

## SUPPORTING STATEMENT

**A. Justification:**

1. The Commission seeks the Office of Management and Budget (OMB) approval to renew the Form 477 information collection.

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

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

This collection provides an understanding of the extent of broadband deployment, facilitates the Commission's development of appropriate broadband policies, and enables the Commission to carry out its obligation under section 706 of the Telecommunications Act of 1996, as amended, to "determine whether advanced telecommunications capability is being deployed to all Americans in a reasonable and timely fashion."<sup>1</sup> In addition, the information collected in Form 477 enhances the Commission's analysis and understanding of the extent of local telephone competition, which in turn supports the Commission's efforts to open all telecommunications markets to competition and to promote innovation and investment by all participants, including new entrants, as required by the Telecommunications Act of 1996.<sup>2</sup>

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

The Order assigned to the Commission responsibility for continuing data collection on broadband services deployment, data that previously had been collected by the National Telecommunications and Information Administration (NTIA), in coordination with state entities through the State Broadband Initiative (SBI), and was used to populate the National Broadband Map.<sup>4</sup> NTIA's SBI program ended in 2014, after its data collection as of June 2014,<sup>5</sup> and the Order designated Form 477 as the method for continuing the collection of these data.<sup>6</sup> The Order made certain adjustments to the way in which these data are collected

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<sup>1</sup> See 47 U.S.C. § 1302.

<sup>2</sup> See 47 U.S.C. §§ 251, 252, 271.

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

<sup>4</sup> Order, 28 FCC Rcd at 9897, ¶ 23.

<sup>5</sup> Order, 28 FCC Rcd at 9897, ¶ 23.

<sup>6</sup> Order, 28 FCC Rcd at 9897, ¶ 23.

in order to reduce burdens on filers and enhance the usefulness of the data.<sup>7</sup> In addition to designating Form 477 as the vehicle to collect data on broadband deployment, the Order adopted certain modifications to the existing Form 477 collection of broadband and local telephone subscription data.

The Order reduced the burden on broadband providers by:<sup>8</sup>

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

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

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

2. The Commission uses the information to prepare reports that help inform consumers and policy makers at the federal and state level of the deployment and adoption of broadband services, and the development of competition in the voice telephone services market. The Commission releases to the public the broadband deployment and mobile voice deployment data that it began collecting in 2014 as a result of the Order. This information is used by consumers, federal and state government agencies, analysts, and others to determine broadband service availability by provider, technology, and speed.

The Commission uses the information collected in Form 477 to examine broadband deployment and adoption in conjunction with its congressionally-mandated section 706 broadband progress reports. The additional data collected as a result of the revisions to Form 477 in 2013 have enhanced the Commission's understanding of broadband deployment.

The Commission uses the Form 477 data to support its analyses in a variety of rulemaking proceedings under the Communications Act, including those related to fulfilling its universal service mandate. Absent this information collection, the Commission would lack essential

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<sup>7</sup> Order, 28 FCC Rcd at 9898, ¶ 24.

<sup>8</sup> Order, 28 FCC Rcd at 9897-98, ¶¶ 23-24.

data needed to implement and determine the effectiveness of its policies and fulfill its statutory responsibilities in accordance with the Communications Act of 1934, as amended.<sup>9</sup>

3. Respondents use a web-based interface to submit Form 477 data electronically over the Internet. The web-based interface employs HyperText Transfer Protocol over Secure Socket Layer (HTTPS) to secure the submitted information during transmission. The interface includes the following pages:
  - A Login page where users enter an FCC Registration Number (FRN) and password to gain access to the site
  - A Main Menu page where filers can create a new filing and access existing filings
  - A Submission Menu page that provides to the 9 sections of the form and allows users to submit or revise a filing
  - Pages for each of the 9 sections of the form (Fixed Broadband Deployment, Fixed Broadband Subscription, Fixed Voice Subscription, Mobile Broadband Deployment, Mobile Broadband Subscription, Mobile Broadband Service Availability, Mobile Voice Deployment, Mobile Voice Subscription, and Explanations & Comments) where users can upload or enter data
  - A Submission Confirmation page that users see after successfully submitting a filing. This page provides a link to a Filing Summary, a document summarizing the data included in a filing that users can print or download.

Various instructional documents and other resources are available to filers on the Commissions Form 477 Resources page at [www.fcc.gov/form477](http://www.fcc.gov/form477). These include:

- Complete Instructions
- User Guide
- File upload templates
- Formatting information documents
- An explanation of the terms used in each section of the form
- Links to various geographical resources
- Data specification

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

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

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<sup>9</sup> See 47 U.S.C. §§ 251, 252, 271, 1302.

state-specific Form 477 data to those state public utility commissions that can afford equivalent protection against unauthorized release.

5. Because Congress has tasked the Commission with encouraging deployment of broadband to all Americans and promoting competition in voice telephone service, the information collection may affect small entities as well as large entities. In conformance with the Paperwork Reduction Act, the Commission has made an effort to minimize the burden on all respondents, regardless of size. We believe that the implementation of the electronic, web-based filing interface and the resources available to filers on the Commission's webpage, both described in the answer to 3, *supra*, have resulted in a substantially easier filing process as compared with the prior process of submitting Excel spreadsheets *via* email. Further, the Commission has limited the information requirements to those that it has deemed absolutely necessary for evaluating the status of local competition and deployment of broadband services. These efforts minimize the impact on small entities.
  
6. As discussed in the answer to 2, *supra*, the information collected in Form 477 on the deployment of broadband services and competition in voice telephone services is essential for assisting the Commission in determining the effectiveness of its policies, informing analyses in a variety of Commission rulemaking proceedings, and understanding broadband deployment in conjunction with congressionally required section 706 reports. The information supports the Commission's evaluation of broadband and local telephone policies and industry developments as they affect all Americans, including those residing in rural areas. The Form 477 data would not be available through another source if these data were not collected through Form 477.  
  
Semi-annual reporting for Form 477 balances the Commission's need for information with the burden imposed on reporting entities.
  
7. Respondents are not required to file the information collection with the Commission more often than semi-annually. The provision for confidential treatment of submitted information conforms to authorized Commission procedures, and the Commission allows reporting entities to indicate that they request confidentiality of some data on the submission interface. No other special circumstances apply to this information collection.
  
8. The Commission placed a 60-day notice in the Federal Register pursuant to 5 CFR § 1320.8(d). See 82 FR 12096, dated February 28, 2017. No comments were filed.
  
9. The Commission has not provided any payment or gift to respondents.
  
10. We will continue to allow respondents to certify on the submission interface that some data contained in that submission are privileged or confidential commercial or financial

information and that disclosure of such information would likely cause substantial harm to the competitive position of the entity making the submission. If the Commission receives a request for, or proposes to disclose the information, the respondent would be required to show, pursuant to the Commission's rules for withholding from public inspection information submitted to the Commission, that the information in question is entitled to confidential treatment. We will retain our current policies and procedures regarding the protection of submitted Form 477 data subject to confidential treatment. This protection includes publishing only aggregated, non-company specific subscribership data in our reports. As discussed in the answer to 16, *infra*, the Commission releases publicly most of the broadband deployment data collected on Form 477.

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

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

(1) Number of Respondents: approximately **2,331 respondents**.

Based on the Commission's experience with the Form 477 information collection, there are approximately 2,331 respondents. Respondents include facilities-based providers of fixed broadband services, incumbent and competitive local exchange carriers (LECs), interconnected VoIP service providers, and facilities-based providers of mobile voice and broadband services.

Respondents with both incumbent LEC and non-incumbent LEC operations must submit separate reports.

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

(3) Total Number of Responses Annually: approximately **4,662 responses**.

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

Approximately 2,331 respondents x 2 responses/annum = approximately 4,662 responses.

(4) Estimated annual hour burden: approximately **1,655,010 hours** (annual hour burden for *all* respondents).

We derived this estimate by summing the estimated annual hour burdens for each category of respondent listed in the answer to 12 (1) (*i.e.*, facilities-based providers of broadband connections, incumbent and competitive local exchange carriers (LECs), interconnected VoIP service providers, and facilities-based providers of mobile wireless service). We calculated the annual hour burden for each category by estimating the

number of hours required to complete the parts of Form 477 that are applicable to the filers in each category and multiplying it by the estimated number of respondents in each category, based on past Form 477 submissions. We also account for respondents that fall into several categories and will need to complete multiple parts, but not necessarily all, of Form 477.

Based on this calculation, the Commission estimates that the average hour burden, per semi-annual response, for the *average* respondent is 355 hours.

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

Approximately 2,331 respondents x 2 responses/annum x approximately 355 hours/response, or approximately **1,655,010 total annual burden hours (average)**

- (5) Estimated Total Annualized “In-House” Cost to Respondents for the hour burdens for collection of information: approximately \$70,607,502 (approximately \$30,291 per respondent on average).

The Commission estimates that respondents will use a staff equivalent GS 11, Step 5, plus 30% overhead, to comply with the requirement throughout the authorized period (\$42.65 per hour [\$32.81/ hour] plus \$9.84 overhead per hour). We calculated the annualized cost to respondents for the hour burdens of the collection by multiplying the estimated total annual burden for all respondents as a group (*see* the answer to 12(3), *supra*) by \$42.65 per hour.<sup>10</sup>

Estimated 1,655,010 burden hours/annum x \$42.65/hour = \$70,607,502.

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

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

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

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

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

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<sup>10</sup> Salary Table 2017 RUS, Incorporating the 1% General Schedule Increase and a Locality Payment of 15.06, For the Locality Pay Area of Rest of U.S., Total Increase 1.63%, Effective January 2017.

14. Costs to the Commission: approximately \$298,000 per year.

The program will be administered by economists, GIS experts, analysts, and support specialists at several GS levels with the assistance of senior managers and attorneys. Based on its extensive experience managing this particular data collection, the Commission estimates that the program will cost it \$298,000 per year. The program does not envision other costs, e.g., personnel or other resources from other government agencies or from the private sector.

15. The Commission is reporting adjustments/increases to this information collection. The total number of respondents increased by 329 respondents, the total annual responses by 658 and the total annual burden hours increased by 105,462 burden hours.

This change in burden hours is due to two factors. First, as explained in the answer to 12(1), *supra*, the number of respondents to Form 477 has increased, which increases the total burden. Two, the estimated average hour burden per response decreased from 387 to 355. The previous estimate of 387 was an average that included higher burden hour estimates (of 628 and 406) for the first two filings due under after the modifications to Form 477 were implemented in 2014. As respondents have become more familiar with the revised filing requirements and the accompanying online submission interface and have prepared and submitted their Form 477 data multiple times, we assume that their burden hours for each filing have decreased to an average of 355. Taken together, these two factors have resulted in a net increase in burden hours.

There are no program changes.

16. Most of the broadband deployment data collected on Form 477 is publicly available on the FCC's website at <https://www.fcc.gov/general/broadband-deployment-data-fcc-form-477>. The broadband deployment data for a particular round are typically released 5 to 6 months after the submission deadline.

Certain information filed on Form 477 is not be made publicly available by the Commission. In our experience, the preponderance of Form 477 filers have asserted that some or all of their filed subscribership data are competitively sensitive. As noted in the answer to 10, *supra*, we will continue our current policy of publishing aggregated subscribership data in our reports, including the Internet Access Services Report at <https://www.fcc.gov/reports/internet-access-services-reports> and the Voice Telephone Services Report at <https://www.fcc.gov/voice-telephone-services-report>. We will continue to publish these reports twice each year, approximately 6 to 12 months after the submission deadline for each semi-annual filing.

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

18. 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.