

SUPPORTING STATEMENT

A. Justification:

1. The Commission is revising this information collection to include certain collections which had formerly been approved under different control numbers. Upon OMB approval, OMB Control Number 3060-0531 will incorporate collections formerly approved under OMB Control Numbers 3060-0947 and 3060-0963 and retain 3060-0531 as the active number for the OMB inventory. This submission seeks OMB approval to renew and to modify OMB Control No. 3060-0531 to renew the reporting and third party disclosure requirements imposed on respondents in the Local Multipoint Distribution Service (LMDS) pursuant to 47 C.F.R. §§ 101.103 and 101.1011 and to consolidate similar reporting requirements imposed on Multiple Address System (MAS) Economic Area (EA) licensees pursuant to 47 C.F.R. §§ 101.1325 and 101.1327 and 24 GHz EA licensees pursuant to 47 C.F.R. §§ 101.527 and 101.529. There are no changes, we are only consolidating the three referenced OMB control numbers under 3060-0531.

The following is a description of each rule section requirement.

a. Section 101.1011, requires that LMDS licensees must make a showing of substantial service in their license area within ten years of being licensed. A licensee must demonstrate that it provided service which is sound, favorable, and substantially above a level of mediocre service which might minimally warrant renewal. (Currently approved under 3060-0531).

In order to do so, an LMDS licensee seeking renewal must submit a showing to explain why renewal of the license is warranted. At a minimum, this showing must include: (1) a description of its current service in terms of geographic coverage and population served; (2) an explanation of its record of expansion, including a timetable of new construction to meet changes in demand for service; (3) a description of its investments in its LMDS system; and (4) copies of all Commission orders finding the licensee to have violated the Communications Act or any Commission rule or policy and a list of any pending proceedings that relate to any matter described directly above. Renewal applications must be filed once every ten years. This submission does not propose to change the requirements relating to this rule. The Commission is adjusting the hourly burdens and cost estimates due to the consolidation of these three OMB control numbers.

b. Section 101.1325(b), requires that MAS licensees must make a showing of substantial service in their license area within ten years of being licensed. 47 C.F.R. § 101.1325(b). (Formerly approved under 3060-0947).

c. Section 101.1327(a), requires that in order to receive a renewal expectancy at renewal time, a MAS licensee must demonstrate that it provided service which is sound, favorable, and substantially above a level of mediocre service which might minimally warrant renewal. MAS licensees must also demonstrate that they have substantially complied with applicable Commission rules, policies, and the Communications Act; provide a record of the licensee's

record of expansion, and provide a description of investments it has made in its system. 47 C.F.R. § 101.1327(a). (Formerly approved under 3060-0947).

d. Section 101.527, requires that 24 GHz licensees must make a showing of substantial service in their license area within ten years of being licensed. (Formerly approved under 3060-0963).

e. Section 101.529, requires that in order to receive a renewal expectancy at renewal time, a 24 GHz licensee must demonstrate that it provided substantial service. 24 GHz licensees must also provide copies of all FCC orders finding the licensee to have violated the Communications Act or any FCC rule or policy, and a list of any pending proceeding relating to any such possible violation. 47 C.F.R. §§ 101.529. (Formerly approved under 3060-0963).

f. Section 101.103, requires that LMDS licensees coordinate proposed operations with existing licensees, permittees, and applicants in the proposed area of operation. Coordination consists of notification by the licensee of its proposed operations, and a response by neighboring licensees, permittees, and applicants stating whether any interference is predicted. (Currently approved under 3060-0531). The coordination requirements set forth in the Commission's Rules remains unchanged, and this submission does not seek to revise those requirements or the estimated burdens relating to that rule.

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

The information collection is authorized and necessary for the Commission to carry out its statutory mandate, pursuant to Sections 4(i), 303(c), 303(f), 303(g), 303(r) and 309(j) of the Communications Act of 1934.

2. The information is used by the Commission staff to satisfy requirements for licensees to demonstrate substantial service at the time of license renewal. Without this information, the Commission would not be able to carry out its statutory responsibilities. The third party disclosure coordination requirements are necessary to ensure that licensees do not cause interference to each other.
3. The Commission requires licensees to demonstrate substantial service at the time of license renewal. Also, it is mandatory that the requested information be filed electronically through the Universal Licensing System (ULS).
4. The Commission does not impose a similar information collection on respondents and no similar data is available or duplicated elsewhere.
5. In conformance with the Paperwork Reduction Act of 1995, the Commission is making an effort to minimize the burden on all respondents, regardless of size. The Commission has limited the information requirements to those absolutely necessary for evaluating and processing each application and to deter against possible abuses of the processes.
6. The substantial service information collected is generally required once each license term. Licenses have ten year terms.

7. Current data collection is consistent with 47 CFR §§ 101.103, 101.527, 101.529, 101.1011, 101.1325, and 101.1327.

8. The Commission published a 60-day notice in the Federal Register on September 16, 2009 (74 FR 47583), initiating a comment period. No comments were received from the public. A copy of the Notice is referenced in this submission.

9. Respondents will not receive any payments or gifts.

10. There is no need for confidentiality. Respondents or applicants may request materials or information submitted to the Commission be withheld from public inspection under 47 CFR 0.459 of the Commission’s rules.

11. There are no questions of a sensitive nature.

12. Respondent Burden Hours:

Please see the chart below for the number of respondents, frequency of response, time per response, and total annual burden hours. Our explanation of the estimates for each item follows the chart.

12.	Rule Sections	Number of Annual Respondents	Frequency of Response	Time per Response (Hours)	Total Annual Burden Hours
a.	Section 101.1011	272	1 (every 10 years)	2	544
b.	Section 101.1325 and 101.1327	1,100	1 (every 10 years)	2	2,200
c.	Section 101.527 and 101.529	2	1 (every 10 years)	2	4
d.	Section 101.103	100	On occasion	15.13	1,513
	TOTAL	1,474			4,261

a. For LMDS, approximately 272 unique licenses will have to demonstrate substantial service pursuant to 47 C.F.R. § 101.1011 each year in the next three years. We estimate approximately 272 responses per year (816 in the next three years) with a total annual reporting burden of 544 hours. There are no annual renewal applications; however, applicants must demonstrate substantial service once every ten years.

Total Annual Burden Hours: 272 responses x 2 hours per response = 544 hours

b. For MAS, approximately 1,100 unique licenses will have to demonstrate substantial service pursuant to 47 C.F.R. §§ 101.1325 and 101.1327 each year in the next three years. We estimate approximately 1,100 responses per year (3,300 in the next three years) with a total annual reporting burden of 2,200 hours. There are no annual renewal applications; however, applicants must demonstrate substantial service once every ten years.

Total Annual Burden Hours: 1,100 responses x 2 hours per response = 2,200 hours

c. For 24 GHz, approximately 2 unique licenses will have to demonstrate substantial service pursuant to 47 C.F.R. §§ 101.1325 and 101.1327 each year in the next three years. There are no annual renewal applications; however, applicants must demonstrate substantial service once every ten years.

Total Annual Burden Hours: 2 responses x 2 hours per response = 4 hours

d. For LMDS, 100 respondents will be required to comply with the frequency coordination procedures in accordance with 47 C.F.R. §101.103 of the Commission's Rules. For this information collection requirement, we estimate that 25% of respondents (*i.e.*, 25) will contract out the burden of responding with a consultant. We estimate that approximately 30 minutes for each coordination (13 hours total) will be needed to coordinate information with consultants. The remaining 75% of respondents (*i.e.*, 75) will employ internal staff to respond. In that case, we estimate that 20 hours for each coordination (1500 hours total) will be needed to exchange information and perform the necessary coordination work.

Total Annual Burden Hours: 100 responses x 15.13 average hours per response = 1,513 hours.

TOTAL ANNUAL BURDEN = 544 HOURS + 2,200 HOURS + 1,513 HOURS + 4 HOURS = 4,261 HOURS

13. Costs to respondent

(a) Substantial service – LMDS, MAS, and 24 GHz:

(1) Total capital and start-up cost : \$0

(2) Two-thirds of respondents will use outside consultants (attorneys or engineers charging (\$200/hour) to consult and prepare information.

Annual Costs: \$366,400
\$200/hour x 916 x 2 hours = \$366,400

(3) One-third of respondents will perform the work themselves at an imputable rate of \$40 per hour.

Annual Costs: \$65,000
\$40/hour x 458 x 2 hours = \$36,640

(4) **Total Annual Cost = \$358,000**
Total Annual Cost = \$369,000 – 11,000 = \$358,000

(b) Coordination: LMDS

(1) Total capital and start-up cost : \$0

(2) One-quarter of respondents (25) will use outside consultants (attorneys or engineers charging (\$200/hour) to consult and prepare information.

Annual Costs: \$2,500
\$200/hour x 25 x .5 hours = \$2,500

(3) Three-quarters of respondents (75) will perform the work themselves at an imputable rate of \$40 per hour.

Annual Costs: \$60,000
\$40/hour x 75 x 20 hours = \$60,000

(4) **Total Annual Cost = \$62,500**
Total Annual Cost = \$2,500 + 60,000 = \$62,500

TOTAL EXTERNAL COST FOR ENTIRE COLLECTION = \$366,400 + \$2,500 = \$368,900

14. Costs to the Federal government are as follows:

Processing Costs for Substantial Service Showings

The attorneys and engineers will be reviewing substantial showings to ensure that they contain the information required by the rules and determining that the level of service provided meets the substantial service standard.

Attorney GS-14-5 at approximately \$55.97/ hour x 1 hour x 1,474 = \$82,499
Engineer GS-14-5 at approximately \$55.97/hour x 1 hour x 1,474 = ~~\$82,499~~
Total cost to the Federal Government is: \$164,998.

15. We are decreasing the annual hour estimates by -2,133 hours. This adjustment reflects the revised estimates based on our inclusion of MAS and 24 GHz substantial service in the collection, a reduction in the number of LMDS licenses subject to the requirement, and revised burden estimates based on our experience in reviewing filings made over the last three years. We are adjusting the annual reporting cost burden by +\$358,000. This adjustment reflects an increase in the number of estimated responses and updated estimates of the costs involved.

16. The information will not be published for statistical use.

17. We do not seek approval to not display the expiration date for OMB approval of the information collection. However, the Commission publishes a list of OMB approved Information Collections.

18. There are no exceptions to the certification.

B. Collections of Information Employing Statistical Methods:

This information collection does not require any statistical methods.