

A

SUPPORTING STATEMENT

A. Justification:

1. The Commission is requesting an extension (no change in the reporting and/or third party disclosure requirements) in order to obtain the full three year clearance from the Office of Management and Budget (OMB). The Commission is reporting a 250,000 increase in the number of responses. The total annual burden hours have also been adjusted to reflect the increase in the number of responses.

Radio frequency (RF) devices are frequently imported into the United States from other countries. RF devices are capable of causing harmful interference to radio systems in the United States. Examples of RF devices include:

- microwave ovens,
- virtually any product containing a computer microprocessor,
- computers and computer peripherals,
- cellular telephones, smartphones, and receivers including television receivers,
- electronic musical instruments, video games and radio remote control toys.

(a) Under 47 CFR §§ 2.1203, 2.1204, and 2.1205 of FCC rules, the Commission is responsible for the regulation of both authorized radio services and RF devices that can interfere with such services.

(b) Respondents that are importing radio frequency (RF) devices into the United States, must file a “statement of declaration” by completing FCC Form 740, Statement Regarding the Importation of Radio Frequency Devices Capable of Harmful Interference, and submitting this form to the U.S. Customs Service.

(c) The information that respondents must provide on FCC Form 740:

- (1) Describes the characteristics of the imported RF devices;
- (2) Ensures that no RF devices are imported that may be harmful to authorized US radio uses; and
- (3) Assists the FCC and the US Customs Service with their responsibilities to oversee the regulation of RF devices and to prevent radio signal interference issues.

The information collection does not affect individuals or household. Respondents in this information collection are equipment manufacturers. Thus, there are no impacts under the Privacy Act and a Privacy Impact Assessment is not required.

The statutory authority for this information collection is authorized pursuant to Sections 4(i), 4(j), 7(a), 302, 303(b), 303(f), 303(g), and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. 154(i), 157(a), 302a, 303(b), 303(f), 303(g), 303(r).

2. Respondents are no longer required, following the Commission’s adoption of the *2nd Report and Order*, In the Matter of Amendment of Part 2, Subpart K of the Commission’s Rules Regarding the Importation of Radio Frequency Devices Capable of Causing Harmful Interference, CI Docket No.

98-69, FCC 99-326,¹ adopted October 29, 1999, to file the Form 740 with the Commission. Nevertheless, respondents must submit FCC Form 740 to U.S. Customs with any of the RF goods, examples of which are listed above, that are imported into the United States.

- (a) U.S. Customs, in turn, will continue to provide information, obtained from the FCC Form 740 filings, to the FCC, so that the Commission can ensure that radio frequency devices imported into the United States and its customs territory comply with applicable FCC Rules and Regulations.
 - (b) This information is necessary for FCC Office of Engineering and Technology, Laboratory Division/Enforcement Bureau investigations, and for U.S. Customs to insure that:
 - (1) Non-compliant RF devices are not distributed to the public, thereby reducing the potential that those who purchase and use the RF devices may cause harmful interference to authorized communications.
 - (2) When a violation is discovered, the FCC can issue a fine. If a product is suspected of illegal entry, the FCC works with U.S. Customs to resolve the issue.
3. The FCC allows respondents to file their declaration information on FCC Form 740 electronically via the U.S. Customs' Automated Broker Interface.
- (a) The move toward electronic filing continues to reduce the burden on both industry and the government.
 - (b) Nearly ninety-nine percent (99%) of those filing use the declaration information via the Automated Broker Interface electronic filing system.
 - (c) The remaining one percent (1%) file their declaration information using the paper version of FCC Form 740.
4. With the adoption by the Commission of the 2nd *Report and Order*, CI Docket No. 98-69, FCC 99-326, we have eliminated the duplicate filing requirement of the form to both the Commission and the U.S. Custom Service.
- Now RF importers (respondents) must file their declaratory statements using FCC Form 740 with the U.S. Custom Service through electronic filing.
5. This collection has no impact on small business or other small entities.
6. If the collection of data were not collected there would likely be an increase in radio frequency devices not meeting technical specifications entering and being distributed throughout the United States. This would likely result in an increase in radio frequency interference to authorized communication systems.
7. The FCC and U.S. Customs have determined that requiring RF importers (respondents) to file their "declaratory statements" on FCC Form 740 only when they intend to import these devices, *e.g.*, "on occasion," provides adequate assurance to the FCC that the Commission can maintain its regulatory

¹ In the Matter of Amendment of Part 2, Subpart K of the Commission's Rules Regarding the Importation of Radio Frequency Devices Capable of Causing Harmful Interference, CI Docket No. 98-69, FCC 99-326, *Second Report and Order*, adopted October 29, 1999, released November 5, 1999, (15 FCC Rcd 7221 (1999)).

oversight responsibilities and avoid potential interference to communications while minimizing the burden on respondents.

8. The views of industry and the general public were solicited when the Commission published a 60-day Notice in the *Federal Register* on December 5, 2012 (77 FR 72347). No comments were received from the public during that 60 day comment period. The Commission published a 30-day notice in the *Federal Register* and two comments were received from the public within 30 days and two additional comments were received shortly thereafter. The comments came from Hewlett Packard, TechAmerica, Telecommunications Industry Association (TIA) and Information Technology Industry Council (ITIC). The commenting parties individually and collectively have suggested that the Commission consider combining some of the information collected in Parts I and II. The information collection for Part I is for different types of authorization under the Commission's rules. The Commission requires information depending on the type of authorization. All parties also suggest that some of the information collected in Form 740 Part II should be either combined or added. At the present the information collection is based on Section 2.1204 of the Commission's rules. Parties are suggesting changes based on Section 2.1203 rules which only address general requirements and not the specific requirements of Section 2.1204. Further, all parties suggest adding a new Form 740 Part II Box 9. The underlying requirements for permitting importation of non-approved devices are not supported by the current rules. The Commission plans to initiate a new rulemaking to address several changes to Section 2.1204 which will require changes to information collection and it will be more appropriate to address the issues raised by parties to amend Form 740 Part II Boxes 1, 2 and 9 in that rulemaking. All the parties are also asking to amend Part II Box 3. This request is based on recently adopted rules². In this rulemaking the Commission increased the number of devices subject to the Commission's licensed rules that can be imported without a waiver. The importation requirements covered by Form 740, however, vary by the type of imported device and purpose of importation. The information in Box 3 covers more devices than those addressed in the rulemaking, and it is not appropriate to add the suggested language on the form. Finally, TIA suggests that additional guidance be provided in filling the Form 740. The Commission has already provided additional guidance on its website and it will discuss with industry on any issues related to the guidance. The Commission intends to have further dialogue with manufacturers and other members of the telecommunications industry to ensure that Commission staff remains abreast of new technologies and practices that might affect this information collection and initiate an appropriate rulemaking proceeding to address their concerns.
9. No gift or payment will be given to respondent for this collection.
10. There is no reason to ensure confidentiality, and no assurances of confidentiality are provided to respondents.
11. This information collection does not address any issues of a sensitive nature or other matters that are normally considered private. Thus, there is no need for the Commission to provide any assurance of confidentiality.
12. The Commission estimates that there are **10,000 RF importers (respondents)**:

² [In the matter of Promoting Expanded Opportunities for Radio Experimentation and Market Trials under Part 5 of the Commission's Rules and Streamlining Other Related Rules , ET Docket 10-236, FCC 13-15, Report and Order, adopted January 31, 2013](#)

- (a) There are approximately 2,000,000 Form 740s filed annually. Therefore, on average each respondent files 200 Form 740s annually. The Commission estimates that each response filed takes an average of 30 seconds:

10,000 respondents: 2,000,000 responses x 0.0084 hours = 16,800 hours.

- (b) The Commission also estimates that all respondents will spend approximately 30 seconds (0.5 minutes or 0.0084 hours) to comply with the third party notification requirement:

10,000 respondents: 2,000,000 responses x 0.0084 hours = 16,800 hours.

- (c) The Total Annual Hourly Burden for filing the FCC Form 740 (electronic filings + paper copies) is therefore approximately:

16,800 hours + 16,800 hours = **33,600 hours.**

The Commission estimates that respondents will use in-house staff equivalent to a GS-11/Step 5 employee in the Federal Government, earning \$33.92 per hour:

Total “In House” Cost:

33,600 hours/filing FCC Form 740 x \$33.92/hr = \$1,139,712

13. Estimated annual costs to respondents:

(a) Total annualized capital/startup costs: **None.**

(b) Total annual costs (O&M): **None.**

(c) Total annualized cost requested: **None.**

14. Annual Cost for the Federal Government: **None.**

15. The Commission is reporting a 250,000 adjustment in the number of responses filed, and therefore the total annual burden hours have increased by 4,550 hours. Therefore an increase in the total annual burden hours is reported.

16. The Commission does not intend to publish the information contained on FCC Form 740.

17. The Commission is seeking approval not to display the expiration date for OMB approval of the information collection on FCC Form 740.

(a) This would allow the Commission to forgo the burden of printing new versions of Form 740, which are only used for 1% of the filings.

(b) Updated forms with new expiration dates would present an unnecessary printing burden in the event that this form does not undergo revisions prior to the next OMB clearance.

18. There are exceptions to the Certification Statement identified in Item 19.

B. Collection of Information Employing Statistical Methods:

This collection does not use any statistical methods.