

**Annual Report for Mobility Fund Phase I Support,  
FCC Form 690 and Record Retention Requirements**

SUPPORTING STATEMENT

**A. Justification:**

The Federal Communications Commission (Commission) requests an extension without change from the Office of Management and Budget (OMB) for a currently approved information collection for a period of three years.

1. *Circumstances that make the collection necessary.* In its November 2011 *USF/ICC Transformation Order* (FCC 11-161), the Commission comprehensively reformed and modernized the high-cost program within the universal service fund and, among other things, established the Mobility Fund to ensure that all Americans have access to robust, affordable broadband and advanced mobile services. The Commission adopted rules in the *USF/ICC Transformation Order* for Phase I of the Mobility Fund (MF-I), which provided up to \$300 million in one-time universal service support payments to immediately accelerate deployment of mobile broadband services in unserved areas, and also established a separate and complementary one-time Tribal Mobility Fund Phase I (TMF-I) to award up to \$50 million in additional universal service funding to Tribal Areas, including Alaska, to accelerate mobile broadband availability in these remote and underserved areas. The rules adopted by the Commission include annual reporting and record retention requirements for MF-I and TMF-I support recipients.

In its May 2012 *Third Order on Reconsideration* (FCC 12-52), the Commission revised section 54.1009(a) of its rules to change the deadline by which MF-I and TMF-I support recipients must file their annual reports.

Winning bidders that elected to provide supported services over 3G networks must meet their requirements within two years after being authorized to receive support and those that elected to deploy 4G networks must do so within three years after being authorized to receive support. Recipients of MF-I and TMF-I support are required to file annual reports with the Commission demonstrating the coverage provided with support from the Mobility Fund for five years after qualifying to receive support. Documentation prepared for, or in connection with, the award of MF-I and TMF-I support is to be retained by a recipient of such support for a period of not less than ten (10) years after the recipient receives its final disbursement of support.

At the conclusion of the MF-I and TMF-I auctions, there were a total of 38 winning bidders who were eligible to receive support. Several of the winning bidders were subsequently determined to not be eligible for support for either all or some of their winning bids. The Commission estimates that up to 34 parties with 612 winning bids are currently required to submit an annual report.

The following are the collections of information required for all recipients of MF-I and TMF-I support:

- a. *Annual Reports.* Section 54.1009 of the Commission's rules requires winning bidders to submit an annual report no later than July 1 in each year for five years after it was so authorized. Each annual report shall include the following information or reference the inclusion of the following information in other reports filed with the Commission for the applicable year. The report must provide: electronic shapefiles site coverage plots illustrating the area newly reached by mobile services at a minimum scale of 1:240,000, 47 C.F.R. § 54.1009(a)(1); a list of relevant census blocks previously deemed unserved, with road miles and total resident population and resident population residing in areas newly reached by mobile services (based on Census Bureau data and estimates), § 54.1009(a)(2); if such testing has been conducted, data received or used from drive tests, or scattered site testing in areas where drive tests are not feasible, analyzing network coverage for mobile services in the area for which support was received, § 54.1009(a)(3); certification that the applicant offers service in supported areas at rates that are within a reasonable range of rates for similar service plans offered by mobile wireless providers in urban areas, § 54.1009(a)(4); any applicable certifications and showings required in § 54.1004, § 54.1009(a)(5); updates to the information provided in § 54.1005(b)(2)(v), § 54.1009(a)(6). The party submitting the annual report must certify that they have been authorized to do so by the winning bidder, § 54.1009(b) and submit each annual report to the Office of the Secretary of the Commission, the Administrator and the relevant state commissions, relevant authority in a U.S. Territory, or a Tribal government, as appropriate, § 54.1009(c).
- b. *Support Disbursements.* MF-I and TMF-I winning bidders may use all or part of the annual report to demonstrate that it has met the coverage requirements of Section 54.1006 (a) or (b) of the Commission's rules and that it has substantially engaged the appropriate Tribal officials in order to request a disbursement of support pursuant to Section 54.1008 of the Commission's rules. Section 54.1008 provides for the disbursement of Mobility Fund Phase 1 support in three stages. Section 54.1008(d) requires each winning bidder to certify that it has substantially engaged appropriate Tribal officials and to provide a summary of the results of the engagement which is also required in Section 54.1009(a)(5) of the annual report. Section 54.1008(e) requires each winning bidder to certify that it is in compliance with all requirements for receipt of Mobility Fund support at the time it requests disbursement.
- c. *Record Retention.* Section 54.1010 of the Commission's rules requires a winning bidder authorized to receive MF-I or TMF-I support and its agents to retain any

documentation prepared for, or in connection with, the award of such support for a period of not less than ten (10) years after the date on which the winning bidder receives its final disbursement of support.

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

There are no impacts under the Privacy Act because individuals are not respondents to this collection of information.

2. *Use of Information.* The Commission will use this information to ensure that each winning bidder is meeting its obligations for MF-I or TMF-I support.
3. *Technological collection techniques.* The Commission is committed to meeting the requirements of the E-Government Act, which requires Government agencies to provide the general public the option of submitting information or transacting business electronically to the maximum extent possible. Respondents will have the ability to file via the Internet.
4. *Efforts to identify duplication.* Each report submitted will be for a new project and for new purposes. Some of the questions may overlap with material provided in other filings required for obtaining Commission benefits. To avoid duplication, if a recipient of MF-I or TMF-I support is a carrier subject to other existing or new annual reporting requirements under section 54.313 of the Commission's rules based on their receipt of universal service support under another high cost mechanism, it will be permitted to satisfy MF-I and TMF-I annual reporting requirements by filing a separate MF-I annual report or by including this additional information in a separate section of its other annual report filed with the Commission.
5. *Impact on small entities.* The collection of information may affect small entities as well as large entities. In conformance with the Paperwork Reduction Act of 1995, the Commission is making an effort to minimize the burden on all respondents regardless of size. The Commission has limited the information requirement to that which is necessary for evaluating and processing the report, enforcing MF-I support recipients' public interest obligations, and to deter possible abuses of the Commission's processes.
6. *Consequences if information is not collected.* Without the requested information, the Commission would be unable to determine whether each winning bidder satisfies its obligation for receiving MF-I or TMF-I support. Thus, the information is being collected to meet the objectives of the Universal Service Fund program.
7. *Special circumstances.* There are no special circumstances associated with this collection of information.
8. *Notice required by 5 C.F.R. 1320.8(d).* The Commission published a notice in the Federal Register regarding the extension of the information requirements under OMB

Control Number 3060-1185 prior to submitting its extension request to OMB. See February 11, 2019 (84 FR 3168). The Commission received comments from Mercury Services in response to this notice expressing support for an extension of this information collection and the continued use of FCC Form 690.<sup>1</sup>

9. *Payments or gifts to respondents.* Respondents will not receive any payments or gifts other than the funds awarded through MF-I and TMF-I support.

10. *Assurance of confidentiality.* Information collected in FCC Form 690 will be made available for public inspection. To the extent that an applicant seeks to have information collected on FCC Form 690 withheld from public inspection, the applicant may request confidential treatment pursuant to 47 C.F.R. §0.459.

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

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

a. *Annual Reporting and Support Disbursements.* Respondents include winning bidders in both the MF-I and the TMF-I auctions. Respondents are required to submit a separate filing for each winning bid which is awarded support. Once support is awarded for the winning bid, the eligible area identified in the winning bid will be designated as a study area. We expect that each respondent will already have practices in place to track and report much of the information collected here, including coverage maps and drive tests. Additionally, we expect that each respondent will use its auction long-form application as a blueprint for a portion of its annual report which requires updates to the information submitted in the post-auction long-form application.

We estimate that 34 respondents will provide reports every year for approximately 612 winning bids which are awarded support.

We estimate that the average respondent will require 18 hours to comply with its annual reporting requirements. This estimate is based on past experience with the annual reporting requirement for eligible telecommunications carriers under Section 54.209 of the Commission's rules. A winning bidder may also use the annual report format if needed to provide information in order to obtain additional support disbursements which may require additional hours during the first two or three reporting years. Those hours have been included in the total annual estimate for hours.

*Estimates of the burden hours and in-house cost of the collection to respondents:*

(1) Number of respondents: Approximately 34 respondents.

(2) Frequency of response: Annual and on occasion reporting requirements.

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<sup>1</sup> See Comments from Bruce D. Grimm, ARM, Mercury Services, OMB Control Number: 3060-1185, FCC-2019-0020-0001, submitted April 10, 2019.

(3) Total number of responses annually: Approximately 880 responses.

(4) Total estimated annual hour burden: Approximately **800 responses** per year for MF-I and **80 responses** per year for TMF-I. The estimate of hours for each response is **18 hours** annually. The total annual hour burden is approximately **15,840 hours**.

$$\begin{array}{r} 800 \times 18 = 14,400 \\ \underline{80 \times 18 = 1,440} \\ \text{Total} \quad \quad \mathbf{15,840} \end{array}$$

(5) Total estimate of annualized in-house cost to respondents for the hour burdens for collection of information: Approximately \$932,611.68.

The Commission estimates that respondents will use in-house staff equivalent to a GS-12/Step 5 (\$45.29/hour) Federal employee, plus 30% overhead, to complete and submit their annual reports on FCC Form 690.

$$\begin{array}{r} 15,840 \text{ hours} \times \$45.29/\text{hour} = \$717,393.60 \\ 30\% \text{ overhead} = \quad \underline{\$215,218.08} \\ \text{Total:} \quad \quad \mathbf{\$932,611.68} \end{array}$$

b. *Record Retention*. We expect that all winning bidders will already have record retention procedures in place and that the additional record retention imposed by this information collection will be minimal.

*Estimates of the burden hours and in-house cost of the collection to respondents:*

(1) Number of respondents: Approximately 34 respondents.

(2) Frequency of response: Recordkeeping requirement.

(3) Total estimate annual hour burden: 1 hour annually per respondent. The total annual hour burden is approximately 34 hours.

$$34 \text{ respondents} \times 1 \text{ hour} = \mathbf{34 \text{ hours}}$$

(4) Total estimate of annualized in-house cost to respondents for the hour burdens for collection of information: Approximately \$1,128.43.

The Commission estimates that parties will use in-house staff equivalent to a GS-7/Step 5 (\$25.53/hour) Federal employee, plus 30% overhead, to comply with the record retention requirement.

$$\begin{array}{r} 34 \text{ hours} \times \$25.53/\text{hour} = \quad \$ 868.02 \\ 30\% \text{ overhead} = \quad \underline{\$ 260.41} \end{array}$$

**Total: \$1,128.43**

**Cumulative Totals:**

**Total Number of Respondents: 34.**

**Total Number of Annual Responses: 880.<sup>2</sup>**

**Total Number of Annual Burden Hours: 15,840 + 34 = 15,874.**

**Total Annual “In-House” Cost: \$932,611.68 + \$1,128.43 = 933,740.11.**

13. *Estimates of the cost burden of the collection to respondents.* There is no cost burden to the respondents for capital and start-up costs or operation and maintenance of purchase of services in connection with responding to the information collection on FCC Form 690. The information collected on FCC Form 690 should be collected and maintained as part of the customary and usual business or private practice of the applicant.

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

14. *Estimates of the cost burden to the Commission.* The Commission estimates that on average staff review of the information collected in FCC Form 690, including time spent by staff attorneys, engineers, and analysts will take three (3) hours per report. The cost to the Federal government will be minimal since an outside party administers the program.

Total Estimated Annual Cost to the Federal Government: 880 responses x 3 hours x \$63.64 (GS-14/Step 5) = \$168,009.60.

**TOTAL ANNUAL COST TO THE GOVERNMENT: \$168,009.60.**

15. *Program changes or adjustments.* There are no program changes to this collection.

16. *Collections of information whose results will be published.* This information collection will not be published for statistical use.

17. *Display of expiration date for OMB approval of information collection.* The Commission seeks approval to not display the OMB expiration date on FCC Form 690. This will prevent the Commission from having to change the expiration date whenever it resubmits this information collection for approval. The Commission will use an edition date on the form instead of the OMB expiration date. The Commission will publish the

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<sup>2</sup> Since the Commission is accounting for the total time that respondents will maintain their records as a whole for this collection, the cumulative annual number of responses is 880 to avoid double counting these responses since no new records will be created or maintained by respondents.

OMB control number and OMB expiration date in the Code of Federal Regulations. See 47 C.F.R. § 0.408.

18. *Exception to the certification statement for Paperwork Reduction Act submission.* There are no exceptions to the certification statement.

**B. Collections of Information Employing Statistical Methods:**

No statistical methods are employed.