

SUPPORTING STATEMENT
U.S. Department of Commerce
National Telecommunications and Information Administration
Application for the Digital-to-Analog Converter Box Coupon (Revised)
OMB CONTROL NO. 0660-xxxx

A. JUSTIFICATION

1. Explain the circumstances that make the collection of information necessary.

The National Telecommunications and Information Administration (NTIA) is required to create a program to provide coupons for consumers to purchase digital-to-analog converter boxes. These converter boxes are necessary for consumers who wish to continue receiving broadcast programming over the air using analog-only television sets after February 18, 2009 - - the date that television stations are required by law to cease analog broadcasting. Without converter boxes, consumers with analog only television sets will be unable to view television broadcasts over-the-air. To help consumers who wish to continue receiving broadcast programming over-the-air, Congress authorized NTIA to create a digital-to-analog converter box assistance program (*See* Title III of the Deficit Reduction Act of 2005, Pub. L. No. 109-171, 120 Stat. 4, 21 (Feb. 8, 2006)). As part of this program, eligible U.S. households may obtain a maximum of two coupons of \$40 each to be applied towards the purchase of a digital-to-analog converter box(es). Among other things, the Act states that households may obtain coupons by making requests pursuant to the regulations between January 1, 2008 and March 31, 2009. The Act also requires NTIA to make the coupons available by the United States Postal Service. The Act prohibits the use of two coupons in combination towards the purchase of a single converter box, and requires all coupons to expire three months after issuance.

The Conference Report accompanying the Act expresses an expectation that NTIA will promulgate regulations governing the implementation of the coupon program. On July 25, 2006, NTIA published a Notice of Proposed Rulemaking (NPRM) establishing the parameters of the coupon program and describing the rights and responsibilities of the interested parties. In order to implement the program, it is essential that certain information is collected from consumers.

This supporting statement has been prepared to discuss the Final Rule and to explain the circumstances that warrant the collection of certain information from consumers. The regulations are necessary to provide notice and direction for consumers as they provide essential information in response. With respect to consumers, the Final Rule provides guidance on the application process used to obtain the coupons and describes the use, value, and restrictions surrounding the coupons. As such, the Final Rule provides clear guidance on how the program will operate.

With respect to the collection of information, the Final Rule requires consumers to submit only that information necessary for consumers to receive the coupons via the U.S. Postal service as required by the Act. Specifically, the Final Rule requires consumers to submit the following as

part of the application process: (1) name; (2) address; (3) the number of coupons required; and (4) a certification as to whether they receive cable, satellite, or other paid television service.

The fourth data element is essential to the program, because NTIA has established a two-tiered eligibility process in which all households are eligible for coupons until the “Initial” funds (\$990M) are obligated. Afterwards, “Contingent” funds will be made available (\$510M) solely to households certifying they do not receive cable, satellite, or other paid television service.

NTIA has included a final coupon application form to replace the initial form, submitted on August 22, 2007. The final form has been focus group tested and includes information on the form that is more consumer friendly than the original form. None of the information collection items have changed but the wording has been refined to be clearer to consumers.

2. Explain how, by whom, how frequently, and for what purpose the information will be used. If the information collected will be disseminated to the public or used to support information that will be disseminated to the public, then explain how the collection complies with all applicable Information Quality Guidelines.

The information will be collected via an application process by consumers requesting coupons with a value of \$40 each to purchase digital-to-analog converter boxes. The information will be collected by mail, phone, and over the Internet. The information will be used solely for the purpose of providing the requested coupon to the consumer, coordinating distribution activities of the coupon, and to prevent, fraud, waste and duplication in the administration of the coupon program. The information will not be disseminated to the public. NTIA’s Information Quality Guidelines do not apply.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological techniques or other forms of information technology.

The legislative history surrounding the Act contemplates the use of information technology in administering the program. NTIA will develop a consumer-friendly website where consumers can apply for their coupons, using an online information collection system. Applications will also be taken via a toll-free number. In each case, the information collected will be limited to information necessary (1) for consumers to receive the coupons via the U.S. Postal service as required by the Act; (2) and for NTIA to distinguish households eligible for funds if contingent funds are required. The information will be collected by NTIA through a contractor.

The contractor will adhere to all relevant privacy considerations.

4. Describe efforts to identify duplication.

This information collection is unique to this program and is not available from another source. It is not possible to determine the households that will apply for the coupons made available for the program.

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.

This information collection does not involve small businesses.

6. Describe the consequences to the Federal program or policy activities if the collection is not conducted or is conducted less frequently.

This Federal program cannot exist without this information collection. As a result, the overall digital transition will be a failure and millions of households that rely on over-the-air broadcasts will lose access to television after February 17, 2009.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

The data collection is consistent with OMB guidelines.

8. Provide a copy of the PRA Federal Register notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

A Federal Register Notice soliciting public comment was published on June 25, 2006 (Vol. 71, page 42067). In addition to the comments submitted in this proceeding, NTIA staff has met with the staff from the Federal Communications Commission, the United States Postal Service, the Government Accountability Office, and the Department of Commerce's Office of Inspector General. NTIA has also conducted meetings with consumer interest groups and members of the broadcasting and retailing industries.

NTIA received over 100 comments in response to the NPRM. None of the commenters disagreed with providing the information proposed to be collected. Commenters did, however disagree with the information as it applied to the eligibility. Specifically, the NPRM limited eligibility to the coupon program to "those households that only receive over-the-air television signals using analog-only television receivers." As a result of this proposal, the NPRM stated that NTIA would require the following information: (1) name; (2) address; (3) the number of coupons required; (4) a certification that they only receive over-the-air television signals using

an analog-only (NTSC) television receiver; and (5) a certification that no other member of the household has or will apply for a coupon. The majority of the commenters argued that eligibility should not be limited to only those households that solely receive over-the-air television signals,

but should be expanded to include all households. As a result, the Final Rule was changed to expand eligibility to all households with the caveat that “Contingent” funds would be available solely to over-the-air-reliant households. Because of the change from the NPRM to the Final Rule, the amount of information required from respondents is reduced. The Final Rule only requires the respondents to provide the following: (1) name; (2) address; (3) the number of coupons that they require; and (4) a certification as to whether they receive cable, satellite, or other paid television service. It should be noted that although the amount of information collected is reduced, the number of respondents has increased because the availability of the benefit has expanded.

9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.

NTIA will not provide gifts or payments to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation, or agency policy.

The data collected from consumers will not be published or used for purposes other than providing requested coupons and to check status of an application if a consumer calls or uses the Internet. NTIA will treat the information collected as confidential.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

The information collection does not contain any questions of a sensitive nature.

12. Provide an estimate in hours of the burden of the collection of information.

It is estimated that it will take 15 minutes to provide answers to the four questions that are part of this information collection

No. of Respondents 110,000,000 X 15 minutes = 27,500,000 Hours

13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection (excluding the value of the burden hours in #12)

above).

The respondents will not incur any annual cost burden as a result of this information collection.

14. Provide estimates of annualized cost to the Federal government.

The Act provides a ceiling of the costs that the Federal government may incur as a result of this program. The total cost to the government is estimated at \$990 million, which may be increased to \$1.5 billion. The annual cost has not been determined and is based upon the consumer demand for coupons.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB 83-I.

There are no program changes or adjustments because this is a new collection.

16. For collections whose results will be published, outline the plans for tabulation and publication.

NTIA will not publish the data collected.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate.

NTIA is not seeking approval to refrain from displaying the expiration date.

18. Explain each exception to the certification statement identified in Item 19 of the OMB 83-I.

No exceptions are requested.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

The collection of information will not employ statistical methods.