, 2026, and 2027.

(3) Reasonably Comparable Rate Certification for Broadband for High-Cost Recipients

The Commission requires high-cost recipients to certify in their FCC Form 481 reports that the pricing of a service that meets the Commission's broadband public interest obligations is no more than the applicable benchmark to be announced annually in a public notice issued by the Wireline Competition Bureau, or is no more than the non-promotional price charged for a comparable fixed wireline service in urban areas in the states or U.S. Territories where the eligible telecommunications carrier receives support. 47 C.F.R. § 54.313(a)(12). Recipients are also required to provide a detailed description of how they did or did not meet this requirement. This certification requirement will enable the Commission to monitor the use of high-cost support and confirm that consumers have access to rates that are reasonably comparable to those offered in urban areas for comparable services.

See proposed changes to FCC Form 481 screenshot and instructions, Lines 1020, 1030.

(4) E-rate Certification Requirement for Phase II Model-Based Support Recipients and Rate-of-Return Carrier High-Cost Recipients

The Commission will require price cap carriers that elect Phase II model-based support and rate-of-return carriers that receive high-cost support to bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located in within any area in a census block where the price cap carrier is receiving Phase II model-based support or in the service area of a rate-of-return carrier. Such bids must be at rates reasonably comparable to rates charged to eligible schools in libraries in urban areas for comparable offerings. Once this requirement has been fully implemented, price cap carriers that accepted Phase II model-based support and rate-of-return carriers that receive high-cost support will be required to certify in their annual FCC Form 481 reports that they have met this requirement. 47 C.F.R. § 54.313(e)(2)(V). This certification requirement will enable the Commission to monitor price cap carriers' and rate-of-return carriers' compliance with this requirement.

See proposed changes to FCC Form 481 screenshot and instructions, Lines 2019, 3009.

(5) Additional Reporting Requirements for Rural Broadband Experiment Support Recipients

Recipients of rural broadband experiment support are required to deploy service meeting the Commission's public interest obligations to a set number of locations by specific build-out milestones. The Commission required that rural broadband experiment recipients submit location information so that the Commission can monitor rural broadband experiment recipients' progress in meeting such milestones along with evidence showing that the recipient is deploying service that meets the Commission's public interest obligations. *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 29 FCC Rcd 8769 (2014). This information is necessary for the Commission to verify that carriers have in fact deployed to the number of locations claimed and that they are meeting the relevant public interest obligations.

Rural broadband experiment recipients must report the following information in their annual report:

- (a) The location's 15-digit census block code,
- (b) The carrier's NECA-assigned operating company code (OCN),
- (c) The carrier's study area code (SAC),
- (d) The latitude (to six decimal places),
- (e) The longitude (to six decimal places),
- (f) The street address, city, state, and zip code for that location,
- (g) The date that the carrier deployed service to that location, and
- (h) The number of units at the location

If two locations have identical latitude and longitude coordinates (e.g., two apartments that are vertically aligned), recipients must provide an explanation for the duplication. If a rural broadband experiment recipient is no longer serving a location that it has reported towards its build-out obligation, it must identify that location as a dropped location and report the listed information.

Rural broadband experiment recipients will also be required to submit evidence demonstrating that recipients are meeting the public service obligations for the relevant experiment category (e.g., marketing materials that show the voice and broadband packages available to each location, detailing the pricing, offered broadband speed, and data usage allowances available in the relevant geographic area) for each location. Parties submitting this information should take steps to ensure that sensitive information is not improperly submitted. Examples of such information are customer proprietary network information (47 U.S.C. § 222; 47 C.F.R. §§ 64.2001-64.2011), records covered by the Electronic

Communications Privacy Act (18 U.S.C. § 2702(a)(3), (c)), or records otherwise protected by law for purposes of customer privacy (*see, e.g.*, 47 U.S.C. § 551).

Rural broadband experiment recipients will also be required to certify in each FCC Form 481 annual report that the recipient is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 29 FCC Rcd 8769 (2014). This certification requirement will enable the Commission to monitor rural broadband experiment recipients to ensure they are using the support for its intended purposes and are meeting the relevant public interest obligations.

Finally, recipients of rural broadband experiment support will be required to report in their FCC Form 481 annual reports the number, names, and addresses of community anchor institutions to which the recipients newly began providing access to broadband service in the preceding calendar year. This requirement will be a valuable way for the Commission to monitor how recipients are engaging with community anchor institutions, and learn how the networks supported by the experiments will impact anchor institutions and the communities they serve.

See proposed changes to FCC Form 481 screenshot and instructions, Lines 4001-4005, and the templates for Lines 4003B and 4004A.

Additional Requirement- No Form

(6) Phase II Non-Compliance Reporting

Phase II recipients that do not meet their build-out milestones by a certain specified percentage of locations may be required to submit quarterly reports that identify the geocoded locations to which the ETC has newly deployed facilities capable of delivering broadband meeting the requisite requirements with Connect America support the previous quarter. 47 C.F.R. 54.320(d). Such a requirement will be triggered if the ETC has a compliance gap of at least five percent (and in some cases less if the compliance gap has occurred for multiple years). These quarterly reports must be filed until the Bureau issues a letter stating that the ETC has reduced its compliance gap to less than five percent.

The Commission has determined that if Phase II recipients miss their build-out milestones by a certain percentage, they require additional monitoring to ensure that Phase II support is being used for its intended purposes. These quarterly reports will enable the Commission to monitor Phase II recipients' progress in meeting build-out milestones more closely and verify that service is actually being deployed to the reported locations.

The quarterly reports must include:

- (a) The location's census block information as based on the Federal Information Processing Standard (FIPS) code,
- (b) The carrier's NECA-assigned operating company code (OCN),
- (c) The carrier's study area code (SAC),
- (d) The wire center's eight-digit Common Language Location Identified (CLLI) code,
- (e) The latitude (to six decimal places),
- (f) The longitude (to six decimal places), and
- (g) The date that the carrier deployed service to that location.

This information will not be collected in FCC Form 481 because the data will be due quarterly rather than annually.

Non-Substantive Changes

Form 481

We also propose to make a number of non-substantive changes to Form 481 and its instructions to provide clarification for certain reporting items:

Notice: Changes email address for new contact person for comments

Section I: Clarifies that rural broadband experiment recipients are required to file FCC Form 481 and recipients of Mobility Fund Phase I are not required to file the form

Section II: Adds the section 54.313(a)(12) reasonably comparable rates certification for broadband adopted in December 2014

Section II: Clarifies that additional details are needed for some certifications

Section II & Section IV Line 3021: Clarifies that recipients can submit a management letter and/or an audit opinion

Section IV: Changes the Universal Service Administrative Company's contact email address and updates citation to new protective order

Section IV: Eliminates summary completion checklist page from instructions and FCC Form 481; moves certifications and data requests on this page to subject-specific section (e.g., all items related to line 100 are moved into the same section)

Section IV: Deletes repetitive fields and instructions for study area code, study area name, program year, contact name, contact telephone and contact address throughout so that these fields appear on only one page of FCC Form 481 and its instructions rather than in each reporting section

Section IV, Line 100: Instructions clarify requirements for progress report and clarifies that rural broadband experiment recipients are not required to complete this section

Section IV, Lines 200-220: Clarifies service outage reporting obligation, moves Line 210 and associated instructions to the Line 200 section, and makes clear that if an ETC responds yes to Line 210, it must respond to Line 220

Section IV, Lines 300-330: Moves Lines 300-330 and associated instructions to Line 300 section, and clarifies that a detailed description should be attached to Lines 310 and 330

Section IV, Lines 400-450: Moves Lines 400-450 and associated instructions to Line 400 section, and clarifies that for Line 400 and 430 that ETCs should indicate how they would like to report end-user complaints (no broadband, fixed broadband, mobile broadband, or both)

Section IV, Lines 500-550: Moves Lines 500 and 510 and associated instructions to Line 500 section, clarifies how responses should be provided

Section IV, Lines 600- 610: Moves Lines 600 and 610 and associated instructions to Line 600 section, clarifies how responses should be provided

Section IV, Line 800: Moves explanation in instructions regarding affiliate reporting to Line 800 section

Section IV, Line 900: Moves Line 900 and associated instructions to Line 900 section and clarifies how responses should be provided

Section IV, Lines 100-1010: Moves Line 1000 and Line 1010 and associated instructions to Line 1000 section

Section IV, Lines 1100-1130: Moves Line 1100 and associated instructions to Line 1100 section, deletes Line 1120 as repetitive, and makes certain clarifications to section to describe when ETCs are required to respond to Line 1130

Section IV, Line 2010: Instructions clarify that 47 C.F.R. § 54.313(b)(1)(i) is the applicable rule for Line 2010

Section IV, Lines 2010, 211, 2022, and 2023: Clarifies in the form which Phase I recipients should respond

Section IV, Lines 2013 and 2014: Deletes these Lines and associated instructions now that deadlines have passed

Section IV, Line 2018: Moves existing Line 2020 and associated instructions to Line 2018 and clarifies how response should be provided

Section IV, Lines 2024 and 2025: Requires ETCs to identify whether they are recipients of Phase I Round one or Round two support, and form and instructions clarify which lines they need to complete based on their recipient status

Section IV, Lines 3010-3012: Deletes Line 3011, clarifies how ETCs should respond and that ETCs should certify that they meet the Commission's public interest obligations in 47 C.F.R. § 54.308

Section IV, Certification – Agent/Carrier Instructions: clarify where authorized agent firm and employee names should be inputted

Form 505

The Commission consolidated the information collection requirements from 3060-1188 into 3060-0986. However, we inadvertently did not move over FCC Form 505 into 3060-0986, which was previously approved under 3060-1188. Although the associated burdens and costs of this form were included in the revision, the actual form was not provided. With this submission, we are including the FCC Form 505 in this collection.

Currently Approved Information Collection Requirements (7 – 38 below):

Rate-of-Return Carrier Requirements

(7) 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.

(8) 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.

(9) 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.

Form 481 Requirements

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:

(10) 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.

(11) 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.

(12) 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.

(13) 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.

(14) 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:

(15) 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:

(16) 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:

(17) 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:

(18) 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 build-out obligations. The Commission relies on reports from Phase II funding recipients to ensure compliance with those build-out obligations. The Commission is also proposing to require Phase II recipients to use a new template to meet the existing requirement that they submit the number, names, and addresses of newly served community anchor institutions.

(19) 47 C.F.R. § 54.313(e)(3). To ensure that Phase II recipients are meeting their build-out 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:

(20) 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 build-out 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.

(21) 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:

(22) 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:

(23) 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.

(24) 47 C.F.R. § 54.313(b). Carriers under Connect America Phase I are required to deploy to a set number of locations to satisfy the obligation attached to any funding they elect to receive. Two and three years after accepting funding, recipients of Connect America Phase I funding are required to file reports on their progress toward meeting their obligations. 47 C.F.R. § 54.313(b). The Commission recently required that these reports include the geocoded information for each location to which a carrier deploys in meeting its Phase I obligations. Geocoded locations are necessary for the Commission to verify that carriers have in fact deployed to the number of locations claimed. *Connect America Fund, WC Docket 10-90, Report and Order, FCC 13-73 (May 22, 2013).*

For each location to be counted toward satisfaction of the carrier's deployment obligation, the recipient must report the following information in its two- and three-year milestone reports:

- (a) The location's census block information is based on the Federal Information Processing Standard (FIPS) code,
- (b) The carrier's NECA-assigned operating company code (OCN),
- (c) The carrier's study area code (SAC),
- (d) The wire center's eight-digit Common Language Location Identified (CLLI) code,
- (e) The latitude (to six decimal places), and
- (f) The longitude (to six decimal places).

If two locations have identical latitude and longitude coordinates (e.g., two apartments that are vertically aligned), recipients should note these situations and provide an explanation for the duplication.

(25) 47 C.F.R. § 54.313(b)(2)(i). Phase I funding recipients are prohibited from satisfying their deployment obligations by deploying to locations that are already or will be served by the Broadband Initiatives Program (BIP) or the Broadband Technology Opportunities Program (BTOP). This requirement promotes efficient use of government funds by ensuring that two government programs do not pay for broadband to be deployed to the same location. To ensure that carriers abide by the restriction on building to BIP and BTOP locations, the Commission requires carriers to certify in annual milestone reports that, to the best of the recipient's knowledge, the locations in question are not receiving support under BIP or BTOP for projects that will provide broadband with speeds of at least 4 Mbps downstream and 1 Mbps upstream. 47 C.F.R. § 54.313(b)(2)(i).

(26) 47 C.F.R. § 54.313(b)(2)(ii). Connect America Phase I involves the investment of hundreds of millions of dollars of government funding. It is necessary for carriers to report on where those funds are being used to ensure proper oversight. To that end, Phase I funding recipients are required to report annually the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks where funding was spent. 47 C.F.R. § 54.313(b)(2)(ii). This information will allow the Commission to track where funding is spent and ensure that funds are used for proper purposes.

Other Requirements

(27) 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.

(28) 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.

(29) 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.

(30) 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).

(31) 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 build-out 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 build-out 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).

We propose to reduce the burdens associated with these requirements to reflect that eight price cap carriers accepted Phase I incremental support.

(32) 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.

(33) 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).

(34) 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.

(35) Changes in Phase I Deployments

47 C.F.R. § 54.312(b)(3). Connect America Phase I recipients are permitted to deviate from their initially reported deployment plans. However, in doing so, they are required to report the change to the Commission by submitting a letter in WC Docket No. 10-90, the Universal Service Administrative Company (USAC or Administrator), relevant state commissions, and any affected Tribal government. 47 C.F.R. § 54.312(b)(3).

- (a) Changes that involve a decision not to deploy to a previously identified census block must be reported prior to filing the final deployment certification under 47 C.F.R. § 54.313(b)(2).
- (b) Changes that involve deploying to census blocks that were not identified previously must be reported at least 90 days prior to deployment. The Commission will publicly announce these changes.
- (c) No sooner than 46 days after this public announcement, but prior to commencing construction, if the carrier is deploying to census blocks not identified previously, the carrier must make all certifications that would have been required had the carrier elected to deploy to that census block when it initially accepted support. *Connect America Fund*, WC Docket No. 10-90, Order on Reconsideration, FCC 13-97 (July 16, 2013).

The requirement to report updated Phase I deployment plans serves two purposes:

First, it allows the Commission to verify that the locations in question are eligible for Phase I support prior to deployment.

Second, it gives existing broadband providers an opportunity to inform the Phase I recipient that the providers are already serving the census blocks in question. Thus, this reporting requirement ensures that Connect America Phase I funds are spent only in eligible areas, helping to guarantee that government funds are used effectively to bring broadband to as many eligible unserved locations as possible.

(36) Connect America Phase II State-Level Commitment Elections (Propose deleting this requirement given that the deadline to elect Phase II model-based support has passed)

Incumbent price cap carriers are given an opportunity to accept Phase II support for all areas they serve in a given state, in exchange for making a commitment to provide a certain level of service to those areas. A carrier may accept or decline support through its Phase II election:

- (a) If a carrier is accepting funding, it must submit a letter signed by an officer of the company declaring that the carrier accepts the support amount and commits to satisfy the service obligations for Phase II. The carrier must also acknowledge that if it fails to meet its service obligations, it will be subject to penalties and/or enforcement actions, as specified by the Commission. If the Commission ultimately decides to require a letter of credit or other form of security for Phase II elections, such security must be submitted along with the election letter.
- (b) A carrier may decline Phase II support by submitting a letter signed by an officer of the company noting that it does not accept Phase II support for a given state. *Connect America Fund*, WC Docket No. 10-90, Report and Order, DA 13-1113 (Wireline Comp. Bur. May 16, 2013).

The submission of an election letter is necessary for the Commission to determine what Phase II support should be distributed. Requiring the acknowledgement of service obligations will ensure that carriers have affirmative knowledge of what burdens they take on as a result of electing to accept Phase II support.

(37) Connect America Fund Phase I Certifications

Phase I of the Connect America Fund provides a substantial amount of support to price cap carriers in exchange for a commitment to deploy broadband-capable infrastructure to areas currently lacking broadband. To prevent waste, fraud, and abuse in the program, carriers are required to certify in various ways that the funds they received are spent only in areas eligible for funding. In the Commission's recent Report and Order implementing a second round of Phase I support, carriers are required to make several certifications related to their public interest obligations. *Connect America Fund*, WC Docket 10-90, Report and Order, FCC 13-73 (May 22, 2013).

The following certifications apply only to Phase I funds accepted in 2013 or later. They do not apply to Phase I funding accepted in 2012. Renewal of these certifications is necessary in the event that recipients make changes to their Connect America Phase I deployment plans. If a recipient intends to deploy to a location that it had not identified previously, it is required to make all the Phase I certifications. Under the current schedule for Phase I, recipients could make changes to deployment plans as late as 2016.

All Phase I recipients must certify in a letter filed in WC Docket No. 10-90:

- 1) that the locations to be served are not shown as already served by either 768 kbps /200 kbps Internet service or 3 Mbps/768 kbps Internet service;

- 2) that to the best of the carrier's knowledge, the locations are in fact unserved by 768 kbps /200 kbps Internet service or 3 Mbps/768 kbps Internet service, as appropriate;
- 3) the carrier's current capital improvement plan did not already include plans to complete broadband deployment within the next three years to the locations to be counted to satisfy the deployment obligation;
- 4) incremental support will not be used to satisfy any merger commitment or similar regulatory obligation; and
- 5) the carrier has undertaken due diligence to determine the locations in question are not within the service area of either BIP or BTOP projects that will provide Internet access with speeds of at least 3 Mbps downstream and 768 upstream.

Any Phase I recipient that wishes to satisfy its Phase I deployment obligations by building in census blocks that are or will receive funding through BIP or BTOP must certify to the Commission that the particular locations its plans to serve will not receive funding under BIP or BTOP.

(38) Connect America Fund Phase II Challenge Process

The Wireline Competition Bureau of the Commission set forth a challenge process by which carriers could contest the status of census blocks as shown on the National Broadband Map. *Connect America Fund*, WC Docket No. 10-90, Order, DA 13-1113, at paras. 4-22 (Wireline Comp. Bur. May 16, 2013).

All parties wishing to raise a challenge or respond to a challenge must file their challenge with the Bureau using FCC Form 505. Parties must submit their name, FCC Registration number (if applicable), the name, mailing address, e-mail address, and phone number of the person filling out the challenge form. Parties must also submit a certification that all information in the form is correct to the best of their knowledge, and include the name, e-mail address, and phone number of the person making that certification.

Parties challenging that a census block shown as served is in fact unserved must submit the Federal Information Processing Standard (FIPS) code for the block, the state the block is located in, the name of any provider shown as providing disqualifying service to that block, an indication of what criteria of service the challenger believes is not being met, an indication of what type of evidence supports the challenge, and any additional comments believed to be necessary. Parties must also certify that they engaged in due diligence to verify their claims and submit as attachments any evidence supporting the challenge.

Parties challenging that a census block that is shown as unserved is in fact served must submit the FIPS code for the block, the state the block is located in, the name of the entity that provides service, the FCC Registration Number of the party filing the challenge (if the party filing the challenge is also the entity providing service), a certification that the census block is served by unsubsidized broadband and voice services meeting the Commission's

performance and pricing criteria, an indication of what type of evidence supports the challenge, and any additional comments believed to be necessary. Parties must also submit as attachments any evidence supporting the challenge.

Parties making a challenge also are required to serve a copy of their challenge on the challenged party, or certify that such service was completed or that a good faith effort was made to provide such service.

Parties responding to a challenge must submit the FIPS code for the block, the state the block is located in, the name of the entity that made the initial challenge and its FCC Registration Number (if provided), an indication as to what performance or pricing criteria is at issue, an indication of what type of evidence supports the challenge, and any additional comments believed to be necessary. Parties must also submit as attachments any evidence supporting the response.

Statutory authority for this information collection is contained in 47 U.S.C. sections 151-154, 155, 201-206, 214, 218-220, 251, 252, 254, 256, 303(r), 332, 403, 405, 410, and 1302.

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. The Commission will also use the information collections to conduct oversight and ensure that Connect America funds are spent in accordance with the rules of the program and to determine what areas should be eligible for Phase II 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.* The collection of information may affect small entities as well as large entities. The Phase II challenge process may impact small entities; however, the impact will likely not be substantial nor will it affect a significant number of small entities. The process has been designed to limit the burden as much as possible on small entities. In addition to various substantive provisions in the rules for the challenge process, forms are

made available to assist small entities in understanding what type of information should be submitted.

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. The information collected is also used to ensure compliance with the deployment requirements of Phase I, Phase II, and the rural broadband experiments. Without the submission of location information or funding usage, the Commission would be unable to verify that recipients had met their Connect America deployment obligations. Without the Phase I, Phase II, and rural broadband experiment certifications, Connect America funds could be used to deploy to areas that are not eligible for funding, resulting in a waste of federal funds.
7. *Special circumstances.* We do not foresee any special circumstances with this information collection.
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 February 17, 2016, *See* 81 FR 8065. We received one comment in response to this notice. *See* Paperwork Reduction Act Comments of NTCA-The Rural Broadband Association and WTA- Advocates for Rural Broadband, OMB Control No. 3060-0986 (filed Apr. 18, 2016). The commenters request that the E-rate certification (item c below) not be included on Form 481 for the July 1, 2016 filing. USAC has confirmed that the lines related to E-rate certification (Lines 2019 and 3009) will not be active for this year's Form 481 filing. Accordingly, carriers will not be able to or required to complete those sections of the form for the filing due July 1, 2016.
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 jj. 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. Geocoded Information and Capital Operating Expense Data for Phase II Model-Based Support Recipients (Form 481) (new requirement):

- (1) Number of respondents: Approximately 9. Only price cap carriers that elect to receive Phase II model-based support must report this data.
- (2) Frequency of response: Annually. Each price cap carrier accepting funding must file the reports annually after accepting support.
- (3) Annual hour burden per respondent: 30 hours per respondent for 9 carriers filing on an annual basis. Total annual hour burden is calculated as follows:

9 respondents x 1 report per respondent = 9 responses x 30 hours = **270 total annual hours.**
- (4) Total estimate of in-house cost to respondents for the hour burden: \$10,800. (270 hours x \$40/hr.).
- (5) Explanation of calculation: We estimate that each Phase II model-based support recipient will take 30 hours to gather and submit the geocoded locations information and total amount of Phase II support paid for capital expenses to the Commission:

9 (number of respondents) x 30 (hours to prepare report) x \$40/hr. = \$10,800.

b. Build-Out Certifications for Phase II Model-Based Support Recipients (Form 481) (new requirement):

- (1) Number of respondents: Approximately 9. Only price cap carriers that elect to receive Phase II model-based support must make this certification.
- (2) Frequency of response: Annually. Carriers accepting Phase II model-based support will be required to file this certification annually starting in their 2018 annual reports.
- (3) Annual hour burden per respondent: 10 hours per respondent for 9 carriers filing on an annual basis. Total annual hour burden is calculated as follows:

9 respondents x 1 report per respondent = 9 responses x 10 hours = **90 total annual hours.**
- (4) Total estimate of in-house cost to respondents for the hour burden: \$3,600 (90 hours x \$40/hour).

- (5) Explanation of calculation: We estimate that each carrier accepting Phase II model-based support will spend at least 10 hours certifying that it is meeting the required broadband deployment milestones.

9 (number of respondents) x 10 (hours to confirm and certify compliance) x \$40/hr. = \$3,600.

c. E-rate Certification for Phase II Model-Based Support Recipients and Rate-of-Return Carrier High-Cost Recipients (Form 481) (new requirement)

- (1) Number of respondents: Approximately 1,150. Only price cap carriers that elect to receive Phase II model-based support and rate-of-return carriers that receive high-cost support must make this certification.
- (2) Frequency of response: Annually. Carriers accepting Phase II model-based support and rate-of-return carriers that receive high-cost support will be required to file this certification once the requirement has been fully implemented.
- (3) Annual hour burden per respondent: 2 hours per respondent for 1,150 carriers filing on an annual basis. Total annual hour burden is calculated as follows:

1,150 respondents x 1 report per respondent = 1,150 responses x 2 hours = **2,300 total annual hours.**

- (4) Total estimate of in-house cost to respondents for the hour burden: \$92,000 (2,300 hours x \$40/hour).
- (5) Explanation of calculation: We estimate that each carrier that accepted Phase II model-based support and each rate-of-return carrier that receives high-cost support will spend at least 2 hours certifying that it has met the E-rate requirements.

1,150 (number of respondents) x 2 (hours to confirm and certify compliance) x \$40/hr. = \$92,000.

d. Reasonably Comparable Rates Certification for Broadband (Form 481) (new requirement)

- (1) Number of respondents: Approximately 1,174. Almost all price cap carriers, rate-of-return carriers, and rural broadband experiment recipients will be required to make this certification.
- (2) Frequency of response: Annually. Carriers will be required to file this certification with their annual reports.
- (3) Annual hour burden per respondent: 4 hours per respondent for 1,174 carriers filing on an annual basis. Total annual hour burden is calculated as follows:

1,174 respondents x 1 report per respondent = 1,174 responses x 4 hours = **4,696 total annual hours.**

(4) Total estimate of in-house cost to respondents for the hour burden: \$187,840 (4,696 hours x \$40/hour).

(5) Explanation of calculation: We estimate that each carrier that accepted Phase II model-based support and each rate-of-return carrier that receives high-cost support will spend at least 2 hours certifying that it has met the E-rate requirements.

1,174 (number of respondents) x 4 (hours to confirm and certify compliance) x \$40/hr. = \$187,840.

e. Phase II Non-Compliance Reports (new requirement)

(1) Number of respondents: Approximately 20. Only Phase II recipients that do not meet build-out milestones by a certain percentage will be required to file these reports.

(2) Frequency of response: Quarterly. Phase II recipients that have failed to meet their build-out milestones by a certain percentage will be required to file quarterly reports.

(3) Annual hour burden per respondent: 8 hours per respondent for 20 carriers filing on a quarterly basis. Total annual hour burden is calculated as follows:

20 respondents x 4 reports per respondent = 80 responses x 8 hours = **640 total annual hours.**

(4) Total estimate of in-house cost to respondents for the hour burden: \$25,600 (640 hours x \$40/hour).

(5) Explanation of calculation: We estimate that each Phase II recipient that has failed to meet its build-out milestones will take 8 hours to collect and report location data for each quarter.

20 (number of respondents) x 8 (hours to prepare report) x 4 reports x \$40/hr. = \$25,600.

f. Additional Annual Reporting for Rural Broadband Experiments (Form 481) (new requirements):

(1) Number of respondents: Approximately 20. Only recipients of rural broadband experiment support must report this data and make these certifications.

(2) Frequency of response: Annually. Each rural broadband experiment recipient must file the reports and make the certifications annually after being authorized to receive support.

- (3) Annual hour burden per respondent: 30 hours per respondent for 20 carriers filing on an annual basis. Total annual hour burden is calculated as follows:

20 respondents x 1 certification per respondent = 20 responses x 30 hours = **600 total annual hours.**

- (4) Total estimate of in-house cost to respondents for the hour burden: \$24,000 (600 hours x \$40/hr.).

- (5) Explanation of calculation: We estimate that each rural broadband experiment support recipient will take 30 hours to gather and submit the location data and evidence and community anchor institution data to the Commission and make the required certification:

20 (number of respondents) x 30 (hours to prepare report) x \$40/hr. = \$24,000.

g. Geocoded Information for Phase I Two- and Three-Year Milestone Reports (Form 481) (Currently approved – no revisions):

- (1) Number of respondents: Approximately 8. Only price cap carriers that elect to receive Phase I funding must complete these reports.

- (2) Frequency of response: Annually. Each price cap carrier accepting funding must file the reports annually after accepting support.

- (3) Annual hour burden per respondent: 6 hours per respondent for 8 carriers filing on an annual basis. Total annual hour burden is calculated as follows:

8 respondents x 1 report per respondent = 8 responses x 6 hours = **48 total annual hours.**

- (4) Total estimate of in-house cost to respondents for the hour burden: \$1,920. (48 hours x \$40/hr.).

- (5) Explanation of calculation: We estimate that each Phase I funding recipient will take 6 hours to gather and submit the geocoded locations information to the Commission:

8 (number of respondents) x 6 (hours to prepare report) x \$40/hr. = \$1,920.

h. Broadband Initiatives Program/Broadband Technology Opportunities Program Annual Milestone Reports (Form 481) (Currently approved – no revisions)

- (1) Number of respondents: Approximately 8. Only price cap carriers that elect to receive Phase I funding must complete these reports.

(2) Frequency of response: Annually. Each price cap carrier accepting Phase I funding must file the certification in its annual report.

(3) Annual hour burden per respondent: 3 hours per respondent for 8 carriers filing on an annual basis. Total annual hour burden is calculated as follows:

8 respondents x 1 report per respondent = 8 responses x 3 hours = **24 total annual hours**. Carriers are required at the time of accepting funding to certify that an area is not served by BIP or BTOP projects.

Only minimal effort should be required to verify and certify that those initial certifications remain true.

(4) Total estimate of in-house cost to respondents for the hour burden: \$960. (24 hours x \$40/hr.).

(5) Explanation of calculation: We estimate that each Phase I funding recipient will take 3 hours to analyze and certify to the necessary information and submit those certifications to the Commission.

8 (number of respondents) x 3 (hours to prepare certifications) x \$40/hr. = \$960.

i. Phase I Investment Annual Milestone Reports (Form 481) (Currently approved – no revisions) :

(1) Number of respondents: Approximately 8. Only price cap carriers that elect to receive Phase I funding must complete these certifications.

(2) Frequency of response: Annually. Each price cap carrier accepting funding must annually report the amount of funding used in the prior year, and report where that funding was used.

(3) Annual hour burden per respondent: 20 hours per respondent for 8 carriers filing on an annual basis. Total annual hour burden is calculated as follows:

8 respondents x 1 report per respondent = 8 responses x 20 hours = **160 total annual hours**.

(4) Total estimate of in-house cost to respondents for the hour burden: \$6,400. (160 hours x \$40/hr.).

(5) Explanation of calculation: We estimate that each Phase I funding recipient will take 20 hours to gather information related to Phase I investments and report the necessary information to the Commission.

8 (number of respondents) x 20 (hours to prepare reports) x \$40/hr. = \$6,400.

j. Changes in Phase I Deployments (Currently approved – no revisions):

- (1) Number of respondents: Approximately 8. Only price cap carriers that elect to receive Phase I funding and decide to deviate from initial deployment plans would be required to file updated deployment plans.
- (2) Frequency of response: Occasionally. Each carrier is required to report changes whenever it seeks to deviate from its initial Phase I deployment plans.
- (3) Annual hour burden per respondent: 6 hours per respondent for 8 carriers filing on an occasional basis. Total annual hour burden is calculated as follows:

8 respondents x 1 report per respondent = 8 responses x 6 hours = **48 total annual hours.**

Of these 48 hours, the Commission believes that:

Reporting: 47 hours are to prepare the deployment report changes

3rd Party Disclosure: 1 hour is to notify the other existing broadband providers of these changes

The hour burden may vary depending on the extent to which a carrier varies from its original plan.

- (4) Total estimate of in-house cost to respondents for the hour burden: \$1,920. (48 hours x \$40/hr.).
- (5) Explanation of calculation: We estimate that each Phase I funding recipient will take 6 hours to analyze and submit any updates to its deployment plans.

8 (number of respondents) x 6 (hours to prepare certifications) x \$40/hr. = \$1,920.

k. Connect America Phase II State-Level Commitment Elections (Propose deletion of requirement- deadline for election has passed):

- (1) Number of respondents: Approximately 0. Only price cap carriers are eligible to elect to receive Phase II support through a state-level commitment and deadline has passed.
- (2) Frequency of response: One-time. Carriers would make a one-time election of Phase II support.
- (3) Annual hour burden per respondent: 0 hours per respondent for 0 carriers filing on an occasional basis. Total annual hour burden is calculated as follows:

0 respondents x 0 certification per respondent = 0 responses x 0 hours = **0 total annual hours.**

- (4) Total estimate of in-house cost to respondents for the hour burden: \$0. (0 hours x \$40/hr.).
- (5) Explanation of calculation: The deadline for Phase II model-based support elections has passed. We propose to delete this requirement so that there will be no associated burden hours or cost.

I. Connect America Phase I Certifications (Currently approved – no revisions):

- (1) Number of respondents: Approximately 8. Only price cap carriers that elect to receive Phase I funding must complete these certifications.
- (2) Frequency of response: One-time, or occasionally if certifications need to be amended. Each price cap carrier accepting funding must file the appropriate certifications in connection to its acceptance of Phase I funding. A carrier will only make the certification once (at the time of acceptance), except in circumstances where a carrier may need to update or amend its certifications, such as if it deviates from its initial deployment plan.
- (3) Annual hour burden per respondent: 20 hours per respondent for 8 carriers filing on an occasional basis. Total annual hour burden is calculated as follows:

8 respondents x 1 election per respondent = 8 responses x 20 hours = **160 total annual hours.**

The hour burden may vary depending on which types of deployment a carrier undertakes (i.e., whether it chooses to deploy to BIP/BTOP census blocks, locations already served by 768/200 kbps but not 3 Mbps/768 kbps, and/or locations already served by 3 Mbps/768 kbps through a copper fed DSLAM). Different types of deployment will require additional certifications.

- (4) Total estimate of in-house cost to respondents for the hour burden: \$6,400. (160 hours x \$40/hr.).
- (5) Explanation of calculation: We estimate that each Phase I funding recipient will take 20 hours to analyze and certify to the necessary information and submit those certifications to the Commission.

8 (number of respondents) x 20 (hours to prepare elections) x \$40/hr. = \$6,400.

m. Connect America Phase II Challenges and Responses (FCC Form 505):

(1) Number of respondents: Approximately 100 respondents. We anticipate that 100 parties will file challenges or responses to challenges in connection with the Phase II challenge process. When the Commission previously sought comment on updates to the National Broadband Map for purposes of determining unserved areas for Phase I of Connect America, approximately 60 comments and replies were received. The Commission expects some growth as compared to this figure due to the higher amount of funding available in Phase II and due to the fact that more criteria are used in determining whether an area is served under Phase II than in Phase I.

(2) Frequency of response: Occasionally. The Phase II challenge process is a one-time event. Some parties may file more than once, serving as both a challenger and as a party being challenged.

(3) Annual hour burden per respondent: 10 hours. Total annual hour burden is:

10 hours x 100 respondents = **1,000 hours**.

Of these 1,000 hours, the Commission believes that:

Reporting: 998 hours are to prepare the challenges or responses to challenges.

3rd Party Disclosure: 2 hours are to notify the other respondents of these changes.

(4) Total estimate of in-house cost to respondents for the hour burden: \$40,000. (100 hours x \$40/hr.).

(5) Explanation of calculation. We estimate that each party will take 10 hours preparing and submitting its challenge or response.

100 (number of respondents) x 10 (hours to prepare certification letter) x \$40/hr. = \$40,000.

n. Projected ICLS Revenue Requirements (Rate-of-Return Carriers) (FCC Form 508) (Currently approved – no revisions):

(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 file 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 in-house 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. = \$61,280.

o. Projected ICLS Revenue Requirements (Average Schedule Carriers) (FCC Form 508) (Currently approved – no revisions):

- (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 file 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 in-house 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. = \$14,640.

p. Projected ICLS Revenue Requirements (Updates for Rate-of-Return Carriers) (FCC Form 508) (Currently approved – no revisions):

- (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 file 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 in-house 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. = \$61,280.

q. Projected ICLS Revenue Requirements (Updates for Average Schedule Carriers) (FCC Form 508) (Currently approved – no revisions):

- (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 in-house 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. = \$14,640.

r. ICLS True Ups (Annually) (FCC Form 509) (Currently approved – no revisions):

- (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 file on an annual basis. Total annual hour burden is calculated as follows: 766 respondents x 1 response per respondent = 766 responses x 4 hours = **3,064 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 in-house cost to respondents for the hour burden: \$122,560. (3,064 hours x \$40/hr.).
- (5) Explanation of calculation: We estimate that time to comply with the requirement will be 3,064 hours x \$40/hr. = \$122,560.

s. ICLS True Ups (Average Schedule Carriers) (FCC Form 509) (Currently approved – no revisions):

- (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 in-house 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. = \$14,640.

t. Validation of ICLS Cost and Revenue, filed in response to the Administrator’s request for further validation (Currently approved – no revisions):

- (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 file 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 in-house 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. = \$16,000.

u. ICLS Line Counts (FCC Form 507) (Currently approved – no revisions):

- (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, = **6,792 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 in-house cost to respondents for the hour burden: \$271,680. (6,792 hours x \$40/hr.).
- (5) Explanation of calculation: We estimate that time to comply with the requirement will be 6,792 hours x \$40/hr. = \$271,680.

v. 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 information. This requirement 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 file on a quarterly basis.

- (3) Annual hour burden per respondent: 8 hours per respondent for 23 carriers that will file 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 in-house 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. = \$29,440.

w. State Certification Letter Under 254(e) (Currently approved – propose to increase burden hours to include rural broadband experiment recipient that will need to self-certify):

- (1) Number of respondents: 61 respondents. (51 states, plus approximately 10 carriers will have to file this 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 61 respondents = **183 hours**.
- (4) Total estimate of in-house cost to respondents for the hour burden: \$7,320. (183 hours x \$40/hr.).
- (5) Explanation of calculation. We estimate that each respondent will spend 3 hours complying with this requirement. 61 (number of respondents) x 3 (hours to prepare certification letter) x \$40/hr. = \$7,320.

x. 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 in-house 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. when preparing the worksheet. 360 hours x \$40/hour = \$14,400.

y. 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 (rounded up).
- (4) Total estimate of in-house cost to respondents for the hour burden: \$520. (13 hours (rounded up) 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) = 13 (rounded up) x \$40/hr. = \$520.

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

- (1) Number of respondents: Approximately 8 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 8 respondents filing annually. Total annual hour burden is: 8 respondents x 6 hours = **48 hours**.
- (4) Total estimate of in-house cost to respondents for the hour burden: \$1,920 (48 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. 8 (number of respondents) \times 6 (hours to identify the applicable wire center and census blocks and prepare the relevant reporting documents) \times \$40/hr. = \$1,920.

aa. 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 the Rate Floor Data Collection 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 \times 4 hours = **5,736 hours**.
- (4) Total estimate of in-house cost to respondents for the hour burden: \$229,440. ($5,736$ hours \times \$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) \times 4 (hours to tabulate end user rates for each line and to prepare the relevant reporting documents) \times \$40/hr. = \$229,440.

bb. 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 \times 2 hours = **3,714 hours**.
- (4) Total estimate of in-house cost to respondents for the hour burden: \$148,560 ($3,714$ hours \times \$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) \times 2 (hours to comply with document retention requirements) \times $\$40$ per hour = $\$148,560$.

cc. Annual Reporting Requirements for All Funding Recipients (Currently approved – propose to increase the number of respondents to reflect potential rural broadband experiment recipients):

- (1) Number of Respondents: Approximately 1,877 telephone companies.
- (2) Frequency of Response: Annually.
- (3) Annual hour burden per respondent: 100 hours per respondent for 1,877 respondents filing on an annual basis. Total annual hour burden is: $1,877$ respondents \times 100 hours = **187,700 hours.**
- (4) Total estimate of in-house cost to respondents for the hour burden: $\$7,508,000$ ($187,700$ hours \times $\$40$ /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: $1,877$ (number of respondents) \times 100 (hours tracking, filtering, tabulating, assessing and preparing reporting requirements) \times $\$40$ per hour = $\$7,508,000$.

dd. 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 \times 4 hours = **1,200 hours.**
- (4) Total estimate of in-house cost to respondents for the hour burden: $\$48,000$ ($1,200$ hours \times $\$40$ /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) \times 4 (hours preparing, reviewing, and submitting report) \times $\$40$ per hour = $\$48,000$.

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

- (1) Number of respondents: Approximately 8 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: Occasionally. 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 8 respondents filing 2 reports over a three year period. Total annual hour burden is: 8 respondents x 2 reports x 15 hours/3 years = **80 hours**.
- (4) Total estimate of in-house cost to respondents for the hour burden: \$3,200 (80 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. 8 (number of respondents) x 15 (hours to confirming and certifying compliance) x \$40/hour = \$4,800.

ff. 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 in-house 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. = \$175,800.

gg. 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 in-house 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. = \$175,800.

hh. Connect America Fund Phase II Certification (Propose to adjust hours because a portion of this requirement is superseded by newly added certifications and reporting obligations; also propose to reduce the number of respondents to reflect the number of price cap carriers that accepted Phase II model-based support):

- (1) Number of respondents: Approximately 9 carriers or holding companies receiving Connect America Phase II support will be required to submit progress reports on five-year service quality plans.
- (2) Frequency of response: Annually.
- (3) Annual hour burden per respondent: 10 hours per respondent for 9 respondents filing annually. Total annual hour burden is: 9 respondents x 10 hours = **90 hours**.
- (4) Total estimate of in-house cost to respondents for the hour burden: \$3,600. (90 hours x \$40/hour.).
- (5) Explanation of calculation: The certification portion of this requirement has been superseded by the proposed new certifications for Phase II support addressed above. We estimate that each Phase II funding recipient will spend at least 10 hours collecting data and drafting the additional required items for its five-year service quality plan progress report, including data on newly served community anchor institutions. 9 (number of

respondents) x 10 (hours to track, filter, tabulate, assess, and prepare reporting requirements for progress report) x \$40/hr. = \$3,600.

ii. 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 build-out 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 in-house 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 build-out milestones) x \$40/hr. = \$1,369,200.

jj. 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 in-house 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. 625 (number of respondents) x 15 (hours to prepare and submit financial statements) x \$40/hr. = \$375,000.

kk. 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 x 15 hours = **300 hours**.
- (4) Total estimate of in-house cost to respondents for the hour burden: \$12,000. (300 hours x \$40/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) x 15 (hours to confirm and certify compliance) x \$40/hr. = \$12,000.

ll. 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 x 4 hours = **80 hours**.
- (4) Total estimate of in-house cost to respondents for the hour burden: \$3,200. (80 hours x \$40/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) x 4 (hours to gather and report rates) x \$40/hr. = \$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 Cost to Respondents
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<u>a. Geocoded Information and Capital Operating Expense Data for Phase II Model-Based Support Recipients</u>	9	9	30	270	\$10,800
<u>b. Build-Out certification for Phase II Model-Based Support Recipients</u>	9	9	10	90	\$3,600
<u>c. E-rate Certification for Phase II Model-Based Support Recipients and Rate-of-Return Carrier High-Cost Recipients</u>	1,150	1,150	2	2,300	\$92,000
<u>d. Reasonably Comparable Rates Certification for Broadband</u>	1,174	1,174	4	4,696	\$187,840
<u>e. Phase II Non-Compliance Reports</u>	20	80	8	640	\$25,600
<u>f. Additional Annual Reporting for Rural Broadband Experiments</u>	20	20	30	600	\$24,000
<u>g. Geocoded Information for Phase I Two- and Three-Year Milestone Reports</u>	8	8	6	48	\$1,920.00

<u>h. Broadband Initiatives Program/ Broadband Technology Opportunities Program Annual Milestone Reports</u>	8	8	3	24	\$960.00
<u>i. Phase I Investment Annual Milestone Reports</u>	8	8	20	160	\$6,400.00
<u>j. Changes in Phase I Deployments</u>	8	8	6	48	\$1,920.00
<u>k. Connect America Phase II State-Level Commitment Elections</u>	0	0	0	0	\$0
<u>l. Connect America Phase I Certifications</u>	8	8	20	160	\$6,400.00
<u>m. Connect America Phase II Challenges and Responses</u>	100	100	10	1,000	\$40,000
<u>n. Projected ICLS Revenue Requirements (Rate-of-Return) (FCC Form 508)</u>	766	766	2	1,532	\$61,280.00
<u>o. Projected ICLS Revenue Requirements (Average Schedule Carriers) (FCC Form 508)</u>	366	366	1	366	\$14,640.00

<u>p. Projected ICLS Revenue Requirements (Updates for Rate-of-Return Carriers) (FCC Form 508)</u>	766	766	2	1,532	\$61,280.00
<u>q. Projected ICLS Revenue Requirements (Updates for Average Schedule Carriers) (FCC Form 508)</u>	366	366	1	366	\$14,640.00
<u>r. ICLS True Ups (Annually) (FCC Form 509)</u>	766	766	4	3,064	\$122,560.00
<u>s. ICLS True Ups (Average Schedule Carriers) (FCC Form 509)</u>	366	366	1	366	\$14,640.00
<u>t. 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>u. ICLS Line Counts (FCC Form 507)</u>	1,132	1,132	6	6,792	\$271,680.00
<u>v. Reporting Working Loops at Cost-Zone Level</u>	23	92	8	736	\$29,440.00

<u>w. State Certification Letter Under 254(e)</u>	61	61	3	183	\$7,320.00
<u>x. Support in Competitive Study Areas: (FCC Form 525)</u>	15	60	6	360	\$14,400.00
<u>y. Safety Valve</u>	25	25	0.5	13	\$520.00
<u>z. Connect America Fund Phase I Incremental Support Acceptance</u>	8	8	6	48	\$1,920.00
<u>aa. Local End User Rates and State Regulated Fees</u>	1,434	1,434	4	5,736	\$229,440.00
<u>bb. Recordkeeping Requirements</u>	1,857	1,857	2	3,714	\$148,560.00
<u>cc. Annual Reporting Requirements for All Funding Recipients</u>	1,877	1,877	100	187,700	\$7,508,000.00
<u>dd. Tribal Engagement Report</u>	300	300	4	1,200	\$48,000.00

<u>ee. Connect America Fund Phase I Incremental Support Certification</u>	8	8	15	80	\$3,200.00
<u>ff. Price Cap Carrier Frozen High Cost Support Certification</u>	293	293	15	4,395	\$175,800.00
<u>gg. Price Cap Carrier High-Cost Support for Access Charges Certification</u>	293	293	15	4,395	\$175,800.00
<u>hh. Connect America Fund Phase II Certification</u>	9	9	10	90	\$3,600.00
<u>ii. Rate-of-Return Carrier Certification</u>	1,141	1,141	30	34,230	\$1,369,200.00
<u>jj. Privately Held Rate-of-Return Carrier Certification</u>	625	625	15	9,375	\$375,000.00
<u>kk. Carriers Lacking Terrestrial Backhaul Certification</u>	20	20	15	300	\$12,000.00

II. Residential Rate Updates

20

20

4

80

\$3,200.00

TOTALS:

Total Number of Respondents: 1,977 unique respondents filing multiple times.

Total Number of Responses Annually: 15,333

Total Annual Hourly Burden for requirements (a) – (II): 277,089

Total Annual In-house Costs to respondents: \$11,083,560.00

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 for respondents.
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 Commission is reporting adjustments to this information collection which are due to the addition of new reporting requirements for recipients of Phase II model-based support, rate-of-return carriers, and rural broadband experiment recipients. For these adjustments, the total number of respondents increased from 1,957 to 1,977 (+20), the total number of annual responses increased from 12,885 to 15,346 (+2,461), the total annual burden hours increased from 266,868 to 277,167 (10,299).

Also, the Commission is also reporting a program change due to the deletion of an outdated requirement. For this program change, the respondents did not change, the total number of annual responses decreased from 15,346 to 15,333 (-13), and the total annual burden hours decreased from 277,167 to 277,089 (-78).

In summary, since this information collection was last approved by OMB (taking into account both the requested adjustments and program change): the total respondents increased from 1,957 to 1,977 (+20), total annual responses increased from 12,885 to 15,333 (+2,448), and the total annual burden hours increased from 266,868 to 277,089 (+10,221).

16. *Collections of information whose results will be published.* Non-proprietary information will likely be made publicly available. The Commission plans to make some of this information available publicly. Information related to Phase I, Phase II, and rural broadband experiment deployments will be released by the Commission. Data regarding the locations that received broadband under the program and data regarding where Connect America money was spent are included in recipients' annual reports, which are publicly available.

Phase I and II certifications will be made public, either through the Commission's Electronic Comment Filing System (ECFS) or through release by the Commission. The Commission plans to make Phase II challenge process information public through the issue of .csv files.

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 505, 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.* 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.