

## SUPPORTING STATEMENT

This submission is being made pursuant to 44 U.S.C. § 3507(j) of the Paperwork Reduction Act of 1995 to obtain the Office of Management and Budget (OMB) approval to extend this information collection (FCC Forms 470 and 471).

### A. Justification:

1. *Circumstances that make the collection necessary.* The Federal Communications Commission (Commission) seeks processing of this information collection under the Paperwork Reduction Act (PRA), 44 U.S.C. § 3507(j) and 5 CFR § 1320.12.

The Communications Act of 1934, as amended by the Telecommunications Act of 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 universal service support mechanism for schools and libraries (E-Rate program).

Under the E-Rate program, eligible schools, school districts, 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 level of discounts may change depending on the category of eligible services selected and are based on indicators of need.

Eligible school and library applicants can seek funding on an annual basis. They commence the application process by first seeking bids for eligible services and filing the FCC Form 470 with the Universal Service Administrative Company (USAC or Administrator), the current administrator of the E-Rate program. After entering into agreements for services, applicants may seek funding for such services by filing an FCC Form 471 application with the Administrator once the application window opens.

On July 23, 2014, the Commission released an Order and Further Notice of Proposed Rulemaking (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.

On December 19, 2014, the Commission released an Order and Order on Reconsideration (WC Docket No. 13-184, FCC 14-189; 80 FR 5961, February 4, 2015) (*2014 Second E-Rate Order*), which implemented the next critical steps to modernize the E-Rate program by maximizing options for schools and libraries seeking to purchase high-speed broadband and adjusting the E-Rate program spending cap to \$3.9 billion. With these improvements, the Commission sought to close the high-speed connectivity gap between rural schools and libraries and their urban and suburban counterparts and provide sufficient and certain funding for high-speed connectivity to and within all eligible schools and libraries.

Collection of the information on FCC Forms 470 and 471 is necessary so that the Commission and USAC have sufficient information to determine if entities are eligible for funding and complying with the Commission's rules. In addition, the information is necessary for the Commission to evaluate the

extent to which the E-Rate program is meeting the statutory objectives specified in section 254(h) of the 1996 Act and the Commission’s performance goals established in the *2014 First and Second E-Rate Orders*, and to prevent waste, fraud, and abuse. The Commission seeks approval to extend the currently approved requirement in this information collection.

Statutory authority for this collection of information is contained in sections 1, 4(i), 4(j), 201-205, 214, 254, and 403 of the Communications Act of 1934, as amended, 47 U.S.C. § 151-154, 201-205, 218-220, 254, 303(r), 403 and 405.

a. FCC Form 470 “Description of Services Requested and Certification.”

To begin the application process for E-Rate funding, applicants must comply with the Commission’s competitive bidding rules by completing online an FCC Form 470 describing the services it needs from vendors. Once the information is entered into the online system and certified by the filer, the information is displayed on USAC’s website where it must be posted for at least 28 days before applicants can enter into contracts or agreements for services. *See* 47 CFR § 54.503(c)(4). The funding year for the E-Rate program starts on July 1 and ends on June 30. Applicants and consultants completing the FCC Form 470 must provide basic information, including contact information and demographic information to assist in the processing of the application. At a minimum, the applicant must include a list of specified services for which the school, library, or consortium requests bids, and sufficient information to enable bidders to reasonably determine the applicant’s needs. *See* 47 CFR § 54.503(c)(1).

b. FCC Form 470 “Description of Services Requested and Certification” Instructions.

Directions and other guidance for filers are integrated into the online interface for the FCC Form 470.

c. FCC Form 471 “Services Ordered and Certification.”

Once a school or library has complied with the Commission’s competitive bidding requirements and entered into an agreement for eligible services, it must file an FCC Form 471 application to notify USAC of the services that have been ordered, the service provider(s) with whom the applicant has entered into an agreement, and an estimate of the funds needed to cover the discounts to be given for eligible services. *See* 47 CFR § 54.504(a). Applicants also must provide their FCC Registration Number. *See* 47 CFR §§ 1.8002 and 1.8003. The funding window in which USAC accepts FCC Form 471 applications typically opens in January and closes in March before the applicable funding year begins on July 1. For example, the funding window for the 2018 funding year opened in January 2018 and closed in March 2018. This timing allows USAC to process applications and start committing funds prior to the start of the funding year.

- Online Access for Streamlined Filing – Filers access the FCC Form 471 through an online portal. Applicants have the opportunity to pre-file information pertaining to the FCC Form 471 in the online portal prior to the opening of the FCC Form 471 funding year window. Once information is prepopulated into the FCC Form 471, applicants will be able to check and provide corrections and updates to the information displayed. The online portal asks basic information about the applicant such as name, address, email address, and website information, and prepopulates these and other components of information already known about the applicant into the online FCC Form 471. This information comes from the

applicant's FCC Form 470 filing and/or the information for the FCC Form 471 that it has pre-filed and stored in the system. The portal may also ask other questions related to the FCC Form 471 and the certifications that the applicant will make when they file the FCC Form 471. For example, schools with endowments are asked to provide the amount of their endowments to enable USAC to verify the certifications applicants make in the FCC Form 471 that they do not have endowments exceeding \$50 million. Access to the portal and pre-filing is expected to expedite the FCC Form 471 filing process when the funding year window opens for applicants to request E-Rate funding for services.

- Customized Applications – In general, the FCC Form 471 is customized to the type of applicant and/or the type of selections made during the filing process. For example, if the filer indicates that it will be receiving state matching funds, fields will be available to that filer that will not be available to filers that are not receiving state matching funds.
- Integrated Instructions – Guidance for filling out the form is integrated into the system to provide filers a roadmap to complete the FCC Form 471. Wherever applicable and possible, filers will be provided explanatory text regarding the selections they choose during filing, and additional text to remind them where they may have to provide additional information or meet special requirements.
- Discount Calculations – Filers are able to input, finalize and pre-certify the information necessary to calculate their discount rates prior to filing their FCC Forms 471. Pre-certifications will auto load into their FCC Form 471. Applicants that have not provided and pre-certified discount calculation inputs will need to provide such information before finalizing and submitting the FCC Form 471. In addition to information previously asked of applicants to compute discount calculations, applicants will need to supply revised or new information to enable USAC and the Commission to better implement the directives of the *2014 First and Second E-Rate Orders*, including the physical location of schools and libraries, information about annexes to buildings, and the Institute of Museum and Library Services (IMLS) Locale Codes for libraries.
- Requesting Services – In addition to information previously asked of applicants to request funding for services in this collection, applicants will need to supply information to enable USAC and the Commission to better implement the directives of the *2014 First and Second E-Rate Orders*. Applicants are asked to provide the contract expiration dates for their current contract term, as well as the date of contract expiration if all extensions were to be exercised.
- Installment Payments for Special Construction – The FCC Form 471 allows an applicant to indicate if it has entered into a multi-year installment payment agreement with a service provider for the non-discounted share of special construction costs and seeks information about the installment payment agreement, such as the number of years (1- 4 years) covered by the plan and the amount of monthly payments. Applicants that enter into installment payment plans will need to make a certification about this according to the Commission's rule:
  - Applicants that enter into multi-year installment payment agreements must certify that they are able to make all required installment payments. See 47 CFR § 54.504(a)(1)(iii).
- State Matching Funds – Filers will indicate if they are receiving state or tribal government matching funds for special construction charges. Once filers indicate that they are receiving

matching funds, the FCC Form 471 collects identifying information about the match such as the source and dollar amount of the match, expected speed of the connection, and the entities that are being connected by the special construction subject to the match. The system will adjust the discount calculation based on the amount of the matching funds up to ten percent above an applicant's discount rate.

- Streamlined Communications – Once an FCC Form 471 has been filed, filers receive a notice through the user portal to confirm receipt.

- d. FCC Form 471 “Description of Services Requested and Certification” Instructions. Directions and guidance for filers are integrated into the online FCC Form 471 experience.

Section 54.504(a)(1)(iii) of the Commission's rules relates to the certification that applicants make on the FCC Form 471 that they have the necessary resources to make effective use of the services they are purchasing. Those applicants that enter into installment payment plans must certify that they are able to make all required installment payments.

This 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. The information collected herein 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 and the Commission's performance goals set forth in the *2014 First E-Rate Order*, and to evaluate the need for and feasibility of any future revisions to program rules.
3. *Use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.* Applicants must submit information through an online interface on the USAC website. As required by the Commission in the *2014 First E-rate Order*, USAC does not accept paper filings. The online FCC Forms 470 and 471 do not, in non-material respects, exactly resemble the representation or template of the form charts included with this submission. We are providing screenshots of the FCC Forms 470, 471, and the entity profile on the online interface and, where possible, have annotated proposed changes to those forms. The online interface will permit applicants to input data in required fields and auto-populates data where applicable. To reduce applicant confusion, the electronic filing process uses progressive disclosure where possible, so that an applicant will be asked to provide only information relevant to their application (*e.g.*, school applicants will not be asked to provide, or see questions intended for, library applicants). The online interface stores application information and related materials for school and library entities and can potentially help applicants comply with recordkeeping requirements and possible audits. Furthermore, where possible, information already provided by applicants is carried forward to filings in later funding years (*i.e.*, pre-populated data) to further reduce the filing burden.
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. The Commission does not otherwise collect information from schools and libraries. The data collected by the Commission

regarding school and library use of telecommunications, information and broadband services is, to the best of the Commission’s knowledge, not available from other sources. To the extent data can be cross-walked based on unique identifiers, this information will be obtained and automatically pre-populated into the forms. The online system “pre-populates” information, so that applicants do not have to manually re-enter information that has not changed from previous filings.

5. *Impact on small entities.* Entities directly subject to the requirements in the forms are primarily schools, libraries, school districts, and consortia comprised of 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 implementing section 254 (h) of the 1996 Act, and prevent eligible schools and libraries from seeking E-Rate discounts for eligible services.
7. *Special circumstances.* We do not foresee any special circumstances associated with this information collection.
8. *Federal Register notice; efforts to consult with persons outside the Commission.*  
A 60-day notice was published in the Federal Register pursuant to 5 CFR § 1320.8(d) on July 21, 2021. See 86 FR 38481.
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 hour burden on the collection of information:
  - a. Submission of FCC Form 470 “Description of Service Requested and Certification.”
    - (1) Number of respondents: Of the approximately 20,000 public school districts, private schools, public library systems, and consortia respondents,
      - (a) Approximately 16,000 respondents are in the government/public sector; and
      - (b) Approximately 4,000 respondents are in the non-profit/private sector.
    - (2) Frequency of response: Annually and on occasion. To start the competitive bidding process, each applicant (may be a school district, multiple school districts, public library systems, or combination thereof) must submit the FCC Form 470, describing the services desired to the Administrator before entering into an agreement for E-Rate-supported services.

- (3) Annual burden per response: 3 hours to fill out the form to comply with the reporting requirement; and 0.5 hours for the ten-year recordkeeping requirement. The total annual hour burden is: 98,000 hours.
- (4) Total estimate of in-house cost to respondents for the hour burdens for collection of information: \$4,801,020.
- (5) Explanation of calculation: We estimate that:
- (a) It will take approximately 3 hours to fill out 1.4 Form 470 for the reporting requirement:
- 16,000 government/public sector respondents x 3 hours x 1.4 form = 67,200 hours
- 4,000 non-profit/private sector respondents x 3 hours x 1.4 form = 16,800 hours
- (b) It will take approximately 0.5 hours for the ten-year recordkeeping requirement:
- 16,000 government/public sector respondents x 0.5 hours x 1.4 form = 11,200 hours
- 4,000 non-profit/private sector respondents x 0.5 hours x 1.4 form = 2,800 hours
- (c) These 20,000 (government/public sector and non-profit/private sector) respondents will require approximately 3.5 hours to comply with requirements: preparing 1.4 Form 470, including time for reading instructions, and complying with the ten-year recordkeeping requirements at a cost of \$48.99 per hour (including administrative staff time): 28,000 responses x 3.5 hours x \$48.99 per hour = \$4,801,020.

**Summary of Estimated Total Annual Burden Hours for FCC Form 470:**

**Total Number of Respondents: 20,000 respondents:** 16,000 government/public sector and 4,000 non-profit/private sector

**Total Number of Responses: 28,000 responses:** 16,000 government/public sector and 4,000 non-profit/private sector x 1.4 response

**Total Annual Hourly Burden: 98,000 hours**

84,000 hours for reporting requirements

14,000 hours for recordkeeping requirements

b. Submission of FCC Form 471 “Services Ordered and Certification.”

- (1) Number of respondents: Of the approximately 23,000 public school districts, private schools, public library systems, and consortia respondents,
- (a) Approximately 18,400 respondents are in the government/public sector; and
- (b) Approximately 4,600 respondents are in the non-profit/private sector.

- (2) Frequency of response: Annually and on occasion. To seek funding for competitively bid and ordered services, each school and library must submit FCC Form 471, describing the services desired, to the Administrator.
- (3) Annual burden per response: 4 hours to fill out the form to comply with the reporting requirement; and 0.5 hours for the ten-year recordkeeping requirement. The total annual hour burden is: 175,950 hours.
- (4) Total estimate of in-house cost to respondent for the hour burdens for collection of information: \$8,619,791.
- (5) Explanation of calculation: We estimate that:

(a) It will take approximately 4 hours to fill out 1.7 Form 471 for the reporting requirement:

18,400 government/public sector respondents x 4 hours x 1.7 form = 125,120 hours

4,600 non-profit/private sector respondents x 4 hours x 1.7 form = 31,280 hours

(b) It will take approximately 0.5 hours for the ten-year recordkeeping requirement:

18,400 government/public sector respondents x 0.5 hours x 1.7 form = 15,640 hours

4,600 non-profit/private sector respondents x 0.5 hours x 1.7 form = 3,910 hours

These 23,000 (government/public sector and non-profit/private sector) respondents will require approximately 4.5 hours to comply with requirements: preparing 1.7 Form 471, including time for reading instructions, and complying with the ten-year recordkeeping requirements at a cost of \$48.99 per hour (including administrative staff time):

39,100 responses x 4.5 hours x \$48.99 per hour = \$8,619,791.

**Summary of Estimated Total Annual Burden Hours for FCC Form 471:**

**Total Number of Respondents: 23,000 respondents: 18,400** government/public sector and 4,600 non-profit/private sector

**Total Number of Responses: 39,100 responses:** 18,400 government/public sector and 4,600 non-profit/private sector/1.7 form

**Total Annual Hourly Burden: 175,950**

156,400 hours for reporting requirements

19,550 hours for recordkeeping requirements

**Summary of Estimated Total Annual Burden Hours:**

**Total Number of Respondents: 43,000 respondents: 34,400** government/public sector and 8,600 non-profit/private sector

**Total Number of Responses: 67,100 responses:** 53,680 government/public sector and 13,420 non-profit/private sector

**Total Annual Hourly Burden: 273,950 hours**

240,400 hours for reporting requirements

33,550 hours for recordkeeping requirements

13. *Total Annual Costs to Respondents:*

(1) Total annualized capital/start-up costs: \$0.00.

The collections will not require the purchase of additional equipment.

(2) Total operation and maintenance and purchase of service component (O&M) costs: \$0.00.

The collections will not result in additional operation or maintenance expenses.

(3) Total annualized cost requested: \$0.00.

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.* There no program changes or adjustments to this information collection.

16. *Collections of information whose results will be published.* Non-proprietary information will likely be made publicly available for the benefit of all interested parties (*e.g.*, annual summary data for USAC's quarterly Universal Service Fund demand estimates). The FCC Form 471 requires detailed price and service information that will be made publicly available unless a special showing can be made that there is a specific statute, rule, or other restriction barring publication of this information. The *2014 First and Second E-Rate Orders* state that increased price transparency will improve cost-effectiveness within the program.

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.



