

SUPPORTING STATEMENT

A. Justification:

1. On October 2, 2012, the Commission released the Notice of Proposed Rulemaking, *Expanding the Economic and Innovative Opportunities of Spectrum Through Incentive Auctions*, Docket No. 12-268, FCC 12-118 (“IA NPRM”). The IA NPRM contains rules and policies for the incentive auction mandated by Congress in the Middle Class Tax Relief and Job Creation Act of 2012, Pub. L. No. 112-96, 125 Stat. 156 (2012). Channel sharing¹ bidders will be required to include certain terms in their channel sharing agreements (CSAs) and to file their CSAs with the Commission. **This new requirement is provided in 47 C.F.R. § 73.3700.**

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 1, 4(i) and (j), 7, 301, 302, 303, 307, 308, 309, 312, 316, 318, 319, 324, 325, 336, and 337 of the Communications Act of 1934, as amended.

2. The Commission will use data to determine compliance with the channel sharing rules.
3. A paper copy of the CSA will be filed with the Commission.
4. No other agency imposes a similar information collection on the respondents. There is no similar data available.
5. This information collection will not have a significant economic impact on a substantial number of small entities/businesses.
6. The frequency for this collection of information is one time for channel sharing stations.
7. This collection of information is consistent with the guidelines in 5 CFR 1320.5(d)(2).
8. The Commission published a notice in the Federal Register on November 21, 2012 seeking public comment on the information collection requirements contained in this supporting statement, *see* 77 FR 69934. To date, no comments have been received from the public.
9. No payment or gift was provided to the respondents.
10. This information does not have to be kept confidential unless requested by the filing station(s).
11. This information collection does not address any private matters of a sensitive nature.
12. We make the following estimates for the CSA filing requirement.

¹ Channel sharing occurs when stations submit a bid in the reverse auction whereby a station or stations agrees to relinquish its channel and share the operating channel or another station.

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We estimate that a total of 2,254 full power and Class A television stations² will be required to file with the Commission a copy of their CSA. We estimate that 10% of these filings (or 225 filings) will be made by the station without outside consultation and will require one (1) hour preparation, while 90% of these filings (or 2,029 filings) will be contracted out to outside attorneys and will require one (1) hour of consultation with these outside parties.

Type	# of Respondents	# of Responses	Burden Hours of Respondents	Annual Burden Hours	Hourly Salary of Respondents ³	Annual In-House Cost
CSA Filing- in-house prepared	225	225	1 hr	225 hrs	\$48.08	\$10,818.00
CSA Filing – prepared by outside attorney but requiring the respondent to consult with said attorney	2,029	2,029	1 hr consultation	2,029 hrs	\$48.08	\$97,554.32
Total	2,254	2,254		2,254 hrs		\$108,372.32

13. ANNUAL COST BURDEN:

An attorney would prepare the CSA filing, estimated above to be a total of 2,029 filings. We estimate that the average salary for the attorney is \$300/hour and it will take the attorney 2 hours per filing.

$$2,029 \text{ MVPD Notice prepared by Attorney} \times 2 \text{ hours} \times \$300/\text{hour} = \underline{\$1,217,400}$$

Annual Cost Burden = \$1,217,400

14. Cost to the Federal Government:

We estimate the government will use legal staff at the GS-14, step 5 level (\$57.13/hour) to review the CSAs for compliance with the rules. We expect the review to take roughly 2 hours per filing.

$$2,254 \text{ CSAs} \times \$57.13 \times 2 \text{ hours/filing} = \underline{\$257,542.04}$$

Cost to the Federal Government: \$257,542.04

15. This is a new information collection. If the proposed requirements contained in FCC 12-118 are adopted in a final rulemaking 2,254 respondents, 2,254 responses, 2,254 burden hours and \$1,217,400 in annual cost will be added to OMB's inventory.

16. The data will be publically available in the FCC reference room.

17. OMB approval of the expiration of the information collection will be displayed at 47 C.F.R. Section

² This estimate is based on the current number of licensed full power television stations and licensed Class A television stations.

³ This estimate is based on an average salary for a station manager of \$100,000 per year or \$48.08 per hour.

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18. There are no exceptions to the Certification Statement.

B. Collections of Information Employing Statistical Methods

No statistical methods are employed.