

## SUPPORTING STATEMENT

### A. Justification:

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

Section 9 of the Communications Act of 1934, as amended, mandates that the Commission collect annual regulatory fees from its regulatees. To facilitate this effort, the Commission publishes various Public Notices and Fact Sheets each year that

- (1) announce when fees payments are due;
- (2) provide the current schedule of fee amounts for all service categories; and
- (3) provide guidance for making fee payments to the Commission.

The Commission mails fee assessment notifications to broadcast licensees and commercial mobile radio service (CMRS) licensees on an annual basis<sup>1</sup>. With these fee assessment notifications, we also provide regulatees with a “true-up”<sup>2</sup> opportunity to contact the FCC to update or otherwise correct their assessed fee amounts well before the actual due date for payment of regulatory fees. Providing a “true-up” opportunity is necessary because the data sources that were used to generate the fee assessments may not be complete or accurate.

We offer several ways for regulatees to “true-up” their assessed fee amount. Regulatees may call the Commission’s Financial Operations Help Desk. They may return their amended assessment notification or otherwise send written correspondence to a designated Commission mailing address. In addition, regulatees may use a Commission-authorized website at [www.fcc.fees.com](http://www.fcc.fees.com) to key-in corrections to their assessment information.

Statutory authority for this collection of information is contained in Sections 4(i), 4(j), 8, 9, and 303(r) of the Communications Act of 1934 as amended.

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. 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.**

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<sup>1</sup> Beginning in Fiscal Year (FY) 2004, The Commission mailed fee assessment notifications to cable television operators. The Commission stopped this practice in FY 2007 because the method was ineffective and the data sent out on notifications were unreliable. In OMB 3060-0855, Telecommunications Reporting Worksheet and Related Collections, FCC Form 499-A, FCC499-Q, the Commission has required regulatees to provide email address and revenue amount as the fee assessment basis. The Commission plans to use these email addresses collected in OMB 3060-0855 to transmit the fee assessment notifications in the future.

<sup>2</sup> “True up” is to fit, place or shape accurately. See *Webster’s NewWorld Dictionary*, Second College Edition. New York: Simon & Schuster, 1980.

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The Commission uses “true-up” feedback received from its regulatees to adjust regulatees’ fee obligations accordingly.

- 3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision of adopting this means of collection. Also describe any consideration of using information technology to reduce the burden.**

Broadcast licensees and Commercial Mobile Radio Service (CMRS) providers may use a Commission-authorized website to submit their “true-up” information.

- 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.**

There is no duplication of information. The Commission does not ask its regulatees to correct or update regulatory fee assessment information in any other fashion. This one is the only “true-up” opportunity that is provided to regulatees each year.

- 5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83i), describe any methods used to minimize the burden.**

Most entities will not need to act on the “true-up” opportunity because their assessment information is correct. Entities that need to submit a “true-up” will undergo a minimal estimated burden of 0.25 hrs. We believe that the benefit of having corrected information on regulatory fee payment obligations justifies the minimal burden of this collection of information.

- 6. Describe the consequence 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 burden.**

The Commission believes that it is a good business practice to give entities the opportunity to “true-up” their assessed fee amounts. With the “true-up” mechanism in place, the Commission can better estimate the regulatory fee payments and meet the fee collection expectations for the fiscal year. Without a “true-up” process, we would have no other correction mechanism in place for our regulatory fee assessments. Also, not being able to offer a “true-up” opportunity prior to the due date for regulatory fee payments would jeopardize our fee collection expectations for the fiscal year.

- 7. Explain any special circumstances that would cause an information collection to be conducted in a manner inconsistent with the general information collection guidelines in 5 CFR 1320.6 (e.g. payment to respondents, disclosure of proprietary information, etc.):**

There are no special circumstances that would cause this information collection to be conducted in a manner inconsistent with the guidelines in 5 CFR § 1320.6.

- 8. (a) 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 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

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- (b) **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.**
- (c) **Consultation with representatives of those from whom information is to be obtained, or those who must compile records, should occur at least once every three years -- even if the collection of information activity is the same as in prior periods. There may be circumstances that mitigate against consultation in a specific situation. These circumstances should be explained.**

The Commission published the 60-day notice in the *Federal Register* on April 22, 2011 (76 FR 22703) soliciting public comment period for the collection. The Commission has received no comments following publication of this notice.

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

Respondents will not receive any payments or gifts.

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

We are not asking respondents to submit any information that would be considered to be of a confidential nature. However, respondents may request materials or information submitted to the Commission be withheld from public inspection under 47 C.F.R. § 0.459 of the FCC's rules.

- 11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

We are not asking any questions of a sensitive nature, nor are there any privacy impacts.

- 12. Provide estimates of the hour burden of the collection of information. The statement should indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents if desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**

**Provide estimates of annualized costs to respondents for the hour burdens for collection of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying out-side parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.**

Regulatees will submit assessment "true-ups" at the following estimated rates:

8,000 broadcast licensee fee assessments mailed.

“True-up” rate: Approximately 3%, therefore 240 “true-ups”.

106 CMRS fee assessments mailed.

“True-up” rate: Approximately 38%, therefore 40 “true-ups.”

**Total Number of Respondents:**

240 media services + 40 CMRS fee assessed = **280 Respondents**

Each respondent will have only one “true-up” response; thus:

**Total “true-ups” submitted by respondents:**

240 + 40 = **280 Responses.**

Information necessary to “true-up” the fee assessment is readily available to regulatees. Some “true-ups” sent back to the Commission in writing may take up to an hour to compose; while corrections submitted through the Commission-authorized web site would take only a couple minutes. Therefore, we estimate that regulatees will undergo an average burden of 15 minutes (0.25 hrs.) per “true-up.”

**Total Annual Hourly Burden:** 280 “true-ups” x 0.25 hours = **70 hours.**

Respondents responsible for submitting “true-ups” to the Commission could range from clerical assistants to senior company managers and outside attorneys. In general, we assume that most “true-ups” will be prepared by regulatees’ junior-level professional staffs that are paid an average salary of \$35 per hour.

**Total Annual “In House” Cost Burden:** 70 hours x \$35 per hour = **\$2,450.**

- 13. Provide an estimate of total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).**

**The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**

**a. Total annualized capital/start up costs: \$0.**

**b. Total annual costs (operation and maintenance): \$0.**

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Only a small segment of regulatees (approximately 10%) are anticipated to provide their “true-ups” in written form. Regardless of the “true-up” method chosen, all regulatees will be able to prepare their “true-up” information with the use of in-house staff.

c. **Total annualized cost requested:** \$0.

**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), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.**

Cost to the federal government will be for Help Desk employees and professional staff to process the assessment “true-up” and update the Commission records. We estimate that these employees are paid at an average rate of \$35 per hour.

“True-ups” sent to the Commission-authorized web site will essentially result in no burden to Commission staff. Of the “true-ups” submitted verbally or in writing, most will be of routine nature. Therefore we estimate that the average burden to Commission staff to process the “true-ups” will be 15 minutes (0.25 hrs.) per correction.

280 “true-ups” x 0.25 hours x \$35 per hour =	\$2,450.00
30% Overhead =	<u>\$735.00</u>
<b>Total Annual Cost to the Federal Government:</b>	<b>\$3,185.00</b>

**15. Explain reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-1.**

There are no program changes to the “true-up” mechanism.

The Commission has determined that the number of regulatory fee assessment “true ups” has declined from the previous submission for several reasons:

- (1) Beginning in Fiscal Year (FY) 2004, the Commission mailed fee assessment notifications to cable television operators. The Commission stopped this practice in FY 2007 because the method was ineffective and the data sent out on notifications were unreliable. This resulted in only 8,000 broadcast license fee assessments are mailed out vs. 45,000 previously. The reduction in the number of fee assessment notifications being sent out has slightly increased the “true up” rate from 2% to 3%;
- (2) Only 106 CMRS fee assessments are mailed out vs. 150 previously due to greater accuracy, although the “true up” rate has increased from 33% to 38%;
- (3) The cost has decreased partly due to the reduction in total number of fee assessment notifications being sent out, thus less true-up responses; and partly due to the greater use of technology (and less use of paper) to improve the regulatory fee notification and true-up process.

**16. For collections of information whose results are planned to be published for statistical use, outline plans for tabulation, statistical analysis, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project,**

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**including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

We do not publish the results of this collection of information for any statistical use.

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

The “true-up” opportunity given to regulatees does not involve completing a hardcopy form. Instead, regulatees will inform us (via the Commission-authorized web site, verbally, or in writing, etc.) of updates or corrections to be made to their regulatory fee assessments. Therefore, we will display the OMB control number and edition date on the information collection instrument, *i.e.*, Public Notice or press release.

**18. Explain each exception to the certification statement identified in Item 19. "Certification for Paperwork Reduction Act Submissions." of OMB Form 83-i.**

There are no exceptions to the certification statement in Item 19.

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

This information collection does not employ any statistical methods.