

FCC Application for Radio Service Authorization
Wireless Telecommunications Bureau; Public
June 2017

3060-0798

Safety and Homeland Security Bureau

SUPPORTING STATEMENT

A. Justification:

1. FCC Form 601 is a consolidated, multi-part application form that is used for market-based and site-based licensing for wireless telecommunications services, including public safety, which are filed through the Commission's Universal Licensing System (ULS). FCC Form 601 is composed of a main form that contains administrative information and a series of schedules used for filing technical and other information. This form is used to apply for a new license, to amend or withdraw a pending application, to modify or renew an existing license, cancel a license, request a duplicate license, submit required notifications, request an extension of time to satisfy construction requirements, request an administrative update to an existing license (such as mailing address change), or request a Special Temporary Authority or Developmental License. Respondents are encouraged to submit FCC Form 601 electronically and are required to do so when applying for an authorization for which the applicant was the winning bidder in a spectrum auction.

The data collected on FCC Form 601 includes the FCC Registration Number (FRN), which serves as a "common link" for all filings an entity has with the FCC. The Debt Collection Improvement Act of 1996 requires entities filing with the Commission to use an FRN.

Records such as form 601 may include information about individuals or households, *e.g.*, personally identifiable information or PII, and the use(s) and disclosure of this information are governed by the requirements of a system of records notice or "SORN", FCC/WTB-1, "Wireless Services Licensing Records." There are no additional impacts under the Privacy Act.

On July 14, 2016, the Commission released a Report and Order in which it established the Upper Microwave Flexible Use Service authorizing mobile use in the 27.5-28.35 GHz, 37-38.6 GHz, and 38.6-40 GHz (39 GHz) bands.¹ Of relevance to the information collection at issue here, the Commission established a process by which 39 GHz licensees can conduct a voluntary, pre-auction license swap or exchange which would give licensees the opportunity to consolidate their licensed blocks into larger tranches of contiguous spectrum thereby leaving more valuable empty contiguous channel blocks for the Commission to auction.

The Commission seeks approval for revisions to its currently approved collection of information under OMB Control Number 3060-0798 to permit the collection of the additional information for Commission licenses and permits, pursuant to the information collection requirements adopted by the Commission in the *Spectrum Frontiers R&O*, including the provisions authorizing voluntary channel swaps. We are revising schedule E of form 601 to allow licensees to file a modification to

¹ See *Use of Spectrum Bands Above 24 GHz For Mobile Radio Services, et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 16-89, 31 FCC Rcd 8014 (2016).

indicate active licenses and leases they are requesting authorization to swap. We do not anticipate that this revision will have any impact on the burden to complete the form.

Statutory authority for this information collection is contained in 47 U.S.C. §§ 151, 152, 154, 154(i), 155(c), 157, 201, 202, 208, 214, 301, 302a, 303, 307, 308, 309, 310, 311, 314, 316, 319, 324, 331, 332, 333, 336, 534, 535 and 554.

2. The Commission, in accordance with its statutory responsibilities under the Communications Act of 1934, as amended, uses the information provided by applicants on FCC Form 601 to update its licensing database and to determine if the applicant is legally, technically and financially qualified to provide licensed services and make proper use of the frequency spectrum.

For third party disclosure requirements, approximately 40% of the PLMRS respondents are required to comply with frequency coordination requirements. There is no additional time burden placed on the respondent for this third party requirement. Again, information about individuals or households, and the use(s) and disclosure of this information is governed by the requirements of system of records, FCC/WTB-1. All information collected is publicly available.

3. Electronic filing is mandatory for certain categories of respondents specified in 47 C.F.R. §1.913 and others have the choice of filing manually or electronically. Approximately 98% of all filings are submitted electronically.
4. This agency does not impose a similar information collection on the respondents. 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. The Commission has limited the information requirements to those absolutely necessary for evaluating and processing each application and to deter possible abuses of the processes.
6. Generally, the frequency of filing FCC Form 601 is determined by the applicant and/or licensee and the frequency of response can be on occasion or periodic.
7. This collection of information is consistent with the guidelines in 5 CFR § 1320.
8. The Commission published a 60-day notice which appeared in the Federal Register on April 3, 2017, 82 FR 16207, seeking comment from the public on the information collection requirements contained in this collection. No comments were received on the Paperwork Reduction Act (PRA) as a result of the notice.
9. Respondents will not receive any payments.
10. Respondents may request that materials or information submitted to the Commission be withheld from public inspection under 47 CFR §0.459 of the FCC rules.

Information on the FCC Form 601 is maintained in the Commission's system of records notice or 'SORN', FCC/WTB-1, "Wireless Services Licensing Records." These licensee records are publicly available and routinely used in accordance with subsection b. of the Privacy Act, 5 U.S.C. 552a(b), as amended.

The Commission has in place the following policy and procedures for records retention and disposal: Records will be actively maintained as long as the authorization is valid. Paper records will be archived after being keyed or scanned into the database and destroyed when 12 years old. Electronic records will be backed up and deleted twelve years after the authorization is no longer valid.

11. This collection does not address private matters of a sensitive nature, and the PII is covered by the system of records notice or 'SORN', FCC/WTB-1, "Wireless Services Licensing Records."
12. The Commission estimates that 253,320 respondents (applicants/licensees) will file FCC Form 601 applications annually and that the *average* burden per response is 1.25 hours.

The Commission estimates that 50% of the 253,320 respondents (126,660) will complete the application themselves with no additional assistance and the remaining 50% (126,660) will contract out the completion of the form to a law firm or application preparation service.

The Commission estimates the average burden per response to be approximately 1.25 hours for those respondents completing the forms themselves. For those respondents hiring a consultant, we estimate a burden of approximately 30 minutes (0.5 hours) to coordinate with the consultant.

The estimated annual burden is:

126,660 responses x 1.25 hours = 158,325 hours

126,660 responses x .50 hours = 63,330 hours

Total Annual burden: 158,325 hours + 63,330 hours = 221,655 hours.

The Commission also estimates that between zero and 400 entities will annually file FCC Form 601 applications regarding eligibility for designated entity benefits. We therefore estimate that there will be 400 such entities.

The Commission estimates that 50% of these 400 respondents (200) will complete the application themselves with no additional assistance and the remaining 50% (200) will contract out the completion of the form to a law firm or application preparation service.

The Commission estimates the average burden per response to be approximately 1.25 hours for those respondents completing the form themselves. For those respondents hiring a consultant, we estimate a burden of approximately 45 minutes (0.75 hours) to coordinate with the consultant.

The estimated annual burden is:

200 responses x 1.25 hour = 250 hours

200 responses x 0.75 hours = 150 hours

Annual burden hours: 250 + 150 = 400

TOTAL ANNUAL BURDEN HOURS: 221,655 + 400 = 222,055

TOTAL NUMBER OF RESPONDENTS: 253,320

TOTAL NUMBER OF RESPONSES: 253,320

Commission Rules require that certain applicants obtain frequency coordination prior to submitting their application to the FCC. We estimate that approximately 40% of the total respondents (101,328 respondents) are required to comply with frequency coordination requirements. There is no additional time burden placed on the respondent for this third party disclosure requirement, however, it adds an extra “step” to the application filing requirements. Applicants forward their applications via the non-profit private sector frequency coordinators designated by type of radio service to the FCC. The frequency coordinator then forwards the application and application remittance to the FCC. The frequency coordinator must file electronically.

“In-House Cost”:

Assuming that 50% of the respondents use personnel comparable in pay to a mid-to-senior level federal employee (GS-13, Step 5) to prepare the collection, we estimate the cost to be about \$51.48 per hour @ 1.25 hours per filing. The cost per filing: \$51.48 X 1.25 = \$64.35.

126,660 applications x \$64.35 per filing = \$8,150,571.00

The Commission estimates that 50% will contract out the completion of the form to a law firm or application preparation service and will spend approximately 30 minutes (0.5 hours) coordinating this information. Assuming they use personnel comparable in pay to a mid-to-senior level federal employee to coordinate this submission we estimate the cost to be approximately \$51.48 per hour @ 0.5 hours per filing. The cost per filing = \$25.74.

126,660 applications x \$25.74 per filing = \$3,260,228.40

Assuming that 50% of the respondents filing the 601 annually for designated entity benefits use personnel comparable in pay to a mid-to-senior level federal employee (GS-

13, Step 5) to prepare the collection, we estimate the cost to be about \$51.48 per hour @ 1 hour per filing. The cost per filing = \$51.48.

$$200 \text{ responses} \times \$51.48 \text{ per response} = \$10,296$$

The Commission estimates that 50% will contract out the completion of the form to a law firm or application preparation service and will spend approximately 30 minutes (0.5 hours) coordinating this information. Assuming they use personnel comparable in pay to a mid-to-senior level federal employee to coordinate this submission we estimate the cost to be approximately \$51.48 per hour @ 0.5 hours per filing. The cost per filing = \$25.74.

$$200 \text{ responses} \times \$25.74 \text{ per response} = \$5,148.00$$

TOTAL IN-HOUSE COST:

$$\mathbf{\$8,150,571.00 + \$3,260,228.40 + \$10,296.00 + \$5,148.00 = \$11,426,243.40}$$

13. Cost to the Respondent:

- a. Total annualized capital/start-up costs: \$0.00
- b. Total annualized cost requested to prepare FCC 601 are:

There is no cost to file the application electronically with the FCC.

FCC application filing fees:

We estimate that approximately 75% of 253,320 various applications filed require an application fee of \$65-\$430 each. (The balance of the respondents would be exempt from filing fees due to type of entity, i.e. public safety, governmental entities, non-commercial educational broadcasters, or because the purpose for which they are filing does not require a fee.)

For purposes of this submission, we estimate the total application fees using an average of \$125 per filing:

$$253,320 \text{ total respondents} \times 75\% \text{ (feeable)} = 189,990 \text{ feeable filings}$$

$$189,990 \text{ filings} \times \$125 \text{ average fee} = \$23,748,750$$

We estimate that 50% of the respondents will contract out the completion of the form and would use an attorney or application

preparation service at a cost of \$300/hour to prepare the FCC 601 and take the consultant 1.25 hours to complete each form.

$$126,660 \text{ applications} \times 1.25 \text{ hours} \times \$300/\text{hour} = \$47,497,500$$

Regarding respondents eligible for designated entity benefits, there is no application fee because the services involved are subject to auctions.

We estimate that 50% of the respondents will contract out the completion of the form and would use an attorney or application preparation service at a cost of \$300 per hour to prepare in 1 hour the FCC Form 601.

$$200 \text{ applications} \times 1 \text{ hour} \times \$300/\text{hour} = \$60,000$$

TOTAL ESTIMATED RESPONDENT COST: \$23,748,750 + \$47,497,500 + \$60,000 = \$71,306,250

14. Cost to the Federal Government:

FCC Form 601 Applications estimated to be filed: 253,320

$$\begin{array}{l} 126,660 \text{ applications} \times 30 \text{ mins. (0.50 hrs)} \\ @ \$24.41 \text{ per hour (GS-7 Step 5) for an} \\ \text{Industry Analyst} \end{array} = \$1,545,885.30 \text{ (Processing)}$$

$$\begin{array}{l} 126,660 \text{ applications} \times 10 \text{ mins. (0.166 hrs)} \\ @ \$24.41 \text{ per hour (GS-7 Step 5) for an} \\ \text{Industry Analyst} \end{array} = \$513,233.92 \text{ (Processing)}$$

$$\textbf{Total} = \textbf{\$2,059,119.22}$$

15. The Commission is anticipating no change in burden for the completion of this form. Therefore, there are no program changes or adjustments to this information collection.

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

17. The Commission is requesting a continued waiver from displaying the OMB expiration date on FCC Form 601. Granting this waiver will prevent the Commission from destroying excess forms, having to update computer versions and thus reduce waste. All OMB-approved information

collections are published in 47 CFR 0.408. This section includes the OMB control number, title of the collection and the OMB expiration date.

18. There are no exceptions to the “Certification Statement.”

B. Collections of Information Employing Statistical Methods:

This information collection does not use any statistical methods.