

SUPPORTING STATEMENT

A. Justification:

1. 47 CFR 76.922(b)(5)(C) provides that an eligible small system that elects to use the streamlined rate reduction process must implement the required rate reductions and provide written notice of such reductions to local subscribers, the local franchising authority ("LFA"), and the Commission.

History:

On March 30, 1994, the Commission released a Memorandum Opinion and Order ("MO&O"), FCC 94-38, MM Docket No. 92-266, 9 FCC Rcd 4119, which among other things, permitted small cable systems to implement required competitive rate reductions at the beginning of cable rate regulation of such systems pursuant to a "streamlined" approach instead of using the more complex "benchmark" methodology required of all other cable systems. Specifically, small cable systems may elect to make the required rate reductions by reducing billed cable service by the "competitive differential," which is 14 percent. That percentage approximates the amount of the competitive rate reduction that would be applicable to many small systems that have not been regulated and that therefore have not implemented any rate reductions under the Commission's rate regulations.

The Commission is requesting an extension of this information collection in order to receive the full three year OMB approval/clearance for the collection.

This information collection does not affect individuals or households; thus, there are no impacts under the Privacy Act.

Statutory authority for this collection of information is contained in Sections 4(i) and 623 of the Communications Act of 1934, as amended.

2. The information is used by FCC staff to ensure that qualified small systems have additional incentives to add channels and that small systems are able to recover costs for headend upgrades.
3. We do not believe that the use of information technology is feasible in this situation.
4. This agency does not impose a similar information collection on the respondents. There are no similar data available.

5. The 47 CFR 76.922(b)(5)(C) streamlined rate reduction process is designed specifically for small cable systems so that they may avoid more burdensome forms of Commission rate regulation. Therefore, a substantial number of small entities/businesses will not be impacted by this information collection.

6. If the Commission did not collect this information, the Commission would not be able to carry out its statutory responsibilities under Section 623 of the Communications Act of 1934, as amended by the Cable Television Consumer Protection and Competition Act of 1992.

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

8. The Commission published a Notice (76 FR 68759) in the *Federal Register* on November 7, 2011 seeking comment from the public on the information collection requirements contained in this collection. No comments were received from the public.

9. There are no payments or gifts to respondents.

10. There is no need for confidentiality with this collection of information.

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

12. We estimate that 25 systems per year use this process. The average burden for undergoing all aspects of each streamlined rate reduction process (all rate calculation, notice and reporting requirements) is estimated to be 12 hours per respondent.

Total Number of Annual Respondents: 25 Small Systems

Total Number of Annual Responses: 25 Written Notices

Total Annual Burden Hours: 25 written notices x 12 hours/written notice = 300 hours

Annualized “In-house” Costs: We estimate that these respondents would have an average salary of \$100,000/year (\$48.08/hour).

25 written notices x 12 hours/notice x \$48.08/hour = \$14,424.00

Annual “In-house” costs: \$14,424.00

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

13. Annual Cost Burden:

- (a) Total annualized capital/startup costs: None
- (b) Total annual costs (O&M): None
- (c) Total annualized cost requested: None

14. There is no cost to the Federal Government.

15. There are no program changes or adjustments to this information collection.

16. The results of this information collection requirement are not planned to be published.

17. We are not seeking approval not to display the expiration date for OMB approval of the information collection.

18. There are no exceptions to the Certification Statement.

Collections of Information Employing Statistical Methods:

No statistical methods are employed.