3060-1130
February 2010

SUPPORTING STATEMENT

A. Justification:

1. *Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.*

   The Broadband Data Improvement Act of 2008, Pub. L. No. 110-385, Stat 4096 § 103(c)(1) directs the Commission to collect information on the types of technology used to provide broadband to large businesses and small businesses, the price of such services, actual data transmission speeds, and the reasons for non-adoption of broadband service.

   In November 2009, the Commission requested emergency processing under 5 C.F.R. 1320.13 for these collections so that the information will be available for Commission use in the formulating policy recommendations for the adoption and use of broadband as required under the American Reinvestment and Recovery Act of 2009 (ARRA), Pub. L. No. 111-5, 123 Stat 115 (2009), to be delivered to Congress by March 17, 2010 as part of the National Broadband Plan.

   Now the Commission is requesting the full three year clearance from the Office of Management and Budget (OMB). There is no change in the reporting requirement. There is no change in the Commission's burden estimates.

   Statutory authority for these collections of information is contained in Section 103(c)(1) of the Broadband Data Improvement Act of 2008, 47 USC 1303 § 103 (c)(1).

2. *Indicate how, by whom and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.*

   The Commission's Office of Strategic Planning (OSP) will use information collected under this survey to help determine the extent of broadband Internet adoption by businesses, and use the data to inform policy recommendations under the National Broadband Plan.

Information on businesses with no broadband Internet service or inferior-grade broadband Internet service will be used to carefully identify the nature and extent of the problem and used to develop policy recommendations through the National Broadband Plan.

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, e.g., permitting electronic submissions of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.*

The business broadband survey will be a phone survey of businesses across the range of business sizes, from large to small, where the interviewer will read questions to respondents. Business sample will be drawn from existing, commercial databases of businesses. Respondents will also be offered the option of completing the survey online, in order to improve response rates and reduce respondent burden.

4. *Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in item 2 above.*

To our knowledge, no similar effort to collect business information exists. The National Broadband Plan seeks to understand the extent of business broadband adoption and usage. In order to make policy recommendations the Commission needs this information on the extent and nature of the problem.

Information collected from last-mile broadband providers through the Commission's Form 477 concerns facilities and physical access and does not address actual business adoption or usage statistics.

Information collected through third-party data sources or other business surveys focus on statistics such as availability of broadband services to businesses, cost of connections, and broad application usage. These efforts do not address business attitudes towards broadband adoption, particular drivers of investment, or future plans. These represent key elements of the proposed collection effort. Therefore, the proposed information collection is different in purpose and source.

5. *If the collection of information impacts small businesses or other small entities (item 5 of OMB Form 831), describe any methods used to minimize the burden.*

The survey is targeted at businesses of all sizes, including small businesses. However, the information collection process itself will be limited to a 15-16 minute expenditure of time on the part of one member of the respondent organization, and should therefore not constitute a significant economic impact. Additionally, respondents will be offered the opportunity to complete the survey online, which will result in a lesser expenditure of time.

6. *Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing the burden.*

The Commission's other data collection efforts are insufficient to determine the extent and nature of broadband Internet adoption and usage by large businesses and small businesses.

Pursuant to the Broadband Data Improvement Act of 2008, the Commission is required to collect this information.

7. *Explain any special circumstances that would cause an information collected in a manner inconsistent with the guidelines in 5 C.F.R. § 1320.5(d)(2).*

The survey contractor, as a matter of general practice, does not provide clients with information that directly identifies survey respondents, whether they are individuals or organizations. This includes telephone numbers, names, addresses and other information. The vendor also informs respondents of the nature of the vendor's commitments in terms of handling their information. Generally, the promise is that the respondent will not be individually identified and that all analyses of the data will be of aggregate statistics, rather than an individual's answers.

Any information that the survey contractor obtains – whether in purchased sample or through the interview process – that could directly identify the company or the individual responding on behalf of the company will not be provided to the Commission by the survey contractor or as a matter of vendor policy. The respondents will be told that such information will not be provided by the survey contractor to the Commission or any other third-party.

8. *If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 C.F.R. § 1320.5(d), soliciting comments on the information prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to those comments. Describe 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.*

The Commission published a notice soliciting public comment on this information collection as required under 5 CFR 1320.8(d) prior to submission to OMB. The notice was published in the Federal Register on November 27, 2009 (74 FR 62309). The Commission did not receive any comments as a result of the notice.

In the course of its work on the National Broadband Plan, the Commission has held public workshops on issues important to the Plan. From these workshops, as well as comments submitted in response, the Commission solicited views on the availability of data, frequency of collection, and on the data elements to be recorded.

9. *Explain any decision to provide any payment or gift to respondents, other than enumeration of contractors or grantees.*

   The Commission will not provide any payment or gift to respondents.

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

    The survey contractor, as a matter of general practice, does not provide clients with information that directly identifies survey respondents, whether they are individuals or organizations. This includes telephone numbers, names, addresses and other information. The vendor also informs respondents of the nature of the vendor's commitments in terms of handling their information. Generally, the promise is that the respondent will not be individually identified and that all analyses of the data will be of aggregate statistics, rather than an individual's answers.

    Any information that the survey contractor obtains – whether in purchased sample or through the interview process – that could directly identify the company or the individual responding on behalf of the company will not be provided to the Commission by the survey contractor as a matter of vendor policy. The respondents will be told that such information will not be provided by the survey contractor to the Commission or any other third-party.

11. *Provide additional justification for any questions of a sensitive nature.*

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

12. *Provide estimates of the hour burden of the collection of information. The statement should: indicate the number of respondents, frequency of responses, annual hour burden, and an explanation of how the burden was estimated. If the hour burden on respondents is expected to vary widely because of*

differences in activity, size, or complexity, show the range of the estimated hour burden, and explain the reasons for the variance.

For Paperwork Reduction Act purposes, the total time burden for the survey is estimated at **2,770 hours for the telephone survey**. The burden for the respondents is 933 hours (3,500 respondents x 16 minutes (.7914285 hours per response = 2,770 hours). Also there is an estimated 204 hours of burden on gatekeepers to respondents at an average of 3.5 minutes per respondent. The additional hours represent the burden on potential respondents who do not complete the survey and their gatekeepers. This estimate is conservative, since it assumes all respondents complete the interview by phone and none do so online.

Respondent Time burden						
Survey: 3,500 16-minute interviews						
		Mins. each		**Total minutes**	**Total Hours**	**Mean minutes/ business**
Minutes for interviews						
3,500	Times	16	=	56,000	933	16.00
Minutes to set up interview with gatekeepers						
3,500	Times	3.5	=	12,250	204	3.50
Total minutes for complete interviews						
				68,250	1,137	19.50
Minutes for contacts without a completed interview						
20%	**Response Rate**					
14,000	**Time for contact with non-respondents**	7	=	98,000	1,633	7.00
Total Time burden						
Total businesses				**Total minutes**	**Total Hours**	**Mean minutes/ Business**
17,500				166,250	2,770	9.50

13. *Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. Do not include the cost of any hour burden shown in items 12 and 14.*

    This information collection is based on a telephone survey and/or an online survey that will impose no cost burden on the respondents.

14. *Provide estimates of annualized costs to the Federal government. Also provide a description of the method used to estimate cost, which should*

include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff).

An outside party will administer this collection. Specifically, the Commission plans to use the services of a Princeton Survey Research Associates International (PSRAI) to draft survey instruments specific to business and residential broadband Internet consumers, conduct the surveys, and compile the results. The cost of the contract is $944,150. This contract is for both the residential and business survey, and $911,650 of this cost has already been noted and approved in the separate submission entitled "National Broadband Survey of Consumers." The Commission does not anticipate any additional costs to the Commission as a result of this collection.

15. *Explain the reasons for any program changes or adjustments reported.*

There is no change in burden.

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

The results of the survey will be made available annually in accordance with 47 USC 1303 § 103 (c)(2).

Data and analysis will be used in the National Broadband Plan, which will be presented to Congress by March 17, 2010. Specifically, once data collection is completed, the FCC will conduct analysis aimed at understanding barriers to broadband adoption and usage. This will involve analysis of cross-tabulations of survey questions that focus on non-adoption, limited adoption, or limited usage with a number of different questions about attitudes toward technology and respondents' demographic characteristics. The FCC also plans to develop segments of adoption and usage patterns along dimensions of current Internet connection, level of broadband usage, level of application usage, and general attitudes towards broadband connectivity among businesses.

Developing segments of the business broadband adoption will help the FCC understand:

1. The volume of adoption among various business groups;
2. The nature of the barriers to usage that they face;
3. This in turn will aid the Commission in formulating policy recommendations on programs to encourage broadband adoption and usage.

17. *If seeking approval to not display the expiration date for IMB approval of the information collection, explain the reason that a display would be inappropriate.*

The Commission is not seeking approval to not display the OMB expiration date for OMB approval of the information collection. The Commission publishes a list of all OMB-approved information collections including the OMB control numbers, OMB expiration dates and titles in 47 C.F.R. 0.408.

18. *Explain any exceptions to the statement certifying compliance with 5 C.F.R. § 1320.9(d) and the related provisions of § 1320.8(b)(3).*

There are no exceptions to item 19 of OMB 83i.