

## **SUPPORTING STATEMENT**

### **A. Justification:**

1. The Federal Communications Commission (Commission) is requesting a three-year extension of OMB Control No. 3060-1163 titled, “Regulations Applicable to Common Carrier and Aeronautical Radio Licensees Under Section 310(b)(4) of the Communications Act of 1934, as Amended.”

#### Background

On April 18, 2013, the Commission adopted final rules in *Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended*, IB Docket No. 11-133, Second Report and Order, FCC 13-50 (rel. Apr. 18, 2013) (Second Report and Order). Among other changes, the final rules eliminated the current need for licensees that have received a foreign ownership ruling to return to the Commission for approval of increased interests by previously approved foreign investors, of foreign ownership in subsidiaries or affiliates, or of new services or new geographic service areas. In addition, the final rules eliminated the current need for approval of certain corporate reorganizations, subject only to a post-closing notification.

This information collection does not replace the existing information collection for section 310(b) of the Act (OMB Control Number 3060-0686). Licensees who received foreign ownership rulings prior to the effective date of the new rules will continue to be subject to the Commission’s foreign ownership policies and procedures within the parameters of their rulings, until they seek and obtain a new ruling under the new rules. The Commission determined in the Second Report and Order that it would permit such licensees to file a new petition for declaratory ruling under the new rules, but would not require them to do so.

#### Authority for the information collection requirements:

The Commission has authority for this information collection under Sections 1, 2, 4(i), 4(j), 10, 303(r), 309, 310 and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 152, 154(i), 154(j), 160, 303(r), 309, 310, 403.

This information collection does not raise any issues under the Privacy Act.

2. Section 310(b)(4) of the Act requires that the Commission pass upon the propriety of foreign ownership of U.S. parent companies that control common carrier and aeronautical radio licensees before such ownership exceeds 25 percent. The Commission’s section

**Title: Regulations Applicable to Common Carrier  
and Aeronautical Radio Licensees Under Section 310(b)(4)  
of the Communications Act of 1934, as amended**

310(b)(3) forbearance approach, adopted in the First Report and Order in this proceeding, requires that the Commission pass upon the propriety of foreign ownership of common carrier radio licensees before such ownership exceeds 20 percent. The Commission will use the information collected under the final rules to make the required public interest findings. The information collection will preserve the Commission's ability to disallow foreign investment that may pose a risk of harm to competition or national security, law enforcement, foreign policy, or trade policy.

3. Entities must file their information electronically via the internet using the International Bureau Filing System (IBFS). The International Bureau assigns an IBFS File No. to the petition, and the petition is publicly available via the internet in IBFS.
4. This information collection requirement is not duplicated elsewhere in the Commission's rules.
5. The final rules minimized the economic impact on small entities to the greatest extent possible, while ensuring that the Commission gets the complete information it needs to discharge its regulatory obligations.
6. If the information collection were not conducted or were conducted less frequently than proposed, the Commission would not be able to carry out its statutory mandate under section 310(b) of the Act, and its section 310(b)(3) forbearance policy, to disallow foreign investment that the Commission finds would be contrary to the U.S. public interest. In particular, the Commission would lack the information it needs to determine whether proposed foreign investment in U.S. common carrier and aeronautical radio licensees may pose a risk of harm to competition or national security, law enforcement, foreign policy, or trade policy.
7. There are no special circumstances that would prevent the Commission from following all guidelines regarding the information collection.
8. On August 5, 2015, the Commission published 60 day notice in the Federal Register (80 FR 46579) seeking comments from the public. The comment period ended on October 5, 2015. No comments were received from the public.
9. The Commission will not provide any payment or gift to respondents.
10. The Commission has not proposed to grant assurances of confidentiality to those parties submitting the information. Petitioners that seek to protect the confidentiality of particular information may request such treatment under section 0.459 of the Commission's rules, 47 C.F.R. § 0.459. Under section 0.459, the petitioner would be required to justify fully its request for confidentiality by providing enough information for the Commission to determine the need for confidential treatment. The rule requires a party requesting confidentiality to submit an unredacted version of its information, as

**Title: Regulations Applicable to Common Carrier  
and Aeronautical Radio Licensees Under Section 310(b)(4)  
of the Communications Act of 1934, as amended**

well as a redacted version to be made publicly available. Should the Commission decide to grant a request for confidential treatment of information that does not fall within a specific exemption pursuant to the Freedom of Information Act (FOIA), that Act requires the Commission to disclose publicly the information upon an appropriate request. The Commission may grant requests for confidential treatment either conditionally or unconditionally. The Commission has the discretion to release on public interest grounds information that falls within the scope of a FOIA exemption.

11. This collection does not include any questions of a sensitive nature.

**12. Estimate of Burden Hours for Information Collection:**

The Commission estimates the final burden estimates for this collection as follows:<sup>1</sup>

<b>Estimate of Burden Hours:</b>				
<b>Explanation</b>	<b>Number</b>	<b>Frequency</b>	<b>Time</b>	<b>Annual</b>
<b>of Burden Estimate</b>	<b>Of Responses</b>	<b>of Responses</b>	<b>Per Response</b>	<b>Burden Hours</b>
<b>Rule Sections 1.990, 1.991(a)-(k), 1.994(a), 1.994(d), 1.994(e)<sup>2</sup></b>	7 “Initial Petitions”	On occasion	46 Hours	<b>322 Hours</b>
	18 “Petitions to Extend Existing Ruling”	On occasion	12 Hours	<b>216 Hours</b>
<b>Rule Section 1.994 (f)(1)<sup>3</sup></b>	2	On occasion	1 Hour	<b>2 Hours</b>
<b>Transition Filings</b>	20	One-time filing	6 Hours	<b>120 Hours</b>
<b>Totals</b>	<b>47</b>			<b>660 Hours</b>

<sup>1</sup> The amended burden for this collection takes into account the requirements that were eliminated from this information collection from the NPRM stage to the final rulemaking stage (final approval). The Commission is now seeking OMB final approval for the collection.

<sup>2</sup> Sections 1.991(a)-(k) were numbered 1.991(a)-(i) in the proposed rules. Section 1.994(d) covers post-closing notifications of certain corporate reorganizations (see response to question 1). The final rules will permit a licensee to file a post-closing notification letter rather than filing a petition for pre-approval of the reorganization.

<sup>3</sup> Section 1.994(f)(1) was numbered 1.994(g)(2) in the proposed rules.

**OMB Control Number: 3060-1163**  
**Title: Regulations Applicable to Common Carrier**  
**and Aeronautical Radio Licensees Under Section 310(b)(4)**  
**of the Communications Act of 1934, as amended**

**July 2015**

**In-House Costs:** We estimate that in-house staff equivalent to a GS-11/Step 5 (\$34.60 per hour) will fulfill a portion of the hourly requirements and that in-house staff equivalent to a GS-15/Step 5 (\$68.56 per hour) will fulfill the remaining hourly requirements. Therefore, the in-house costs total **\$27,318.72** as follows:

$$\begin{aligned}
 528 \text{ hours} \times \$34.60 \text{ per hour} &= \$18,268.80 \\
 132 \text{ hours} \times \$68.56 \text{ per hour} &= \underline{\$ 9,049.92} \\
 &= \underline{\underline{\$27,318.72}}
 \end{aligned}$$

**13. Estimated Annual Cost Burden to Respondents to Comply with Information Collection is as follows:**

- (a) Total Capital and Start-up Costs: **Zero**
- (b) Total Operation and Maintenance and Purchase of Services: **\$198,000**

Compliance with Section 310(b)(4) rules will not require respondents to maintain any special equipment. Compliance may require respondents to hire outside attorneys and/or consultants. The estimate below assumes that respondents will also contract with outside counsel/consultants and it will also take these consultants a total of 660 burden hours to fulfill the requirements on behalf of the respondents for all 47 responses.<sup>4</sup> Therefore, the total annual cost burden to the respondents is as follows:

<b>Description</b>	<b>Costs per Hour</b>	<b>Total Annual Hours for Outside Consultants</b>	<b>Total Costs</b>
Outside Legal Counsel	\$300 per Hour	660 Hours	<b>\$198,000</b> (O&M)

- (c) **Total Annual Costs: \$198,000**

**14. Estimated Annual Costs to the Federal Government for the information collection requirements**

<sup>4</sup> See question 12 for the respondent's burden.

**OMB Control Number: 3060-1163**  
**Title: Regulations Applicable to Common Carrier**  
**and Aeronautical Radio Licensees Under Section 310(b)(4)**  
**of the Communications Act of 1934, as amended**

July 2015

are as follows:<sup>5</sup>

<b>Government Staff</b>	<b>Annual Burden Hours</b>	<b>Costs</b>
<b>Sections 1.990, 1.991(a)-(k), 1.994(a), 1.994(d), 1.994(e)</b> <sup>6</sup>		
GS-15/Step 5 Hourly Rate: \$68.56	Review and Process 100% of the “Initial Petitions” = 7 petitions (@ 30 hrs. for 3 of the petitions; 80 hrs. for 4 of the petitions) = 410 hours for staff	<b>\$28,109.60</b>
	Review and Process 100 % of the “Petitions to Extend Existing Ruling” = 18 petitions (@ 8 hrs./petition) = 144 hours for staff	<b>\$9,872.64</b>
<b>Section 1.994(f)(1)</b> <sup>7</sup> GS-15/Step 5 Hourly Rate: \$68.56	Review and Process 100% of the filings = 2 filings (@ 1 hr./filing) = 2 hours for staff	<b>\$137.12</b>
<b>Transition Filings</b> GS-15/Step 5 Hourly Rate: \$68.56	Review and Process 100% of the “Transition Filings” = 20 filings (@ 4 hrs. for 14 of the filings; 25 hrs. for 6 of the filings) = 206 hours for staff	<b>\$14,123.36</b>
<b>Total Costs to the Federal Government:</b>		<b>\$52,242.72</b>

15. There are no program changes or adjustments in this information collection.

<sup>5</sup> The amended cost for this collection takes into account the requirements that were eliminated from this information collection from the NPRM stage to the final rulemaking stage (final approval). The Commission is now seeking OMB final approval for the collection.

<sup>6</sup> Sections 1.991(a)-(k) were numbered 1.991(a)-(i) in the proposed rules. Section 1.994(d) covers post-closing notifications of certain corporate reorganizations (see response to question 1). The final rules will permit a licensee to file a post-closing notification letter rather than filing a petition for pre-approval of the reorganization.

<sup>7</sup> Section 1.994(f)(1) was numbered 1.994(g)(2) in the proposed rules.

**Title: Regulations Applicable to Common Carrier  
and Aeronautical Radio Licensees Under Section 310(b)(4)  
of the Communications Act of 1934, as amended**

16. The FCC has not proposed to publish the information that will be collected.
17. All OMB-approved information collections (including this one) will be published in 47 CFR 0.408, which “displays” the title, OMB control number and OMB expiration date. The FCC has not proposed to issue an FCC Form specifically for the purpose of this collection.
18. There are no exceptions to the Certification Statement.