

SUPPORTING STATEMENT

This submission is being made pursuant to 44 U.S.C. § 3507 of the Paperwork Reduction Act of 1995 to obtain the Office of Management and Budget (OMB) approval to extend the existing collection 3060-0853.

A. Justification:

1. *Circumstances that make the collection necessary.* The Communications Act of 1934 (the Act), as amended by the Telecommunications Act of 1996 (1996 Act), directed the Commission to take steps necessary to establish support mechanisms to ensure the delivery of affordable telecommunications service for all Americans, including consumers in high cost areas, low-income consumers, rural health care providers, and eligible schools and libraries. Section 254(h) of the Act, as implemented by the Commission in its *Universal Service Order* (CC Docket No. 96-45, FCC 97-157), established, *inter alia*, the federal schools and libraries universal service support mechanism (E-Rate program).

Under the E-Rate program, eligible schools, libraries, and consortia that include eligible schools and libraries may apply for discounts ranging from 20 percent to 90 percent of the pre-discount price of eligible services. The discount levels are based on indicators of need and may change depending on the category of eligible services selected.

Eligible applicants can seek funding on an annual basis. They commence the application process by seeking bids for eligible services by filing the FCC Form 470 (approved under OMB Control No. 3060-0806) with the Universal Service Administrative Company (USAC or Administrator), the current administrator of the E-Rate program. After the competitive bidding process concludes, applicants enter into agreements with service providers who will provide the requested services. Next, applicants seek funding for these services by filing an FCC Form 471 (approved under OMB Control No. 3060-0806) with USAC once the annual application window opens. After the Administrator reviews the funding request and commits to fund the services requested, applicants use the FCC Form 486 to notify USAC of their service start dates for their funding requests. Universal service support will not be paid on an approved funding commitment prior to receipt of the FCC Form 486.

Billed entities also use the FCC Form 486 to certify compliance with the Children's Internet Protection Act (CIPA), *see* 47 U.S.C. § 254 (h)-(l), when they seek discounts for category one services (i.e., Internet access) and category two services (i.e., internal connections, managed internal broadband services, or basic maintenance of internal connections). When the billed entities are members of a larger consortia, they individually certify CIPA compliance by submitting the FCC Form 479 to the consortium leader. The consortium leader can then file the FCC Form 486 certifying CIPA compliance for the consortia. CIPA requires schools and libraries that have computers with Internet access to certify that they have in place certain Internet safety policies and technology protection measures to be eligible to receive program services under section 254(h) of the Act. *See also* 47 CFR § 54.520. The FCC Form 486 is also a necessary prerequisite for invoicing and payment.

The FCC Form 500 is used by E-Rate participants to make adjustments to previously filed forms, such as changing the contract expiration date noted on the FCC Form 471, changing the funding year service start date listed on the FCC Form 486, cancelling or reducing the amount of a funding request, extending the deadline for non-recurring services, and notifying USAC of equipment transfers.

On July 23, 2014, the Commission released an Order and FNPRM (WC Docket No. 13-184, FCC 14-99; 79 FR 49160, August 19, 2014) (*2014 First E-Rate Order*) modernizing the E-Rate program. Specifically, the *2014 First E-Rate Order* adopted new rules and procedures to reorient the E-Rate program to focus support on high-speed broadband for schools and libraries while also taking steps to streamline the program.

OMB approved revisions to this information collection in 2016 to implement the changes adopted in the *2014 First E-Rate Order*. These changes included: (1) removing the technology plan certification from the FCC Form 486, (2) updating the document retention requirements on all three forms, and (3) converting the FCC Forms 486 and 500 to an online format. The Commission now seeks approval to extend the currently approved requirement in this information collection.

Statutory authority for this collection of information is contained in 47 U.S.C. sections 151, 154(i), 155, 201, 205, 214, 219, 220, 254, 303(r), 403, and 1302.

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

2. *Use of information.* The requirements contained herein are necessary to implement the Congressional mandate for universal service. It provides the Commission and USAC with the necessary information to administer the E-Rate program, determine the amount of support entities seeking funding are eligible to receive, to determine if entities are complying with the Commission's rules, and to prevent waste, fraud, and abuse. The information will also allow the Commission to evaluate the extent to which the E-Rate program is meeting the statutory objectives specified in section 254 of the 1996 Act, the Commission's own performance goals set in the *2014 First E-Rate Order*, and to evaluate the need and feasibility for any future revisions to program rules.

Moreover, this information is collected to ensure that entities eligible to receive discounted Internet Access and internal connections have in place certain Internet safety policies. Applicants that seek category one Internet Access service or any category two products or services must certify compliance with CIPA. Entities receiving these services either complete the FCC Form 486 or the FCC Form 479 to certify that they are enforcing an Internet safety policy, which must include specific technology protection measures.

3. *Use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.* The FCC Forms 486 and 500 are accessible only online. Screenshots of the online FCC Forms 486, and 500 are provided with this submission. Electronic filing permits applicants and service providers to input data in required fields and have data auto-populated wherever possible and applicable. To reduce applicant confusion, the electronic filing process uses progressive disclosure wherever possible, so that an applicant is asked to provide only information relevant to its application.
4. *Efforts to identify duplication.* There will be no duplication of information. The information sought is unique to each applicant and similar information is not already available.
5. *Impact on small entities.* Entities directly subject to the requirements in these forms are primarily schools, libraries, school districts, and consortia comprised of eligible schools and libraries. This information collection is designed to impose the least possible burden on the respondents while

ensuring that the Administrator and the Commission have information necessary to administer and improve the E-Rate program.

6. *Consequences if information not collected.* Failing to collect the information, or collecting it less frequently, would prevent the Commission from fulfilling the requirements of section 254 of the 1996 Act, and prevent eligible participants and service providers from seeking E-Rate reimbursements for eligible services.
7. *Special circumstances.* There are no special circumstances with this information collection.
8. *Federal Register notice; efforts to consult with persons outside the Commission.* The Commission published a notice pursuant to 5 CFR Section 1320.8(d), in the Federal Register to solicit public comment on the collection on July 29, 2019 (84 FR 36599). If no comments, also insert “No comments were received.” If comments were received, we will need to update the document to address them.
9. *Payments or gifts to respondents.* There will be no payments or gifts to respondents.
10. *Assurances of confidentiality.* There is no assurance of confidentiality provided to respondents concerning this information collection. However, respondents may request materials or information submitted to the Commission or to the Administrator be withheld from public inspection under 47 CFR § 0.459 of the FCC’s rules.
11. *Questions of a sensitive nature.* The request does not address any private matters of a sensitive nature.
12. *Estimates of the hour burden of the collection to respondents.* The following represents the estimated hour burden on the collections of information:

(a) FCC Form 479 – Certification by Administrative Authority to Billed Entity of Compliance with Children’s Internet Protection Act:

Administrative authorities for billed entities participating in a consortia must submit signed certifications on the FCC Form 479 to the consortium leader certifying that they, the individual billed entities within the greater consortia, have complied with CIPA requirements. The consortium leader is required to collect and retain copies of the signed and completed FCC Forms 479.

- (1) Number of respondents: Approximately 17,000 entities.
- (2) Frequency of response: Annually.
- (3) Annual burden per response: 1 hour.
- (4) Total annual burden: **17,000 hours.**
- (5) Explanation of calculation: We estimate that it will take approximately one hour to fulfill this requirement and it will occur once a year for 17,000 respondents. 17,000 (number of respondents) x 1 (number of submissions) x 1 (estimated hour burden) = **17,000 hours.**
- (6) Total estimate of in-house cost to respondents for the hour burden for collection of information: **\$680,000.**
- (7) Explanation of calculation: We estimate that this obligation will take approximately 1 hour and will occur once a year for 17,000 billed entities. 17,000 (number of respondents) x 1 (estimated number of submissions) x 1 (estimated hour burden) x \$40 per hour = **\$680,000.**

(b) FCC Form 486 – Receipt of Service Confirmation and Certification of Compliance with the Children’s Internet Protection Act:

Billed entities must use the FCC Form 486 to notify USAC of their service start dates and certify CIPA compliance.

- (1) Number of respondents: Approximately 20,000 billed entities.
- (2) Frequency of response: Annually and on occasion.
- (3) Total number of responses annually: Approximately 20,000.
- (4) Annual burden per response: 1 hour.
- (5) Total annual hour burden: **Approximately 20,000 hours.**
- (6) Explanation of calculation: We estimate that it will take approximately one hour to fulfill this requirement and it will occur once a year for 20,000 respondents. $20,000 \text{ (number of respondents)} \times 1 \text{ (number of submissions)} \times 1 \text{ (estimated hour burden)} = 20,000 \text{ hours.}$
- (7) Total estimate of in-house cost to respondents for the hour burden for collection of information: **\$800,000.**
- (8) Explanation of calculation: We estimate that this obligation will take approximately 1 hour and will occur approximately 1 time per year for 20,000 entities. We also know that some applicants may file more than once per year. $20,000 \text{ (number of respondents)} \times 1 \text{ (approximate number of submissions)} \times 1 \text{ (estimated hour burden)} \times \$40 \text{ per hour} = \textbf{\$800,000.}$

(c) FCC Form 500 – Funding Commitment Adjustment Request:

Billed entities use the FCC Form 500 to make adjustments to previously filed forms, *e.g.*, cancelling or reducing the amount of funding requests. Although the FCC Form 500 allows several types of responses, applicants generally use the FCC Form 500 for one or more responses at a time.

- (1) Number of respondents: Approximately 1,000.
- (2) Frequency of response: On occasion.
- (3) Total number of responses annually: Approximately 1,000.
- (4) Annual burden per response: 1 hour.
- (5) Total annual hour burden: **Approximately 1,000 hours.**
- (6) Explanation of calculation: We estimate that it will take approximately one hour to fulfill this requirement and it will occur once a year for 1,000 respondents. $1,000 \text{ (number of respondents)} \times 1 \text{ (number of submissions)} \times 1 \text{ (estimated hour burden)} = 1,000 \text{ hours.}$
- (7) Total estimate of in-house cost to respondents for the hour burden for collection of information: **\$40,000.**
- (8) Explanation of calculation: We estimate that this obligation will take approximately 1 hour and will occur once a year for 1,000 respondents. $1,000 \text{ (number of respondents)} \times 1 \text{ (estimated number of submissions)} \times 1 \text{ (estimated hour burden)} \times \$40 \text{ per hour} = \textbf{\$40,000.}$

Maintaining and Updating the Internet Safety Policy

E-Rate program recipients must maintain Internet safety policies, may update them as necessary, and must, upon request, provide copies of the Internet safety policies to the Commission or the Administrator pursuant to section 254(l) of the 1996 Act.

- (1) Number of respondents: Approximately 20,500.
- (2) Frequency of response: Up to once each year.

- (3) Total number of responses: Approximately 20,500.
- (4) Annual burden per response: 0.75 hours.
- (5) Total annual hour burden: **Approximately 15,375 hours.**
- (6) Explanation of calculation: We estimate that it will take 0.75 hours to comply with this requirement and it will occur once a year. $20,500$ (number of respondents) \times 0.75 (estimated hour burden) = $15,375$ hours.
- (7) Total estimate of the in-house cost to respondents for the hour burden for collection of information: **\$615,000.**
- (8) Explanation of calculation: We estimate that this obligation will take approximately 0.75 hours and will occur approximately once a year for 20,500 respondents. $20,500$ (number of respondents) \times 1 (number of submissions required) \times $.75$ (hours to comply with requirements and/or update or supply Internet safety policies) \times $\$40$ per hour = **\$615,000.**

Total number of respondents = $17,000 + 20,000 + 1,000 + 20,500 = 58,500$ respondents.

Total number of responses = $17,000 + 20,000 + 1,000 + 20,500 = 58,500$ responses.

Total annual burden = $17,000 + 20,000 + 1,000 + 15,375 = 53,375$ hours.

Total “in-house” cost to the respondent = $\$680,000 + \$800,000 + \$40,000 + \$615,000 = \$2,135,000.$

- 13. *Estimates of other costs to respondents.* There are no outside contracting costs for this information collection. The estimated in-house costs to respondents is noted above in item 12.
 - 14. *Estimates of the cost burden to the Commission.* There will be few, if any, additional costs to the Commission because notice, enforcement, and policy analysis associated with the Universal Service Fund are already part of the Commission’s duties. Moreover, there will be minimal cost to the Federal government because a third party, USAC, administers the E-Rate program.
 - 15. *Program changes or adjustments.* The Commission is reporting an adjustment to the number of respondents, responses, and the total burden hours within this submission. The public burden for the requirements contained herein is now **53,375** burden hours, which is a decrease of 5,200 burden hours. The adjustment is due to updated information based on actual use of the FCC Forms 479, 486, and 500 by E-Rate participants. The adjustments/decreases are to the number of respondents by -5,200, total annual responses by -5,200 and total annual burden hours by -5,200. Specifically, the number of respondents using the FCC Form 479 increased from 10,300 to 17,000, FCC Form 486 decreased from 26,000 to 20,000, and FCC Form 500 decreased from 6,900 to 1,000 respondents, based on the actual number of respondents filing the FCC Forms for funding year 2018. Overall, the number of the number of respondents decreased and the total annual burden decreased from 58,575 to 53,375 hours.
- There are no program changes.
- 16. *Collections of information whose results will be published.* Non-proprietary information will be made publicly available for the benefit of all interested parties.
 - 17. *Display of expiration date for OMB approval of information collection.* The Commission seeks continued approval to not display the expiration date for OMB approval of this information collection. The Commission will use an edition date in lieu of the 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 in 47 CFR § 0.408 of the Commission's rules.

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.