

## SUPPORTING STATEMENT

## A. Justification

1. **47 CFR Section 73.1212** requires a broadcast station to identify at the time of broadcast the sponsor of any matter for which consideration is provided. For advertising commercial products or services, generally the mention of the name of the product or service constitutes sponsorship identification. In the case of television political advertisements concerning candidates for public office, the sponsor shall be identified with letters equal to or greater than four percent of the vertical height of the television screen that airs for no less than four seconds. In addition, when an entity rather than an individual sponsors the broadcast of matter that is of a political or controversial nature, licensee is required to retain a list of the executive officers, or board of directors, or executive committee, etc., of the organization paying for such matter. Sponsorship announcements are waived with respect to the broadcast of "want ads"<sup>1</sup> sponsored by an individual but the licensee shall maintain a list showing the name, address and telephone number of each such advertiser. These lists shall be made available for public inspection to allow the public to know by whom they are being persuaded.

**47 CFR Section 76.1615** states that, when a cable operator engaged in origination cablecasting<sup>2</sup> presents any matter for which money, service or other valuable consideration is provided to such cable television system operator, the cable television system operator, at the time of the telecast, shall identify the sponsor. This requirement is necessary under this rule section when advertising commercial products or services, an announcement stating the sponsor's corporate or trade name, or the name of the sponsor's product, when it is clear that the mention of the name of the product constitutes a sponsorship identification. In the case of television political advertisements concerning candidates for public office, the sponsor shall be identified with letters equal to or greater than four (4) percent of the vertical height of the television screen that airs for no less than four (4) seconds.

**47 C.F.R. Sections 76.1715** state that, with respect to sponsorship announcements that are waived when the broadcast/origination cablecast of "want ads" sponsored by an individual, the licensee/operator shall maintain a list showing the name, address and telephone number of each such advertiser. These lists shall be made available for public inspection.

As noted on the OMB Form 83-I, this information collection does affect individuals or households; thus, there are impacts under the Privacy Act. However:

- (1) The information that is related to individuals or households (i.e., list showing the names, addresses and telephone numbers of each advertisement sponsored by individuals) is collected by broadcast stations/licensees;

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<sup>1</sup> Want ads are classified advertisements.

<sup>2</sup> Cablecasting is the transmission by wire for public reception of sounds, images or sounds and images or of the representations thereof. Transmission by wire of encrypted signals is "cablecasting" where the means for decrypting are provided to the public by the cablecasting organization or with its consent. Cablecasting shall not be understood as including transmissions over computer networks or any transmission where the time and place of reception may be individually chosen by members of the public.

(2) The FCC has no direct involvement in the collection of this information on individuals or households, and

(3) Since the FCC has no direct involvement in the collection of this information, the Commission is not required to complete a privacy impact assessment.

(4) Further, broadcast stations generally have written privacy policies governing the treatment of information collected from their subscribers, and the Commission expects that much of the information collection would fall under those policies.

Statutory authority for this information collection is contained in Sections 4(i), 317 and 507 of the Communications Act of 1934, as amended.

2. The records and sponsorship announcements are used by the public so that they may know by whom broadcasts and origination cablecasts are sponsored. The data is used by the public so that they may know by whom they are being persuaded.

3. These are recordkeeping and disclosure requirements; therefore, the use of information technology is not feasible in this situation.

4. This agency does not impose a similar information collection on the respondents. There is no similar data available.

5. In conformance with the Paperwork Reduction Act of 1995, the Commission is making an effort to minimize the burden on all respondents. Therefore, the collection of information will not have a significant economic impact on a substantial number of small entities/businesses.

6. If this information was not disclosed or records kept, the public would not know by whom they are being persuaded. If the Commission did not sponsor this information collection, it would not be in compliance with the Communications Act of 1934.

7. There are no special circumstances associated with this information collection.

8. The Commission published a Notice (73 FR 52355) in the *Federal Register* on September 9, 2008 seeking public comment for the information collection requirements contained in this supporting statement. No comments were received from the public as a result of the Notice.

9. No payment or gift was provided to respondents.

10. The information that is related to individuals or households (i.e., list showing the names, addresses and telephone numbers of each advertisement sponsored by individuals) is collected by broadcast stations/licensees. The FCC has no direct involvement in the collection of this information on individuals or households. Since the FCC has no direct involvement in the collection of this information, the Commission is not required to complete a privacy impact assessment. Further, broadcast stations generally have written privacy policies governing the treatment of information collected from their subscribers, and the Commission expects that much of

Title: Sections 73.1212, 76.1615 and 76.1715, Sponsorship Identification

the information collection would fall under those policies.

11. This information collection does not address any private matters of a sensitive nature.

12. The following is estimated for public burden:

<u>Rule Sections</u>	<u>Number of Respondents (Systems/ Stations)</u>	<u>Number of Broadcast Cablecasts, or Listings</u>	<u>Number of Responses</u>	<u>Hourly Burden</u>	<u>Total Burden Hours</u>	<u>Hourly Wage</u>	<u>Total In-house Cost</u>
73.1212	18,498	60 commercial <sup>3</sup>	1,109,880	0.1 hrs.	110,988	\$26	\$2,885,688
	18,498	30 political <sup>4</sup>	554,940	0.2011 hrs.	111,598	\$26	\$2,901,559
76.1615 <sup>5</sup>	4,717	5 political	23,585	0.0011 hrs.	4,743	\$18	\$ 468
76.1715 <sup>6</sup>	4,717	5 want ads listings	<u>23,585</u>	0.1 hrs.	<u>2,359</u>	\$18	<u>\$ 42,462</u>
<b>TOTALS:</b>			<b>1,711,990</b> <b>(responses)</b>		<b>224,971</b> <b>hours</b>		<b>\$5,830,157</b>

**Total Number of Annual Respondents:** 18,498 broadcasters + 4,717 cable systems = **23,215**

**Total Number of Annual Responses:** **1,711,990**

**Total Annual Burden Hours:** **224,971 hours**

**Total Annual “In-house” Cost:** **\$5,830,157**

These estimates are based on FCC staff’s knowledge and familiarity with the availability of the data required.

<sup>3</sup> We have assessed only recordkeeping burdens for broadcasting of commercial products or services. We do not assess a burden for sponsorship ID (disclosure requirement) because the mere mention of the product name or service during the broadcast satisfies sponsorship identification and no burden is attached to this disclosure requirement.

<sup>4</sup> For the political spots, we have assessed both recordkeeping and disclosures burdens of 0.211 hours (0.0011 hours for the disclosure requirements and 0.2 hours for the recordkeeping requirements). We assume that a sales person at the station will perform recordkeeping functions and monitor the sponsorship identification requirements.

<sup>5</sup> For Section 76.1615, we do not assess a burden for advertising commercial products or services. We do not assess sponsorship ID (disclosure requirement) because the mere mention of the product name or service during the broadcast satisfies sponsorship identification and no burden is attached to this requirement. Therefore, for the political spots, we have assessed a disclosure burden of 0.0011 hours.

<sup>6</sup> This is only a recordkeeping requirement.

**Title: Sections 73.1212, 76.1615 and 76.1715, Sponsorship Identification****13. Annual Cost Burden:**

(a) Total annualized capital/startup costs: None

(b) Total annual costs (O&amp;M): \$31,818.88

For Section 73.1212 and 76.1615, these calculations are based on political advertisements requiring sponsorship identification incurring a cost of \$10/spot for four seconds of broadcast time. Each advertisement will air approximately 5 times.

$$18,498 \text{ stations} \times 30 \text{ political spots} \times 0.0011 \text{ hours} \times \$10/\text{spot} \times 5 \text{ airings/ad} = \$30,521.70$$

$$4,717 \text{ stations} \times 5 \text{ political spots} \times 0.0011 \text{ hours} \times \$10/\text{spot} \times 5 \text{ airings/ad} = \underline{1297.18}$$

(c) Total annualized cost requested: **\$31,818.88 rounded to \$31,819**

14. There is no cost to the Federal Government.

15. The Commission has adjustments to the total annual burden hours and total annual cost which is due to the Commission re-evaluating its annual burden and cost for this collection. This supporting statement more accurately reflects that burden hours and annual cost burden. There are no program changes to this information collection.

16. The data will not be published.

17. OMB approval of the expiration date of the information collection will be displayed at 47 C.F.R. Section 0.408.

18. The Commission published a Notice (73 FR 52355) in the *Federal Register* on September 9, 2008 seeking public comment for the information collection requirements contained in this supporting statement. The following items were stated incorrectly in the Notice – the total number of responses as 1,693,122; the estimated time per response as .0011 hours to 0.1 hours; total annual burden as 112,096 hours; and total annual cost as none. We correct these figures to read the total number of responses as 1,711,990; the estimated time per response as .0011 – 0.2011 hours; total annual burden as 224,971 hours; and total annual cost as \$31,818.88. There are no other exceptions to the Certification Statement.

**B. Collections of Information Employing Statistical Methods**

No statistical methods are employed.