3060-1132
June 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 consumers, the price of such services, actual data transmission speeds, and the reasons for non-adoption of broadband service.

This collection will ask consumers about their willingness to pay for various aspects of broadband services at various prices. This information is necessary for crafting many of the policy recommendations being considered for inclusion in the National Broadband Plan.

The Commission requested emergency processing under 5 C.F.R. 1320.13 for this collection in December 2009 so that the information would 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 February 17, 2010 as part of the National Broadband Plan.

The Commission is now seeking an extension (no change in the reporting requirement), to obtain the full three year clearance from the OMB. There is no change in the Commission's burden estimates. The Commission seeks renewal of this IC on an on-going basis so that the information will be available for Commission use in formulating policy recommendations for the adoption and use of broadband as required by the American Reinvestment and Recovery Act of 2009 (ARRA).

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

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 consumer demand for broadband, and use the data to inform policy recommendations under the National Broadband Plan.

This information is necessary for crafting many policy recommendations (such as setting subsidy levels for a possible government-subsidized broadband programs) being considered by 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.*

All responses to the survey are submitted electronically online at a time of the respondents' choosing thereby significantly reducing the response-burden. The survey will be conducted online with the Knowledge Networks national probability panel of respondents who have agreed and consented to such interviews. Here is a listing of Knowledge Networks projects that have been approved previously by OMB. http://www.knowledgenetworks.com/ganp/docs/OMB-Project-Approvals-for-KN.pdf **.**

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 current similar effort to collect consumer demand information exists. The National Broadband Plan seeks to understand the extent of demand for and willingness to pay for broadband services. In order to make policy recommendations the Commission needs this information on these characteristics.

Information collected from last-mile broadband providers through the Commission's Form 477 concerns facilities and physical access and does not address any pricing information or other information about consumer willingness to pay.

Information collected through the Current Population Survey, the Decennial Census, and the American Community Survey lacks sufficient question depth to determine anything about demand for broadband.

Finally, information collected through the FCC's Consumer Survey focuses on reasons for non-adoption, rather than providing specific information on consumer demand for broadband. Therefore, the 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.*

Not applicable. This survey collection affects individual consumers.

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 of consumer demand for broadband Internet.

Pursuant to the Broadband Data Improvement Act of 2008, the Commission is required to collect this information. If the Commission did not collect this information, the data would not be available for inclusion in the National Broadband Plan which was due to congress on March 17, 2010.

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).*

There are no special circumstances that would cause an information collection in a manner inconsistent with the guidelines in 5 C.F.R. § 1320.5(d)(2).

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 in the Federal Register soliciting public comment as required under 5 CFR 1320.8(d) on January 27, 2010 (75 FR 4390). No comments were received.

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.*

Non-specific survey incentives are used to maintain a high degree of panel loyalty and to prevent attrition from the panel. For the households provided internet appliances and an internet connection, their 'panel loyalty' incentive is the hardware and internet service that we at KN provide free. For households using their own personal computers and internet service for survey participation, Knowledge Networks enrolls the panelists into a points program that is analogous to a 'frequent flyer' program in that respondents are credited with points in proportion to their regular participation in surveys. Panelists receive cash-equivalent checks approximately every four to six months in amounts reflecting their level of participation in the panel, which commonly results in distributions in the range of $4 to $6 per month.

The survey-specific incentives are provided to respondents as a result of one of two conditions: 1) the survey is expected to require more than 20 minutes of time to complete or 2) there is an unusual request being made of the respondent, such as specimen collection, the viewing of a specific television program, or completion of a daily diary. In both of these kinds of circumstances, panelists are being asked to participate in ways that are more burdensome than initially described to respondents during the panel recruitment stage. If a survey requires more than 20 minutes for self-administration, then an incentive is provided to respondent for most projects. Respondents that participate in the survey will be credited with 5,000 to 10,000 points, which equates to $5 to $10 that will be mailed to them at a later date. The actual amount depends upon the length of the survey.

A by-product of the use of survey-specific incentives is an improvement in the survey completion rate. Internal KN research has demonstrated that incentives increase the survey completion rate by approximately 4 to 6 percentage points, after controlling for other survey-specific factors such as the length of the survey instrument, length of the field period, sample composition, use of video, etc.

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

No personally identifying information will be transmitted to the Commission from the survey contractor as a matter of vendor policy.

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 1,350 hours for the survey **(4,500 respondents x .3 hours (20 minutes) per response = 1,350 total annual burden hours).**

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 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 total cost of the survey is $272,400. 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 the Commission’s burden estimates.

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 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 February 17, 2010. Specifically, once data collection is completed, the FCC will conduct analysis aimed at understanding demand for and consumer willingness to pay for broadband Internet services. This will involve analysis of cross-tabulations of survey questions.

Developing analyses of demand for broadband will help the FCC understand the various characteristics of broadband consumers value. This in turn will aid the Commission in formulating policy recommendations on programs to provide high-quality broadband services and thereby encourage broadband adoption.

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.