

## **SUPPORTING STATEMENT**

### **A. Justification:**

1. The purpose of the FCC Form 602 is to obtain the identity of the filer and to elicit information required by Section 1.2112 of the Commission's rules regarding: 1) Persons or entities holding a 10 percent or greater direct or indirect ownership interest or any general partners in a general partnership holding a direct or indirect ownership interest in the applicant ("Disclosable Interest Holders"); and 2) All FCC-regulated entities in which the filer or any of its Disclosable Interest Holders owns a 10 percent or greater interest. The data collected on the FCC Form 602 includes the FCC Registration Number (FRN), which serves as a "common link" for all filings an entity has with the FCC. The Debt Collection Improvement Act of 1996 requires that entities filing with the Commission use an FRN. The FCC Form 602 was designed for, and must be filed electronically by, all licensees that hold licenses in auctionable services.

The FCC Form 602 is comprised of the Main Form containing information regarding the filer and the Schedule A is used to collect ownership data pertaining to the Disclosable Interest Holder(s). Each Disclosable Interest Holder will have a separate Schedule A. Thus, a filer will submit its FCC Form 602 with multiple copies of Schedule A, as necessary, to list each Disclosable Interest Holder and associated information.

The Commission is seeking an extension from the Office of Management and Budget (no change to the information collection requirements) to obtain the full three year clearance from them.

The statutory authority for this collection of this information is contained in Sections 154(i), 303(g), 303(r), and 332(c) (7) of the Communications Act of 1934, as amended. See 47 U.S.C. §§ 4(i), 303(g), and 303(r).

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

2. The information collected on the FCC Form 602 is used by the Commission to determine whether the filer is legally, technically and financially qualified to be a licensee. Without such information, the Commission could not determine whether to issue licenses to applicants that provide telecommunications services to the public and fulfill its statutory responsibilities in accordance with the Communications Act of 1934, as amended.
3. This form can only be filed electronically in the Commission's Universal Licensing System (ULS).
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, regardless of size. The Commission has limited the information requirements to that absolutely necessary for evaluating the application and to deter against possible abuses of the process.
6. Generally, the frequency of filing of FCC Form 602 is determined by the filer. FCC Form 602 is required to be filed by licensees who have acquired their license by participation in an FCC auction or who are applying

for a license in a service which is subject to Part 1, Subpart Q of the Commission's Rules, or by common carrier licensees whether or not the service was originally subject to auction, under the following circumstances: 1) applicants for a new license or authorization who do not have a current FCC Form 602 on file with the FCC; 2) applicants filing to renew an existing license if there is no current FCC Form 602 on file with the FCC; 3) applicants for a transfer of control of a license of assignment of authorization who do not have a current FCC Form 602 on file with the FCC; 4) applicants who are going to participate in an FCC auction and do not have a current FCC Form 602 on file; or 5) when a designated entity files an application seeking approval of a reportable eligibility event and do not have a current FCC Form 602 on file.

7. This collection of information is consistent with the guidelines in 5 C.F.R. § 1320.6.
8. The Commission initiated a 60-day public comment period which appeared in the Federal Register on June 3, 2010 (75 FR 31435). No comments were received as a result of the notice. A copy of the Federal Register notice is referenced in this submission.
9. Respondents will not receive any payments or gifts.
10. Respondents may request that materials or information submitted to the Commission be withheld from public inspection pursuant to 47 C.F.R. § 0.459, the Commission's general rule governing requests to withhold from public inspection information submitted to the Commission.
11. This information collection does not address any private matters of a sensitive nature.
12. We report the following public burden for this information collection:

We estimate that there are approximately 550 licensees that hold designated entity licenses that will be affected by the requirement to file or update the FCC Form 602 when an application seeking approval of a reportable eligibility event is filed. The Commission also estimates that designated entities may file for approval of approximately 3 reportable eligibility events per year triggering the requirement to file or update the FCC Form 602. We estimate that the average burden per respondent is 1.5 hours.

We estimate that 50% of these respondents (275) will complete the application themselves with no additional assistance and that 50% (275) will contract out completing the form to a law firm or application preparation service. We estimate a form completion time of 1.5 hours per respondent for the respondents completing the forms without hiring a consultant. For those respondents hiring a consultant, we estimate a burden of approximately 30 minutes to coordinate with the consultant.

$$\begin{aligned} 275 \text{ (applicants)} \times 3 \text{ (responses per annum)} \times 1.5 \text{ hrs per response} &= 1237 \text{ hours} \\ 275 \text{ (applicants)} \times 3 \text{ (responses per annum)} \times .5 \text{ hrs per response} &= 413 \text{ hours} \end{aligned}$$

Total estimated annual hour burden is: 413 hours + 1237 hours = **1,650 hours.**

The submission of these updated Forms 602 in connection with the filing of FCC Form 609-T are in addition to the Forms 602 that already required to be submitted or updated in other approved FCC Form 602 information requests.

The Commission expects to receive approximately 3,565 applications. We estimate that 50% of the respondents will complete the application themselves with no additional assistance and that 50% will contract

out completing the form to a law firm or application preparation service. For those respondents hiring a consultant we estimate a burden of approximately 30 minutes to coordinate with the consultant. We estimate a form completion time of 1.5 hours per respondent for the respondents completing the forms without hiring a consultant.

Total of the annual hour burden:

3,565 (forms per annum) x .5 (completed in-house) x 1.5 hours = 2,674 hours

3,565 (forms per annum) x .5 (completed by contractors) x .5 hours = 891 hours

Total estimated annual hour burden is: 2,674 hours + 891 hours = **3,565 hours.**

**TOTAL ESTIMATED ANNUAL HOUR BURDEN: 1,650 + 3,565 = 5,215 HOURS**

13. *Cost Burden to Respondents:* There are no capital and start-up costs to prepare any necessary updates to the FCC Form 602. The annual costs (O&M) consist of the cost of Internet access. Further, there is no filing fee associated with the FCC Form 602.

We estimate that 50% of the respondents will contract out the completion of the form and would use an attorney/engineer or application preparation service at a cost of \$200/hour to prepare the FCC Form 602, in keeping with the percentages established for the 3,565 respondents in the previous submission in which one half of the responses were completed in-house and the other half was contacted out.

Total estimated cost burden of FCC Form 602:

275 (contracting applicants) x 3 (responses per annum) x 2 hrs per response x \$200/hr. (Attorney) = \$330,000.00.

1,782 (previous contracting applicants) x .5 hours x \$200/hr. (Attorney) = \$178,200.00.

**TOTAL ESTIMATED COST BURDEN: \$330,000 + 178,200 = \$508,200.**

14. Cost to the Federal Government:

There are no costs to the Federal Government as FCC Form 602 is filed electronically, and staff does not routinely or regularly review the filings.

15. There is no change to the estimated average burden or the number of respondents/responses.

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

17. The Commission is requesting a continued waiver from displaying the OMB expiration date on FCC Form 602. Granting this waiver will prevent the Commission from destroying excess forms, having to update computer versions and thus reduce waste. All OMB-approved information collections are published in 47 CFR 0.408. This section includes the OMB control number, title of the collection and the OMB expiration date.

18. There are no exceptions to the "Certification Statement" in Item 19.

**B. Collections of Information Employing Statistical Methods:**  
No statistical methods are employed.