

SUPPORTING STATEMENT

This collection is being submitted to the Office of Management and Budget (OMB) to seek approval to extend the requirements contained in this information collection.

A. Justification:

1. *Circumstances that make the collection necessary.*

With this submission, the Commission seeks OMB approval to extend the requirements in this information collection. We estimate there will be the same number of common carriers seeking ETC designation.

Section 254(e) of the Act provides that “only an ETC designated under section 214(e) shall be eligible to receive specific Federal universal service support.”

Section 214(e)(2) of the Act gives state commissions the primary responsibility for performing ETC designations.

Section 214(e)(6) vests the Commission with authority to designate as an ETC “a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a State commission.”

The Commission’s rules for ETC designation require the collection of the following information as stated below, except where the Commission has waived information collection requirements when enforcing them would not serve the public interest.

Currently approved requirement in this information collection (no changes to requirement):

- (1) ETC Designation Application: Section 54.202 of the Commission’s rules requires carriers seeking designation from the Commission to submit an application that certifies that the carrier will comply with the service requirements applicable to the support that it receives, 47 C.F.R. § 54.202(a)(1)(i).

Additionally, applicants must submit a five-year plan that describes with specificity proposed improvements or upgrades to the applicant’s network throughout its proposed service area, with estimates of the area and population that will be served as a result of the improvements, § 54.202(a)(1)(ii).

An applicant must demonstrate its ability to remain functional in emergency situations, including:

- (a) a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source,

- (b) is able to reroute traffic around damaged facilities,
- (c) is capable of managing traffic spikes resulting from emergency situations, § 54.202(a)(2), and
- (d) demonstration that it will satisfy applicable consumer protection and service quality standards, § 54.202(a)(3).

A commitment by wireless applicants to comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service will satisfy this requirement and other commitments will be considered on a case-by-case basis.

If the common carrier is seeking designation as an ETC under section 214(e)(6) for any part of Tribal lands, it shall provide a copy of its petition to the affected tribal government and tribal regulatory authority, as applicable, at the time it files its petition with the Federal Communications Commission.

In addition, the Commission will send any public notice seeking comment on any petition for designation as an eligible telecommunications carrier on Tribal lands, at the time it is released, to the affected tribal government and tribal regulatory authority, as applicable, by the most expeditious means available, § 54.202(c).

Designation as an ETC makes a telecommunications carrier eligible to receive support from the universal service high-cost and low-income programs, which support the extension of telecommunications services to underserved rural communities. In the absence of this information collection, the Commission's ability to fulfill its statutory obligation and to oversee the use of federal universal service funds and to combat waste, fraud, and abuse in the use of federal funds would be compromised.

Statutory authority is contained in sections 201(b), 214(e)(6), and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 201(b), 214(e)(6), 303(r).

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

2. *Use of information.* — The Commission will use the information collected to ensure that each ETC satisfies its obligation under Section 214(e) of the Communications Act of 1934, as amended, to provide services supported by the universal service mechanism(s) throughout the areas for which each ETC is designated.
3. *Technological collection techniques.* — The Commission encourages ETCs to use information technology to whatever extent possible to reduce the burden of this information collection. Respondents currently respond both with paper copies and via the Internet (the Commission's Electronic Comment Filing System).

4. *Efforts to identify duplication.* — There is no duplication of information. The information sought is unique to each respondent and similar information is not already available.
5. *Impact on small entities.* — The collections of information may affect small entities as well as large entities. The Commission has limited the information requirements to those necessary for the purposes for which the information will be used, and we expect respondents to use information technology and standardized practices to minimize the time necessary to comply with these requirements.
6. *Consequences if information is not collected.* — Without the requested information, the Commission would be unable to determine whether each applicant satisfies its obligation under Section 214(e) of the Communications Act of 1934, as amended, to provide services supported by the universal service mechanism(s) throughout the areas for which each ETC is designated.
7. *Special circumstances.* — There are no special circumstances associated with this information collection.
8. *Federal Register notice; efforts to consult with persons outside the Commission.* A 60-day notice was also published in the *Federal Register* pursuant to 5 C.F.R. § 1320.8(d) on March 20, 2020. *See* 85 FR 16101. No comments were received from the public.
9. *Payments or gifts to respondents.* — The Commission will not pay or provide any payment or gift to respondents for complying with this information collection.
10. *Assurances of confidentiality.* — Pursuant to 47 C.F.R. § 0.459, a respondent may request that information submitted to the Commission not be put in the public record. The respondent must state the reasons, and the facts on which those reasons are based for withholding the information from the public record.
11. *Questions of a sensitive nature.* — This information collection does not address any private matters of a sensitive nature.
12. *Estimates of the hourly burden of the collection to respondents.* — Pursuant to these requirements, we estimate that about 20 entities will apply for federal designation each year. We expect that each applicant will already have many of the plans and systems in place to report the information collected here, including a network improvement plan. The following represents the hour burden on the collections of information.

ETC Designation Application:

- (1) Number of respondents: 20.
- (2) Frequency of response: One-time reporting requirement.

(3) Total number of responses per respondent: 1.

(4) Estimated time per response: 40 hours.

(5) Total annual hour burden: 800 hours.

40 hours per respondent for 20 respondents filing on an annual basis. Total annual hour burden is calculated as follows:

20 respondents x 1 filing per respondent = 20 responses x 40 hours = **800 total annual hours**.

(6) Total estimate of in-house cost to respondents: \$32,000. (800 hours x \$40/hour).

(7) Explanation of calculation: We estimate the average ETC will require a total of at least 40 hours to complete the information collections required for its application.

20 (responses) x 40 (hours to prepare, review, and submit application) x \$40 per hour = \$32,000.

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

Information Collection Requirements	Number of Respondents	Number of Responses Per Year	Estimated Time per Response (hours)	Total Burden Hours	In-house Cost to Respondents
<u>ETC Designation Application</u>	20	1	40	800	\$32,000
TOTAL	20	1	40	800	\$32,000

TOTALS:

Total Number of Respondents = 20.

Total Number of Responses Annually = 20.

Total Annual Hourly Burden for requirements = 800.

Total Annual In-house Costs to respondents = \$32,000.

13. *Estimates of the cost burden of the collection to respondents.* — There are no outside contracting costs for this information collection.
14. *Estimates of the cost burden to the Commission.* — There will be few, if any additional costs to the Commission because oversight and enforcement requirements are already part of Commission duties. Moreover, there will be minimal cost to the Federal government since an outside party administers the program.
15. *Program changes or adjustments.* — There are no program changes or adjustments to this collection.
16. *Collections of information whose results will be published.* — Non-proprietary information may be made publicly available although the Commission does not have specific plans for doing so at this time.
17. *Display of expiration date for OMB approval of information collection.* — The information collection does not include any Commission forms; consequently, the Commission has no reason to seek approval to avoid displaying the expiration date on forms for OMB approval.
18. *Exceptions to the certification statement for Paperwork Reduction Act submissions.* The Commission inadvertently stated the frequency of response as an annual reporting requirement rather than a one-time reporting requirement when the 60-day notice was published in the Federal Register on March 20, 2020 (85 FR 16101).

There are no other exceptions to the Certification Statement.

B. Collections of Information Employing Statistical Methods:

The information collection does not employ any statistical methods.