

SUPPORTING STATEMENT

A. Justification:

1. 47 CFR Section 76.630(a) states a cable system operator shall not scramble or otherwise encrypt signals carried on the basic service tier, subject to certain exemptions. Notice of requests for waivers of this prohibition, which are allowed under 47 CFR Section 76.630(a)(2), must demonstrate either a substantial problem with theft of basic tier service or a strong need to scramble basic signals for other reasons and be provided to subscribers by mail no later than thirty calendar days from the date the request waiver was filed with the Commission. Cable operators must inform the Commission in writing, as soon as possible, of that notification date. The notification to subscribers must state:

On (date of waiver request was filed with the Commission), (cable operator's name) filed with the Federal Communications Commission a request for waiver of the rule prohibiting scrambling of channels on the basic tier of service. The request for waiver states (a brief summary of the waiver request). A copy of the request for waiver is on file for public inspection at (the address of the cable operator's local place of business).

Individuals who wish to comment on this request for waiver should mail comments to the Federal Communications Commission by no later than 30 days from (the date the notification was mailed to subscribers). Those comments should be addressed to the: Federal Communications Commission, Media Bureau, Washington, DC 20554, and should include the name of the cable operator to whom the comments are applicable. Individuals should also send a copy of their comments to (the cable operator at its local place of business). Cable operators may file comments in reply no later than 7 days from the date subscriber comments must be filed.

Revised Information Collection Requirements:

On November 16, 2018, in Electronic Delivery of Multichannel Video Programming Distributor (MVPD) Communications; Modernization of Media Regulation Initiative, the Federal Communications Commission deleted 47 CFR Sections 76.1621 and 76.1622 in FCC 18-166 published at 83 FR 66149 (December 26, 2018). The information collection burdens associated with those Sections, previously included in this collection have been deleted.

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 Section 4(i) and Section 632 of the Communications Act of 1934, as amended.

Title: Section 76.630(a), Compatibility With Consumer Electronics Equipment

2. The Commission has set forth these disclosure requirements for the purpose of notifying subscribers of cable operators' requests to waive the prohibition on signal encryption.
3. Use of information technology is not feasible for this collection.
4. This agency does not impose a similar disclosure requirement on the respondents.
5. This information collection requirement does not have a significant impact on a substantial number of small businesses.
6. If the Commission did not require these disclosures of information, subscribers would not be aware of their respective cable operator's request for waiver of the signal encryption prohibition.
7. There are no special circumstances associated with this collection of information.
8. The Commission published a Notice (84 FR 43129) in the *Federal Register* on August 20, 2019, seeking comments on the information collection requirements contained in this supporting statement. No comments were received from the public.
9. There will be no payment or gifts given to respondents.
10. There is no need for confidentiality with this collection of information.
11. These disclosures of information do not address any matters of a sensitive nature.
12. We estimate that of the 8,250 cable operators in the US, only one (1) waiver request will be filed with the Commission each year. In addition, cable operators are required to notify subscribers by mail of waiver requests. We estimate that only one cable operator will be subject to this requirement. The average burden is three (3) hours to prepare each waiver request and one minute (.017 hours) to notify each subscriber and the Commission.

1 waiver request x 3 hours to prepare each request = 3 hours

1 cable operator x 50,000 subscribers x .017 hours for notification activity = 850 hours

Total Number of Respondents: 1 Cable Television System¹

¹ This respondent makes up the universe of its respondent pool so approval from the Office of Management and Budget (OMB) is needed.

Total Number of Responses:

1 - Waiver request
50,000 - Notice to subscribers
50,001 (responses)

Total Annual Burden Hours:

3 hours
850 hours
853 hours

"In-house costs":

We estimate that in-house attorneys paid @ \$300 per hour will write the waiver request. We estimate an average hourly wage of \$18.00 per hour for individuals tasked with the notification requirements.

1 waiver request x 3 hours @ \$300 per hour = \$900
50,000 subscribers x .017 hour @ \$18 per hour = \$15,300

Total in-house costs:

\$ 900
\$ 15,300
\$16,200

These estimates are based on Commission staff's knowledge and familiarity with the availability of the data required.

13. Annual Cost Burden.

a. Capital or start-up costs: None.

b. Total operation and maintenance costs: Waiver requests are subject to a filing fee of \$1,550.

1 waiver request x \$1,550 = **\$1,550**

Disclosure requirements pursuant to sections 76.630 are assumed to entail no additional cost to respondents because information can be pre-printed on, or attached as an addendum to, regular subscriber billings.

c. Total estimated annual cost to respondents = \$1,550

14. Cost to the Federal Government:

We estimate that the waiver requests and associated materials will take approximately six hours for Commission attorneys paid at the GS-14, step 5 grade level (\$62.23 per hour) to review and process the waivers. The notifications for this requirement are sent to subscribers and are not reviewed by the Commission.

1 waiver requests x 6 hours/waiver request x \$63.64 per hour =	\$	<u>381.84</u>
Total Cost to the Federal Government =	\$	381.84

15. On November 16, 2018, in Electronic Delivery of MVPD Communications; Modernization of Media Regulation Initiative, the Federal Communications Commission deleted 47 CFR Sections 76.1621 and 76.1622. 83 FR 66149 (December 26, 2018). The information collection burdens associated with those Sections, previously included in this supporting statement, have been deleted. Therefore, there are program changes/decreases to this collection as follows: a decrease to the number of responses of 16,500 and to the annual burden hours of 16,500.

There are adjustments/increases of 195 to the annual cost which are due to the Commission's increase in its filing fee schedule.

16. The results of this information collection 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 other exceptions to the Certification Statement.

B. Collections of Information Employing Statistical Methods

No statistical methods are employed.