

SUPPORTING STATEMENT

900 MHz SMR Service -- § 90.665

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).

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.

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 Specialized Mobile Radio (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.

There are no impacts under the Privacy Act.

2. The information verifying construction requirements will be used by the Commission to determine whether the licensee has met the 900 MHz Major Trading Area (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. § 1320.5.
8. A 60-day Notice of the information collection appeared in the Federal Register on February 24, 2016 (81 FR 9194), in compliance with 5 C.F.R. § 1320.8(d) seeking comment from the public on the information collection requirements contained in this collection. No comments were received from the public.

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

According to Commission records, there are **125 licenses** available for re-auction by the **125 licensees** impacted by this collection.

Also, we estimate 75% of respondents will contract out the burden of responding but respondents will consult with consultant before the requirement is contracted out. The remaining 25% of respondents are estimated to employ in-house staff to provide the information when submitting and maintaining ownership and gross revenue information for small businesses and coverage requirements information.

It will take respondents .5 hours of consultation with contractors for the disclosure of terms of joint bidding agreements and it will all respondents .5 hours to maintain transfer disclosure information.

This estimate is based on FCC staff's knowledge and familiarity with the availability of the data required.

POSSIBLE RE-AUCTIONED PARTICIPANTS

Submitting and Maintaining Ownership and Gross Revenue Information for Small Businesses:

94 applications (75% contracting out) x 1 hour (consultation) = 94 hours
31 applications (in-house) x 1 hour (submit and maintain) = 31 hours
Total Burden = 125 hours

Disclosure of Terms of Joint Bidding Agreements: We estimate that all respondents will take .5 hours to provide the information and coordinate with an outside contractor before the contractor fulfills the requirements on behalf of respondents.

125 applications x .5 hours = 62.5 hours

Maintaining Transfer Disclosure Information: We estimate that all respondents will take .5 hours to maintain a file of all documents pertaining to the license transfer.

125 applications x .5 hours = 62.5 hours

Coverage Requirements Information:

94 applications (75% contracting out) x 1 hour (consultation) = 94 hours
31 applications (25% in-house) x 2 hours = 62 hours
Total Burden = 156 hours

Total Burden to Re-Auctioned Participants = $125 + 62.5 + 62.5 + 156 = 406$ hours

TOTAL ANNUAL BURDEN = 406 hours

Total Number of Respondents: 125 licensees

Total Number of Annual Responses: 125 licenses¹

Total Annual “In-House” Cost: The Commission estimates that staff equivalent to the GS-11 step 5 (\$35.11/hour) grade level will fulfill the various requirements. Therefore, the in-house cost is 406 hours x \$35.11/hour = **\$14,254.66**.

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 (\$300/hour) to prepare the information.

Submitting and Maintaining Ownership Information \$300/hour x 94 applications (75% of applicants) x 1.5 hour = \$42,300

Joint Bidding Agreements \$300/hour x 125 applications x 1 hour = \$37,500

Coverage Requirements \$300/hour x 94 applications (75% of applicants) x 2.5 hours \$70,500

Total Costs to Participants = $42,300 + 37,500 + 70,500 = \$150,300$

TOTAL RESPONDENT COSTS: \$150,300

¹ There are a total of 125 applications but each application will require multiple requirements to be fulfilled which will render multiple burdens to this collection.

14. Cost to the Federal Government: The Commission estimates that legal staff at the GS-14 step 5 grade level will review the information collections.

125 applications x 2 hours per application x \$59.13/hour = \$14,782.50

Total Federal Government Costs: \$14,782.50

15. The Commission has the following adjustments/increases to this collection which are due to the Commission re-evaluating the burdens for this collection: 55 to the number of respondents, 55 to the annual number of responses, 126 hours to the annual burden hours and \$107,900 to the annual cost burden.
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 the certification statement.

B. Collections of Information Employing Statistical Methods

No statistical methods are employed.