

**SUPPORTING STATEMENT****A. Justification**

On October 27, 2011, the Commission adopted a *Further Notice of Proposed Rulemaking* (“*FNPRM*”) in MM Docket 00-168, FCC 11-162, *In the Matter of Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations*. The *FNPRM* proposed information collection requirements that will change the availability of record disclosures under 47 CFR 73.1212. 47 CFR 73.1212(e) states that, when an entity rather than an individual sponsors the broadcast of matter that is of a political or controversial nature, the 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 in its public file. Pursuant to the changes proposed 47 CFR 73.1212(e) and 47 CFR 73.3526(e)(19), this list, which could contain personally identifiable information, would be located in a public inspection file to be located on the Commission’s website instead of being maintained in the public file at the station. Burden estimates for this change are included in OMB Control Number 3060-0214.

**The following Information Collection Requirements are Part of This Collection and Have Been Approved By OMB:**

**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"<sup>1</sup> 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 cablecasting<sup>2</sup> 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 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

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<sup>1</sup> Want ads are classified advertisements.

<sup>2</sup> 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.

Title: Sections 73.1212, 76.1615 and 76.1715, Sponsorship Identification

(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.

The personally identifiable information (PII) in this information collection is in part covered by the system of records notice (SORN), FCC/MB-1, “Ownership of Commercial Broadcast Stations,” 74 FR 59978 (2009). The Commission is currently drafting a Privacy Impact Assessment (PIA) for the records covered by this SORN. The Commission will perform a Privacy Threshold Analysis (PTA) and if needed a PIA for the other PII included in this information collection to determine if amending FCC/MB-1 or a new SORN, or both, are required.

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. The changes proposed in the *FNPRM* will involve automated, electronic collection techniques.
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 72144) in the *Federal Register* on November 22, 2011 seeking public comment for the information collection requirements contained in this supporting statement. To date, no comments have been received from the public.
9. No payment or gift was provided to respondents.
10. Respondents complying with the information collection requirements may request that the information they submit be withheld from disclosure. If confidentiality is requested, such requests will be processed in accordance with the Commission’s rules, 47 CFR § 0.459.

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Should respondents submit any PII as part of the information collection requirements, the FCC has a system of records, FCC/MB-1, "Ownership of Commercial Broadcast Stations," that may partially cover this PII, as noted in Questions 1 and 11. Based on the results of the PTA, the Commission may determine that it may need to amend FCC/MB-1, to create a new SORN, or that both are required.

11. This collection does not address any private matters of a sensitive nature. Any PII that is submitted as part of the information collection requirements may be covered in part by the system of records notice, FCC/MB-1, as noted in Questions 1 and 10. Based on the results of the PTA, the Commission may determine that it may need to amend FCC/MB-1, to create a new SORN, or that both are required. In addition, the Commission will redact any other personal information before it becomes available for public inspection, at the request of the submitter.

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	1,203,000	0.1 hrs.	120,300	\$26	\$3,127,800
	20,050	30 political	601,500	0.2011 hrs.	120,962	\$26	\$3,145,012
76.1615 <sup>3</sup>	2,711	5 political	13,555	0.0011 hrs.	15	\$18	\$ 270
76.1715 <sup>4</sup>	2,711	5 want ads listings	<u>13,555</u>	0.1 hrs.	<u>1,356</u>	\$18	<u>\$ 24,408</u>
<b>TOTALS:</b>			<b>1,831,610</b> <b>(responses)</b>		<b>242,633</b> <b>hours</b>		<b>\$6,297,490</b>

**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**

<sup>3</sup>

<sup>3</sup> 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.

<sup>4</sup> 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.

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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:	<b>\$33,828.03</b>
	<b>(\$33,828 rounded)</b>

14. There is no cost to the Federal Government.

15. There are no program changes or adjustments to this information collection. FCC 11-162 impacted this collection because the proposed rulemaking, if adopted by the Commission, will change the Privacy Impact Assessment for Section 73.1212 since the collection of information (sponsor lists) will be located in a public inspection file to be located on the Commission's website instead of being maintained in the public file at the station. Also, burden estimates for this change are included in OMB Control Number 3060-0214 (public inspection file) rather than in this collection.

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.