

SUPPORTING STATEMENT

This collection is being submitted to the Office of Management and Budget (OMB) to seek approval for revised information collection requirements as a result of recent Federal Communications Commission (FCC or Commission) orders as explained below. This collection also revises FCC Form 481 and its instructions, as well as the projected burdens associated with other forms necessary for carriers to receive high-cost universal service support under the various Connect America Fund (CAF) mechanisms.

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 CAF.

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); *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order, Order and Order on

Reconsideration and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087 (2016); *Connect America Fund et al.*, WC Docket Nos. 10-90, 16-271; WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 10139 (2016); *Connect America Fund; ETC Annual Reports and Certifications*, WC Docket Nos. 10-90, 14-58, Order, 32 FCC Rcd 968 (2017); *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order, Further Notice of Proposed Rulemaking, and Order on Reconsideration, 33 FCC Rcd 11893 (2018); *Connect America Fund; ETC Annual Reports and Certifications*, WC Docket Nos. 10-90, 14-58, Report and Order, 32 FCC Rcd 5944 (2017). The Commission has received OMB approval for most of the information collections required by these orders.

Through several orders, the Commission has recently changed or modified reporting obligations for high-cost support. These changes are outlined below:

In September 2019, the Commission adopted the *Puerto Rico/U.S. Virgin Islands Stage 2 Order*, which allocated nearly a billion additional dollars to United States territories that had suffered extensive infrastructure damage due to Hurricanes Irma and Maria. *The Uniendo a Puerto Rico Fund and the Connect USVI Fund, et al.*, WC Docket No. 18-143, et al., Report and Order and Order on Reconsideration, 34 FCC Rcd 9109 (2019) (*Puerto Rico and USVI Stage 2 Order*). The Commission adopted similar accountability measures for recipients of this support as required of other high-cost support recipients to ensure that providers receive support “only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.” *Puerto Rico and USVI Stage 2 Order*, 34 FCC Rcd at 9149, para. 72.

In the *2019 Supply Chain Order*, the Commission adopted a rule prohibiting the use of USF support to purchase or obtain any equipment or services produced or provided by a covered company posing a national security threat to the integrity of communications networks or the communications supply chain. *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs*, WC Docket No. 18-89, Report and Order, Further Notice of Proposed Rulemaking, and Order, 34 FCC Rcd 11423, 11433, para. 26. *See also* 47 C.F.R. § 54.9. In June 2020, the Public Safety and Homeland Security Bureau issued final designations of Huawei Technologies Company (Huawei) and ZTE Corp. (ZTE) as covered companies for the purposes of this rule. *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs – Huawei Designation*, WC Docket No. 19-351, Order, 35 FCC Rcd 6604 (PSHSB June 30, 2020) (*Huawei Designation Order*); *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs – ZTE Designation*, WC Docket No. 19-352, Order, 35 FCC Rcd 6633 (PSHSB June 30, 2020) (*ZTE Designation Order*). Accordingly, USF recipients may not use USF funds to purchase, obtain, maintain, improve, modify, manage, or otherwise support Huawei or ZTE equipment or services in any way, including upgrades to existing Huawei or ZTE equipment and services. *Huawei Designation Order*, 35 FCC Rcd at 6608, para. 10; *ZTE Designation Order*, 35 FCC Rcd at 6637, para. 10. Moreover, USF recipients must certify that they are in compliance with this rule. *2019 Supply Chain Order*, 34 FCC Rcd at 11454, para. 79; *see also* 47 C.F.R. § 54.9.

In the *CAF Phase II Auction Order*, in addition to rules requiring Connect America Phase II auction support recipients to report regarding support used for capital expenditures, certify regarding available funds, and certify that the Phase II-funded network meets performance requirements, the Commission also adopted rules requiring that Phase II auction support recipients must report information on served community anchor institutions and certify regarding bidding on FCC Form 470 postings for eligible schools and libraries in census blocks where the carrier receives auction support. *Connect America Fund, et al.*, WC Docket No. 10-90, et al., Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 5949 (2016) (*CAF Phase II Auction Order*). Recipients of Uniendo a Puerto Rico Fund and Connect USVI Fund Stage 2 support must also observe these requirements in addition to the general requirements for high-cost support recipients and requirements specific to the Uniendo a Puerto Rico Fund and Connect USVI Fund programs. See *Puerto Rico and USVI Stage 2 Order*, 34 FCC Rcd at 9150, para. 74.

We therefore propose to revise this information collection, as well as Form 481 and its accompanying instructions, to reflect these new and revised requirements. We also eliminate one requirement that is associated with obligations no longer in effect for certain carriers. Finally, we propose to increase the burdens associated with existing reporting requirements to account for additional carriers that will be subject to those requirements.

New requirements for which we are seeking OMB approval:

- (1) Supply Chain Certification for all Connect America Fund Recipients (See 12.a): The Commission requires that all recipients of Connect America Fund support certify they have not used USF support to purchase, obtain, maintain, improve, modify, manage, or otherwise support Huawei or ZTE equipment or services in any way, including upgrades to existing Huawei or ZTE equipment and services. *2019 Supply Chain Order*, 34 FCC Rcd at 11454, para. 79; see also 47 C.F.R. § 54.9. This disclosure is a low-burden measure that will help the Commission protect the integrity of the communications supply chain.
- (2) Uniendo a Puerto Rico Fund and Connect USVI Fund Certification Requirements for Fixed and Mobile Providers (See 12.b): The Commission requires that all recipients of Uniendo a Puerto Rico Fund and/or Connect USVI Fund support certify that such support was not used for costs that are (or will be) reimbursed by other sources of support, that support was not used for other purposes not directly related to network restoration, hardening, and expansion, and that they have conducted an annual review of the documentation required by 47 C.F.R. § 54.1515(a)-(c) to determine the need for and to implement changes or revisions to disaster preparation and response documentation. *Puerto Rico and USVI Stage 2 Order*, 34 FCC Rcd at 9149-50, para. 73.
- (3) Uniendo a Puerto Rico Fund and Connect USVI Fund Certification Requirements for Mobile Providers (See 12.c): The Commission requires that mobile providers that receive Uniendo a Puerto Rico Fund and/or Connect USVI Fund support shall certify that they are in compliance with all requirements for receipt of such support to continue

receiving Stage II mobile disbursements. *Puerto Rico and USVI Stage 2 Order*, 34 FCC Rcd at 9149-50, para. 73.

Currently approved requirements that are being revised:

- (4) Connect America Fund Phase II Auction, Uniendo a Puerto Rico Stage 2, and Connect USVI Fund Stage 2 Reporting and Certifications (See 12.d): The Commission requires that recipients of Connect America Phase II auction support, Uniendo a Puerto Rico Stage 2 fixed support, or Connect USVI Fund Stage 2 fixed support report (A) the number, names, and addresses of community anchor institutions to which the carrier began providing access to broadband service in the preceding calendar year, (B) the total amount of support used for capital expenditures in the previous calendar year, and (C) a certification that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving support awarded through the auction, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings. 47 C.F.R. § 54.313(e)(2)(i)(A)-(C). These carriers must also certify that the recipient has available funds for all project costs that will exceed the amount of support received for the next calendar year and, after the Phase II auction recipient's final deployment milestone, that the Phase II-funded, Uniendo a Puerto Rico Stage 2-funded, or Connect USVI Fund Stage 2-funded network the recipient operated in the prior year meets the relevant performance requirements. 47 C.F.R. § 54.313(e)(2)(ii), (e)(2)(iii). These disclosures provide the Commission assurance that Phase II auction, Uniendo a Puerto Rico Stage 2, and Connect USVI Fund Stage 2 support recipients use high-cost support for appropriate purposes and have obtained enough funding to meet their Phase II obligations.

Currently approved requirement that is being eliminated:

- (5) Reporting of New Locations by Connect America Fund-Broadband Loop Support (CAF-BLS) Recipients (See 12.e): Rate-of-return carriers participating in the CAF-BLS program, with 80 percent or greater deployment of 10/1 Mbps broadband service in their entire study areas, based on June 2015 FCC Form 477 data, are no longer required to report progress on the number of locations where 10/1 Mbps or better broadband service has been deployed within their study area in the prior calendar year. In the *2018 Rate-of-Return Order*, the Commission adopted for those carriers superseding deployment and reporting obligations, which are approved under OMB Control Number 3060-1228. See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order, Further Notice of Proposed Rulemaking, and Order on Reconsideration, 33 FCC Rcd 11893, 11927, paras. 111-12 (2018).

Currently approved requirements in this information collection (no changes to 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 Administrator.

- (6) Annual Reporting (See 12.f): All ETCs must include in their annual reports the information that is required by section 54.313, as appropriate. See 47 C.F.R. § 54.313. 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. This reporting requirement ensures that ETCs comply with the conditions of the ETC designation and that universal service funds are used for their intended purposes.
- (i) Annual Reporting. 47 C.F.R. § 54.313(a)(4) (See 12.f). 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.
 - (ii) Annual Reporting. 47 C.F.R. § 54.313(a)(1) (See 12.f). ETCs are required to submit information and data required by 47 C.F.R. § 54.313(a)(1) separately broken out for both voice and broadband service. ETCs must certify that they are able to function in emergency situations as set forth in 47 C.F.R. § 54.202(a)(2). 47 C.F.R. § 54.313(a)(1).
 - (iii) Annual Reporting. 47 C.F.R. § 54.313(a)(2) (See 12.f). 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. Competitive ETCs participating in the Alaska Plan must certify that their required stand-alone voice plan is (1) substantially similar to a service plan offered by at least one mobile wireless service provider in the cellular market area (CMA) for Anchorage, Alaska, and (2) offered for the same or a lower rate than the matching plan in the CMA for Anchorage. See 47 C.F.R. § 54.308(d).
- (7) Connect America Fund Phase II Requirements, Rate-of-Return Carrier Requirements. 47 C.F.R. § 54.313(e)(1), and (f)(1) (See 12.g & 12.h): Price cap carriers and rate-of-return carriers must report the number, names, and addresses of community anchor institutions to which they newly began providing access to broadband service in the preceding calendar year in the required template associated with FCC Form 481. To the extent applicable, rate-of-return carriers additionally must certify they are offering broadband meeting the

Commission's requirements upon reasonable request. Rate-of-return carriers participating in the Alaska Plan must instead certify that they are offering broadband service consistent with their approved performance plans. Rate-of-return carriers receiving CAF-ACAM support must certify that they are meeting the relevant reasonable request standard, and rate-of-return ETCs receiving legacy high-cost support must now certify that they are meeting a 25 Mbps/3 Mbps reasonable request standard. 47 C.F.R. § 54.313(f)(1)(i).

(8) Capital Expenditure Reporting for Phase II Model-Based Support Recipients (See 12.i): Each year, price cap carriers are 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. The Commission requires that price cap carriers submit this information so that it can monitor price cap carriers' progress in meeting buildout milestones associated with their accepted support. 47 C.F.R. § 54.313(e).

(9) E-rate Certification Requirement for Phase II Model-Based Support Recipients and Rate-of-Return Carrier High-Cost Recipients (See 12.j): The Commission requires 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 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)(1)(ii)(C), (f)(1)(iii). This certification requirement will enable the Commission to monitor price cap carriers' and rate-of-return carriers' compliance with this requirement.

(10) Reasonably Comparable Rate Certification for Broadband for High-Cost Recipients (See 12.k): 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)(3). Recipients also are 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. Competitive ETCs participating in the Alaska Plan shall certify that one service plan that offers broadband data services, if they offer such plans, is (1) substantially similar to a service plan offered by at least one mobile wireless service provider in the CMA for

Anchorage, Alaska, and (2) offered for the same or a lower rate than the matching plan in the CMA for Anchorage. See 47 C.F.R. § 54.308(d).

- (11) Carriers Lacking Terrestrial Backhaul Certification. 47 C.F.R. § 54.313(g) (See 12.l): The Commission recognizes that satellite backhaul may limit the performance of broadband networks as compared to terrestrial backhaul; thus, carriers that are compelled to rely exclusively on satellite backhaul in their study area must certify annually that no terrestrial backhaul options exist. The annual certifications must indicate that the carriers 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 do 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. Rate-of-return carriers participating in the Alaska Plan must certify whether, in any portions of a carrier’s study area relying exclusively on satellite backhaul, the carrier provides service consistent with its approved performance plan. See 47 C.F.R. § 54.313(g).
- (12) Tribal Engagement Reporting. 47 C.F.R. § 54.313(a)(5) (See 12.m): 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. The *ETC Reporting Streamlining Order* moved this requirement from 47 C.F.R. § 54.313(a)(9) to 47 C.F.R. § 54.313(a)(5), but the requirement remains the same.
- (13) Price Cap Carrier Frozen High Cost Support Certification. 47 C.F.R. § 54.313(c) (See 12.n): 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. Recipients must certify that all 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.
- (14) Voice Certification for Phase-Down Support Recipients (See 12.o): The Commission requires that any price cap carriers and fixed competitive ETCs that receive support pursuant to sections 54.312(d) or 54.307(e)(2)(iii) must certify that all such support the company received in the previous year was used to provide voice service throughout the high-cost and extremely high-cost census blocks where they continue to have the federal high-cost eligible telecommunications carrier obligation at rates that are reasonably comparable to comparable offerings in urban areas. 47 C.F.R. § 54.313(m).

- (15) Price Cap Carrier High-Cost Support for Access Charges Certification. 47 C.F.R. § 54.313(d) (See 12.p): 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.
- (16) Privately Held Rate-of-Return Financial Information. 47 C.F.R. § 54.313(f)(2) (See 12.q): 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 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.
- (17) Cost Consultant Information for Rate-of-Return Carriers (See 12.r): The Commission requires that rate-of-return carriers provide the name of any cost consultant and cost consulting firm, or other third-party, retained to prepare financial and operations data disclosures submitted to NECA, USAC, or the Commission. 47 C.F.R. § 54.313(f)(4).
- (18) Additional Reporting Requirements for Rural Broadband Experiment Support Recipients (See 12.s): 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 requires 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). Rural broadband experiment recipients also are 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.

Rural broadband experiment recipients must certify in each FCC Form 481 annual report

that the recipient is offering broadband 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 enables 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.

Recipients of rural broadband experiment support are 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 is 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.

- (19) Newly Available Backhaul Reporting for Alaska Plan Participants (See 12.t): To help the Commission monitor the availability of infrastructure for Alaska Plan participants, rate-of-return carriers and competitive ETCs participating in the Alaska Plan must certify in their FCC Form 481 whether any terrestrial backhaul or other satellite backhaul became commercially available in the previous calendar year in areas that previously were served exclusively by satellite backhaul, if the funding recipient identified in its approved performance plans that it exclusively relied on satellite backhaul for a certain portion of the population in its service area. To the extent that new terrestrial backhaul facilities are constructed or other satellite backhaul become commercially available, the funding recipient must provide a description of the backhaul technology; and provide the date on which that backhaul was made commercially available to the carrier. Rate-of-return carriers participating in the Alaska Plan must provide the number of locations within their service area that are served by the newly available backhaul option. Competitive ETCs participating in the Alaska Plan must instead provide the number of the population within their service area that is served by the newly available backhaul option. 47 C.F.R. §§ 54.313(f)(3), 54.313(l).

Separate from Alaska Plan participants' FCC Form 481 reporting, within 12 months of backhaul facilities becoming commercially available to those locations served by the new backhaul reported pursuant to 47 C.F.R. § 54.313(f)(3), rate-of-return carriers must certify that they are offering broadband service 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. Competitive ETCs must, to the extent the funding recipient has not already committed to providing 4G LTE at 10/1 Mbps to the population served by the newly available backhaul by the end of the plan term, submit a revised performance commitment factoring in the availability of the new backhaul option no later than the due date of the Form 481 in which they have certified that such backhaul became commercially available. 47 C.F.R. §§ 54.313(f)(3), 54.313(l).

- (20) Capital Expenditure Documentation for Rate-of-Return and Competitive ETC Alaska Plan Participants (See 12.u): Alaska Plan rate-of-return participants that propose to maintain their existing networks throughout the 10-year support term without newly deploying or upgrading service to locations within their service area and all Alaska Plan competitive ETC participants are required to retain documentation on how much of their Alaska Plan support was spent on capital expenses and operating expenses and be prepared to produce such documentation upon request. We do not expect that this requirement will unduly burden recipients because they track their capital and operating expenditures in the regular course of business.
- (21) Residential Rate Updates. 47 C.F.R. § 54.313(h) (See 12.v): 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.
- (22) State Certification Letter under 254(e) of the Act (See 12.w): 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.

- (23) Support in Competitive Study Areas (See 12.x): Rural carriers and competitive ETCs, except Alaska Plan participants, 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. See 47 C.F.R. §§ 54.317(d).
- (24) Safety Valve (See 12.y): 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).
- (25) Local End User Rates and State Regulated Fees (See 12.z): 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.
- (26) Recordkeeping Requirement (See 12.aa): 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).

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 the eligibility for high-cost universal service support. The Commission will also use the information collections to conduct oversight and ensure that CAF funds are spent in accordance with the rules of the program.

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.
5. *Impact on small entities.* The collection of information may affect small entities as well as large entities. The requirements in this collection are necessary to ensure compliance with high-cost universal service support requirements and are designed to limit the burden on small entities as much as possible.
6. *Consequences if information is not collected.* The information collected is used to determine eligibility for high-cost universal service support and to conduct oversight and ensure that high-cost universal service support is spent in accordance with the rules of the program. Without the requested information, the Commission and USAC will not be able to determine a carrier’s eligibility or monitor compliance with high-cost universal service support requirements. This may result in partial or complete denial of high-cost universal service support for the carrier.
7. *Special circumstances.* We do not foresee any special circumstances with this information collection.
8. *Federal Register notice; efforts to consult with persons outside the Commission.* A 60-day notice was also published in the *Federal Register* pursuant to 5 C.F.R. § 1320.8(d) on December 20, 2020. See [85 FR 85636]. No comments were received from the public.
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 q]] 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. Supply Chain Certification for All Connect America Fund Recipients (new requirement):

- (1) Number of respondents: Approximately 2,049. All CAF recipients will be required to certify that they have not used USF funds to purchase, obtain, maintain, improve, modify, manage, or otherwise support Huawei or ZTE equipment or services in any way, including upgrades to existing Huawei or ZTE equipment and services. _
- (2) Frequency of response: Annually.
- (3) Total number of responses per respondent: 1
- (4) Estimated time per response: 0.1 hours.
- (5) Total annual hour burden: 205 hours.

0.1 hour per respondent for 2,049 respondents filing annually. Total annual hour burden is calculated as follows:

2,049 respondents x 1 report per respondent = 2,049 responses x 0.1 hours = **205 total annual hours.**

- (6) Total estimate of in-house cost to respondents: \$8,200. (205 hours x \$40/hour).
- (7) Explanation of calculation: We estimate that high-cost carriers will spend, on average, approximately 0.1 hours certifying their compliance with 47 C.F.R. § 54.9: 2,049 (responses) x 0.1 (hours to track and report this information) x \$40/hour = \$8,200.

b. Uniendo a Puerto Rico Fund and Connect USVI Fund Certification Requirements for Fixed and Mobile Providers (new requirement):

- (1) Number of respondents: Approximately 15. Approximately 10 fixed and 5 wireless providers who receive Uniendo a Puerto Rico and/or Connect USVI Stage 2 support will be required to certify regarding their use of support and that they have conducted an annual review of required disaster preparation and response documentation. regarding their use of such support as well as whether they have conducted an annual review of required disaster preparation and response documentation.
- (2) Frequency of response: Annually.
- (3) Total number of responses per respondent: 1.
- (4) Estimated time per response: 3 hours.
- (5) Total annual hour burden: 45 hours.

3 hours per respondent for 15 respondents filing annually. Total annual hour burden is calculated as follows:

15 respondents x 1 report per respondent: 15 responses x 3 hours = **45 total annual hours.**

- (6) Total estimate of in-house cost to respondents: \$1,800. (45 hours x \$40/hour).
- (7) Explanation of calculation: We estimate that each mobile and fixed provider participating in the Uniendo a Puerto Rico and Connect USVI Stage II fund will spend approximately 3 hours certifying regarding their use of such support as well as whether they have conducted an annual review of required disaster preparation and response documentation: 15 (responses) x 3 (hours to track, tabulate, and prepare reporting requirements and confirm and certify compliance with broadband obligations) x \$40/hour = \$1,800.

c. Uniendo a Puerto Rico Fund and Connect USVI Fund Certification Requirements for Mobile Providers (new requirement):

- (1) Number of respondents: Approximately 5. Approximately 5 wireless providers who receive Uniendo a Puerto Rico and/or Connect USVI Fund Stage 2 support will be required to certify that they are in compliance with all requirements for receipt of such support to continue receiving Stage II mobile disbursements.
- (2) Frequency of response: Annually.
- (3) Total number of responses per respondent: 1.
- (4) Estimated time per response: 1 hour.
- (5) Total annual hour burden: 5 hours.

1 hour per respondent for 5 respondents filing annually. Total annual hour burden is calculated as follows:

5 respondents x 1 report per respondent: 5 responses x 1 hour = **5 total annual hours.**

- (6) Total estimate of in-house cost to respondents: \$200. (5 hours x \$40/hour).
- (7) Explanation of calculation: We estimate that each mobile provider participating in the Uniendo a Puerto Rico and Connect USVI Stage II fund will spend approximately 1 hour certifying they are in compliance with all the requirements for receipt of such support: 5 (responses) x 1 (hour to confirm and certify compliance with broadband obligations) x \$40/hour = \$200.

d. Connect America Fund Phase II Auction, Uniendo a Puerto Rico Stage 2, and Connect USVI Stage 2 Reporting and Certifications (revised requirement and updated respondents):

(1) Number of respondents: Approximately 172. Carriers that receive CAF Phase II auction support, Uniendo a Puerto Rico Stage 2 fixed support, or Connect USVI Stage 2 fixed support must submit these reports and make these certifications. The increased number of respondents accounts for Uniendo a Puerto Rico Stage 2 and Connect USVI Fund Stage 2 fixed support recipients who will also be required to submit these reports and certifications.

(2) Frequency of response: Annually.

(3) Total number of responses per respondent: Approximately 1.

(4) Estimated time per response: 4 hours.

(5) Total annual hour burden: 688 hours.

4 hours per respondent for 172 respondents filing annually. Total annual hour burden is calculated as follows:

172 respondents x 1 report per respondent = 172 responses x 4 hours = **688 total annual hours**.

(6) Total estimate of in-house cost to respondents: \$27,520. (688 hours x \$40/hour).

(7) Explanation of calculation: We estimate that CAF Phase II auction and Puerto Rico/U.S. Virgin Island Stage 2 recipients will spend, on average, approximately 4 hours submitting these reports and making these certifications: 172 (responses) x 4 (hours to track, report, and certify this information) x \$40/hour = \$27,520.

e. Reporting of New Locations by Connect America Fund-Broadband Loop Support (CAF-BLS) Recipients (Form 481) (eliminated):

(1) Number of respondents: 0.

(2) Frequency of response: N/A.

(3) Total number of responses per respondent: 0.

(4) Estimated time per response: 0 hours.

(5) Total annual hour burden: 0 hours.

0 hours per respondent for 0 carriers filing on an annual basis. Total annual hour burden is calculated as follows:

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

(6) Total estimate of in-house cost to respondents: \$ 0. (0 hours x \$40/hour).

(7) Explanation of calculation: The deployment obligations associated with this reporting requirement are no longer effective, so this requirement no longer applies. The total annual hour burden and in-house costs for respondents will therefore be 0.

f. Annual Reporting Requirements for All Funding Recipients (updated respondents):

(1) Number of Respondents: Approximately 2,049 telephone companies.

(2) Frequency of Response: Annually._

(3) Total number of responses per respondent: Approximately 1._

(4) Estimated time per response: 5 hours._

(5) Total annual hour burden: 10,245 hours._

5 hours per respondent for 2,049 respondents filing on an annual basis. Total annual hour burden is calculated as follows:

2,049 respondents x 1 submission per respondent = 2,049 responses x 5 hours = **10,245 total annual hours.**

(6) Total estimate of in-house cost to respondents: \$409,800. (10,245 hours x \$40/hour).

(7) Explanation of calculation: We estimate that each carrier will spend a total of approximately 5 hours preparing and submitting the emergency certification and information regarding any holding companies, operating companies, and affiliates: 10,245 (responses) x 5 (hours preparing and submitting certification and company information) x \$40 per hour = \$409,800.

g. Connect America Fund Phase II Requirements (no revisions):

(1) Number of respondents: Approximately 9 carriers or holding companies receiving Connect America Phase II support will be required to report the number, names and, addresses of community anchor institutions to which they newly began providing access to broadband service.

(2) Frequency of response: Annually.

(3) Total number of responses per respondent: Approximately 1.

(4) Estimated time per response: 2 hours.

(5) Total annual hour burden: 18 hours.

2 hours per respondent for 9 respondents filing annually. Total annual hour burden is calculated as follows:

9 respondents x 1 report per respondent = 9 responses x 2 hours = **18 total annual hours**.

(6) Total estimate of in-house cost to respondents: \$720. (18 hours x \$40/hour).

(7) Explanation of calculation: We estimate that each Phase II funding recipient will spend at least 2 hours collecting and reporting data on newly served community anchor institutions. 9 (responses) x 2 (hours to track, tabulate, and prepare reporting requirements) x \$40/hour = \$720.

h. Rate-of-Return Requirements (no revisions):

(1) Number of respondents: Approximately 1,141 rate-of-return carriers will be required to certify that they are offering broadband upon reasonable request meeting the Commission's requirements and report the number, names, and addresses of community anchor institutions to which they newly began providing access to broadband service.

(2) Frequency of response: Annually.

(3) Total number of responses per respondent: Approximately 1.

(4) Estimated time per response: 3 hours.

(5) Total annual hour burden: 3,423 hours.

3 hours per respondent for 1,141 respondents filing annually. Total annual hour burden is calculated as follows:

1,141 respondents x 1 report per respondent = 1,141 responses x 3 hours = **3,423 total annual hours**.

(6) Total estimate of in-house cost to respondents: \$136,920. (3,423 hours x \$40/hour).

(7) Explanation of calculation: We estimate that each rate-of-return carrier, including rate-of-return carriers participating in the Alaska Plan, will spend approximately 3 hours certifying they are offering the required broadband service and reporting data on newly served community anchor institutions. 1,141 (responses) x 3 (hours to track, tabulate,

and prepare reporting requirements and confirm and certify compliance with broadband obligations) x \$40/hour = \$136,920.

i. Capital Operating Expense Data for Phase II Model-Based Support Recipients (FCC Form 481) (no revisions):

- (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) Total number of responses per respondent: Approximately 1.
- (4) Estimated time per response: 1 hour.
- (5) Total annual hour burden: 9 hours.

1 hour 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 1 hour = **9 total annual hours.**

- (6) Total estimate of in-house cost to respondents: \$360. (9 hours x \$40/hour).
- (7) Explanation of calculation: We estimate that each Phase II model-based support recipient will take 1 hour to gather and submit the total amount of Phase II support paid for capital expenses to the Commission: 9 (responses) x 1 (hours to prepare report) x \$40/hour = \$360.

j. E-rate Certification for Phase II Model-Based Support Recipients and Rate-of-Return Carrier High-Cost Recipients (FCC Form 481) (no revisions):

- (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) Total responses per respondent: Approximately 1.
- (4) Estimated time per response: 2 hours.
- (5) Total annual hour burden: 2,300 hours.

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.**

(6) Total estimate of in-house cost to respondents: \$92,000. (2,300 hours x \$40/hour).

(7) 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 to confirm compliance and certify that it has met the E-rate requirements: 1,150 (responses) x 2 (hours to confirm and certify compliance) x \$40/hour = \$92,000.

k. Reasonably Comparable Rates Certification for Broadband (FCC Form 481) (no revisions):

(1) Number of respondents: Approximately 1,339. Almost all price cap carriers, rate-of-return carriers, Alaska Plan competitive ETC participants, 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) Total number of responses per respondent: Approximately 1.

(4) Estimated time per response: 4 hours.

(5) Total annual hour burden: 5,356 hours.

4 hours per respondent for 1,339 carriers filing on an annual basis. Total annual hour burden is calculated as follows:

1,339 respondents x 1 report per respondent = 1,339 responses x 4 hours = **5,356 total annual hours.**

(6) Total estimate of in-house cost to respondents: \$214,240. (5,356 hours x \$40/hour).

(7) 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 4 hours certifying that it has met the reasonably comparable rates requirements: 1,339 (responses) x 4 (hours to confirm and certify compliance) x \$40/hour = \$214,240.

l. Carriers Lacking Terrestrial Backhaul Certification (no revisions):

(1) Number of respondents: Fewer than 20 carriers that receive funding but rely exclusively on satellite for backhaul or are Alaska Plan participants that rely exclusively on satellite

backhaul in a portion of their study areas must certify as to the performance of their broadband service.

- (2) Frequency of response: Annually.
- (3) Total number of responses per respondent: Approximately 1.
- (4) Estimated time per response: 15 hours.
- (5) Total annual hour burden: 300 hours.

15 hours per respondent for 20 respondents filing annually. Total annual hour burden is calculated as follows:

20 respondents x 1 certification per respondent = 20 responses x 15 hours = **300 total annual hours**.

- (6) Total estimate of in-house cost to respondents: \$12,000. (300 hours x \$40/hour).
- (7) Explanation of calculation: We estimate that each carrier receiving funding but relying exclusively on satellite for backhaul will spend at least 15 hours to confirm and certify compliance as to the performance of its broadband service: 20 (responses) x 15 (hours to confirm and certify compliance) x \$40/hour = \$12,000.

m. Tribal Engagement Reporting (no revisions):

- (1) Number of Respondents: Approximately 300 carriers that serve Tribal lands.
- (2) Frequency of Response: Annually.
- (3) Total number of responses per respondent: Approximately 1.
- (4) Estimated time per response: 4 hours.
- (5) Total annual hour burden: 1,200 hours.

4 hours per respondent for 300 respondents filing on an annual basis. Total annual hour burden is calculated as follows:

300 respondents x 1 report per respondent = 300 responses x 4 hours = **1,200 total annual hours**.

- (6) Total estimate of in-house cost to respondents: \$48,000. (1,200 hours x \$40/hour).
- (7) 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 (responses) x 4 (hours preparing, reviewing, and submitting report) x \$40/hour = \$48,000.

n. Price Cap Carrier Frozen High Cost Support Certification (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) Total number of responses per respondent: Approximately 1.

(4) Estimated time per response: 15 hours.

(5) Total annual hour burden: 4,395 hours.

15 hours per respondent for 293 respondents filing annually. Total annual hour burden is calculated as follows:

293 respondents x 1 certification per respondent = 293 responses x 15 hours = **4,395 total annual hours**.

(6) Total estimate of in-house cost to respondents: \$175,800. (4,395 hours x \$40/hour).

(7) Explanation of calculation: We estimate that each price cap carrier receiving frozen support will spend at least 15 hours confirming compliance and 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 (responses) x 15 (hours to confirm and certify compliance) x \$40/hour = \$175,800.

o. Voice Certification for Phase-Down Support Recipients (no revisions):

(1) Number of respondents: Approximately 101 price cap carriers and competitive ETCs must certify regarding the phase-down support they received.

(2) Frequency of response: Annually.

(3) Total number of responses per respondent: Approximately 1.

(4) Estimated time per response: 15 hours.

(5) Total annual hour burden: 1,515 hours.

15 hours per respondent for 101 respondents filing annually. Total annual hour burden is calculated as follows:

101 respondents x 1 report per respondent = 101 responses x 15 hours = **1,515 total annual hours.**

(6) Total estimate of in-house cost to respondents: \$60,600. (1,515 hours x \$40/hour).

(7) Explanation of calculation: We estimate that price cap carriers and competitive ETCs will spend, on average, approximately 15 hours confirming compliance and certifying that they are providing voice service throughout the high-cost and extremely high-cost census blocks where they continue to have the federal high-cost eligible telecommunications carrier obligation at rates that are reasonably comparable to comparable offerings in urban areas. 101 (responses) x 15 (hours to confirm and certify compliance) x \$40/hour = \$60,600.

p. Price Cap Carrier High-Cost Support for Access Charges Certification (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) Total number of responses per respondent: Approximately 1.

(4) Estimated time per response: 15 hours.

(5) Total annual hour burden: 4,395 hours.

15 hours per respondent for 293 respondents filing annually. Total annual hour burden is calculated as follows:

293 respondents x 1 certification per respondent = 293 responses x 15 hours = **4,395 total annual hours.**

(6) Total estimate of in-house cost to respondents: \$175,800. (4,395 hours x \$40/hour).

(7) Explanation of calculation: We estimate that each price cap carrier receiving support to offset reductions in access charges will spend at least 15 hours confirming compliance and 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 (responses) x 15 (hours to

confirm and certify compliance) x \$40/hour = \$175,800.

q. Privately Held Rate-of-Return Carrier Financial Information (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) Total number of responses per respondent: Approximately 1.
- (4) Estimated time per response: 15 hours.
- (5) Total annual hour burden: 9,375 hours.

15 hours per respondent for 625 respondents filing annually. Total annual hour burden is calculated as follows:

625 respondents x 1 financial statement per respondent = 625 responses x 15 hours = **9,375 total annual hours.**

- (6) Total estimate of in-house cost to respondents: \$375,000. (9,375 hours x \$40/hour).
- (7) 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 (responses) x 15 (hours to prepare and submit financial statements) x \$40/hour = \$375,000.

r. Reporting of Cost Consultant Information for Rate-of-Return Carriers (Form 481) (no revisions):

- (1) Number of respondents: Approximately 1,141 rate-of-return carriers will be required to answer whether they retained a cost consultant and cost consulting firm, or other third-party, to prepare financial and operations data disclosures, and provide the applicable names, if any.
- (2) Frequency of response: Annually.
- (3) Total number of responses per respondent: Approximately 1.
- (4) Estimated time per response: 0.1 hours.
- (5) Total annual hour burden: 114 hours.

0.1 hours per respondent for 1,141 respondents filing annually. Total annual hour burden is calculated as follows:

1,141 respondents x 1 report per respondent = 1,141 responses x 0.1 hours = **114 total annual hours.**

(6) Total estimate of in-house cost to respondents: \$4,560. (114 hours x \$40/hour).

(7) Explanation of calculation: We estimate that rate-of-return carriers will spend, on average, approximately 0.1 hours providing the name of any applicable cost consultants, cost consulting firms, and other third parties: 1,141 (responses) x 0.1 (hours to track and report this information) x \$40/hour = \$4,560.

s. Additional Annual Reporting for Rural Broadband Experiments (FCC Form 481) (no revisions):

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

(2) Frequency of response: Annually.

(3) Total number of responses per respondent: Approximately 1.

(4) Estimated time per response: 3 hours.

(5) Total annual hour burden: 60 hours.

3 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 3 hours = **60 total annual hours.**

(6) Total estimate of in-house cost to respondents: \$2,400. (60 hours x \$40/hour).

(7) Explanation of calculation: We estimate that each rural broadband experiment support recipient will take 3 hours to gather and submit the community anchor institution data to the Commission and make the required certification: 20 (responses) x 3 (hours to prepare certification) x \$40/hour = \$2,400.

t. Newly Available Backhaul Reporting for Alaska Plan Participants (Form 481) (no revisions):

(1) Number of respondents: Approximately 21 rate-of-return carriers and competitive ETCs participating in the Alaska Plan will be required to certify and submit information regarding the commercial availability of backhaul.

- (2) Frequency of response: Annually and occasionally.
- (3) Total number of responses per respondent: Approximately 1.
- (4) Estimated time per response: 7 hours.
- (5) Total annual hour burden: 147 hours.

7 hours per respondent for 21 carriers filing on an annual basis. Total annual hour burden is calculated as follows:

21 respondents x 1 report per respondent = 21 responses x 7 hours = **147 total annual hours**.

- (6) Total estimate of in-house cost to respondents: \$5,880 (147 hours x \$40/hour).
- (7) Explanation of calculation: We estimate that each Alaska Plan participant will take 7 hours preparing and submitting the relevant information regarding commercial availability of backhaul and the relevant certification: 21 (responses) x 7 (hours to prepare and submit information) x \$40/hour = \$5,880.

u. Capital Expenditure Documentation for Rate-of-Return and Competitive ETC Alaska Plan Participants (no revisions):

- (1) Number of respondents: Approximately 13 rate-of-return carriers and competitive ETCs participating in the Alaska Plan will be required to retain and provide information on capital and operating expenditures.
- (2) Frequency of response: Annually.
- (3) Total number of responses per respondent: Approximately 1.
- (4) Estimated time per response: 2 hours.
- (5) Total annual hour burden: 26 hours.

2 hours per respondent for 13 carriers retaining documents on an annual basis. Total annual hour burden is calculated as follows:

13 respondents x 1 report per respondent = 13 responses x 2 hours = **26 total annual hours**.

- (6) Total estimate of in-house cost to respondents: \$1,040. (26 hours x \$40/hour).

(7) Explanation of calculation: We estimate that each carrier will spend at least 2 hours to track and retain documentation: 13 (responses) x 2 (hours to comply with document retention requirements) x \$40/hour = \$1,040. The number of respondents is based on the combination of the rate-of-return carriers and wireless affiliates having combined records.

v. Residential Rate Updates (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) Total number of responses per respondent: Approximately 1.

(4) Estimated time per response: 4 hours.

(5) Total annual hour burden: 80 hours.

4 hours per respondent for 20 respondents filing occasionally. Total annual hour burden is calculated as follows:

20 respondents x 1 report per respondent = 20 responses x 4 hours = **80 total annual hours**.

(6) Total estimate of in-house cost to respondents: \$3,200. (80 hours x \$40/hour).

(7) Explanation of calculation: We estimate that each carrier that files a residential rate update will spend at least 4 hours reporting its rates: 20 (responses) x 4 (hours to gather and report rates) x \$40/hour = \$3,200.

w. State Certification Letter Under 254(e) (no revisions):

(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) Total number of responses per respondent: Approximately 1.

(4) Estimated time per response: 3 hours.

(5) Total annual hour burden: 183 hours.

3 hours per respondent for 61 respondents filing on an annual basis. Total annual hour burden is calculated as follows:

61 respondents x 1 certification per respondent = 61 responses x 3 hours = **183 total annual hours.**

(6) Total estimate of in-house cost to respondents: \$7,320. (183 hours x \$40/hour).

(7) Explanation of calculation. We estimate that each respondent will spend 3 hours complying with this requirement: 61 (responses) x 3 (hours to confirm compliance and prepare certification letter) x \$40/hour = \$7,320.

x. Support in Competitive Study Areas: (FCC Form 525) (no revisions):

(1) Number of respondents: 1. One tribally owned competitive ETC will have to submit line count data quarterly. Competitive ETCs participating in the Alaska Plan are no longer subject to this requirement.

(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) Total number of responses per respondent: Approximately 4.

(4) Estimated time per response: 6 hours.

(5) Total annual hour burden: 24 hours.

6 hours per respondent for 1 respondent filing on a quarterly basis. Total annual hour burden is calculated as follows:

1 respondent x 4 reports per respondent = 4 responses x 6 hours = **24 hours.**

(6) Total estimate of in-house cost to respondents: \$960. (24 hours x \$40/hour).

(7) Explanation of calculation: We estimate that 1 competitive ETCs will submit line count data quarterly x 6 hours to complete when preparing the worksheet: 4 (responses) x 6 (hours to prepare line count data worksheet) x \$40/hour = \$960.

y. Safety Valve (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) Total number of responses per respondent: Approximately 1.

(4) Estimated time per response: 0.5 hours.

(5) Total annual hour burden: 13 hours.

0.5 hours per respondent for 25 respondents filing on an occasional basis. Total annual hour burden is calculated as follows:

25 respondents x 1 notice per respondent = 25 responses x 0.5 hours = 13 hours (rounded up).

(6) Total estimate of in-house cost to respondents: \$520. (13 hours x \$40/hour).

(7) Explanation of calculation: We estimate that each carrier will spend 0.5 hours drafting a notice to USAC indicating when their index year has been established for purposes of calculating eligibility for safety valve support: 25 (responses) x 0.5 (hours to prepare notice) = 13 (rounded up) x \$40/hour = \$520.

z. Local End User Rates and State Regulated Fees (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) Total number of responses per respondent: Approximately 1.

(4) Estimated time per response: 4 hours.

(5) Total annual hour burden: 5,736 hours.

4 hours per respondent for 1,434 respondents filing on an annual basis. Total annual hour burden is calculated as follows:

1,434 respondents x 1 report per respondent = 1,434 responses x 4 hours = **5,736 total annual hours.**

(6) Total estimate of in-house cost to respondents: \$229,440. (5,736 hours x \$40/hour).

- (7) 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. $1,434$ (responses) x 4 (hours to tabulate end user rates for each line and to prepare the relevant reporting documents) x $\$40/\text{hour}$ = $\$229,440$.

aa. Recordkeeping Requirements (updated respondents):

- (1) Number of Respondents: Approximately 2,049 telephone companies.
- (2) Frequency of Response: Annually.
- (3) Total number of responses per respondent: Approximately 1.
- (4) Estimated time per response: 2 hours.
- (5) Total annual hour burden: 4,098 hours.

2 hours per respondent for 2,049 respondents retaining documents on an annual basis.
Total annual hour burden is calculated as follows:

$2,049$ respondents x 1 submission per respondent = $2,049$ responses x 2 hours = **4,098 total annual hours.**

- (6) Total estimate of in-house cost to respondents: $\$163,920$. ($4,098$ hours x $\$40/\text{hour}$).
- (7) Explanation of calculation: We estimate that each carrier will spend at least 2 hours tracking document retention periods: $2,049$ (responses) x 2 (hours to comply with document retention requirements) x $\$40/\text{hour}$ = $\$163,920$.

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
<u>a. Supply Chain Certification for all Connect America Fund Recipients</u>	2,049	1	.1	205	\$8,200
<u>b. Uniendo a Puerto Rico Fund and Connect USVI Fund Certification Requirements for Fixed and Mobile Providers</u>	15	1	3	45	\$1,800
<u>c. Uniendo a Puerto Rico Fund and Connect USVI Fund Certification Requirements for Mobile Providers</u>	5	1	1	5	\$200

<u>d. Connect America Fund Phase II Auction, Uniendo a Puerto Rico Stage 2, Connect USVI Fund Stage 2 Reporting and Certifications</u>	172	1	4	688	\$27,520
<u>e. Reporting of New Locations by Connect America Fund-Broadband Loop Support Recipients</u>	0	0	0	0	\$0
<u>f. Annual Reporting Requirements for All Funding Recipients</u>	2,049	1	5	10,245	\$409,800
<u>g. Connect America Fund Phase II Requirements</u>	9	1	2	18	\$720
<u>h. Rate-of-Return Requirements</u>	1,141	1	3	3,423	\$136,920

<u>i. Capital Operating Expense Data for Phase II Model-Based Support Recipients</u>	9	1	1	9	\$360
<u>j. E-Rate Certification for Phase II Model-Based Support Recipients and Rate-of-Return Carrier High-Cost Recipients</u>	1,150	1	2	2,300	\$92,000
<u>k. Reasonably Comparable Rates Certification for Broadband</u>	1,339	1	4	5,356	\$214,240
<u>l. Carriers Lacking Terrestrial Backhaul Certification</u>	20	1	15	300	\$12,000
<u>m. Tribal Engagement Reporting</u>	300	1	4	1,200	\$48,000

<u>n. Price Cap Carrier Frozen High Cost Support Certification</u>	293	1	15	4,395	\$175,800
<u>o. Voice Certifications for Phase-Down Support Recipients</u>	101	1	15	1,515	\$60,600
<u>p. Price Cap Carrier High-Cost Support for Access Charges Certification</u>	293	1	15	4,395	\$175,800
<u>q. Privately Held Rate-of-Return Carrier Financial Information</u>	625	1	15	9,375	\$375,000
<u>r. Reporting of Cost Consultant Information for Rate-of-Return Carriers</u>	1,141	1	0.1	114	\$4,560
<u>s. Additional Annual Reporting for Rural Broadband Experiments</u>	20	1	3	60	\$2,400

<u>t. Newly Available Backhaul Reporting for Alaska Plan Participants</u>	21	1	7	147	\$5,880
<u>u. Capital Expenditure Documentation for Rate-of-Return and Competitive ETC Alaska Plan Participants</u>	13	1	2	26	\$1,040
<u>v. Residential Rate Updates</u>	20	1	4	80	\$3,200
<u>w. State Certification Letter Under 254(e)</u>	61	1	3	183	\$7,320
<u>x. Support in Competitive Study Areas (FCC Form 525)</u>	1	4	6	24	\$960
<u>y. Safety Valve</u>	25	1	0.5	13	\$520
<u>z. Local End User Rated and State Regulated Fees</u>	1,434	1	4	5,736	\$229,440

<u>aa.</u> <u>Recordkeeping</u> <u>Requirements</u>	2,049	1	2	4,098	\$163,920
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TOTALS:

Total Number of Respondents: 2,049 unique respondents filing multiple times.

Total Number of Responses Annually: 14,358

Total Annual Hourly Burden for requirements (a) – (aa): 53,955

Total Annual In-house Costs to respondents: \$2,158,200

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 to 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 program changes and adjustments to this information collection as a result of new or revised requirements associated with the new Uniendo a Puerto Rico and Connect USVI Funds and the existing Connect America Phase II Auction program. Recipients of high-cost support through these programs will be required to make certifications and report information regarding their use of support, including the amount of support used for capital expenditures in the previous calendar year, and information on the community anchor institutions to which the carrier began providing access to broadband service in the preceding calendar year. All support recipients will also need to begin certifying their compliance with the Commission’s prohibition on using universal service support for Huawei or ZTE equipment or services. These program changes resulted in an increase in the number of respondents and annual responses. However, because rate-of-return carriers participating in the CAF-BLS program will no longer need to report progress on their deployment of 10/1 Mbps or better broadband locations as part of this collection, the program changes resulted in a decrease of total annual burden hours overall. The number of respondents increased from 2,034 to 2,049 (+15); the annual responses increased from 12,729 to 14,328 (+1,599); and the annual burden hours decreased from 54,519 to 53,850 (-669).

In addition to program changes, the Commission is reporting adjustments to the information collection. Specifically, since more carriers will begin to have reporting obligations as a

condition of receiving Puerto Rico/U.S. Virgin Islands Stage 2 support, there are additional respondents, responses, and burden hours for certain general requirements in this information collection. This adjustment increases the number of annual responses from 14,328 to 14,358 (+30) and the burden hours from 53,850 to 53,955 (+105).

In sum, the estimated total number of respondents and total annual responses have increased under this OMB control number, while the overall number of annual burden hours has decreased. The total number of respondents increased from 2,034 to 2,049 (+15); the total annual responses increased from 12,729 to 14,358 (+1,629); and the total annual burden hours decreased from 54,519 to 53,955 (-564).

16. *Collections of information whose results will be published.* The Commission plans to make some non-proprietary information available publicly, including information included in recipients' annual reports.

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 481 and FCC Form 525. The Commission will use an edition date in lieu of an OMB expiration date. This will prevent the Commission from having to repeatedly update the expiration date on the forms each time this collection is submitted to OMB for review and approval. 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.