

Federal Communications Commission

Explanation of Non-Substantive Changes to OMB Control Number: 3060-0853:

- FCC Form 500
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Purpose of this Submission: This submission is being made for proposed non-substantive changes to an existing information collection pursuant to 44 U.S.C. § 3507. This submission seeks to make minor, non-substantive changes to the FCC Form 500 (Funding Commitment Adjustment Request Form) and the instructions for filing out the form. These changes are being made pursuant to the Commission’s *Category Two Report and Order* that eliminated the requirement for applicants to notify the Universal Service Administrative Company (USAC) regarding equipment transfers and modified how category two funding budgets are set, monitored, and reported. These changes will reduce administrative burdens on E-Rate program applicants. The form is electronically available through an online database, and a representative sample of the information requested from respondents is included with this submission.

Background: In December 2019, the Commission adopted the *Category Two Report and Order*, which modified E-Rate program rules to, among other things: (1) make permanent the category two budget approach, which provides applicants with a set amount of category two funding for a five-year period; (2) allow applicants to apply for category two funding on a school district-wide or library system-wide basis, rather than an entity-level basis; and (3) decrease the administrative burden on applicants requesting funding for category two services. Among the changes to the Commission’s rules, the *Category Two Report and Order* eliminated the requirement that applicants notify USAC of equipment transfers between eligible entities. The *Category Two Report and Order* also adopted school district-wide and library system-wide budgets. Under the prior site-based budgets, applicants that did not spend all the funding committed in a given funding year had to file FCC Forms 500 to reduce their funding commitment to match the amount of category two funding they spent—ensuring that USAC’s category two budget tools accurately reflected the amount of category two funding available for the following funding year. Given the change to district-wide and system-wide budgets, applicants will no longer need to file this form for each site in the school district or library system on an annual basis. As a result of these changes, we expect the number of applicants filing the FCC Form 500 each year will decrease.

We seek to modify the FCC Form 500 to implement these changes for funding year 2021 as set forth in the *Category Two Report and Order* in time for the start of the funding year, which begins on July 1, 2021.

Summary of Proposed Changes to the FCC Form 500:

- We propose to remove all language referring to equipment transfers to reflect the change in the FCC Form 500. We will achieve this by:
 - Removing the equipment transfer notification check box and affiliated screens from the FCC Form 500 for funding year 2021 and for future funding years. We will also remove the equipment transfer related instructions.