

SUPPORTING STATEMENT**A. Justification**

1. **47 CFR Section 73.1212** requires a broadcast station to identify at the time of broadcast the sponsor of any matter for which consideration is provided. For advertising commercial products or services, generally the mention of the name of the product or service constitutes sponsorship identification. In the case of television political advertisements concerning candidates for public office, the sponsor shall be identified with letters equal to or greater than four (4) percent of the vertical height of the television screen that airs for no less than four (4) seconds. In addition, when an entity rather than an individual sponsors the broadcast of matter that is of a political or controversial nature, licensee is required to retain a list of the executive officers, or board of directors, or executive committee, etc., of the organization paying for such matter. Sponsorship announcements are waived with respect to the broadcast of "want ads"¹ sponsored by an individual but the licensee shall maintain a list showing the name, address and telephone number of each such advertiser. These lists shall be made available for public inspection.

47 CFR Section 76.1615 states that, when a cable operator engaged in origination cablecasting² presents any matter for which money, service or other valuable consideration is provided to such cable television system operator, the cable television system operator, at the time of the telecast, shall identify the sponsor. Under this rule section, when advertising commercial products or services, an announcement stating the sponsor's corporate or trade name, or the name of the sponsor's product is sufficient when it is clear that the mention of the name of the product constitutes a sponsorship identification. In the case of television political advertisements concerning candidates for public office, the sponsor shall be identified with letters equal to or greater than four (4) percent of the vertical height of the television screen that airs for no less than four (4) seconds.

47 C.F.R. Sections 76.1715 state that, with respect to sponsorship announcements that are waived when the broadcast/origination cablecast of "want ads" sponsored by an individual, the licensee/operator shall maintain a list showing the name, address and telephone number of each such advertiser. These lists shall be made available for public inspection.

This information collection does affect individuals or households; thus, there are impacts under the Privacy Act. However:

- (1) The information that is related to individuals or households (i.e., list showing the names, addresses and telephone numbers of each advertisement sponsored by individuals) is collected by broadcast stations/licensees;

¹ Want ads are classified advertisements.

² Cablecasting is the transmission by wire for public reception of sounds, images or sounds and images or of the representations thereof. Transmission by wire of encrypted signals is "cablecasting" where the means for decrypting are provided to the public by the cablecasting organization or with its consent. Cablecasting shall not be understood as including transmissions over computer networks or any transmission where the time and place of reception may be individually chosen by members of the public.

(2) The FCC has no direct involvement in the collection of this information on individuals or households, and

(3) Since the FCC has no direct involvement in the collection of this information, the Commission is not required to complete a privacy impact assessment.

(4) Further, cable systems stations generally have written privacy policies governing the treatment of information collected from their subscribers, and the Commission expects that much of the information collection would fall under those policies.

Statutory authority for this information collection is contained in Sections 4(i), 317 and 507 of the Communications Act of 1934, as amended.

2. The records and sponsorship announcements are used by the public so that they may know by whom broadcasts and origination cablecasts are sponsored and, therefore, by whom they are being persuaded.

3. These are recordkeeping and disclosure requirements; therefore, the use of information technology is not feasible in this situation.

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. Therefore, the collection of information will not have a significant economic impact on a substantial number of small entities/businesses.

6. If this information was not disclosed or records kept, the public would not know by whom they are being persuaded. If the Commission did not sponsor this information collection, it would not be in compliance with the Communications Act of 1934.

7. There are no special circumstances associated with this information collection.

8. The Commission published a Notice (76 FR 40908) in the *Federal Register* on July 12, 2011 seeking public comment for the information collection requirements contained in this supporting statement. No comments were received from the public as a result of the Notice.

9. No payment or gift was provided to respondents.

10. The information that is related to individuals or households (i.e., list showing the names, addresses and telephone numbers of each advertisement sponsored by individuals) is collected by broadcast stations/licensees/systems. The FCC has no direct involvement in the collection of this information on individuals or households. Since the FCC has no direct involvement in the collection of this information, the Commission is not required to complete a privacy impact assessment. Further, cable systems generally have written privacy policies governing the treatment of information collected from their subscribers, and the Commission expects that much of the

information collection would fall under those policies.

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

12. The following is estimated for public burden:

<u>Rule Sections</u>	<u>Number of Respondents (Systems/ Stations)</u>	<u>Number of Broadcast Cablecasts, or Listings</u>	<u>Number of Responses</u>	<u>Hourly Burden</u>	<u>Total Burden Hours</u>	<u>Hourly Wage</u>	<u>Total In-house Cost</u>
73.1212	20,050	60 commercial ³	1,203,000	0.1 hrs.	120,300	\$26	\$3,127,800
	20,050	30 political ⁴	601,500	0.2011 hrs.	120,962	\$26	\$3,145,012
76.1615 ⁵	2,711	5 political	13,555	0.0011 hrs.	15	\$18	\$ 270
76.1715 ⁶	2,711	5 want ads listings	<u>13,555</u>	0.1 hrs.	<u>1,356</u>	\$18	<u>\$ 24,408</u>
TOTALS:			1,831,610 (responses)		242,633 hours		\$6,297,490

Total Number of Annual Respondents: 20,050 broadcasters + 2,711 cable systems = **22,761**

Total Number of Annual Responses: **1,831,610**

Total Annual Burden Hours: **242,633 hours**

Total Annual “In-house” Cost: **\$6,297,490**

³ We have assessed only recordkeeping burdens for broadcasting of commercial products or services. We do not assess a burden for sponsorship ID (disclosure requirement) because the mere mention of the product name or service during the broadcast satisfies sponsorship identification and no burden is attached to this disclosure requirement.

⁴ For the political spots, we have assessed both recordkeeping and disclosures burdens of 0.2011 hours [0.0011 hours for the disclosure requirements (at least four seconds) and 0.2 hours for the recordkeeping requirements]. We assume that a sales person at the station will perform recordkeeping functions and monitor the sponsorship identification requirements.

⁵ For Section 76.1615, we do not assess a burden for advertising commercial products or services. We do not assess sponsorship ID (disclosure requirement) because the mere mention of the product name or service during the programming satisfies sponsorship identification, and no burden is attached to this requirement. For the political spots, we have assessed a disclosure burden of 0.0011 hours. We estimate that half the cable systems (2,711) would air an average of five candidate spots for which sponsorship identification is required.

⁶ This is only a recordkeeping requirement. We estimate that half the cable systems (2,711) would air an average of five origination cablecasts that require a system to keep a record.

These estimates are based on FCC staff's knowledge and familiarity with the availability of the data required.

13. Annual Cost Burden:

(a) Total annualized capital/startup costs: None

(b) Total annual costs (O&M): \$33,828.03

For Section 73.1212 and 76.1615, these calculations are based on political advertisements requiring sponsorship identification incurring a cost of \$10/spot for four seconds of air time. Each advertisement will air approximately 5 times.

20,050 stations x 30 political spots x 0.0011 hours x \$10/spot x 5 airings/ad =	\$33,082.50
2,711 systems x 5 political spots x 0.0011 hours x \$10/spot x 5 airings/ad =	<u>745.53</u>

(c) Total annualized cost requested:	\$33,828.03
	(\$33,828 rounded)

14. There is no cost to the Federal Government.

15. There are no program changes to this information collection. There are adjustments/decreases to the number of respondents of 454. There are adjustments/increases to the annual responses of 119,620, to the annual burden of 17,662 hours and to the annual cost burden \$2,009.

16. The data will not be published.

17. OMB approval of the expiration date of the information collection will be displayed at 47 C.F.R. Section 0.408.

18. There are no other exceptions to the Certification Statement.

B. Collections of Information Employing Statistical Methods

No statistical methods are employed.