

SUPPORTING STATEMENT

A. Justification:

1. The Commission is submitting this information collection to the Office of Management and Budget (OMB) as an extension. There are no changes in the reporting and third party disclosure requirements.

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(b) and 101.1327(a) 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 which contains information collection requirements.

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, a 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.

c. **Section 101.1327(a)** requires that in order to receive renewal expectancy at renewal time, 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.

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.

e. **Section 101.529** requires that in order to receive 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.

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.

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 5 CFR 1320.

8. The Commission published a 60-day notice in the Federal Register on March 30, 2015 (80 FR 16678) seeking comments from the public on the information collection requirements 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 is no need for confidentiality. However, 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 in connection with this collection.

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	Number of In-House Respondents	Frequency of Response	Time per Response (Hours)	Total Annual Burden Hours
a	LMDS Substantial Service Section 101.1011	64	21	1 (every 10 years)	2	42
b.	MAS Substantial Service Sections 101.1325(b) and 101.1327(a)	416	139	1 (every 10 years)	2	278
c.	24 GHz Substantial Service Sections 101.527 and 101.529	5	2	1 (every 10 years)	2	4
d.	LMDS Coordination Requirement Section 101.103	100	75	On Occasion	20	1,500
	TOTAL	585	237			1,824

a. For LMDS, section 101.1011, approximately 64 unique licenses will have to demonstrate substantial service pursuant to 47 C.F.R. §§ 101.1011 each year in the next three years. For this information collection requirement, we estimate that two-thirds of respondents (*i.e.*, 43) will contract out the burden of responding with a consultant. The remaining one-third of respondents (*i.e.*, 21) will employ internal staff to respond. We will therefore have approximately 21 internally prepared responses per year (collectively 64 in the next three years) with a total annual reporting burden of 42 hours per year. There are no annual renewal applications; however, applicants must demonstrate substantial service once every ten years.

Total Annual Burden Hours: 21 responses x 2 hours per response = 42 hours

b. For MAS, sections 101.1325(b) and 101.1327(a), approximately 416 unique licenses will have to demonstrate substantial service pursuant to 47 C.F.R. §§ 101.1325(b) and 101.1327(a) each year in the next three years. For this information collection requirement, we estimate that two-thirds of respondents (*i.e.*, 277) will contract out the burden of responding with a consultant. The remaining one-third of respondents (*i.e.*, 139) will employ internal staff to respond. We will therefore have approximately 139 internally prepared responses per year (collectively 416 in the next three years) with a total annual reporting burden of 278 hours per year. There are no annual renewal applications; however, applicants must demonstrate substantial service once

every ten years.”

Total Annual Burden Hours: 139 responses x 2 hours per response = 278 hours

c. For 24 GHz, sections 101.527 and 101.529, approximately 5 unique licenses will have to demonstrate substantial service pursuant to 47 C.F.R. §§ 101.527 and 101.529 each year in the next three years. For this information collection requirement, we estimate that two-thirds of respondents (*i.e.*, 3) will contract out the burden of responding with a consultant. The remaining one-third of respondents (*i.e.*, 2) will employ internal staff to respond. We will therefore have approximately 2 internally prepared responses per year (collectively about 6 in the next three years) with a total annual reporting burden of 4 hours per year. 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, section 101.103, 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. The remaining 75% of respondents (*i.e.*, 75) will employ internal staff to respond. In that case, we estimate 75 internally prepared responses with a total reporting burden of 1,500 hours will be needed to exchange information and perform the necessary coordination work.

Annual Burden Hours: 75 responses x 20 hours/coordination = 1,500 hours

TOTAL ANNUAL BURDEN = 42 HOURS + 278 HOURS + 4 HOURS + 1,500 HOURS = 1,824 HOURS

In-House Costs: The Commission estimates that respondents will perform the work at an imputable rate of \$40 per hour.

In-House Cost: 1,824 hours x \$40/hour = \$72,960

13. Costs to respondent:

(a) **Substantial service – LMDS 101.1011, 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 323 externally prepared annual responses for substantial service (43 (64-21=43) for LMDS 101.1011, 277 (416-139=277) for MAS, and 3 (5-2=3) for 24 GHz) the annual costs would be:

Total Substantial Service Annual External Cost: \$177,650
(\$275/hour x 323) x 2 hours = \$177,650

(b) **Coordination: LMDS 101.103**

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

(2) One-quarter of respondents (100-75=25) will use outside consultants (attorneys or engineers charging (\$275/hour) to consult and prepare information.

Total Coordination Annual External Cost: \$137,500
(\$275/hour x 25) x 20 hours = \$137,500

TOTAL EXTERNAL COST FOR ENTIRE COLLECTION = \$177,650 + \$137,500 = \$315,150

14. Costs to the Federal government are as follows:

A. Processing Costs for Substantial Service Showings:

The attorneys and engineers will be reviewing substantial showings 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 \$58.28/hour x 1 hour x 485 = \$28,265.80

Engineer GS-14-5 at approximately \$58.28/hour x 1 hour x 485 = \$28,265.80

Total cost to the Federal Government is: \$56,531.60

15. The Commission is reducing the total annual burden estimates by ((2012) 3,541 – (2015) 1,824 = 1,717) reduced by 1,717 hours, because there are fewer licenses subject to the substantial service requirement; in LMDS, the majority of licenses that have met substantial service and will not be subject to that requirement again until after 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 ((2012) 1,114 – (2015) 585 = 529), reduced by 529 based on a number of licensees having met their substantial service requirements. We are adjusting the annual reporting cost burden from (2012) \$462,278 to (2015) \$315,150. This adjustment results decreased by \$147,128 reflecting the number of estimated responses and updated estimates of the costs involved.

There are no program changes to this collection.

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.