

SUPPORTING STATEMENT

A. Justification:

The Commission is seeking an extension from the Office of Management and Budget (OMB) for this collection in order to obtain the full three year clearance. Since the last submission to the OMB, the Commission has not changed its burden estimates. Although few applicants are actually affected, the number of potential participants could be in the hundreds, perhaps thousands. In other words, while few applicants have sought to participate in the Tribal Land Bidding Credit (TLBC) program, almost all applicants for licenses for which TLBCs are available could take part in the program. Because so many could possibly take part in the TLBC program, the Commission needs continued OMB approval for this collection.

1. On June 8, 2000 the Commission adopted a Report and Order which established rules and policies to encourage the deployment of wireless services to tribal lands pursuant to the objectives and requirements of Section 309(j)(3) and (4) of the Communications Act (47 U.S.C. §§ 309(j)(3) and (4)), and in conjunction with data from the U.S. Census which indicated that communities on tribal lands have historically had less access to telecommunications services than any other segment of the population.

On March 7, 2003, the Commission adopted a Second Report and Order which extended the time period during which winning bidders can negotiate with relevant tribes to obtain the certification needed to obtain the bidding credit in a particular market from 90 days to 180 days. Further, the Second Report and Order clarified various administrative matters involved in implementing the bidding credit.

On August 18, 2004, the Commission adopted a Third Report and Order which raised the wireline telephone penetration rate at which tribal lands are eligible for a bidding credit from 70 percent or less, to 85 percent or less, and increased the amount of the bidding credit available to carriers that pledge to deploy on and serve qualifying tribal lands.

For information collection purposes, a winning bidder seeking a bidding credit to serve a qualifying tribal land within a particular market must:

- indicate on the long-form application (FCC Form 601) that it intends to serve a qualifying tribal land within that market;
- within 180 days after the filing deadline for the long-form application, amend its long-form application to identify the tribal land it intends to serve and attach a certification from the tribal government stating that:
 - a) the tribal government authorizes the winning bidder to site facilities and provide service on its tribal land;
 - b) the tribal area to be served by the winning bidder constitutes qualifying tribal land;

- c) the tribal government has not and will not enter into an exclusive contract with the applicant precluding entry by other carriers, and will not unreasonably discriminate among wireless carriers seeking to provide service on the qualifying tribal land; and
- d) provide certification of the telephone penetration rates demonstrating that the tribal land has a penetration level at or below 85 percent.

Also, each winning bidder must:

- within 180 days after the filing deadline for long-form applications, certify by endorsing the Schedule B Form, that it will comply with the build-out requirements and consult with the tribal government regarding the location of facilities and deployment of service on the tribal land;
- within 15 days of the third anniversary of the initial grant of its license, file a notification (Schedule K Form) that it has constructed and is operating a system capable of serving 75% of the population of the qualifying tribal land for which the credit was awarded; and
- repay within 30 days of the third anniversary of the initial grant of its license, the bidding credit amount in its entirety, plus interest, if it fails to provide the post-construction notification (Schedule K Form) required by section 1.2110(f)(3)(viii).

In addition, a winning bidder seeking a credit in excess of the amount calculated under the Commission's bidding credit formula must:

- submit a waiver request demonstrating that the infrastructure costs exceed the amount of the standard bidding credit; and
- include a certification by an independent auditor that the estimated costs are reasonable.

A winning bidder receiving a higher credit must:

- within 15 days of the third anniversary of the initial grant of its license, file a certification that the credit amount was spent on infrastructure to provide wireless coverage to qualifying tribal lands, which also includes a final report prepared by an independent auditor verifying that the infrastructure costs are reasonable to comply with our build-out requirements.

This information collection does not affect individuals or households; thus, there are no impacts under the Privacy Act.

Statutory authority for this collection of information is contained in 47 U.S.C. §§ 151, 154(i), 303(r), and 309(j), as amended.

2. The Commission believes that the lack of basic telecommunications services puts affected tribal communities at a social and economic disadvantage. This information will be used to ensure that tribal communities within federally-recognized tribal areas have access to wireless telecommunications services equivalent to that of the nation as a whole. Although there are relatively few applicants currently taking part in the TLBC program, almost all applicants for any license for which TLBCs are available could take part in the program. Because so many could participate, we need to continue this collection.

3. This information will be filed electronically using FCC Form 601, which has already received OMB clearance under OMB Control Number 3060-0798. The Wireless Telecommunications Bureau has conducted an analysis to ensure that improved information technology is available for use to the public for collecting data, thereby reducing the burden on the public.
4. This agency does not impose a similar information collection on the respondent. There is no similar data available.
5. In an effort to provide incentives to small entities, tribal lands bidding credits were adopted to increase the potential recovery level for infrastructure costs.
6. This collection is required only one time. If we do not obtain the information, the Commission will not be able to adequately assess whether or not the deployment of wireless telecommunications services is timely, reasonable, and nondiscriminatory in nature in tribal communities.
7. No known circumstances would require this collection to be conducted in a manner inconsistent with the guidelines in 5 C.F.R. 1320.5.
8. The public has been given an opportunity to comment on this collection via a notice published in the Federal Register on (81 FR 8715) on February 22, 2016. No PRA comments in reference to the paperwork burdens in this collection were filed.
9. A winning bidder may receive a \$500,000 credit for up to the first 200 square miles (518 square kilometers) of qualifying tribal land within its license area. In instances where qualifying tribal lands within a license area exceed 200 square miles (518 kilometers), a winning bidder may receive an additional \$2500 per square mile (2.59 square kilometer). All credits will be subject to a maximum limit based on the gross bid amount for the license for which the credit is sought. Where the gross bid amount is \$1 million or less, the cap will be 50 percent of the gross bid. Where the gross bid amount is greater than \$1 million and equal to or less than \$2 million, the cap will be \$500,000. Finally, where the gross bid amount exceeds \$2 million, the cap will be 35 percent of the gross bid. The credit will be refunded from the applicant's final payment.
10. There is no need for confidentiality associated with this collection.
11. The certification does not address any private matters of a sensitive nature.
12. We note that the annual number of respondents affected by this collection depends on the services being auctioned within a given year. Moreover, the number of auctions held in any given year will affect the number of total applications. The number of respondents fluctuates considerably year-to-year, and we are not able to forecast with certainty the number of applications where tribal lands bidding credits (TLBCs) will be available for the coming three years. In the three auctions since March 2013 in which TLBCs have been available, Auction No. 95 (Lower and Upper Paging Bands in July-August 2013), Auction No. 96 (AWS H-Block in January-February 2014), and Auction 97 (AWS-3 in November 2014-January 2015), one applicant sought a TLBC. We note, however, that the low number of TLBC applications was likely due to factors specific to those auctions and likely not indicative of the number of TLBC applicants that may be expected in the future. Instead, a more applicable estimate may be derived from the average number of entities applying for the TLBC in the March 2007-March 2010 period. Based on data tabulated from the nine auctions conducted between

March 2007 and March 2010 in which TLBCs were available, we estimate that 5 applicants (based on an annually calculation) may seek to take part in the tribal lands bidding credit program. This estimate is based on the following:

- In Auction No. 71 (Broadband PCS, May 2007) no applicants sought TLBCs.
- In Auction No. 72 (220 MHz, June 2007), one applicant sought, but was not granted a TLBC.
- In Auction No. 73 (700 MHz, March 2008), 12 applicants sought TLBCs. Four of those applicants were granted TLBCs. The rest amended their Form 601s to withdraw their requests for TLBCs.
- In Auction No. 77 (Cellular Unserved, June 2008), no applicants sought TLBCs.
- In Auction No. 78 (AWS-1 and Broadband PCS, August 2008), one applicant sought a TLBC, but amended its Form 601 to withdraw its request.
- In Auction No. 86 (Broadband Radio Service, October 2009), no applicants sought TLBCs.

The March 2007 – March 2008 total number of applicants seeking TLBCs was one.
The March 2008 – March 2009 total number of applicants seeking TLBCs was thirteen.
The March 2009 – March 2010 total number of applicants seeking TLBCs was zero.

Therefore, using the three-year period of March 2007 – March 2010 as a basis, we estimate that the average annual response for the 2016-2019 period will be **5 respondents**.

We estimate that each applicant will require the assistance of administrative personnel to read the instructions, look through existing records, gather and maintain required data, and complete the FCC Form 601. We estimate that administrative personnel will need up to 10 hours to complete these tasks. We estimate that each applicant for the bidding credit will spend up to 10 hours (in-house certifying counsel) to obtain tribal consent to deploy facilities to qualifying tribal lands and file the necessary certifications and waivers. This estimate is based on our prior experience with comparable submissions.

$$\begin{aligned} 5 \text{ applicants} \times 10 \text{ hrs (administrative personnel)} &= 50 \text{ hours} \\ 5 \text{ applicants} \times 10 \text{ hrs (in-house certifying counsel)} &= \underline{50 \text{ hours}} \\ \text{Total Annual Burden} &= \underline{\underline{100 \text{ hours}}} \end{aligned}$$

Total Number of Respondents: 5.

Total Number of Annual Responses: 5.

In-house cost:

$$\begin{aligned} 50 \text{ hours} \times \$20.00/\text{hour} &= \$1,000.00 \text{ (administrative)} \\ 50 \text{ hours} \times \$68.00/\text{hour} &= \underline{\underline{\$3,400.00 \text{ (in-house certifying counsel)}}} \\ &= \underline{\underline{\$4,400.00}} \end{aligned}$$

13. There will be no capital startup cost incurred. However, the Commission estimates that outside counsel paid \$300.00/hour will negotiate with tribal governments which will require outside counsel 900 hours of negotiations.

900 hours x \$300.00 = \$270,000.00 (outside negotiating counsel)

Total Annual Burden Cost = \$270,000.00.

14. Cost to the Federal Government:

The government review time per response for this submission is estimated at 8 hours for a GS-14 grade level (\$59.13/hour) reviewer per application.

5 applications x 8 hrs. x \$59.13 = **\$2,365.20.**

Total Annual Cost Burden for the Federal Government = \$2,365.20.

15. There are no program changes to this collection. There are adjustments which are due to the Commission reevaluating its burdens for this collection. The adjustments are as follows: -900 to the annual burden hours and +\$90,000.00 to the annual cost burden.

16. This data will not be published for statistical use.

17. We do not seek approval to not display the expiration date for OMB approval of this information collection.

18. There are no exceptions to certification statement.

B. Collections of Information Employing Statistical Methods:

No statistical methods are employed.