

SUPPORTING STATEMENT

A. Justification:

The Commission is seeking an extension in order to obtain the full three year clearance from the Office of Management and Budget (OMB). There are no changes to the recordkeeping and/or reporting requirements. There is a change in the Commission's burden estimates. See item 15 of this supporting statement for an explanation of the change.

1. The Seventh Report and Order required: (1) auction winners claiming status as a small business to submit detailed ownership and gross revenue information necessary to determine whether they qualified as a small business pursuant to Commission rules; (2) licensees who transfer licenses within 3 years to maintain a file of all documents and contracts pertaining to the transfer; and (3) licensees to submit information to verify that they meet the coverage requirements required by 47 CFR 90.665 at the three-year coverage benchmark and the five-year construction deadline. License winners are required to maintain certain information to ensure compliance with Commission rules.

Specifically: (1) small business license winners are required to maintain a file over the license term containing ownership and gross revenue information, necessary to determine their eligibility as a small business; and (2) licensees who transfer licenses within 3 years to maintain a file of all documents and contracts pertaining to the transfer.

Furthermore, there may be further instances where the Commission re-auctions 900 MHz SMR spectrum. If such licenses are re-auctioned, the new license winners would be required at the close of the re-auction to: (1) submit and maintain detailed ownership and gross revenue information necessary to determine whether they qualify as a small business pursuant to Commission rules; (2) disclose the terms of any joint bidding agreements, if any, with other auction participants in order to ensure the integrity of the market structure; (3) for licensees who transfer licenses within 3 years, maintain a file of all documents and contracts pertaining to the transfer; and (4) submit information to verify that they meet the coverage requirements required by 47 CFR 90.665.

Statutory authority for this collection of information is contained in 47 U.S.C. §§ 154(i) and 309(j), as amended.

2. The information verifying construction requirements will be used by the Commission to determine whether the licensee has met the 900 MHz MTA construction requirements. Information will be submitted on FCC Form 601 electronically. OMB has already given approval for FCC Form 601 for all wireless licensees, including 900 MHz SMR licensees, pursuant to OMB Clearance No. 3060-0798.
3. For 900 MHz MTA re-auctioned licenses, the information will be used by the Commission to determine whether the applicant is legally, technically and financially qualified to hold a 900 MHz SMR license. Without such information the Commission could not determine whether to issue the 900 MHz SMR license to the successful applicant and therefore fulfill its statutory responsibilities in accordance with the Communications Act of 1934, as amended. For winners of re-auctioned licenses, ownership information for small businesses and the terms of joint bidding agreements will be attached as exhibits to the FCC Form 601 electronically. OMB has already granted approval for FCC Form 601 for all wireless licensees, including 900 MHz SMR licensees, pursuant to OMB Control No. 3060-0798. Re-auctioned license winners will file the FCC Form 601 and exhibits electronically. Small business ownership, license transfer, and construction coverage information will be filed electronically.
4. This agency does not impose a similar information collection on the respondents. There is no similar data available.
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 that absolutely necessary for evaluating and processing the application and to deter against possible abuses of the process.
6. The respondents will determine whether to participate in competitive bidding. Thus, the frequency of filing is generally determined by the applicant. Small business ownership and gross revenue information must be updated when its status changes, so it is generally determined by the applicant. Transfer disclosure requirements will be imposed for three years following grant of the license and will be required when the respondent chooses to transfer the license. Licensees must submit information regarding their coverage requirements 3 and 5 years after license grant, or only 5 years after license grant, if the licensee elects (at the 3 year mark) to show provision of “substantial service” to the licensed area.
7. Winners of re-auctioned licenses would only have to make a one-time filing of the requested information. This collection of information is consistent with the guidelines in 5 C.F.R. § 1320.6.
8. A 60-day Notice of the information collection appeared in the Federal Register on April 26, 2013 (78 FR 24744), in compliance with 5 C.F.R. § 1320.8(d). No PRA comments were received.

9. Respondents will not receive any payments.
10. No questions of a confidential nature are asked.
11. This information collection does not address any private matters of a sensitive nature.
12. Respondents Burden:

According to Commission records, there are 70 licenses available for re-auction. The average burden on the applicant is 30 minutes for completing and maintaining the transfer disclosure information. This estimate is based on FCC staff's knowledge and familiarity with the availability of the data required. The average burden on licensees to provide information necessary to show compliance with coverage requirements is 2 hours. This estimate is based on FCC staff knowledge regarding construction and coverage requirements.

We estimate 75% of respondents will contract out the burden of responding. We estimate that it will take approximately 30 minutes to coordinate information with those contractors. The remaining 25% of respondents are estimated to employ in-house staff to provide the information.

POSSIBLE RE-AUCTIONED PARTICIPANTS

Submitting and Maintaining Ownership and Gross Revenue Information for Small Businesses (66 applications):

53 applications (75% contracting out) x 1 hour (submit and maintain) = 53 hours
17 applications (in-house) x 1 hour (submit and maintain) = 17 hours
Total Burden = 70 hours

Disclosure of Terms of Joint Bidding Agreements: We estimate that it would take the same amount of time to provide the information and coordinate with an outside contractor.

70 applications x .5 hours = 35 hours

Maintaining Transfer Disclosure Information: We estimate that it would take the same amount of time to provide the information and coordinate with an outside contractor.

70 applications x .5 hours = 35 hours

Coverage Requirements Information: 70 applications

53 applications (75% contracting out) x 2 hours = 106 hours

17 applications (25% in-house) x 2 hours = 34 hours
Total Burden = 140 hours

Total Burden to Re-Auctioned Participants = 70 + 35 + 35 + 140 = 280 hours

TOTAL ANNUAL BURDEN = 280 hours.

13. Cost to the respondent.

a) There are no capital and start-up costs.

b) We assume that the respondents contracting out the information would use an attorney or engineer (\$200/hour) to prepare the information.

Submitting and Maintaining Ownership Information \$200/hour x 53 applications
(75% of applicants) x 1 hour = \$10,600.00

Joint Bidding Agreements \$200/hour x 53 applications (75% of applicants) x .5 hours
= \$5,300.00

Maintaining Transfer Disclosure \$200/hour x 53 applications (75% of applicants)
x .5 hours = \$5,300.00

Coverage Requirements \$200/hour x 53 applications (75% of applicants) x 2 hours
\$21,200.00

Total Costs to Participants = 10,600.00 + 5,300.00 + 5,300.00 + 21,200.00 = \$42,400.00

TOTAL RESPONDENT COSTS: \$42,400.00

14. Cost to the Federal Government:

Attorney approximately \$26/hour x 1 hours x 53 = \$1,378.00 (ownership info)

Attorney approximately \$26/hour x .5 hours x 53 = \$689.00 (joint bidding)

Attorney approximately \$26/hour x .5 hours x 53 = \$689.00 (transfer disclosure)

Engineer approximately \$26/hour x 2 hours x 53 = \$2,756.00 (coverage requirements)

Total Federal Government Costs: \$5,512.00

15. There is an adjustment to the annual hour burden in this information collection due to an increase of 4 small business auction winners. Therefore, the total annual burden hours and annual cost burden has slightly increased.

16. The data 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.

18. There are no exceptions to Item 19.

B. Collections of Information Employing Statistical Methods

No statistical methods are employed.