

**Section 2.803, Marketing of RF Devices Prior to Equipment Authorization****SUPPORTING STATEMENT****A. Justification**

1. On February 12, 1997, the FCC released a *Report and Order*, In the Matter of Revision of Part 2 of the Commission's Rules Relating to the Marketing and Authorization of Radio Frequency Devices, ET Docket No. 94-45, FCC 97-31.

The Commission has established rules in this *Report and Order*, for the marketing and authorization of radiofrequency (RF) devices under guidelines in 47 CFR Part 2, § 2.803. The general guidelines in § 2.803 prohibit the marketing or sale of such equipment:

- (a) prior to receipt of the FCC grant of equipment authorization in the case of a device subject to certification, or
- (b) prior to a demonstration of compliance with the applicable equipment authorization and technical requirements in the case of a device subject to verification or Declaration of Conformity.

The following clarifications of those general guidelines require third party notifications:

- (a) An RF device may be advertised and displayed at a trade show or exhibition:
  - (1) prior to a demonstration of compliance with the applicable technical standards, and
  - (2) prior to compliance with the applicable equipment authorization procedure provided the advertising and display is accompanied by a conspicuous notice specified in Section 2.803(c);
- (b) An RF device in the conceptual, developmental, design, or pre-production stage may be offered for sale solely to business, commercial, industrial, scientific, or medical users prior to a demonstration of compliance with the equipment authorization regulations. In such cases, the sale may be permitted provided that:
  - (1) the prospective buyer is advised in writing at the time of the sales offer that the equipment is subject to the FCC rules, and
  - (2) the equipment will comply with the appropriate rules before delivery to the buyer or centers of distribution.
- (c) There are no FCC requirements on how this notice of compliance is to be phrased nor is there a standard notice template provided by the FCC.

This information collection does not affect individuals nor do respondents have to provide any personally identifiable information (PII). Thus, a Privacy Impact Assessment is not required.

The Commission has authority for this information collection pursuant to Sections 4, 302, 303, and 307 of the Communications Act of 1934, as amended, 47 U.S.C. Sections 154(i), 302, 303, 303(r), and 307.

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2. (a) The FCC Rules, 47 CFR Part 2, Section 2.803, which require information to be disclosed about marketing of the RF device, are intended:
  - (1) To ensure the compliance of the proposed equipment with Commission's Rules, and
  - (2) To assist industry efforts to introduce new products to the marketplace more promptly.
- (b) The information disclosure applies to a variety of RF equipment that:
  - (1) are pending equipment authorization or verification of compliance,
  - (2) may be manufactured in the future, and
  - (3) operate under varying technical standards.
- (c) The information disclosed is essential to ensuring that interference to radio communications is controlled.
3. This information collection does not involve the use of any automated, electronic, mechanical, or other technological collection techniques.
4. The Commission believes that no other agency or other entity requires this type of disclosure.
5. Small businesses that manufacture radio communications devices generally request authorization for marketing of devices regulated under 47 CFR Part 15 of the Commission's Rules. The Commission believes that disclosure of information required under these rules represents a minimal burden to both large and small entities.
6. This information collection includes both "one-time" and "on occasion" reporting requirements, *e.g.*, the respondent only needs to submit the RF equipment once, unless the equipment is subsequently modified.

The information that respondents disclose is necessary to ensure an understanding by the public that the subject-RF equipment must comply with Commission regulations prior to sale and/or operation.
7. No special circumstances exist for the collection of the information.
8. The Commission published a notice in the *Federal Register* on August 23, 2006 (71 FR 49452). No comments were received in response to the notification, and a copy of the notice is attached.
9. No payments or gifts are given to respondents.
10. The Commission is not making any requests that respondents provide information that would require an assurance of confidentiality, nor are there any instances where these firms request confidentiality due to patents/trade secrets, etc.
11. There are no issues of a sensitive nature.

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12. The estimated burden is calculated for 6,000 respondents, at an average 0.5 hours per response. This burden is imposed only once in the life of the equipment, although should the equipment be modified, the respondent must re-submit it for approval.

**Total Number of Respondents: 6,000 RF manufacturers**

**Total Number of Responses Annually: 6,000 responses**

6,000 respondents x 1 review requirement/RF manufacturer = 6,000 responses

6,000 respondents x 0.45 hours/response = 2,700 hours for equipment authorization

6,000 respondents x 0.05 hours/response = 300 hours for third party disclosure

**Total Annual Hourly Burden: 2,700 + 300 = 3,000 hours**

The Commission estimates that the respondents use “in house” staff to prepare the notice that must be displayed conspicuously, or the written notice to all third parties, stating that the referenced RF equipment is subject to, and must comply with, the FCC rules prior to marketing, sale, importation, or delivery.

The Commission estimates that respondents will use “in house” staff equivalent to a senior clerk in the Federal Government at the GS-9/Step 5 salary level (\$24.44/hour) to do all the preparation for printing the advisory label and tagging the equipment and to make the third party disclosures as appropriate. The Commission estimates that the senior clerk will spend approximately 2 hours in total to complete these two task.

6,000 respondents x 1 senior clerk x 1.8 hours/preparation x \$24.44/hour = \$263,971.73

6,000 respondents x 1 senior clerk x 0.2 hours/third party disclosure x \$24.44/hour = \$29,330.19

**Total “In House” Costs: \$263,971.73 + \$29,330.19 = \$293,301.92**

Furthermore, the Commission believes that because this is a “one time” reporting requirement for most respondents, unless the equipment is modified. The RF equipment manufacturers (respondents) regard this as a regular part of their business costs:

(a) Research and information gathered for authorization are included in the approval for each of the equipment authorization categories, and thus, are not included as an “in house” costs for this submission.

(b) Consequently, after the research and processing tasks have been completed, there are no further costs for respondents to comply with this information collection requirement.

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13. Annual reporting and recordkeeping costs:
  - (a) Total annual capital/startup costs: **None**
  - (b) Total annual costs (O&M): **None**
  - (c) Total annualized cost requested: **None**
14. There are no costs to the Federal Government.
15. There are no adjustments or program changes.
16. The information that is disclosed is intended to ensure compliance of equipment with applicable Commission technical standards and rules. The data are not compiled, published, or otherwise reported to the public.
17. Since this information collection does not include any FCC forms, we are not seeking exemption from displaying the expiration date for OMB approval of the collection.
18. Due to the advent of ROCIS and the requirement to disaggregate the total annual hourly burden into the respondent and third party disclosure burdens, the Commission is submitting this collection as a regular extension, despite having published the initial 60 day Notice in the Federal Register Notice stating the Commission's intention to submit this collection under "delegated authority."

There are no exceptions to the Certification Statement identified in Item 19 of the Form 83-I.

**B. Collection of Information Employing Statistical Methods:**

This information collection does not employ statistical methods.