Filing FCC Form 481:
Program Year 2025
High Cost Program
May 23, 2024
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Today’s Speakers

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Agenda

• FCC Form 481 Overview
• Accessing the System and Creating a Filing
• FCC Form 481 Content
• Supply Chain Certifications
• Fund-Specific Sections
• FCC Form 481 Resources
• Questions
FCC Form 481: Overview
Form 481 Overview: Requirements

• All eligible telecommunications carriers (ETCs) participating in High Cost and/or Lifeline programs must file Form 481 annually by Study Area Code (SAC).
• Form 481 collects financial and operational information used to validate carrier support.
  • State utility commissions also rely on Form 481 data to perform the annual certification of ETCs under their jurisdiction to be able to receive High Cost support.
• This year’s filing is for program year 2025 because the information collected will be used for disbursements for 2025.
• The data filed is from 2023, which is the most recent full calendar year for which data is available.
Form 481 Overview: Requirements

• Among other data, the form gathers information about:
  • Carrier ability to function in emergency situations
  • Holding company, operating companies, affiliates and branding designations
  • Tribal lands engagement
  • Comparability of voice and broadband rates in rural and urban areas
  • Terrestrial backhaul

• Form 481 collects financial reports and full audited financial statements (including notes) from privately held ETCs.

• Form 481 also includes three supply chain certifications:
  • Carriers must certify that no universal service support is being used to purchase, rent, lease, obtain or maintain any equipment or services produced or provided by any company designated by the FCC as posing a national security threat to the integrity of communications networks or the communications supply chain.
Form 481 Overview: System

• USAC has added several enhancements to the 481 system to improve the user experience.

• The 481 system will automatically display only those sections that a carrier is required to complete, based on:
  • Type of carrier (Rate of Return, Price Cap, competitor)
  • Type of support received (CAF II Model, CAF II Auction, ACAM, RBE, etc.)

• The 481 system maintains a downloadable form template.
  • Carriers can download and review completed forms.
  • The enhanced form template does not include all sections. The new version only includes the sections relevant to the particular SAC.
FCC Form 481: Accessing the System and Creating a Filing
Form 481: Accessing the System

• Carriers can access the Form 481 system through USAC’s E-file system
  • E-File is available at [https://forms.universalservice.org/portal/login](https://forms.universalservice.org/portal/login).
  • Click “Sign In” at the top of the USAC website (usac.org).

• Users must have a 481 entitlement. The carrier’s 498 officer can assign the entitlement.
  • Form 481 SPO (Service Provider Officer): allows the user to enter and certify data.
  • Form 481 SPU (Service Provider User): allows the user to enter but not certify data (typically provided to users inside the carrier).
  • Form 481 SPA (Service Provider Agent): allows the user to enter but not certify data (typically provided to agents outside the carrier).
Form 481: Accessing the System

- If FCC Form 481 is not visible in the High Cost section of the E-File dashboard, the user may not have the necessary entitlement.
  - Users should request entitlements from the carrier’s 498 Officer.
  - Form 498 Officers and/or 498 General Contacts should contact USAC about missing entitlements.
Form 481: Creating a Filing

- Use the drop-down menu to search by Carrier Name, Study Area Code (SAC), 498 ID or State.
- Click on the carrier name to advance to the next screen.
Form 481: Creating a Filing

- Click “Create 481 Form” to begin the filing.
- Filers can access previously submitted filings by clicking the icon in the Download column.
Form 481: Creating a Filing

- Click “Close” to acknowledge the Paperwork Reduction Act notice.
FCC Form 481: Form Content
**Form 481: Carrier Contact Information**

- The first screen collects carrier contact information.
  - Designate the person most familiar with the data submitted.
- Use the section drop-down menu to move between sections.
- Click “Continue” to advance to the next screen.
  - The system will automatically save the filing once “Continue” is selected.
Form 481: Functionality in Emergency Situations

- Section 600 requires carriers to certify to their ability to function in emergency situations.
  - Indicate if the carrier has the ability to function in emergency situations.
  - Attach a document that describes the carrier’s ability to meet this requirement.
Section 800 collects information about carrier operating companies and affiliates.

- The Reporting Carrier should be the name associated with the Study Area Code (SAC) connected to the filing.
- The holding company name will be pre-populated if USAC has one on file.
- Operating Company (812) is the name of the corporate operating company.
- Carriers may attach a file listing any affiliates associated with the SAC completing this form. Affiliates that are designated as ETCs and their SACs, or that provide retail broadband internet access, should be included.
Form 481: Tribal Lands Reporting

• Section 900 collects information about whether a carrier offers services on Tribal lands.
  • Only line 900 will be visible until a selection is made.
  • If the response is no, the carrier can advance to the next section.
  • If yes, lines 910–929 will appear. Carriers must list the Tribal lands they serve and provide details about carrier engagement with Tribal governments.
Form 481: Voice and Broadband Service Rate Comparability

- Section 1000 collects certifications that the carrier offers voice and broadband service at rates that are reasonably comparable to average urban rates.
  - Lines 1000 and 1010 collect information about voice rates.
  - Lines 1020 and 1030 collect information about broadband rates.
  - For lines 1010 and 1030, carriers are required to attach a description detailing either compliance or non-compliance
  - If the response to lines 1000 or 1020 is Not Applicable, lines 1010 or 1030 will not appear.
- Not all carriers will see both voice and broadband certifications.
Form 481: Terrestrial Backhaul Reporting

- Section 1100 collects information about a carrier’s terrestrial backhaul.
  - If the carrier has terrestrial backhaul and indicates yes on line 1100, the carrier can move on to the next section.
  - If the answer is no, line 1130 will display. The reporting carrier must confirm that it offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area.
Form 481: Lifeline Terms and Conditions

- Section 1200 collects the terms and conditions of any voice telephony service plans offered to Lifeline subscribers. This section will only display if the SAC receives Lifeline support.
- Attach a document to line 1210 and/or enter a link to a public website on line 1220.
- The document and/or website must contain:
  - Terms and conditions of any voice telephony service plans
  - Number of minutes provided as part of all plans
  - Additional charges, if any, for toll calls, and rates offered to Lifeline subscribers
Form 481: Validate Filing

- Click the Validate button on the Validate Filing screen to confirm the filing is complete.
  - If all required data has been submitted, the system will provide confirmation and the Continue to Certify button will become available.
  - The validate button at the bottom of each section may be used to validate that particular section.
- The system will not allow the officer to continue to certification until any missing information is provided.
Form 481: Certify Filing

- Carriers can certify by individual SAC or bulk certify multiple SACs.
- There are three supply chain certifications that must be completed. (More in next section of presentation)
  - Officers will indicate yes or no to certify compliance with these rules.
  - If a carrier indicates that it is not in compliance, an additional line will appear for the carrier to attach a copy of the FCC waiver or pending waiver request. Carriers that answer ‘No’ to 54.11 may be audited.
- Click the boxes under Accuracy Certifications to affirm the accuracy of the filing.
- Enter the officer’s name and title under Signature and click the box to acknowledge that the digital signature is equivalent to a physical signature.
- Click “Certify” to complete the filing.
Form 481: Confirmation

- Upon successful certification, the Certification Confirmation screen will appear.
- A copy of the confirmation will be sent via email to the officer who certified.
FCC Form 481: Supply Chain Certifications
Supply Chain Report and Order Overview

Service providers must submit annual supply chain certifications to USAC for each USF program in which they participate.

- The FCC issued the *Protecting the Communications Supply Chain Order* (FCC 19-121) in November of 2019. This order adopted 47 CFR Section 54.9, which:
  - States: “No universal service support may be used to purchase, obtain, maintain, improve, modify, or otherwise support any equipment or services produced or provided by any company posing a national security threat to the integrity of communications networks or the communications supply chain.”
  - Creates a process for the FCC’s Public Safety and Homeland Security Bureau (PSHSB) to designate companies subject to this prohibition.
- Section 54.9 went into effect on Jan. 3, 2020, and applies to all USF programs.
- In June of 2020, the PSHSB designated Huawei and ZTE as companies subject to the prohibition in Section 54.9.
- Carriers began certifying compliance with Section 54.9 on Form 481 on April 1, 2021.
Supply Chain Report and Order Overview

• The FCC issued the *Supply Chain Second Report and Order* (FCC 20-176) in December of 2020. This order adopted 47 CFR **Section 54.10**, which:
  
  • Prohibits the use of any “federal subsidy made available through a program administered by the Commission that provides funds to be used for the capital expenditures necessary for the provision of advanced communications service” to “purchase, rent, lease, or otherwise obtain any covered communications equipment or services” or “maintain any covered communications equipment or services previously purchased, rented, leased, or otherwise obtained.”

  • All USF programs are subject to this prohibition.

  • Whereas Section 54.9 applies only to communications equipment and services produced or provided by Huawei or ZTE (as designated by the PSHSB), Section 54.10 applies to any communications equipment or services on the Covered List.

  • The FCC released the initial Covered List (DA 21-309) in March of 2021.
  
  • The list included telecommunications equipment produced by Huawei, ZTE, Hytera, Hangzhou Hikvision and Dahua.

  • Carriers began certifying compliance with Section 54.10 on Form 481 on April 1, 2022.
Supply Chain Report and Order Overview

- The FCC updated the Covered List (DA 22-320) on March 25, 2022, to include international telecommunications services provided by China Mobile International USA, Inc., and China Telecom (Americas) Corp., and information security products, solutions, and services supplied by AO Kaspersky Lab.

- The FCC updated the Covered List again (DA 22-979) on September 20, 2022, to include international telecommunications services provided by Pacific Network Corp and ComNet (USA) LLC, and China Unicom (Americas) Operations Limited.
Supply Chain Report and Order Overview

- The Supply Chain Second Report and Order also adopted 47 CFR Section 54.11, which:
  - Requires ETCs to submit a certification confirming that they do not use covered communications equipment or services in their networks.
    - “Covered communications equipment or services” are defined as any communications equipment or service that is both on the Covered List and defined in the 2019 Supply Chain Order, or designated by the process established in Section 54.9 of the FCC rules and designated by the PSHSB.
    - This currently means all communications equipment and services produced or provided by Huawei and ZTE.
  - Carriers began certifying compliance with Section 54.11 on Form 481 on April 1, 2023.
  - Participants in the Secure and Trusted Communications Networks Reimbursement Program – which reimburses carriers for reasonable expenses incurred in the removal, replacement, and disposal of prohibited network communications equipment and services – are not subject to this rule until after their applicable removal, replacement and disposal term expires.
Supply Chain Certifications in Form 481

- Service providers will see the following supply chain certifications included in the annual FCC Form 481 filing:
  - **Section 54.9:** I certify under penalty of perjury that no universal service support has been or will be used to purchase, obtain, maintain, improve, modify, or otherwise support any equipment or services produced or provided by any company designated by the Federal Communications Commission as posing a national security threat to the integrity of communications networks or the communications supply chain since the effective date of the designations.
  - **Section 54.10:** I certify that no Federal subsidy made available through a program administered by the Commission that provides funds to be used for the capital expenditures necessary for the provision of advanced communications services has been or will be used to purchase, rent, lease, or otherwise obtain, any covered communications equipment or service, or maintain any covered communications equipment or service previously purchased, rented, leased, or otherwise obtained.
  - **Section 54.11:** Carriers should answer Yes if either they complied with section 54.11(a) – meaning they did not use covered communications equipment or services – or section 54.11(d) applied to the carrier – meaning the carrier was not subject to section 54.11(a) because the carrier was a Reimbursement Program recipient with an unexpired removal, replacement, and disposal term per section 1.50004(h) of the Commission’s rules (47 CFR § 1.50004(h)). Carriers should answer No if they did not comply with section 54.11(a), meaning they did use covered communications equipment or services as defined in section 54.11(b).
  - These certifications affirm compliance with the Sections 54.9, 54.10, and 54.11 prohibition on the use of USF support to purchase, obtain, maintain, improve, modify, operate, manage, or otherwise support equipment or services produced or provided by covered companies.
  - **USAC conducts Supply Chain audits to verify carrier compliance with these rules.**
FCC Form 481: Fund Specific Sections
Form 481: Price Cap Data

• Section 2005 collects compliance certifications from Price Cap carriers. Only Price Cap carriers will see this section.

• Frozen High Cost Support recipients must certify that they used all support received in the previous year to build and operate broadband-capable networks used to offer retail broadband in areas substantially unserved by an unsubsidized competitor in accordance with 47 CFR Section 54.313(c)(4).

• Connect America Intercarrier Compensation (ICC) support recipients must certify that they used support received in the prior calendar year to build and operate broadband-capable networks used to offer service in areas substantially unserved by an unsubsidized competitor in accordance with 47 CFR Section 54.313(d).
Form 481: Rate of Return Data

• Section 3005 collects financial data and certifications from Rate of Return carriers. Only Rate of Return carriers will see this section.

• Carriers can submit Rural Utilities Services (RUS) reports, balance sheets, income statements and statements of cash flows on Line 3013 and below.

• Carriers must enter the specific values required under Financial Data Summary at the bottom of the screen.
Form 481: Rural Broadband Experiment Data

- Section 4005 collects required data from carriers receiving Rural Broadband Experiment (RBE) support. Only carriers receiving RBE support will see this section.
- This section requires carriers to certify that they offer broadband service that meets the required public interest obligations established by the FCC, including:
  - Required speed
  - Latency and usage capacity
  - Rates that are reasonably comparable to rates for similar offerings in urban areas
Form 481: Alaska Plan Participants

- Section 5005 collects required data from carriers receiving Alaska Plan support. Only Alaska Plan carriers will see this section.
- Rate of Return carriers must indicate whether they have terrestrial backhaul.
- Alaska Plan competitive carriers must:
  - Report any newly available terrestrial or other satellite backhaul.
  - If Yes, line 5013 will appear to upload details.
Form 481: Phase II Auction Reporting

- Section 6005 collects required data from carriers receiving CAF Phase II Auction support. Only carriers receiving CAF II Auction support will see this section.
- Carriers must indicate whether their CAF II Auction-funded network met relevant performance requirements in the prior year.
- Carriers should select Not Applicable when asked if they submit bids to provide Category One telecom and/or internet access services in response to Form 470 postings for schools or libraries seeking service (line 6013). (Requirement to bid not active yet)
Form 481: Phase-Down Support Reporting

- Section 7005 collects required data from carriers receiving Frozen High Cost phase-down support. Only carriers receiving phase-down support will see this section.
- Carriers must indicate whether they used all phase-down support received in the previous year to provide voice service throughout the high-cost and extremely high-cost census blocks where they have ETC designation.
- ETCs must provide voice service in high cost areas at rates that are reasonably comparable to rates for similar offerings in urban areas.
Form 481: Uniendo a Puerto Rico Fixed and Mobile Funds Certification

- Section 8005 collects required data from carriers receiving Uniendo a Puerto Rico fixed and mobile support. Only carriers receiving Uniendo a PR support will see this section.
- Carriers receiving **fixed** support must:
  - Report amount of support used for capital expenditures.
  - Certify to the availability of funds.
  - Report newly deployed service to community anchor institutions.
  - Select Not Applicable when asked if they submit bids to provide Category One telecom and/or internet access services in response to Form 470 postings for schools or libraries seeking service (Line 8013). (Requirement to bid not active yet)
Carriers receiving fixed support must certify:

- Starting the first July 1 after meeting the final service milestone, that the Uniendo a Puerto Rico Stage 2-funded network operated in the prior year offers broadband service with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to offerings in urban areas, at rates that are reasonably comparable to rates in urban areas in accordance with 47 CFR Section 54.309.

- That they did not use USF support for costs that are (or will be) reimbursed by other sources of support.

- That they have conducted an annual review to determine the need for and/or changes to their disaster and recovery plan.
Carriers receiving mobile support must certify:

- That they did not use USF support for costs that are (or will be) reimbursed by other sources of support or used contrary to FCC Rules.
- That they have conducted an annual review to determine the need for and/or changes to their disaster and recovery plan.
- That they are in compliance with all FCC requirements to continue receiving Stage 2 disbursements.
Carriers receiving **transitional** support must certify:
- That support was not used for costs that are (or will be) reimbursed by other sources of support; that support was not used for other purposes or expenses not directly related to network restoration, hardening, and expansion; and that they have conducted an annual review of the documentation required by § 54.1515(a) through (c) or § 54.1524, respectively, to determine the need for and to implement changes or revisions to disaster preparation and recovery documentation. Answer yes or no if carrier is compliant with 54.313(q).

Carriers receiving **legacy frozen phase-down** support must certify:
- That phase-down support received after June 1, 2023, was used for resiliency and redundancy measures and to maintain voice and broadband network footprint. (For annual reports due in 2024, 2025, and 2026.)
Form 481: Connect USVI Fixed and Mobile Funds Certification

- Section 9005 collects required data from carriers receiving Connect USVI fixed and mobile support. Only carriers receiving Connect USVI support will see this section.
- Carriers receiving fixed support must report:
  - The amount of support used for capital expenditures and availability of funds.
  - Whether they met relevant performance requirements in the prior year.
  - Whether they provide service to community anchor institutions.
- Carriers receiving fixed support should select Not Applicable when asked if they submit bids to provide Category One telecom and/or internet access services in response to Form 470 postings for schools or libraries seeking service (Line 9013). (Requirement to bid not active yet)
Form 481: Connect USVI Fixed and Mobile Funds Certification

- Carriers receiving **fixed** support must certify:
  - Starting the first July 1 after meeting the final service milestone, that the Connect USVI Stage 2-funded network operated in the prior year offers broadband service with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to offerings in urban areas, at rates that are reasonably comparable to rates in urban areas, in accordance with 47 CFR Section 54.309.
  - That they did not use USF support for costs that are (or will be) reimbursed by other sources of support or for other purposes not directly related to network restoration, hardening and expansion.
  - That they have conducted an annual review to determine the need for and/or changes to their disaster and recovery plan.
Form 481: Connect USVI Fixed and Mobile Funds Certification

- Carriers receiving mobile support must certify:
  - That they did not use USF support for costs that are (or will be) reimbursed by other sources of support or contrary to FCC rules.
  - That they have conducted an annual review to determine the need for and/or changes to their disaster and recovery plan.
  - That they are in compliance with all FCC requirements to continue receiving Stage 2 mobile disbursements.
Form 481: Connect USVI Fixed and Mobile Funds Certification

- Carriers receiving **transitional** support must certify:
  - That support was not used for costs that are (or will be) reimbursed by other sources of support; that support was not used for other purposes or expenses not directly related to network restoration, hardening, and expansion; and that they have conducted an annual review of the documentation required by § 54.1515(a) through (c) or § 54.1524, respectively, to determine the need for and to implement changes or revisions to disaster preparation and recovery documentation. Answer yes or no if carrier is compliant with 54.313(q).

- Carriers receiving **legacy frozen phase-down** support must certify:
  - That phase-down support received after June 1, 2023, was used for resiliency and redundancy measures and to maintain voice and broadband network footprint. (For annual reports due in 2024, 2025, and 2026.)

*Connect USVI Fixed and Mobile Funds Certification (9005)*

**Transitional Support (9070)**

Recipients of transitional support under Section 54.1516 shall certify that such support was not used for costs that are or will be reimbursed by other sources of support, or expenses not directly related to network restoration, hardening, and expansion consistent with the framework of the Connect USVI Fund. Transitional support recipients shall certify that they have conducted an annual review to determine that their disaster preparation and recovery documentation is up to date, as required by Section 54.1515(a) through (c) or Section 54.1524. Answer yes or no if carrier is compliant with 54.313(q).

- Yes  - No

**Spending Plans for Recipients of Legacy Frozen Phase-Down Support (9080)**

For annual reports due in 2024, 2025, and 2026, recipients of frozen high-cost support under Section 54.1504(b) shall certify that such support received after June 1, 2023 was used for resiliency and redundancy measures and to maintain their voice and broadband network footprint.

- Yes  - No
Form 481: Rural Digital Opportunity Fund Reporting

- Section 10005 collects information from Rural Digital Opportunity Fund (RDOF) recipients. Only RDOF carriers will see this section.
- RDOF participants must report:
  - Total amount of support used for capital expenditures.
  - Availability of funds.
  - Whether they provide service to community anchor institutions.
- Carriers should select Not Applicable when asked if they submit bids to provide Category One telecom and/or internet access services in response to Form 470 postings for schools or libraries seeking service (Line 10013). (Requirement to bid not active yet)
- Starting the first July 1 after a RDOF recipient meets its final service milestone until the July 1 after the support recipient's support term has ended, carriers must certify that the RDOF-funded network operated in the prior year offers broadband service with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to offerings in urban areas, at rates that are reasonably comparable to rates in urban areas, in accordance with 47 CFR Section 54.309.
FCC Form 481: Resources
Form 481 Resources

- Resources to help carriers complete Form 481 include:
  - User Guide
  - Filing Guide
  - Upload Templates

www.usac.org/high-cost/resources/forms-and-filing-deadlines
Form 481 Resources: User Guide

- Steps to start a new filing or complete a pre-existing filing
- Information on how to populate the form, including:
  - How to navigate the system
  - Overview of each line item and possible answers
  - Instructions on how to attach files
- Instructions on how to certify a filing
### Form 481 Resources: Filing Guide

- The Filing Guide provides notes and associated rules for each section.

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<tr>
<th>481 Section &amp; Issue</th>
<th>High Cost Program Rule</th>
<th>Notes</th>
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<th>Lifeline Program Filers</th>
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<tr>
<td>Section 600: Emergency certification</td>
<td>54.313(a)(1)</td>
<td>Certify for voice and for broadband service</td>
<td>54.422(b)(4)</td>
<td>54.422 only filings where Lifeline ETC is FCC-designated</td>
</tr>
<tr>
<td>Section 1000: Voice and Broadband Service Rate Comparability</td>
<td>54.313(a)(2) and (a)(3)</td>
<td>Certify that voice and broadband rates are reasonably comparable. Identify most recent wireline survey (see Section 1000 in FAQ for details).</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Form 481 Resources: Upload Templates

• Use templates to provide required data on certain sections.
• Rate of Return carriers may use the 3005 template to submit financial data, but this is not required.

FCC Form 481 Templates

- 200 Service Outages Upload Template
- 800 Operating Company Upload Template
- 3005 Rate of Return Data Upload Template
- Community Anchor Institution Upload Template
- 5005 Alaska Plan Upload Template
Form 481 Resources: High Cost Support Center

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Questions?