

Section 25.701, Direct Broadcast Satellite Public Interest Obligations

SUPPORTING STATEMENT

A. Justification:

1. On July 10, 2019 the Commission adopted a Report and Order in MB Docket Nos. 18-202 and 17-105, FCC 19-67, *Children's Television Programming Rules; Modernization of Media Regulation Initiative*. Under the Children's Television Act of 1990 (CTA), the Commission is required to consider, in its review of television license renewals, the extent to which the licensee "has served the educational and informational needs of children through the licensee's overall programming, including programming specifically designed to serve such needs." The Commission initially adopted rules implementing the CTA in 1991, and revised these rules in 1996, 2004, and 2006. In the *Report and Order*, the Commission revises the children's television programming rules in light of the changes to the media landscape that have occurred since the children's television programming rules were first adopted.

47 CFR Section 25.701(e)(3) requires Direct Broadcasting Satellite (DBS) providers airing children's programming to maintain records sufficient to verify compliance with this rule and make such records available to the public. Such records must be maintained for a period sufficient to cover the limitations period specified in 47 U.S.C. Section 503(b)(6)(B). In the *Report and Order*, the Commission revises the rules to permit DBS operators to file their certifications of compliance with the commercial limits in children's programming annually rather than quarterly and to permit the filing of these certifications within 30 days after the end of the calendar year.

The requirements listed below have not changed since last approved by OMB. The only requirements that are impacted by FCC 19-67 are contained in 47 CFR 25.701(e)(3). All other requirements remain unchanged.

47 CFR Section 25.701(c)(1)(i)(C) states DBS providers may establish and define their own reasonable classes of immediately preemptible time so long as the differences between such classes are based on one or more demonstrable benefits associated with each class and are not based solely upon price or identity of the advertiser. Such demonstrable benefits include, but are not limited to, varying levels of preemption protection, scheduling flexibility, or associated privileges, such as guaranteed time sensitive make goods. DBS providers may not use class distinctions to defeat the purpose of the lowest unit charge requirement. All classes must be fully disclosed and made available to candidates.

47 CFR Section 25.701(c)(1)(i)(D) states DBS providers may establish reasonable classes of preemptible with notice time so long as they clearly define all such classes, fully disclose them and make them available to candidates.

47 CFR Section 25.701(c)(1)(i)(E) states DBS providers may treat non preemptible and fixed position as distinct classes of time provided that they articulate clearly the differences between such classes, fully disclose them, and make them available to candidates.

47 CFR Section 25.701(c)(1)(i)(I) states DBS providers shall review their advertising records periodically throughout the election period to determine whether compliance with this section requires that candidates receive rebates or credits. Where necessary, DBS providers shall issue such rebates or credits promptly.

47 CFR Section 25.701(c)(1)(i)(M) states DBS providers must disclose and make available to candidates any make good policies provided to commercial advertisers. If a DBS provider places a make good¹ for

¹"Make goods" are defined as the rescheduling of preempted advertising.

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any commercial advertiser or other candidate in a more valuable program or daypart, the value of such make good must be included in the calculation of the lowest unit charge for that program or daypart.

47 CFR Section 25.701(c)(1)(ii) states at any time other than the respective periods set forth in paragraph (c)(1)(i) of this section, DBS providers may charge legally qualified candidates for public office no more than the charges made for comparable use of the facility by commercial advertisers. The rates, if any, charged all such candidates for the same office shall be uniform and shall not be rebated by any means, direct or indirect. A candidate shall be charged no more than the rate the DBS provider would charge for comparable commercial advertising. All discount privileges otherwise offered by a DBS provider to commercial advertisers must be disclosed and made available upon equal terms to all candidates for public office.

47 CFR Section 25.701(d) states each DBS provider shall keep and permit public inspection of a complete and orderly political file and shall prominently disclose the physical location of the file, and the telephonic and electronic means to access the file.

(1) The political file shall contain, at a minimum:

(i) A record of all requests for DBS origination time, the disposition of those requests, and the charges made, if any, if the request is granted. The "disposition" includes the schedule of time purchased, when spots actually aired, the rates charged, and the classes of time purchased; and

(ii) A record of the free time provided if free time is provided for use by or on behalf of candidates.

(2) DBS providers shall place all records required by this section in a file available to the public as soon as possible and shall be retained for a period of four years until December 31, 2006, and thereafter for a period of two years.

47 CFR Section 25.701(f)(6) states that each DBS provider shall keep and permit public inspection of a complete and orderly record of:

(A) Quarterly measurements of channel capacity and yearly average calculations on which it bases its four percent reservation, as well as its response to any capacity changes;

(B) A record of entities to whom noncommercial capacity is being provided, the amount of capacity being provided to each entity, the conditions under which it is being provided and the rates, if any, being paid by the entity;

(C) A record of entities that have requested capacity, disposition of those requests and reasons for the disposition.

(ii) All records required by this paragraph shall be placed in a file available to the public as soon as possible and shall be retained for a period of two years.

The statutory authority which covers this information collection is contained in 47 USC 335 of the Communications Act of 1934, as amended.

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

2. The political broadcasting report, recordkeeping requirement, and third-party disclosure requirements in this information collection will be used by the public to assess money expended and time allotted to a political candidate and by the Commission to ensure that equal access is afforded to other qualified candidates. The Commission will use the children's programming recordkeeping burden to verify compliance with the commercial limits established in 47 CFR § 25.701(e)(1), and by the public to assess the DBS provider's compliance with the commercial limits.

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3. This collection involves automated electronic collection techniques. This item requires DBS operators to post records demonstrating compliance to their public files on the Commission's website, making the information publicly available over the Internet.
4. No other agency imposes a similar information collection on the respondents. There are no similar data available.
5. This information collection does not impose any significant economic impact on a substantial number of small businesses/entities. However, any entity can request a waiver of the Commission's rules, under 47 CFR § 1.3, which allows the Commission to waive rules where good cause has been shown.
6. If this information collection was not collected the Commission would have no way of assuring that the public has access to the political broadcasting information and information concerning commercial limits in children's programming relating to DBS services. Equally important, the Commission would have no way of verifying whether DBS providers are complying with its political broadcasting and children's programming commercial limits. This could lead to favoritism in according political broadcast time, or an excessive, potentially harmful amount of commercials on children's programming.
7. Current data is consistent with 5 CFR § 1320.5. The revisions to this collection reduce reporting burdens on DBS operators, while ensuring that Commission staff and the public still have sufficient information to verify stations' compliance with the children's programming rules.
8. The Commission published a Notice in the *Federal Register* seeking comments from the public on the information collection requirements contained in this collection on August 7, 2019 (84 FR 38626). The Commission received no comments following publication of the Notice.
9. Respondents will not receive any payments.
10. Although the Commission does not believe that any confidential information will need to be disclosed in order to comply with the information collection requirements, applicants are free to request that materials or information submitted to the Commission be withheld from public inspection. (See 47 CFR § 0.459 of the Commission's Rules).
11. This information collection does not address any private matters of a sensitive nature.
12. The public burden is as follows:

Number of Annual Respondents: 2 DBS Providers²

Number of Annual Responses: 2 responses³

- a) **47 CFR Section 25.701(c)(1)(i)(C), 47 CFR Section 25.701(c)(i)(D), and 47 CFR Section 25.701(c)(1)(i)(E) Establishment, Definition, and Disclosure of Classes:** The Commission estimates 2 hours for each task: 1) establish, define, and disclose their own classes of immediately preemptible time for political candidates, 2) establish, clearly define, and disclose classes of preemptible with notice time for political candidates, and 3) clearly define and disclose the difference

² These respondents make up the majority of their universe of respondents. Therefore, continued OMB approval is needed for this collection.

³ Since the requirements are done in terms of tasks, it is difficult for the Commission to quantify the number of responses.

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between non preemptible and fixed positions classes of time. This should be a one-time burden -- approximately 6 hours per licensee.

2 DBS provider x 6 hours/task = **12 hours**

- b) **47 CFR Section 25.701(c)(1)(i)(I) Periodic Review of Advertising Records and Issuance of Rebates or Credits Where Appropriate:** The Commission estimates about 2 hours annually to conduct periodically a thorough review of advertising records and issue rebates or credits where appropriate.

2 DBS providers x 2 hours/task = **4 hours**

- c) **47 CFR Section 25.701(c)(1)(i)(M) Disclosure of “Make Good” Policies:** The Commission estimates about 1 hour to make available any make good policies. This should be a one-time burden.

2 DBS providers 1 hour/task = **2 hours**

- d) **47 CFR Section 25.701(c)(1)(ii) Disclosure of Other Discount Privileges:** The Commission estimates 1 hour annually for disclosure requirements.

2 licensees x 1 hour/disclosure = **2 hours**

- e) **47 CFR Section 25.701(d) Political File and Public Availability Burden:** The Commission estimates 10 hours annually to establish and maintain political broadcasting files.

2 DBS providers 10 hours of maintaining files = **20 hours**

- f) **47 CFR Section 25.701(e)(3) Children’s Programming Recordkeeping:** The Commission estimates 1 hour annually for the recordkeeping requirement

2 licensees x 1 hour of recordkeeping = **2 hours**

- g) **47 CFR Section 25.701(f)(6). Channel Capacity and Noncommercial Entity Recordkeeping Requirement:** The Commission estimates that this burden will take each DBS provider about 3 hours to comply with on an annual basis.

2 licensees x 3 hours/task = **6 hours**

Total Annual Burden Hours: 12 + 4 + 2 + 2 + 20 + 2 + 6 = **48 hours**

Annual “In-house” Cost: The Commission believes that all of the burdens will be carried out by management or sales staff of the DBS service provider at approximately \$26 per hour:

48 hours x \$26/hour for staff time = **\$1,248 Total Annual “In House” Costs**

13. Annual Cost Burden:

- (a) Total annualized capital/startup costs: None

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(b) Total annual costs (O&M): None

(c) Total annualized cost requested: None

14. There is no cost to the Federal Government.

15. The Commission has program changes of -2 to the annual burden hours as a result of the information collection requirements adopted in FCC 19-67.

There are no adjustments to this collection.

16. The data will not be published.

17. OMB approval of the expiration of the information collection will be displayed at 47 CFR § 0.408.

18. There are no exceptions to the Certification Statement.

B. Collections of Information Employing Statistical Methods

This information collection does not employ any statistical methods.