

## SUPPORTING STATEMENT

### **A. Justification:**

1. The Commission seeks Office of Management and Budget (OMB) approval to extend the OMB approval for OMB Control No. 3060-0690 to more accurately reflect the burden of compliance with the reporting requirements imposed upon licensees on frequencies between the 37.0-38.6 GHz band to demonstrate substantial performance when their license terms expire, in order to renew their licenses, pursuant to 47 CFR § 101.17. There is no change in the reporting requirement.

Pursuant to 47 CFR § 101.17, all 38.6 – 40.0 GHz band licensees must demonstrate substantial service at the time of license renewal. A licensee's substantial service showing should include, but not be limited to, the following information for each channel for which they hold a license, in each Economic Area (EA) or portion of EA covered by their license, in order to qualify for renewal of that license. The information provided will be judged by the Commission to determine whether the licensee is providing service which rises to the level of "substantial":

- a) a description of the 38.6 – 40.0 GHz band licensee's current service in terms of geographic coverage;
- b) a description of the 38.6 – 40.0 GHz band licensee's current service in terms of population served, as well as any additional service provided during the license term; and
- c) a description of the 38.6 – 40.0 GHz band licensee's investments in its system(s) (type of facilities constructed and their operational status is required).

Any 38.6 – 40.0 GHz band licensees adjudged not to be providing substantial service will not have their licenses renewed.

This submission adjusts the number of respondents that will need to comply with 47 CFR § 101.17 to more accurately reflect the number of licensees that have to demonstrate substantial service at the time of license renewal, and accordingly, will therefore need to demonstrate substantial service within the period covered by this submission. The requirement to demonstrate substantial service happens once every ten years. Every licensee in this band will have to make a showing in the next three years because of when the licenses were originally issued and our decision to extend the deadline for some licensees. However, the number of respondents that will need to comply with this substantial service requirement of 47 CFR § 101.17 within the period covered by the instant submission is far less than the Commission originally sought and received approval for as part of OMB Control No. 3060-0690. Accordingly, in this submission we are reporting a decrease in the number of respondents that will be burdened by the approved substantial service requirement.

As noted on the Form 83i, this information collection does not affect individuals or households; thus, there are no impacts under the Privacy Act.

The information collection is authorized and necessary for the Commission to carry out its statutory mandate, pursuant to 47 U.S.C. sections 4(i), 303(c), 303(f), 303(g), 303(r) and 309(j) of the Communications Act of 1934.

2. The information is used by the Commission staff to satisfy requirements for licensees to demonstrate substantial service at the time of license renewal. Without this information, the Commission would not be able to carry out its statutory responsibilities.
3. The Commission requires licensees to demonstrate substantial service at the time of license renewal. Also, it is mandatory that the requested information be filed electronically through the Universal Licensing System (ULS).
4. The Commission does not impose a similar information collection on respondents and no similar data is available duplicated elsewhere.
5. In conformance with the Paperwork Reduction Act of 1995, the Commission is making an effort to minimize the burden on all respondents, regardless of size. The Commission has limited the information requirements to those absolutely necessary for evaluating and processing each application and to deter against possible abuses of the processes.
6. The information collected is generally required when the applicant seeks renewal of license. Renewal applications must be filed once every ten years.
7. Current data collection is consistent with 5 CFR 1320.6.
8. Pursuant to 5 CFR 1320.8(d), the Commission published a 60-day notice in the *Federal Register* on February 15, 2012 (77 FR 8868), initiating a public comment period. No PRA comments were received from the public. A copy of the Notice is referenced in this submission.
9. Respondents will not receive any payments or gifts.
10. There may be a need for confidentiality. Applicants may request confidential treatment in connection with their substantial service showings, pursuant to 47 CFR § 0.459 of the Commission's rules.
11. There are no questions of a sensitive nature.
12. **Reporting:** On frequencies between 38.6 GHz and 40.0 GHz, approximately 975 unique licenses will expire each year, and § 101.17 require licensees to demonstrate substantial service at the time of license renewal. There are **67 different licensees or respondents**. We estimate approximately **975 responses taking 2 hours per response** with a total annual reporting burden of **1,950 hours**. There are no annual renewal applications; however, applicants must file once every ten years.

**Total Annual Burden Hours: 975 responses x 2 hours per response = 1,950 hours.**

13. Costs to respondent:

(a) Total capital and start-up cost : \$0

(b) Two-thirds of respondents will use outside consultants (attorneys or engineers charging (\$200/hour) to consult and prepare information.

**Annual Outside Contracting Costs: \$260,000.**  
**\$200/hour x 650 responses x 2 hours = \$260,000.**

(c) One-third of respondents will perform the work themselves (in-house) at a rate of \$100 per hour.

**Annual In-House Costs: \$65,000.**  
**\$100/hour x 325 responses x 2 hours = \$65,000.**

**(d) Total Annual Cost to the Respondent = \$260,000.**

14. Costs to the Federal government are as follows:

Processing Costs:

**Based on GS 14/5 Hourly Rate in 2012**

Attorney GS-14-5 at approximately \$67.21/hour x 1 hour x 975 = \$65,529.75  
Engineer GS-14-5 at approximately \$67.21/hour x 1 hour x 975 = \$65,529.75  
Total: \$65,529.75 + \$65,529.75 = \$131,059.50

**Based on GS 14/5 Hourly Rate in 2009**

Attorney GS-14-5 at approximately \$57.13/hour x 1 hour x 975 = \$55,702  
Engineer GS-14-5 at approximately \$57.13/hour x 1 hour x 975 = \$55,702

Total: \$55,702 + \$55,702 = \$111,404.

15. There is no change in the Commission's previous burden estimates. However, there is a decrease in the estimated number of respondents. The number of responses remains the same as reported in 2009.

16. The data will not be published.

17. The Commission does not seek approval to not display the OMB expiration date. The information is displayed in 47 CFR 0.408 of the Commission's rules.

18. There are no exceptions to the Certification Statement.

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

No statistical methods were employed.

