

SUPPORTING STATEMENT

A. Justification:

1. 47 CFR 76.922(b)(5)(C) provides that an eligible small system that elects to use the streamlined rate reduction process must implement the required rate reductions and provide written notice of such reductions to local subscribers, the local franchising authority ("LFA"), and the Commission.

History:

On December 31, 1996, the Commission released a Memorandum Opinion and Order ("MO&O"), FCC 96-491, MM Docket No. 92-266, in response to the decision of the court in *Time Warner Co. v. FCC*, 56 F.3d 151 (D.C. Cir. 1995). Among other things, the MO&O amended Commission rule section 47 CFR 76.922 Rates for Basic Service Tiers and Cable Programming Tiers. Specifically, 47 CFR 76.922(f)(4) was amended to permit cable operators to adjust their current permissible rates to reflect the rates the operators would currently be charging if they had been permitted to include increases in external costs occurring between September 30, 1992 and their initial date of regulation (this period of time is also referred to as the "gap period") reduced by inflation increases already received with respect to those costs. The increase in rates due to external cost changes that occurred during the gap period shall be reflected in the cable operator's next rate adjustment filing in accordance with the Commission's current rules.

The Commission is requesting an extension of this information collection in order to receive the full three year approval/clearance from OMB.

As noted on the OMB Form 83-I, this information collection does not affect individuals or households; thus, there are no impacts under the Privacy Act.

Statutory authority for this collection of information is contained in Sections 4(i) and 623 of the Communications Act of 1934, as amended.

2. The information is used by FCC staff to ensure that qualified small systems have additional incentives to add channels and that small systems are able to recover costs for headend upgrades.
3. We do not believe that the use of information technology is feasible in this situation.
4. This agency does not impose a similar information collection on the respondents. There are no similar data available.
5. The 47 CFR 76.922(b)(5)(C) streamlined rate reduction process is designed specifically for small cable systems so that they may avoid more burdensome forms of Commission rate

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Title: Section 76.922, Rates for Basic Service Tiers and Cable Programming Services Tiers regulation. Therefore, a substantial number of small entities/businesses will not be impacted by

this information collection.

6. If the Commission did not collect this information, the Commission would not be able to carry out its statutory responsibilities under Section 623 of the Communications Act of 1934, as amended by the Cable Television Consumer Protection and Competition Act of 1992.
7. There are no special circumstances associated with this collection of information.
8. The Commission published a Notice (71 FR 56532) in the *Federal Register* on September 27, 2006. No comments were generated as a result of the Notice. A copy of the Notice is attached.
9. There are no payments or gifts to respondents.
10. There is no need for confidentiality.
11. This information collection does not address any private matters of a sensitive nature.
12. We estimate that 25 systems per year use this process. The average burden for undergoing all aspects of each streamlined rate reduction process (all rate calculation, notice and reporting requirements) is estimated to be 12 hours per respondent.

Total Number of Annual Respondents: 25 Small Systems

Total Number of Annual Responses: 25 Written Notices

Total Annual Burden Hours: 25 written notices x 12 hours/written notice = 300 hours

Annual "In-house" Cost: We estimate that these respondents would have an average salary of \$70,000/year (\$33.52/hour).

25 written notices x 12 hours/notice x \$33.52/hour = \$10,056.00

Annual "In-house" cost: \$10,056.00

These estimates are based on Commission staff's knowledge and familiarity with the data required.

13. Annual Cost Burden:

(a) Total annualized capital/startup costs: None

(b) Total annual costs (O&M): None

(c) Total annualized cost requested: None

14. There is no cost to the Federal Government.

15. There are no program changes or adjustments.

16. The results of this information collection requirement are not planned to be published.

17. We are not seeking approval not to display the expiration date for OMB approval of the information collection.

18. The Commission omitted "third party disclosure" requirement from its initial 60 day Federal Register Notice. There are no other exceptions to Item 19 of the Certification Statement.

Collections of Information Employing Statistical Methods:

No statistical methods are employed.