

## SUPPORTING STATEMENT

### A. Justification:

1. The Commission is submitting this information collection to the Office of Management and Budget (OMB) as an extension (no change in the reporting and/or third party disclosure requirements). In 2010, the Commission consolidated OMB Control Numbers 3060-0947 and 3060-0963 under this OMB control number and retained OMB Control Number 3060-0531 as the active number for the OMB inventory.

The reporting and third party disclosure requirements are contained in the Local Multipoint Distribution Service (LMDS) pursuant to 47 C.F.R. §§ 101.103 and 101.1011 and similar reporting requirements imposed on Multiple Address System (MAS) Economic Area (EA) licensees pursuant to 47 C.F.R. §§ 101.1325 and 101.1327 and 24 GHz EA licensees pursuant to 47 C.F.R. §§ 101.527 and 101.529.

The following is a description of each rule section requirement.

**a. Section 101.1011** requires that LMDS licensees must make a showing of substantial service in their license area within ten years of being licensed. A licensee must demonstrate that it provided service which is sound, favorable, and substantially above a level of mediocre service which might minimally warrant renewal.

In order to do so, an LMDS licensee seeking renewal must submit a showing to explain why renewal of the license is warranted. At a minimum, this showing must include: (1) a description of its current service in terms of geographic coverage and population served; (2) an explanation of its record of expansion, including a timetable of new construction to meet changes in demand for service; (3) a description of its investments in its LMDS system; and (4) copies of all Commission orders finding the licensee to have violated the Communications Act or any Commission rule or policy and a list of any pending proceedings that relate to any matter described directly above. Renewal applications must be filed once every ten years. This submission does not propose to change the requirements relating to this rule.

**b. Section 101.1325(b)** requires that MAS licensees must make a showing of substantial service in their license area within ten years of being licensed. 47 C.F.R. §§ 101.1325(b).

**c. Section 101.1327(a)** requires that in order to receive a renewal expectancy at renewal time, a MAS licensee must demonstrate that it provided service which is sound, favorable, and substantially above a level of mediocre service which might minimally warrant renewal. MAS licensees must also demonstrate that they have substantially complied with applicable Commission rules, policies, and the Communications Act; provide a record of the licensee's record of expansion, and provide a description of investments it has made in its system. 47 C.F.R. §§ 101.1327(a).

**d. Section 101.527** requires that 24 GHz licensees must make a showing of substantial service in their license area within ten years of being licensed. 47 C.F.R. §§ 101.527.

**e. Section 101.529** requires that in order to receive a renewal expectancy at renewal time, a 24 GHz licensee must demonstrate that it provided substantial service. 24 GHz licensees must also provide copies of all FCC orders finding the licensee to have violated the Communications Act or any FCC rule or policy, and a list of any pending proceeding relating to any such possible violation. 47 C.F.R. §§ 101.529.

**f. Section 101.103** requires that LMDS licensees coordinate proposed operations with existing licensees, permittees, and applicants in the proposed area of operation. Coordination consists of notification by the licensee of its proposed operations, and a response by neighboring licensees, permittees, and applicants stating whether any interference is predicted. 47 C.F.R. §§ 101.103.

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 statutorily 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. The third party disclosure coordination requirements are necessary to ensure that licensees do not cause interference to each other.
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 or 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 substantial service information collected is generally required once each license term. Licenses have ten year terms.
7. Current data collection is consistent with 47 CFR §§ 101.103, 101.527, 101.529, 101.1011, 101.1325, and 101.1327.
8. The Commission published a 60-day notice in the Federal Register on June 12, 2012 (77 FR 34948). No PRA comments were received from the public.

9. Respondents will not receive any payments or gifts.

10. There is no need for confidentiality. Respondents or applicants may request materials or information submitted to the Commission be withheld from public inspection under 47 CFR 0.459 of the Commission’s rules.

11. There are no questions of a sensitive nature.

**12. Respondent Burden Hours:**

Please see the chart below for the number of respondents, frequency of response, time per response, and total annual burden hours. Our explanation of the estimates for each item follows the chart.

12.	Rule Sections	Number of Annual Respondents	Frequency of Response	Time per Response (Hours)	Total Annual Burden Hours
a.	Section 101.1011	225	1 (every 10 years)	2	<b>450</b>
b.	Section 101.1325 and 101.1327	787	1 (every 10 years)	2	<b>1,574</b>
c.	Section 101.527 and 101.529	2	1 (every 10 years)	2	<b>4</b>
d.	Section 101.103	100	On occasion	15.13	<b>1,513</b>
	<b>TOTAL</b>	<b>1,114</b>			<b>3,541</b>

a. For LMDS, approximately 225 unique licenses will have to demonstrate substantial service pursuant to 47 C.F.R. § 101.1011 each year in the next three years. We estimate approximately 225 responses per year (675 in the next three years) with a total annual reporting burden of 450 hours. There are no annual renewal applications; however, applicants must demonstrate substantial service once every ten years.

**Total Annual Burden Hours: 225 responses x 2 hours per response = 450 hours**

b. For MAS, approximately 787 unique licenses will have to demonstrate substantial service pursuant to 47 C.F.R. §§ 101.1325 and 101.1327 each year in the next three years. We estimate approximately 787 responses per year (2,361 in the next three years) with a total annual reporting burden of 1,574 hours. There are no annual renewal applications; however, applicants must demonstrate substantial service once every ten years.

**Total Annual Burden Hours: 787 responses x 2 hours per response = 1,574 hours**

c. For 24 GHz, approximately 2 unique licenses will have to demonstrate substantial service pursuant to 47 C.F.R. §§ 101.1325 and 101.1327 each year in the next three years. There are no annual renewal applications; however, applicants must demonstrate substantial service once

every ten years.

**Total Annual Burden Hours: 2 responses x 2 hours per response = 4 hours**

d. For LMDS, 100 respondents will be required to comply with the frequency coordination procedures in accordance with 47 C.F.R. §101.103 of the Commission's Rules. For this information collection requirement, we estimate that 25% of respondents (*i.e.*, 25) will contract out the burden of responding with a consultant. We estimate that approximately 30 minutes for each coordination (13 hours total) will be needed to coordinate information with consultants. The remaining 75% of respondents (*i.e.*, 75) will employ internal staff to respond. In that case, we estimate that 20 hours for each coordination (1500 hours total) will be needed to exchange information and perform the necessary coordination work.

**Total Annual Burden Hours: 100 responses x 15.13 average hours per response = 1,513 hours.**

**TOTAL ANNUAL BURDEN = 450 HOURS + 1,574 HOURS + 1,513 HOURS + 4 HOURS = 3,541 HOURS**

13. Costs to respondent:

(a) **Substantial service – LMDS, MAS, and 24 GHz:**

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

(2) Two-thirds of respondents will use outside consultants, *i.e.*, attorneys (\$300/hour) or engineers (\$250/hour) to consult and prepare information, assuming that attorneys and engineers each represent half of the outside hires, which makes \$275/hour the average hourly cost. Since there are a total of 1,014 annual responses for substantial service, we assume that 676 (1,014 x 2/3) responses will be prepared by outside consultants.

**Annual Costs: \$371,800**  
**\$275/hour x 676 x 2 hours = \$371,800**

(3) One-third of respondents (1,014 x 1/3, or 338) will perform the work themselves at an imputable rate of \$40 per hour.

**Annual Costs: \$65,000**  
**\$40/hour x 338 x 2 hours = \$27,040**

(4) **Total Annual Cost = \$398,840**

(b) **Coordination: LMDS**

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

(2) One-quarter of respondents (25) will use outside consultants (attorneys or engineers charging (\$275/hour) to consult and prepare information.

**Annual Costs: \$3,438**  
**\$275/hour x 25 x .5 hours = \$3,437.50**

(3) Three-quarters of respondents (75) will perform the work themselves at an imputable rate of \$40 per hour.

**Annual Costs: \$60,000**  
**\$40/hour x 75 x 20 hours = \$60,000**

(4) **Total Annual Cost = \$63,438**  
**Total Annual Cost = \$3,437 + 60,000 = \$63,437**

**TOTAL EXTERNAL COST FOR ENTIRE COLLECTION = \$398,840 + \$63,437 = \$462,277 (rounded to \$462,278).**

14. Costs to the Federal government are as follows:

Processing Costs for Substantial Service Showings

The attorneys and engineers will be reviewing substantial sowings to ensure that they contain the information required by the rules and determining that the level of service provided meets the substantial service standard.

Attorney GS-14-5 at approximately \$45.99/ hour x 1 hour x 1,014 = \$46,634  
Engineer GS-14-5 at approximately \$45.99/hour x 1 hour x 1,014 = \$46,634  
Total cost to the Federal Government is: \$93,628

15. We are reducing the total annual burden estimates by -720 hours, because there are fewer licenses subject to the substantial service requirement; in LMDS, there are over 100 licenses that have met substantial service and will not be subject to that requirement again until 2018; and in MAS, the number of responses are reduced due to the cancellation of a large number of licenses. This adjustment reflects the reduction in our total hourly burden estimates and a reduction in our total number of responses by -360, based on a number of licensees having met their substantial service requirements, and revised burden estimates based on our experience in reviewing filings made over the last three years. We are adjusting the annual reporting cost burden from \$369,000 to \$462,278. This adjustment results in increase of \$93,278 reflecting the number of estimated responses and updated estimates of the costs involved.

16. The information will not be published for statistical use.

17. We do not seek approval to not display the expiration date for OMB approval of the information collection. However, the Commission publishes a list of OMB approved information collections in 47 CFR 0.408 of the Commission's rules.

18. There are no exceptions to the certification.

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

This information collection does not require any statistical methods.