Filing FCC Form 481: Program Year 2023

High Cost Program
May 17, 2022
Housekeeping

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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 ETCs participating in High Cost and/or Lifeline programs must file FCC Form 481 annually.
  - This includes Rural Digital Opportunity Fund (RDOF) carriers authorized for support in 2021.
- Form 481 collects financial and operations information used to validate carrier support.
- 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 also includes two supply chain certifications.
Form 481 Overview: Requirements

• The FCC has waived the annual July 1 filing deadline
  • The FCC has issued a limited waiver of the July 1 deadline for ETCs to file and certify Form 481 while it awaits Paperwork Reduction Act (PRA) approval for the annual data collection.
  • The FCC will announce a new filing deadline in a subsequent public notice, but USAC encourages carriers to begin the filing process.
  • Carriers will not be able to certify the Form 481 filing until the form and instructions receive PRA approval. The certify button and bulk certify options are disabled until PRA approval is granted. USAC will notify users when the certify buttons are active.
Form 481 Overview: Access

- Carriers can access the Form 481 system through USAC’s E-file system
  - E-File is available at https://forms.universalservice.org/portal/login
  - Or 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.
  - 481 SPO – this entitlement allows data to be entered and certified
  - 481 SPU – this entitlement allows data to be entered, but not certified
  - 481 SPA – this entitlement allows data to be entered, but not certified
Form 481 Overview: System

- The system will automatically display only those sections that the carrier is required to complete, based on:
  - Type of carrier (Rate of Return, Price Cap, competitor)
  - Type of support received (CAF Phase II Model, CAF Phase II Auction, ACAM, RBE, etc.)
- The system maintains a downloadable form template.
  - Carriers can download and review completed forms.
  - The form template includes all Form 481 sections. Sections that a carrier is not required to complete will appear blank in the downloaded form.
FCC Form 481: Accessing the System and Creating a Filing
FCC 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
Form 481: Creating a Filing

- Filers can access previously submitted filings by clicking the icon in the View/Print or Download columns.
- Click “Create New Form 481” to begin the filing.
Form 481: Creating a Filing

- This screen details which types of support require the submission.

- Select the check box next to the section(s) required and click Next.
FCC Form 481: Form Content
FCC Form 481: Carrier Contact Information

• The first screen collects carrier contact information.
  • The system will pre-populate the first three lines (010-020).
  • List the person most familiar with the data collected by the form in case USAC needs to reach out with questions.
• Click Save.
  • The system will confirm if the contact information was saved successfully.
• Use the section links to proceed to the next section or click Next, adjacent to the Save button.
FCC Form 481: Functionality in Emergency Situations

Section 600 requires carriers to certify to their ability to function in emergency situations.

- Indicate yes or no that the carrier has the ability to function in emergency situations.
- Attach a document that describes the carrier’s ability to meet this requirement.

(600) CERTIFY compliance regarding ability to function in emergency situations

(610) Descriptive document for Functionality in Emergency Situations

Allowable File Type (pdf only)
FCC Form 481: Operating Companies

- Section 800 collects information about carrier operating companies and affiliates.
  - The reporting carrier name should be the name associated with the Study Area Code (SAC) associated with the filing.
  - The holding company will be pre-populated if USAC has one on file.
  - Operating company is the name of the corporate operating company designation.
  - Indicate if the carrier has any affiliates associated with the SAC completing this form. Report all affiliates that are designated as ETCs and their SACs, or that provide retail broadband internet access to end-user customers.
FCC Form 481: Tribal Lands Reporting

- Section 900 collects information about whether a carrier provides service on Tribal lands.
  - Only line 900 will be visible until a selection is made.
  - If the answer is no, the carrier can save and move on to the next section.
  - If yes, lines 910-929 will appear. Carriers must list the Tribal lands they serve and provide details about carrier discussions with Tribal governments.
FCC 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.
- Not all carriers will see both voice and broadband certifications.
FCC 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 will be able to save and move on to the next section.
  - If the answer is no, line 1130 will display. The reporting carrier must confirm it offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area.
FCC 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 54.422 section was selected when the filing was created.
- Attach a document to line 1210 or enter a link to a public website on line 1220.
- 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.
FCC Form 481: Validate Filing

- Click the Validate button.
  - The system will provide details under the buttons if there is any missing information.

- Accuracy Certification: Telephone Number of Authorized Officer is required.
FCC Form 481: Validate Filing

- Click the Validate button.
  - If all required data has been submitted, the system will provide confirmation and the Certify Filing link will become available.
  - Validate the filing after completing the accuracy certification in order for the Certify Filing link to appear.
FCC Form 481: Accuracy Certification

• Only officers will see the Accuracy Certification and the Certify Filing links.
• The option to certify does not become visible until the accuracy certification is completed and the filing validated.
• Note that the grey fields on the accuracy certification will be auto-populated upon certification.
FCC Form 481: Certify Filing

- Carriers will not be able to certify the Form 481 filing until the form and instructions receive PRA approval.
  - The certify button and bulk certify options are disabled until PRA approval is granted. USAC will notify users when the certify buttons are active.
- In addition to the 54.9 supply chain certification that was new last year, there is another supply chain certification to confirm compliance with 54.10 starting this year.
  - Carrier officers will indicate Yes or No to certify compliance with these two Rules.
  - If a carrier indicates it is not in compliance, an additional line will appear for the carrier to attach a copy of the FCC order granting a waiver of the rules, or a PDF copy of the pending waiver request submitted to the FCC.
- Click “Certify” to complete the filing.
FCC Form 481: Confirmation

- Upon successful certification, a confirmation screen will appear.
- A copy of the confirmation will be sent 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.

- On Nov. 26, 2019, the FCC issued the *Protecting the Communications Supply Chain Order* adopting section 54.9, which prohibits the use of USF funds for the purchase of equipment or services from companies identified as a security threat to the nation’s communications infrastructure (covered companies). Section 54.9 went into effect on Jan. 3, 2020, and applies to all USF programs.

- In June 2020, the FCC’s Public Safety and Homeland Security Bureau designated Huawei and ZTE, and their parents, affiliates, and subsidiaries, as covered companies.

- On April 1, 2021, carriers began to file certifications of compliance to section 54.9 on Form 481.
Supply Chain Report and Order Overview

- The FCC issued the Supply Chain Second Report and Order (FCC 20-176) in Dec. 2020, adopting section 54.10, which prohibits the use of federal subsidies, including USF support, to obtain or otherwise maintain equipment or services identified on the Secure and Trusted Communications Networks Act Covered List.

- In March 2021, the FCC released the initial Covered List (DA-21-309), which included telecommunications equipment or video surveillance equipment produced by Huawei, ZTE, Hytera, Hangzhou Hikvision, and Dahua.

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

- On April 1, 2022, carriers began to file certifications of compliance to section 54.10 on Form 481.
Supply Chain Certifications in FCC 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, as required by 47 C.F.R. § 54.10.
- These certifications affirm compliance with the Sections 54.9 and 54.10 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.
Supply Chain Audits

• USAC will conduct supply chain audits to verify carrier compliance with these new rules.

• These audits are separate from Beneficiary and Contributor Audit Program (BCAP) or Payment Quality Assurance (PQA) reviews, as well as any FCC audits related to the Supply Chain Reimbursement program.

• USAC will host a series of webinars to help USF recipients prepare for these audits.

• USAC will continue to update its supply chain webpage with the latest supply chain and audit information.
FCC Form 481: Fund Specific Sections
FCC 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 indicate compliance to offset reductions in Intercarrier Compensation (ICC) access charges.

• Price Cap carriers must indicate if they began providing service to any new community anchor institutions and provide details if so.
FCC 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.
FCC Form 481: Rate of Return Data

- Carriers must enter the specific values required under Financial Data Summary at the bottom of the screen.
**FCC 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 meeting the requisite public interest obligations established by the FCC, including required speed, latency and usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas.
FCC 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.
FCC Form 481: Alaska Plan Participants

• Alaska Plan mobile carriers must also:
  • Indicate whether any terrestrial backhaul or other satellite backhaul became commercially available in the previous calendar year in areas previously served exclusively by performance-limiting satellite backhaul.
  • File a reasonably comparable rate demonstration tied to the interim five-year service milestones established in the carrier’s individual performance plan.
FCC 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 the Phase II Auction-funded network operated by the carrier in the prior year meets the relevant performance requirements.
- Carriers should select N/A when asked whether they submit bids to provide Category One telecom and/or Internet access services in response to all FCC Form 470 postings for schools or libraries seeking service in census blocks where the carrier receives CAF II Auction support.
FCC 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 all phase-down support received in the previous year was used to provide voice service throughout the high-cost and extremely high-cost census blocks where they have Eligible Telecommunications Carrier (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.
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 how much support was used for capital expenditures.
- Report whether they met relevant performance requirements in prior year.
- Select N/A when asked whether they submit bids to provide Category One telecom and/or Internet access services in response to all Form 470 postings for schools or libraries seeking service in census blocks where they receive support.
FCC Form 481: Uniendo a Puerto Rico Fixed and Mobile Funds Certification

- Carriers receiving fixed support must certify:
  - To the availability of funds.
  - That USF support was not used for costs that are (or will be) reimbursed by other sources of support.
  - That they have conducted an annual review of documentation to determine the need for and/or changes to a carrier’s disaster and recovery plan.
FCC Form 481: Uniendo a Puerto Rico Fixed and Mobile Funds Certification

- Carriers receiving mobile support must certify:
  - That USF support was not used 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 of documentation to determine the need for and/or changes to a carrier’s disaster and recovery plan.
  - That they are in compliance with all FCC requirements to continue receiving Stage 2 disbursements.
FCC 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 N/A when asked if they submit bids to provide Category One telecom and/or Internet access services in response to all Form 470 postings for schools or libraries seeking service in census blocks where they receive support.
Carriers receiving fixed support must certify:

- That USF support was not used for costs that are (or will be) reimbursed by other sources of support and that support was not used for other purposes not directly related to network restoration, hardening and expansion consistent with the framework of the Connect USVI Fund.

- That they have conducted an annual review of documentation to determine the need for and/or changes to a carrier’s disaster and recovery plan.
FCC Form 481: Connect USVI Fixed and Mobile Funds Certification

- Carriers receiving mobile support must certify:
  - That USF support was not used 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 of documentation to determine the need for and/or changes to a carrier’s disaster and recovery plan.
  - That they are in compliance with all FCC requirements to continue receiving Stage 2 mobile disbursements.
FCC Form 481: Rural Digital Opportunity Fund Reporting

- Section 10005 collects information from Rural Digital Opportunity Fund (RDOF) recipients. Only carriers receiving RDOF support will see this section.
  - RDOF carriers authorized for support in 2021 must file Form 481 this year.
- 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 N/A when asked whether they submit bids to provide Category One telecom and/or Internet access services in response to all FCC Form 470 postings for schools or libraries seeking service in census blocks where they receive RDOF support.
FCC Form 481: Resources
Form 481 Resources

• Resources to help carriers complete Form 481 include:
  • User Guide
  • Filing Videos
  • 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:
  • Overview of each line item and possible answers
  • Instructions on how to attach files and upload data using upload templates
  • Explanation of how to manually populate the dynamic tables
• Instructions on how to certify a filing
Form 481 Resources: Filing Videos

- Instructional videos for each section of Form 481.
- Videos are also embedded throughout the Form 481 itself.
Form 481 Resources: Filing Guide

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

<table>
<thead>
<tr>
<th>481 Section &amp; Issue</th>
<th>High Cost Program Rule</th>
<th>Notes</th>
<th>Lifeline Program Rule</th>
<th>Lifeline Program Filers</th>
</tr>
</thead>
<tbody>
<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 upload data in the dynamic tables. Data can also be added manually.

• Rate of Return carriers may use the 3005 template to submit financial data, but this is not required.

- 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?