

SUPPORTING STATEMENT

A. Justification

1. FCC Form 394 is a standardized form that is completed by cable operators in connection with the assignment and transfer of control of cable television systems. On July 23, 1993, the Commission released a *Report and Order and Further Notice of Proposed Rulemaking* in MM Docket No. 92-264, FCC 93-332, Implementation of Sections 11 and 13 of the Cable Television Consumer Protection and Competition Act of 1992, Horizontal and Vertical Ownership Limits, Cross-Ownership Limitations and Anti-Trafficking Provisions. Among other things, this *Report and Order* established procedures for use of the FCC Form 394.

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

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 617 of the Communications Act of 1934, as amended.

2. FCC Form 394 is used by cable operators to apply for local franchise authority ("LFA") approval to assign or transfer control of a cable television system. The information is used by the LFAs to review pending assignments or transfers of control of cable television systems. The FCC Form 394 is not filed with the FCC. The FCC Form 394 is used for third party disclosure purposes only.

3. On February 16, 1999, the Media Bureau (formerly Cable Services Bureau) released a *Memorandum Opinion and Order*, DA 99-322, which allowed applicants submitting the FCC Form 394 to file exhibits electronically. Therefore, we estimate 20 percent of the exhibits are filed electronically.

4. The Commission does not impose a similar information collection on the respondents. There is no similar data available.

5. This information collection does not significantly impact a substantial number of small businesses or other small entities.

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6. If this information collection were not conducted, the Commission would be unable to carry out its statutory responsibilities pursuant to the Communications Act of 1934, as amended. This information collection requirement serves to standardize and streamline the method of transferring control of cable television systems. This standardization reduces uncertainties for both parties and reduces follow-up requests for additional information that would result during the transfer process if FCC Form 394 were not used.
7. There are no special circumstances associated with this information collection.
8. The Commission published a Notice (76 FR 68757) 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. Respondents will not receive any payments.
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. The estimated annual burden on the public is as follows:

The average paperwork burden for cable system owners is estimated to be 5 hours per application. We estimate that 50% of cable system owners will contract out the burden of filing and that it will take the respondents (cable operators) 1 hour to coordinate information with those contractors. The remaining 50% of cable system owners will employ in-house staff to complete the application.

Total number of annual respondents = 1,000 cable operators + 1,000 LFAs = 2,000

Total number of annual responses = 1,000 FCC Form 394 filing

Annual Burden Hours:

Cable Operator's Burden:

500 applications (50% contracted out) x 1 hour/coordination of information = 500 hours
500 applications (50% in house) x 5 hours/application = 2,500 hours
3,000 hours

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LFA burden to review FCC Form 394 applications

The average paperwork burden associated with reviewing FCC Form 394 applications is estimated to be 4 hours per application.

1,000 applications reviewed by LFAs x 4 hours/application = **4,000 hours**

Total annual burden hours: 3,000 hours + 4,000 hours = 7,000 hours

Total Annual “In-house Cost”: We estimate an average hourly wage of \$48.08 per hour for cable operator staff tasked with either completing Form 394 or coordinating information with outside

Legal contractors, and for LFA staff tasked with reviewing FCC Form 394.

7,000 hours x \$48.08 per hour = **\$336,560**

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

13. Annual Cost Burden:

a) Total capital and start-up costs: **None.**

b) Total operation and maintenance costs: We estimate assistance will be performed by outside legal counsel at an average of \$300/hour for 50% of the Form 394 applications. \$300/hour x 500 filings (50% of Form 394 applications) x 5 hours = **\$750,000**

c) Total annual cost burden to respondents = **\$750,000**

14. There is no cost to the Federal Government.

15. There are no program changes to this collection. There are adjustments/increases of \$375,000 to the annual cost burden. These adjustments are due to increases in consulting fees.

16. We do not plan to publish the results of this information collection requirement.

17. We seek continued approval to not display the expiration date for OMB approval of the information collection.

18. There are no exceptions to the Certification Statement.

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B. Collections of Information Employing Statistical Methods

No statistical methods are employed.