

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.

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 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.

8. Pursuant to 5 CFR 1320.8(d), the Commission published a 60-day notice in the *Federal Register* on November 4, 2014 (79 FR 65395), initiating a public comment period for the information collection requirements that are contained in this collection. No PRA comments were received from the public.

9. Respondents will not receive any payments or gifts associated with this collection of information.

10. There may be a need for confidentiality with this collection of information. 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 for this collection.

12. **Reporting:** On frequencies between 38.6 GHz and 40.0 GHz, 133 licenses will come up for renewal in the next three years, and § 101.17 require licensees to demonstrate substantial service at the time of license renewal. Accordingly, we estimate that there will be an average of 44 responses each year. There are **5 different licensees or respondents**.¹

One third of the responses will be handled by respondents without outside assistance. The remaining two-thirds of the responses will be handled by outside attorneys or engineers (see question #13 for the consulting costs to the respondents). Therefore, we estimate each filing will take 2 hours, on average for respondents handling the responses with no outside assistance. So, the average annual burden will be **15 filings x 2 hours per response = 30 Total Annual Burden Hours**.

Total Number of Respondents: 5 licensees annually.

Total Annual Number of Responses: 44 filings.

Total Annual Burden Hours: 30 hours.

Total Annual "In-House Cost": The Commission estimates that in-house engineers will fulfill the requirements at an hourly rate of \$58.28/hour which is comparable to a GS-14 step 5 Federal Government employee's hourly rate.

¹ These 5 respondents make up the majority of their universe of filers, so this information still has to be approved by OMB.

30 hours x \$58.28/hour = **\$1,748.40.**

13. Costs to respondent:

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

(b) Two-thirds of respondents will use outside consultants (attorneys - \$300. or engineers charging - \$250. (\$300/hour) to consult and prepare information. For the purpose of this PRA, the attorney fee will be used for the Annual Outside Contracting Costs.

Annual Outside Contracting Costs: = **\$17,400.**
\$300/hour x 29 responses x 2 hours = **\$17,400.**

(c) **Total Annual Cost to the Respondent** = **\$17,400.**

14. Costs to the Federal government are as follows:

Processing Costs:

Based on GS 14/5 Hourly Rate in 2014

Attorney GS-14-5 at approximately \$58.28/hour x 1 hour x 44 = \$2,564.32

Engineer GS-14-5 at approximately \$58.28/hour x 1 hour x 44 = \$2,564.32

Total: \$2,564.32 + \$2,564.32 = **\$5,128.64.**

15. The Commission has adjustments to this information collection which are due to the decreased number of licenses that are due for renewal in the next three years. The number of responses has decreased by 23, the number of annual response has decreased by 931, the annual burden hours have decreased by 1,920 hours and the annual cost burden has decreased by \$242,600.

There are no program changes for this collection.

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.