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SUPPORTING STATEMENT**A. Justification**

1. The FCC (or Commission) has implemented provisions contained in Section 6003(a) of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66 and 103-121), approved August 10, 1993, which added Sections 8 and 9 to the Communications Act of 1934.
 - (a) Section 8 (47 U.S.C. § 158) requires the FCC to assess and collect application fees, and Section 9 (47 U.S.C. § 159) requires the FCC to assess and to collect annual regulatory fees to recover costs incurred in carrying out its enforcement, policy and rulemaking activities, user information services, and international activities.
 - (b) As set forth in Sections 8 and 9, and procedures at 47 C.F.R. §§ 1.1119 and 1.1166, the FCC may, upon a properly submitted written request, waive or defer collection of an application fee or waive, reduce, or defer payment of a regulatory fee in a specific instance for good cause shown where such action would promote the public interest. In each instance, an applicant or its representative must provide a written request showing on its face or through attached relevant documentation, in a single submission, both good cause and that the requested relief promotes the public interest. An applicant must submit a separate request for each form of relief, *e.g.*, a request to waive the collection of a fee and a request to defer payment of the fee while the request for waiver is being considered requires two separate requests with supporting documentation to establish both elements of the standard. When submitting the request, no specific form is required, and no specific ground must be asserted; however, historically, the majority of the requests submitted under both sections of the law are predicated on an assertion of financial hardship. Thus, in a situation where the applicant asserts that due to financial hardship, payment of the fee should be deferred and separately that payment of the fee should be waived, the applicant must submit sufficient financial documentation to sustain its burden of showing the elements for each request. Accordingly, for each request, an applicant must prepare a request, gather documentation, present a relevant persuasive discussion showing both good cause, *i.e.*, that extraordinary and compelling circumstances warrant the requested relief, and that the requested relief will promote the public interest. Applicants must comply with filing procedures set forth in the FCC's rules, *e.g.*:
 - (1) All requests must be filed at the proper location designated in the FCC's rules. A submission directly to a staff member or to a location other than as allowed by the rules is not filed, and it may be dismissed (47 CFR §§ 1.1119 & 1.1166). A request to waive the fee that is submitted in a timely manner attached with the fee must be filed at the designated lockbox or payment address (47 CFR §§ 1.1113 & 1.1159). Separate requests to waive, defer, or reduce the amount of payment without payment must be filed with the Secretary, Federal Communications Commission, Attention: Managing Director, Washington, DC 20554;
 - (2) As the Commission explained in *Implementation of Section 9 of the Communications Act*, Memorandum Opinion and Order, 10 FCC Rcd 12759, 12761-62, para. 13 (1995), an applicant asserting fee relief based on financial hardship must fully document its financial position to show that the applicant lacks sufficient funds to pay the fee and, in the case of regulatory fees, maintain its service to the public. Accordingly, an applicant may need to assemble for filing copies of balance sheets and profit and loss statements (audited, if

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available), a cash flow projection for the next twelve months (with an explanation of how calculated), a list of officers and their individual compensation, together with a list of their highest paid employees, other than officers, and the amount of their compensation, or similar information.

This information collection is from “businesses and other non-profits” entities, not “individuals,” and it does not seek private matters of a sensitive nature; therefore, there is no need for a Privacy Impact Assessment.

Statutory authority for this collection of information is contained in 47 U.S.C. §§ 158 & 159.

2. The Commission will use the information that is submitted in support of requests for a waiver or deferral of the payment of an application fee and the waiver, deferral, or reduction of an annual regulatory fee to determine if the applicant has met the statutory and regulatory legal standards to warrant relief.
3. The use of information technology is not feasible in this instance.
4. The information that applicants must submit is not available elsewhere in the FCC's records, nor is it submitted to other agencies. There are 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.
 - (a) The collection will have minimal impact on all applicants.
 - (b) Each year there will be approximately 250 requests for waiver, deferral, or reduction under Section 9 and approximately 90 requests for waiver or deferral under Section 8.
 - (c) The required financial documentation to support a request for waiver, deferral, or reduction ordinarily is or should be maintained as business records or has been assembled for submission in connection with other required commercial or judicial transactions or proceedings.
6. If the FCC did not collect the information, it would be limited to considering a request based on assertions, and it would lack a reliable method for determining the existence of both good cause and that the public interest is served sufficient to permit the waiver, deferral, or reduction of a required fee.
7. The collection does not contain special circumstances. This collection of information is consistent with the guidelines of 5 CFR § 1320.6.
8. The Commission published a notice in the *Federal Register* on September 22, 2016, to initiate the 60-day comment period (81 FR 65356). No public comments were received in response to the notice.
9. Applicants will not receive any payments.

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10. Applicants may request that the information be withheld from disclosure. Requests for confidentiality are processed in accordance with FCC rules under 47 CFR § 0.459. Act of 1974, as amended. As noted in Question 1, while this information collection does not affect individuals, should any personally identifiable information (PII) be submitted, the FCC has a system of records notice, FCC/OMD-25, "Financial Operations Information System (FOIS)" to cover the collection, use, storage, and destruction of this PII, as required by the Privacy Act of 1974, as amended, 5 U.S.C. 552a.¹

11. Generally, this information collection does not address any private matters of a sensitive nature nor are "individuals" included in the respondent groups; and as noted in Questions 1 and 10, this collection does not affect individuals, i.e., there is no PII.

12. Annually, the Commission receives approximately 340 requests for waivers, deferral, or reductions of both application and regulatory fees.

The Commission estimates that an applicant will require approximately 1 hour to assemble, duplicate, and file each request with the Commission.

The Commission believes that an applicant filing a request has this information readily available so that the collection process is relatively easy.

This estimate is based on our prior experience with comparable submissions.

Total number of respondents annually: 340 respondents

Total number of response per respondent annually: 1 response

340 respondents x 1 response/annum = 340 responses

340 responses/waivers x 1 hour/response = 340 total annual burden hours

The standards and procedures for filing a request for relief have been codified in the Code of Federal Regulation for more than 20 years, and each year the Commission publishes in the Federal Register and public forums the standards and procedures for filing a request for relief. Neither legal counsel nor other professionals are required to submit a request. Consequently, the Commission estimates that an applicant will use their "in-house" staff to assemble, duplicate, and file the request for the fee waiver.

(a) Cost for an administrative clerical employee for 1 hour to prepare the submission is equivalent to the salary per hour of a GS-9, Step 5 (\$29.02) Federal Government employee.

(b) Total "In-House" Cost is estimated to be:

340 respondents x 1 response/annum x 1 hour/response x \$29.02 = \$9,866.80

Total In-house cost to the respondent: \$9,866.80

¹ FCC/OMD-25 includes the PII covered by FCC/OMD-6, Financial Accounting Systems (FAS) and FCC/OMD-9, Commission Registration System (CORES). The FCC will now cancel FCC/OMD-6 and FCC/OMD-9. In addition, the Financial Operations Information System Privacy Impact Assessment (PIA) is in progress.

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13. Annual reporting and recordkeeping cost burden:

- (a) Total annualized capital/startup costs: **\$0.00**
- (b) Total annual costs (O&M): **\$0.00**
- (c) Total annualized cost requested: **\$0.00**

14. Cost to the Federal Government:

- (a) Each submission will be opened, time stamped, and distributed to the appropriate office by a GS-9, Step 5 (\$29.02/hour) mail clerk, which requires 0.5 hours per submission:

$$340 \text{ submissions} \times 0.5 \text{ hours/submission} \times \$29.02/\text{hour} = \$4,933.40$$

- (b) A GS-9, Step 5 (\$29.02/hour) support staff logs each submission, distributes it to the working analyst, accountant or attorney, obtains the appropriate signatures on response, duplicates and mails the response, files and distributes copies of the response, which requires 1 hour:

$$340 \text{ submissions} \times 1 \text{ hour/submission} \times \$29.02/\text{hour} = \$9,866.80$$

- (c) Each submission is reviewed and a ruling is drafted by a GS-14, Step 5 (\$59.13) management analyst, accountant or attorney which requires 4 hours, with costs estimated to be \$80,416.80

$$340 \text{ submissions} \times 4 \text{ hours/submission} \times \$59.13/\text{hour} = \$80,416.80$$

- (d) The draft ruling is reviewed/edited by a GS-15, Step 10 (\$76.81) senior attorney, and it is then sent to the Chief Financial Officer or Managing Director for signature, which requires 2 hours, with costs estimated to be \$52,230.80:

$$340 \text{ submission} \times 2 \text{ hours/submission} \times \$76.81/\text{hour} = \$52,230.80$$

- (e) A GS-15, Step 10 (\$76.81/hour) Chief Financial Officer, Managing Director, or Deputy Managing Director then reviews the ruling and signs the response which requires 0.25 hours:

$$340 \text{ submissions} \times 0.25 \text{ hours/submission} \times \$76.81/\text{hour} = \$6,528.85$$

Total Cost to the Federal Government to process 340 annual submissions is:

$$\$4,933.40 + \$9,866.80 + \$80,416.80 + \$52,230.80 + \$6,528.85 = \$153,976.65$$

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

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

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17. The Commission is not seeking approval not to display the expiration date for OMB approval of this information collection.

18. When the 60 Day Notice was published in the Federal Register on September 22, 2016, (81 FR 65356), the Commission amended the system of records notice, FCC/OMD-6, “Financial Accounting Systems (FAS)” and FCC/OMD-9, “Commission Registration Systems (CORES)” to cover the collection, use, storage, and destruction of this PII, as required by the Privacy Act of 1974, as amended, 5 U.S.C. 552a.” Both FCC/OMD-6 and FCC/OMD-9 are covered under this consolidated new SORN, FCC/OMD-25, “Financial Operations Information System (FOIS)”. This amendment was published in the Federal Register on October 6, 2016 (81 FR 69522) which became effective on November 15, 2016.

There are no other exceptions to the Certification Statement

B. Collections of Information Employing Statistical Methods:

This information collection does not employ any statistical methods.