

Legacy High-Cost Support Recipient Initial Report of Current Service OfferingsSUPPORTING STATEMENT

New Collection Titled: Legacy High-Cost Support Recipient Initial Report of Current Service Offerings. The Federal Communications Commission (Commission) requests approval from the Office of Management and Budget (OMB) for a new, one-time information collection requirement necessary to implement recently-adopted requirements for competitive eligible telecommunications carriers (ETCs) receiving legacy high-cost support for mobile wireless services, as explained below.

A. Justification:

1. *Circumstances that make this collection necessary.* Under this new, one-time information collection, the Commission will collect from each competitive ETC receiving legacy high-cost support for mobile wireless services an initial report of its current service offerings in each of its subsidized service areas detailing how it is using legacy support.

On November 18, 2011, the Commission released the *USF/ICC Transformation Order* (FCC 11-161) in which it comprehensively reformed and modernized the universal service and intercarrier compensation systems to ensure that robust, affordable voice and broadband service, both fixed and mobile, are available to Americans throughout the nation. In the *USF/ICC Transformation Order*, the Commission, among other things, adopted a requirement that all ETCs offer broadband service in their supported area that meets certain basic performance requirements and report regularly on associated performance measures as a condition of receiving federal high-cost universal service support.

On October 27, 2020, the Commission adopted the *5G Fund Report and Order* (FCC 20-150) in which it, among other things, helped to complete the reform of the high-cost program begun in the *USF/ICC Transformation Order* by adopting additional public interest obligations and performance requirements for legacy high-cost support recipients, whose broadband-specific public interest obligations for mobile wireless services were not previously detailed. The public interest obligations adopted in the *5G Fund Report and Order* for each competitive ETC receiving legacy high-cost support for mobile wireless services require that such competitive ETC (1) use an increasing percentage of its legacy support toward the deployment, maintenance, and operation of voice and broadband networks that support 5G meeting the adopted performance requirements within its subsidized service area(s), and (2) meet specific 5G broadband service deployment coverage requirements and service deployment milestone deadlines that take into consideration the amount of legacy support the carrier receives.

In order to gain a complete understanding of the current service offerings of each competitive ETC receiving legacy high-cost support for mobile wireless services, the Commission adopted rules that require each such competitive ETC to file an initial report containing information and certifications about its current mobile service offerings in each of its subsidized service areas and how it is using its legacy support, whether it is offering mobile services in its subsidized service areas at rates that are reasonably comparable to rates charged in urban areas, and whether it has availed itself of the geographic flexibility granted by the Commission concerning its use of support within any other designated service area(s) for which it or an affiliated competitive ETC receives legacy support. See 47 CFR §§ 54.313(p), 54.322(g), (h). The initial report must include the following for each of the competitive ETC's subsidized service areas:

- The six-digit study area code (SAC) for the service area;

- An indication of the highest level of technology deployed in each subsidized service area as of the date of the initial report filing;
- A target date for when 5G service meeting the performance requirements adopted in the *5G Fund Report and Order* will be deployed within the subsidized service area (for any service area in which 5G has not been deployed);
- An estimate of the percentage of area covered by 5G service meeting the adopted performance requirements, corresponding to the competitive ETC's most recent mobile broadband deployment data filed via FCC Form 477 or Broadband Data Collection, as appropriate (for any area in which 5G has been deployed);
- Infrastructure information regarding the cell sites and sectors that the competitive ETC uses to provide mobile service within each subsidized service area (in standardized data templates as part of a file upload);
- A brief narrative describing the competitive ETC's current mobile service offerings;
- A high-level accounting of how it has used legacy high-cost support received for the 12-month period prior to the deadline for filing the initial report (with the level of detail and manner in which such initial accounting information must be provided specified by the Commission's Office of Economics and Analytics (OEA) and Wireline Competition Bureau (WCB) in advance of the initial report filing deadline);
- An indication (Yes/No) whether the competitive ETC offers services with the same rates, terms, and conditions in both urban and rural areas or otherwise offers one stand-alone voice service plan and one service plan offering data in rural areas that are substantially similar to plans it offers in urban areas and, in the event of a "No" response, the competitive ETC must identify a carrier that offers service in urban areas and the specific rate plans to which the competitive ETC's plans are reasonably comparable and submit corroborating evidence that its rates are reasonably comparable;
- An indication (Yes/No) whether the competitive ETC receiving legacy high-cost support for a particular subsidized service area has availed itself of the flexibility granted by the Commission to use such support for the provision, maintenance, and upgrading of facilities and services within any other designated service area(s) for which it or an affiliated competitive ETC receives legacy support and, in the event of a "Yes" response, certification that the competitive ETC or affiliated competitive ETC has used such support in compliance with the Commission's rules;
- Certification that the carrier has filed relevant deployment data pursuant to section 1.7001 or 1.7004 of the Commission's rules, 47 CFR §§ 1.7001, 1.7004, via FCC Form 477 or the Broadband Data Collection, as appropriate, that reflect its current deployment covering its subsidized service area; and
- Various other certifications related to its current service offerings, the use of legacy high-cost support, and the contents of the initial report filing.

OEA and WCB will specify the process by which competitive ETCs receiving legacy high-cost support for mobile wireless services must file their initial reports prior to the filing deadline.

The Commission seeks OMB approval for this new, one-time information collection to permit it to collect an initial report from each competitive ETC receiving legacy high-cost support for mobile wireless services.

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

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

2. *Use of Information.* Under this new, one-time information collection, the Commission will collect an initial report from each competitive ETC receiving legacy high-cost support for mobile wireless services that provides information and certifications about its current mobile service offerings in each of its subsidized service areas and how it is using its legacy support, whether it is offering mobile services in its subsidized service areas at rates that are reasonably comparable to rates charged in urban areas, and whether it has availed itself of the geographic flexibility granted by the Commission concerning its use of support within any other designated service area(s) for which it or an affiliated competitive ETC receives legacy support. The information and certifications provided in these initial reports will be used by the Commission to gain a complete understanding of the current service offerings of each competitive ETC receiving legacy high-cost support for mobile wireless services and how legacy support is being used, confirm the competitive ETC is offering services at reasonably comparable rates, and confirm that if it has availed itself of the geographic flexibility granted by the Commission concerning its use of support within any other designated service area(s) for which it or an affiliated competitive ETC receives legacy support it is doing so in compliance with the Commission's rules.

3. *Technological collection techniques.* Competitive ETCs receiving legacy high-cost support for mobile wireless services will submit their initial reports under this new, one-time information collection electronically as part of a web form accessed via the Universal Service Administrative Company's (USAC) portal. This collection mechanism is being used to reduce the technological burden on the public and the Commission.

4. *Efforts to identify duplication.* There will be no duplicative information collected. This information collection is a new, one-time collection of an initial report from each competitive ETC receiving legacy high-cost support for mobile wireless services that provides information and certifications about its current service offerings in each of its subsidized service areas and how it is using its legacy support, whether it is offering services at reasonably comparable rates, and whether it has availed itself of the geographic flexibility granted by the Commission concerning its use of support within any other designated service area(s) for which it or an affiliated competitive ETC receives legacy support. Thus, the information being collected under this collection is not already available.

5. *Impact on small entities.* In conformance with the Paperwork Reduction Act of 1995, the Commission has made an effort to minimize the burden on all respondents regardless of size by limiting the information collected to that which is necessary for the Commission to gain a complete understanding of the current service offerings of each competitive ETC receiving legacy high-cost support for mobile wireless services and how such legacy support is being used, confirm the competitive ETC is offering services at reasonably comparable rates, and confirm that if the competitive ETC has availed itself of the geographic flexibility granted by the Commission concerning its use of support within any other designated service area(s) for which it or an affiliated competitive ETC receives legacy support it is doing so in compliance with the Commission's rules. Moreover, the requirement to submit information under this collection is limited to only those competitive ETCs receiving legacy high-cost support for mobile wireless services. In addition, the initial reports required under this information collection will be submitted electronically as part of a web form accessed via the USAC portal—thereby further minimizing the burden on all respondents, including small entities, related to this new, one-time information collection.

6. *Consequences if information is not collected.* Without the information and certifications provided under this information collection, the Commission will not be able to gain a complete understanding of the current service offerings of each competitive ETC receiving legacy high-cost

support for mobile wireless services and how such legacy support is being used, confirm that the competitive ETC is offering services at reasonably comparable rates, and confirm that if the competitive ETC has availed itself of the geographic flexibility granted by the Commission concerning its use of support within any other designated service area(s) for which it or an affiliated competitive ETC receives legacy support it is doing so in compliance with the Commission's rules—which could hinder the Commission's efforts to bring accountability and ensure that competitive ETCs receiving legacy high-cost support for mobile wireless services deploy of 5G service in their subsidized service areas consistent with the rules adopted by the Commission in the *5G Fund Report and Order* and in turn result in potential harm to the universal service program and the public.

7. *Special circumstances.* The new collection does not have any of the characteristics that would require separate justification under 5 CFR § 1320.5(d)(2).

8. *Federal Register notice; efforts to consult with persons outside the Commission.* Pursuant to 5 CFR § 1320.8, the Commission published a 60-day notice in the Federal Register on March 29, 2021 (86 FR 16361) regarding the extension of this information collection. No comments were received in response to this notice.

9. *Payments or gifts to respondents.* The Commission will not provide any payment or gifts to respondents.

10. *Assurance of confidentiality.* Most of the information collected under this collection will be made publicly available. However, in recognition of the fact that a carrier may consider the infrastructure information required to be submitted as part of its initial report to be sensitive, such infrastructure information will be treated as presumptively confidential by the Commission and USAC and withheld from public inspection, although USAC will provide these data to the Commission and the relevant state, territory, and Tribal governmental entities that have jurisdiction over a particular service area, as applicable. To the extent that a respondent seeks to have other information collected in response to this information collection withheld from public inspection, the respondent may request confidential treatment pursuant to 47 CFR § 0.459 of the Commission's rules.

11. *Questions of a sensitive nature.* The information collection requirements do not ask questions of a sensitive nature.

12. *Estimates of the hour burden of the information collection to respondents.* The following represents the hour burden for the proposed new collection of information:

- a. *Number of estimated annual respondents:* Up to 110 respondents. Only those competitive ETCs receiving legacy high-cost support for mobile wireless services will be required to respond to this one-time information collection.
- b. *Total number of responses:* Up to 110 responses.
- c. *Frequency of response:* One-time. A respondent will submit information once in response to this information collection.
- d. *Total estimated annual burden hours:* 1,760.

16 hours per respondent for up to 110 respondents filing on an annual basis. The total estimated annual hour burden is calculated as follows:

Up to 110 responses x 1 response per respondent x 16 hours per response = **1,760 total estimated annual burden hours.**

- e. *Total estimate of annualized “in-house” cost to respondents for the hour burden: \$137,755.20.*
- f. *Explanation of calculation:* The Commission estimates that it will take each respondent a total of 16 hours to respond to this information collection. The Commission expects that the initial report will typically be prepared by the respondent using existing in-house staff at a rate equivalent to the hourly rate of a GS-15, Step 5 government staff member (\$78.27/hour). Therefore, the estimated annual in-house cost to respond to this information collection is as follows:

110 respondents x 16 hours x \$78.27/hour = **\$137,755.20.**

Total In-House Cost: \$137,755.20.

- 13. *Estimates of the cost burden of the collection to respondents.* There is no external cost burden to the respondents. Respondents should not incur capital and start-up costs or operation and maintenance costs for purchase of services in connection with responding to this information collection. The information collected in the initial report should already be collected and maintained as part of the customary and usual business or private practice of the respondent.

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

- 14. *Estimates of the annual 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 adjustment.* This is a new information collection resulting in a program change increase of 110 annual respondents, 110 annual responses, and 1,760 annual burden hours.
- 16. *Collections of information whose results will be published.* The information collection will not be published for statistical use.
- 17. *Display of expiration date for OMB approval of information collection.* The Commission seeks an exemption from the requirement to display the OMB expiration date for this information collection. The Commission publishes a list of all OMB-approved information collections and their corresponding expiration dates in 47 C.F.R. 0.408 of the Commission’s rules, 47 C.F.R. § 0.408, and will publish the OMB control number and OMB expiration date for this collection in the list contained in section 0.408 of its rules.
- 18. *Exception 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 this new collection of information will employ statistical methods, and the use of such methods would not reduce the burden or improve accuracy of results.