

Statement Regarding the Importation of Radio Frequency Devices Capable of Harmful Interference, FCC Form 740**SUPPORTING STATEMENT****A. Justification:**

1. Radio frequency (RF) devices are frequently imported into the United States from other countries. RF devices are capable of causing harmful interference to radio systems in the United States. Examples of RF devices include:

- microwave ovens,
- virtually any product containing a computer microprocessor,
- computers and computer peripherals,
- telephones with memory or receivers including television receivers,
- electronic musical instruments, video games and radio remote control toys.

(a) Under 47 CFR §§ 2.1204 and 2.1205 of FCC rules, the FCC is responsible for the regulation of both authorized radio services and RF devices that can interfere with such services.

(b) Respondents that are importing radio frequency (RF) devices into the United States, must file a “statement of declaration” by completing FCC Form 740, Statement Regarding the Importation of Radio Frequency Devices Capable of Harmful Interference, and submitting this form to the U.S. Customs Service.

(c) The information that respondents must provide on FCC Form 740:

- (1) Describes the characteristics of the imported RF devices;
- (2) Ensures that no RF devices are imported that may be harmful to authorized US radio uses; and
- (3) Assists the FCC and the US Customs Service with their responsibilities to oversee the regulation of RF devices and to prevent radio signal interference issues.

The information collection does not affect individuals or household. Respondents in this information collection are equipment manufacturers. Thus, there are no impacts under the Privacy Act and a Privacy Impact Assessment is not required.

The statutory authority for this information collection is authorized pursuant to Sections 4(i), 4(j), 7(a), 302, 303(b), 303(f), 303(g), and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. 154(i), 157(a), 302a, 303(b), 303(f), 303(g), 303(r).

2. Respondents are no longer required, following the Commission’s adoption of the *2nd Report and Order*, In the Matter of Amendment of Part 2, Subpart K of the Commission’s Rules Regarding the Importation of Radio Frequency Devices Capable of Causing Harmful Interference, CI Docket No. 98-69, FCC 99-326,¹ adopted October 29, 1999, to file the Form 740 with the Commission. Nevertheless, respondents must submit FCC Form 740 to U.S. Customs with any of the RF goods, examples of which are listed above, that are imported into the United States.

¹ In the Matter of Amendment of Part 2, Subpart K of the Commission’s Rules Regarding the Importation of Radio Frequency Devices Capable of Causing Harmful Interference, CI Docket No. 98-69, FCC 99-326, *Second Report and Order*, adopted October 29, 1999, released November 5, 1999, (15 FCC Rcd 7221 (1999)).

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- (a) U.S. Customs, in turn, will continue to provide information, obtained from the FCC Form 740 filings, to the FCC, so that the Commission can ensure that radio frequency devices imported into the United States and its customs territory comply with applicable FCC Rules and Regulations.
- (b) This information is necessary for FCC Office of Engineering and Technology Laboratory / Enforcement Bureau investigations, and for U.S. Customs to insure that:
 - (1) Non-compliant RF devices are not distributed to the public, thereby reducing the potential that those who purchase and use the RF devices may cause harmful interference to authorized communications.
 - (2) When a violation is discovered, the FCC can issue a fine. If a product is suspected of illegal entry, the FCC works with U.S. Customs to resolve the issue.
3. The FCC allows respondents to file their declaration information on FCC Form 740 electronically via the U.S. Customs' Automated Broker Interface.
 - (a) The move toward electronic filing continues to reduce the burden on both industry and the government.
 - (b) Nearly ninety-nine percent (99%) of those filing use the declaration information do so via the Automated Broker Interface electronic filing system.
 - (c) The remaining one percent (1%) file their declaration information using the paper version of FCC Form 740.
4. With the adoption by the Commission of the *2nd Report and Order*, CI Docket No. 98-69, FCC 99-326, we have eliminated the duplicate filing requirement of the form to both the Commission and the U.S. Custom Service.

Now RF importers (respondents) must file their declaratory statements using FCC Form 740 with the U.S. Custom Service through electronic filing.
5. This collection has no impact on small business or other small entities.
6. If the collection of data were not collected there would likely be an increase in radio frequency devices not meeting technical specifications entering and being distributed throughout the United States. This would likely result in an increase in radio frequency interference to authorized communication systems.
7. The FCC and U.S. Customs have determined that requiring RF importers (respondents) to file their "declaratory statements" on FCC Form 740 only when they intend to import these devices, *e.g.*, "on occasion," provides adequate assurance to the FCC that the Commission can maintain its regulatory oversight responsibilities and avoid potential interference to communications while minimizing the burden on respondents.

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8. The FCC published a notice in the *Federal Register* on August 23, 2006 (71 FR 49453) pursuant to the PRA guidelines under 5 CFR Section 1320.6. We received no comments, and a copy of the notice is attached.
9. No gift or payment will be given to respondent for this collection.
10. There is no reason to ensure confidentiality, and no assurances of confidentiality are provided to respondents.
11. This information collection does not address any issues of a sensitive nature or other matters that are normally considered private. Thus, there is no need for the Commission to provide any assurance of confidentiality.
12. The Commission estimates that there are **5,000 RF importers (respondents)**:

(a) The Commission estimates that the respondents (the importers of these devices) will notify the U.S. Customs Service on each occasion when radio frequency devices are being imported into the United States.

(b) Based on this observation, we anticipate that the respondents will file multiple notifications, which we estimate to total approximately **1,680,000 responses** annually.

(c) Approximately 99% (0.99) of the responses are filed electronically via the U.S. Customs' Automated Broker Interface. The Commission estimates that:

Each response filed electronically takes only 30 seconds (0.5 minutes or 0.0083 hours):

$5,000 \text{ respondents} \times 0.99 \text{ (99\%)} \times 1,680,000 \text{ responses} \times 0.0083 \text{ hrs/response} = 13,860 \text{ hours}$

(d) The other 1% (0.01) responses take approximately 4.5 minutes (0.075 hrs) to file a paper copy of FCC Form 740:

$5,000 \text{ respondents} \times 0.01 \times 1,680,000 \text{ responses} \times 0.075 \text{ hrs/response} = 1,260 \text{ hrs.}$

(e) The Commission estimates that all respondents will spend approximately 30 seconds (0.5 minutes or 0.0083 hours) to comply with the third party notification requirement:

$5,000 \text{ respondents} \times 0.99 \times 1,680,000 \text{ responses} \times 0.0083 \text{ hours} = 13,860 \text{ hours}$

$5,000 \text{ respondents} \times 0.01 \times 1,680,000 \text{ responses} \times 0.0083 \text{ hours} = 140 \text{ hours}$

Total Annual Hourly Burden for filing the FCC Form 740 (electronic filings + paper copies) is approximately:

$13,860 + 1,1260 + 13,860 + 140 = 29,120 \text{ hours.}$

The Commission estimates that respondents will use staff equivalent to a GS-11/Step 5 employee in the Federal Government, earning \$29.07 per hour:

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27,720 hours/filing electronically FCC Form 740 and 3rd party disclosure x \$29.07/hr = \$819,739.04

1,400 hours/filing paper copy FCC Form 740 and 3rd party disclosure x \$29.07/hr = \$41,400.96

Total “In House” Cost: \$819,739.04 + \$41,400.96 = \$861,140.00

13. Estimated annual costs to respondents:

(a) Total annualized capital/startup costs: **None**

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

(c) Total annualized cost requested: **None**

14. Annual Cost for the Federal Government: **None**

15. There are no program changes, but the Commission has made these adjustments upon a re-evaluation of the various burdens and other inaccuracies as part of the transition to ROCIS:

(a) Revised the estimate for the number of respondents from 5,096 to 5,000;

(b) Revised the estimate for the total number of responses annually from 1,680,387 to 1,680,000;

(c) Included both the reporting and third party disclosure burden estimates;

(d) Included an estimate for the total “in house” costs of \$861,140.00;

(e) Revised the total annual hourly burden from 28,057 hours to 29,120 hours; and

(f) Corrected an error—the respondents are limited to “businesses and other for-profit entities.”

16. The Commission does not intend to publish the information contained on FCC Form 740.

17. The Commission is seeking approval not to display the expiration date for OMB approval of the information collection on FCC Form 740.

(a) This would allow the Commission to forgo the burden of printing new versions of Form 740, which are only used for 1% of the filings.

(b) Updated forms with new expiration dates would present an unnecessary printing burden in the event that this form does not undergo revisions prior to the next OMB clearance.

18. With this submission, the Commission has made the following adjustments to the information collection data since the 60 day *Federal Register* Notice was published on August 23, 2006:

(a) Decreased its estimate for the total number of respondents’

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(b) Increased the estimated total annual hourly burden by including a calculation for the hourly burden that is attributed to the “third party disclosure requirement” as required by ROCIS;

(c) Revised the estimated response time range from 0.5 minutes (30 seconds) to 4.5 minutes—this “disaggregates” the 5.0 minutes reported in the Notice into the “reporting” and “third party disclosure” components; and

(d) Determined that the affected public is limited to “businesses and other for-profit entities.”

There are no other exceptions to the Certification Statement in Item 19.

B. Collection of Information Employing Statistical Methods.

This collection does not use any statistical methods.