

Biennial Survey of Cable Industry Prices, FCC Form 333**OMB SUPPORTING STATEMENT****Part B. Collections of Information Employing Statistical Methods**

1. We randomly select cable communities for the sample and send the survey questionnaire to the cable operators serving those communities. The potential respondent universe has approximately 33,000 active cable community units. To determine the number of observations necessary for statistical precision in our sample, we applied a standard statistical formula. Sample-size formulas require the user to choose a limit on how much the sample price averages are expected to randomly deviate from the population price averages. Larger sample sizes lead to less fluctuation but also increase the cost of the survey. Our sample size is a reasonable balance between benefit and cost. We limit the allowable error to 1% of the estimated mean value of the monthly price of expanded basic cable service with 95% probability. In other words, in repeated samples, the sample average price will fall within 1% of the population average price in 95 of 100 samples.

We allocate sample selections to be made among two groups of cable operators: (1) those facing effective competition, as determined by the Commission, in accordance with the statutory definitions of effective competition; and (2) those not subject to effective competition, which make up the balance of operators. We further allocate the selections among strata within these groups. Each community unit is assigned a sampling weight based on its subscriber count. Allocations are based on the total number of cable subscribers within the groups and strata, consistent with estimating subscriber-weighted price averages. Larger operators have a higher chance of selection for sampling than smaller operators. This makes our sample more representative of the national distribution of cable subscribers and reduces the total burden on smaller cable operators.

2. Because this is a mandatory information collection, the Commission expects a high response rate. Based on the response rate to the previous surveys we conducted, we estimate a response rate of 97%.

3. Respondents complete the questionnaire online via the Commission's website. To achieve the highest possible response rate, we follow-up with operators in the sample who fail to respond in a timely manner and with respondents who provide incomplete data, or whose data has apparent inaccuracies identified through quality control measures.

4. The Commission has built on experience gained in conducting previous surveys of this type. After each survey, we review the consistency of responses in terms of apparent understanding of the questions and adjust future questions accordingly.

5. Thomas Tanasovich, economist in the Office of Economics and Analytics, Industry Analysis Division, assisted in designing this survey and is responsible for analyzing the data received from respondents. He can be reached at (202) 418-2171.