

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 and equipment (collectively “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 filing 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 protect the program from potential waste, fraud, and abuse. The Commission seeks approval to extend the currently approved requirement in this information collection. The Commission is reporting an adjustment to the number of respondents, responses, and the total burden hours within this submission based on FY 2023 data received from USAC.

a. Schools and Libraries Program 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 eligible services it needs from service providers. 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 the eligible services with the selected service provider(s). 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 and to submit responsive bids. See 47 CFR § 54.503(c)(1).

- Online Access for Streamlined Filing – Filers access the FCC Form 470 through an online portal. Applicants have the opportunity to pre-file information pertaining to the FCC Form 470 in the online portal starting on July 1 prior to the opening of the FCC Form 471 application filing window. Once information is prepopulated into the FCC Form 470, 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 470. This information comes from the applicant's prior 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 470 and the certifications that the applicants make when they file the FCC Form 470. Access to the portal and pre-filing is expected to expedite the FCC Form 470 filing process when the application filing window opens for applicants to request E-Rate funding for eligible services.
- Customized Applications – In general, the FCC Form 470 is customized to the type of applicant and/or the type of selections made during the filing process.
- Integrated Instructions – Guidance and instructions for filling out the form is integrated into the system to provide filers a roadmap to complete the FCC Form 470. 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.

- Streamlined Communications – Once an FCC Form 470 has been filed, filers receive a notice through the user portal to confirm receipt.
- Certifications - Applicants must provide certifications along with their FCC Form 470. These certifications are required to protect the integrity of the E-Rate program and to ensure compliance with the Commission’s rules. *See* 47 CFR § 54.503(c)(2).

b. Schools and Libraries Program 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 application filing 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 2024 funding year opened in January 2024 and closed in March 2024. 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 makes when it files 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 and instructions 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 agreement, 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.
- Certifications - Applicants must provide certifications along with their FCC Form 471. These certifications are required to protect the integrity of the E-Rate program and to ensure compliance with the Commission’s rules. See 47 CFR § 54.504(a)(1). For example, 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 equipment and services they are purchasing. Those applicants that enter into installment payment plans must certify that they are able to make all required installment payments.

- c. Schools and Libraries Program Recordkeeping, Audits, and Inspections. All participants in the E-Rate program are required to retain documentation for at least ten (10) years after the latter of the last day of the applicable funding year or the service delivery deadline for the funding request. Schools, libraries and consortia are required to retain all documents related to the application for, receipt or delivery of supported equipment and services, as well as any other documents that demonstrate compliance with the statutory and regulatory requirements. See 47 CFR § 54.516(a). In addition all participants in the E-Rate program must provide the documentation upon request. See 47 CFR 54.516(b). All participants are also subject to audits and inspections. See 47 CFR § 54.516(c)-(d).

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.

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 protect the integrity of the E-Rate program. 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, as well as the entity profile on the online interface. 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 C.F.R. § 1320.8(d) on June 24, 2024 (89 FR 52464). We received one comment in response to this notice. See Comments of CSM Consulting, Inc. (CSM) on Proposed Information Collection Requirements, OMB Control No. 3060-0806 (Universal Service - Schools and Libraries Universal Service Program, FCC Forms 470 and 471) (filed August 20, 2024) (CSM Comments). The commenter proposed recommendations it contends will improve the applicant and service provider experience for the E-Rate online system, the E-Rate productivity Center (EPC) and the FCC Form 471 to provide a more streamlined process. Specifically, CSM requests that the contract record in EPC be made editable to add contract amendments, extensions, and other contract-related documents, instead of having users create a new contract record. CSM also requests that users be allowed to include an optional service delivery address in addition to the required physical address for recipients of service in order to avoid rejections during audits because the delivery address does not match the physical address of the recipient of service. Finally, CSM requests that bandwidth minimum and maximum fields be used to address transition of services during the funding year, including transition of services between different service providers.

CSM’s proposals mainly focus on how the data is collected via the online system, EPC. The proposal to edit contract records is a system-related change rather than a change in the information being collected. The requested system-related changes may be considered as IT enhancements at a future date. The Commission takes into consideration ways to streamline the process, but the current process does not impede the information collection and allows applicants to file new documents and amendments to contracts, and the opportunity for applicant outreach.

The proposal to include optional service delivery addresses would create risks to the E-Rate program that outweigh any benefits, since allowing a delivery address that is different from the physical address increases the opportunity for fraud by allowing for services and/or equipment to be delivered somewhere other than to the intended school or library. To help prevent fraud, waste, and abuse in the E-Rate program, the physical address of the school or library is required to be reported in EPC. If addresses do not match, applicants have the ability to work with the auditors or USAC to demonstrate the recipients of service are eligible to receive the E-Rate funded services/equipment and to satisfy audit findings. However, adding an optional service delivery address other than the actual physical address of the school or library is not an appropriate change to the system or information collection.

CSM's proposal that bandwidth minimum and maximum fields be used to address transition of services, including transition of services between different service providers, creates similar risks that outweigh any benefits to the process. Before invoicing USAC, applicants must ensure they are utilizing the correct funding request number (FRN) for the correct bandwidth and that the bandwidth on the invoice matches the bandwidth that was approved on the FCC Form 471 funding request. CSM mentions that the current process creates burden on applicants, service providers, and the program administrator, but this process helps reduce fraud by ensuring that funding is disbursed for the service and bandwidth speed that was approved. The correct service provider should also be used for the correct contracted bandwidth and CSM's proposal for transition of service providers creates a scenario where a service provider may have the incorrect bandwidth associated with the request because the new service provider's contracted bandwidth is placed in the maximum bandwidth field, while the incumbent service provider who is actually providing a lower bandwidth is listed as the service provider on the funding request. The funding request submitted to USAC, as proposed by CSM, would not include accurate information about the services that were actually being provided to the school or library. Currently, applicants can request split funding requests between the two providers and use service substitutions for transitions, thus, adopting the proposed changes for transitions create risks that outweigh any benefits. Additionally, the Commission is considering changes to how to improve the transitions between service providers in an open rulemaking. *Schools and Libraries Universal Service Support Mechanism, et al.*, CC Docket No. 02-6, et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 23-56, 38 FCC Rcd 6842 (2023).

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 Schools and Libraries Program FCC Form 470 "Description of Service Requested and Certification."
 - (1) Number of respondents: 14,900 respondents (E-Rate applicants)
 - (2) Frequency of response: Annually and on occasion.
 - (3) Total number of responses per respondent: 1.5
 - (4) Hourly burden per respondent: 3
3 hours (to fill out the form for the reporting requirement).
 - (5) Total annual burden:
14,900 (number of respondents) x 1.5 (estimated number of submissions) x 3 hours = 67,050

(6) Total estimate of in-house cost to respondents: \$3,290,144.

(7) Explanation of calculation: We estimate that:

(a) It will take approximately 3 hours to fill out the Schools and Libraries Program FCC Form 470 for the reporting requirements (14,900 respondents x 3 hours x 1.5 Forms = 67,050).

(b) Approximately 14,900 respondents will spend approximately 3 hours to comply with the requirements for preparing and submitting the FCC Form 470 at a cost of \$49.07 per hour.

67,050 hours x \$49.07 per hour = \$3,290,144.

Summary of Estimated Total Annual Burden Hours for Schools and Libraries Program FCC Form 470:

Total Number of Respondents: 14,900 respondents

Total Number of Responses: 22,350 responses

Total Annual Hourly Burden: 67,050 hours

67,050 hours for reporting requirements

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

(1) Number of respondents: 21,300 (E-Rate applicants)

(2) Frequency of response: Annually and on occasion.

(3) Total number of responses per respondent: 1.7

(4) Hourly burden per respondent: 4

4 hours (to fill out the form for reporting requirement).

(5) Total annual burden:

21,300 (number of respondents) x 1.7 (estimated number of submissions) x 4 hours = 144,840

(6) Total estimate of in-house cost to respondents: \$7,107,299.

(7) Explanation of calculation: We estimate that:

- (a) It will take approximately 4 hours to fill out the Schools and Libraries Program FCC Form 471 for the reporting requirement (21,300 respondents x 4 hours x 1.7 Forms = 144,840).
- (b) Approximately 21,300 respondents will spend approximately 4 hours to comply with the requirements for preparing and submitting the FCC Form 471 at a cost of \$49.07 per hour.

$$144,840 \text{ hours} \times \$49.07 \text{ per hour} = \$7,107,299$$

**Summary of Estimated Total Annual Burden Hours for the Schools and Libraries Program
FCC Form 471:**

Total Number of Respondents: 21,300 respondents

Total Number of Responses: 36,210 responses:

Total Annual Hourly Burden: 144,840

Summary of Estimated Total Annual Burden Hours:

144,840 hours for the reporting requirements.

c. Recordkeeping, Audits, and Inspections.

(1) Number of respondents: 25,000 (21,300 E-Rate applicants and 3,700 service providers)

(2) Frequency of response: On occasion.

(3) Total number of responses per respondent: 1

(4) Hourly burden per respondent: 1

1 hour for recordkeeping requirements.

(5) Total annual burden:

$$25,000 \text{ (number of respondents)} \times 1 \text{ (estimated number of submissions)} \times 1 \text{ hour} = 25,000$$

(6) Total estimate of in-house cost to respondents: \$1,226,750.

(7) Explanation of calculation: We estimate that:

- (a) Approximately 25,000 respondents will spend approximately 1 hour to comply with the requirements for recordkeeping. (25,000 respondents x 1 hour x 1 submission = 25,000).
- (b) Approximately 25,000 respondents will spend approximately 1 hour to comply with the recordkeeping requirements at a cost of \$49.07 per hour.

$$25,000 \text{ hours} \times \$49.07 \text{ per hour} = \$1,226,750$$

Summary of Estimated Total Annual Burden Hours for the Schools and Libraries Program Recordkeeping:

Total Number of Respondents: 25,000 respondents

Total Number of Responses: 25,000 responses

Total Annual Hourly Burden: 25,000

Summary of Estimated Total Annual Burden Hours:

25,000 hours for the recordkeeping requirements.

The estimated respondents, responses, and burden hours are listed below:

Information Collection Requirements	Number of Respondents	Total Number of Responses	Hourly Burden Per Response	Total Annual Hourly Burden	Total In-House Cost to the Respondents
a. Schools and Libraries Program FCC Form 470	14,900	22,350	3 hours	67,050	\$3,290,144
b. Schools and Libraries Program FCC Form 471	21,300	36,210	4 hours	144,840	\$7,107,299
c. Schools and Libraries Program Recordkeeping	25,000	25,000	1 hour	25,000	\$1,226,750
Grand Total	25,000 unique respondents	83,560	8	236,890	\$11,624,193

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 administrator (USAC) manages the E-Rate program under oversight by the Commission.
15. *Program changes or adjustments.* The Commission is reporting an adjustment to the number of respondents, total annual responses, and the total annual hours requested within this submission. The total annual hours requested for the requirements contained herein is now 236,890, which is a decrease of -37,060 total annual hours requested. The number of respondents decreased to 25,000 and the number of responses increased to +16,460. The adjustment is due to updated information based on actual USAC FY 2023 submission of the FCC Forms 470 and 471.

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 (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. The Commission publishes E-Rate program application and disbursement data as part of USAC's Open Data platform.
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. OMB approval of the expiration date of the information collection will be displayed on OMB's website.
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.