#### Section 24.103, Construction Requirements

3060-0625 August

2024

## SUPPORTING STATEMENT

#### A. Justification:

1. In preparation for the later narrowband Personal Communications Services ("PCS") auctions, the Commission modified its existing narrowband PCS rules via release of its May 18, 2000, Second Report and Order (Second R&O) and Second Further Notice of Proposed Rulemaking. These modifications included the use of Major Trading Areas (MTA) and the elimination of Basic Trading Areas for future licensing, the establishment of a "substantial service" alternative to the current construction benchmarks, and modifications to certain provisions of the narrowband PCS competitive bidding rules. The Commission also eliminated the narrowband PCS spectrum aggregation limit and adopted partitioning and disaggregation rules. The Commission believes that the rule modifications it adopted improves the efficiency of spectrum use, reduce the regulatory burden on spectrum users, encourage competition, and promote service to the largest feasible number of users.

In particular, to ensure the efficiency of each licensee's use of such spectrum, the Commission has included Section 24.103 in its rules, 47 C.F.R. § 24.103, which imposes separate information requirements on holders of nationwide narrowband PCS licensees, regional narrowband PCS licensees, and MTA narrowband PCS licensees. Each of these three groups of licensees must, within five years and within ten years of initial license grant, construct base stations that either provide coverage to a specified minimum number of square kilometers or that serve a specified minimum percentage of the population in their respective service areas.

As an alternative to satisfaction of the above standards, each of the above three types of narrowband PCS licensees may demonstrate, not later than ten years after initial license grant, that that they are providing "substantial service" to their respective license areas.<sup>1</sup> However, narrowband PCS licensees planning to demonstrate satisfaction of the substantial service standard by the 10-year mark must, pursuant to 47 C.F.R. § 24.103(d), notify the FCC by filing FCC Form 601, no later than 15 days after the end of the 5 year period following the initial grant of their license, indicating that they plan to satisfy the alternative requirement to provide "substantial service" by the ten-year mark.

Also, pursuant to 47 C.F.R. § 24.103(f), upon meeting the 5 and 10 year benchmarks in (a), (b), and (c) of this subsection, licensees are obligated to notify the Commission, within 15 days of the expiration of the relevant time period, by filing FCC Form 601 and including a map and other supporting documentation that, within the relevant licensed area, the licensee has met the applicable geographic area coverage, population coverage, or "substantial service" requirement.

<sup>&</sup>lt;sup>1</sup> "Substantial service" is defined as service that is sound, favorable, and substantially above a level of mediocre service that would barely warrant renewal.

The Commission is requesting a three-year extension of this information collection from the Office of Management and Budget (OMB).

This information collection could affect individuals or households. Thus, this collection is impacted by the Privacy Act, and contains personally identifiable information on individuals (PIA).

- (a) The FCC maintains a system of records notice (SORN), FCC/WTB-1, "Wireless Services Licensing Records," that covers the collection, purpose(s), storage, safeguards, and disposal of the PII that individual personal communications services licensees maintain under 47 CFR 24.103.
- (b) The FCC published this SORN most recently on October 19, 2023 (88 FR 72068, 72071).
- (c) Going forward, if the FCC makes substantive change to the Wireless Services Licensing Records, the Commission will conduct a full Privacy Impact Assessment of the SORN covered by FCC/WTB-1, update this SORN, publish a Notice in the Federal Register, and post these two documents on the FCC webpage, as required by OMB Memorandum, M-03-22 (September 22, 2003).

Statutory authority for this collection of information is contained in 47 U.S.C. § 303, as amended.

- 2. The reporting and recordkeeping requirements of this information collection are used to ensure that licensees timely construct systems that either provide coverage to minimum geographic portions of their licensed areas, that provide service to minimum percentages of the population of those areas, or that, in the alternative, provide service that is sound, favorable, and substantially above a level of mediocre service that would barely warrant renewal.
- 3. Prior to finalizing rule makings, the Wireless Telecommunications Bureau conducts an analysis to insure that improved information technology can be used to reduce the burden on the public. This analysis considers the possibility of obtaining and/or computer-generating the required data from existing data bases in the Commission or other federal agencies. Further, this information can be submitted by licensees on the FCC Form 601.
- 4. This agency does not impose a similar collection on the respondents. No similar information is available to the Commission from other sources.
- 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 that which is absolutely necessary for evaluating and processing the FCC Form 601 applications received from narrowband PCS licensees and to deter possible abuses of its licensing processes.
- 6. This information is required at established 5 and 10 year benchmarks after license grant.
- 7. Current data collection is consistent with 5 C.F.R. § 1320.5.

- 8. The Commission published a 60-day Notice on June 12, 2024 (89 FR 49875) for public comment on the information collection requirements contained in this collection. No comments were received from the public as a result of the notice.
- 9. Respondents will not receive any payments associated with this collection of information.
- 10. Information on these narrowband PCS licenses and other private land mobile radio licensees is maintained in the Commission's system of records, FCC/WTB-1, "Wireless Services Licensing Records." The licensee records are publicly available and are routinely used in accordance with the SORN noted in Section A.1.b. above or the Privacy Act, as applicable. TIN Numbers, and material which is afforded confidential treatment pursuant to a request made under 47 C.F.R. § 0.459, will not be available for Public inspection. Any personally identifiable information (PII) that individual applicants provide is covered by a system of records notice, FCC/WTB-1, "Wireless Services Licensing Records," and these and all other records may be disclosed pursuant to the Routine Uses as stated in that system of records notice.
- 11. This collection does not address any private matters of a sensitive nature with the exception of the personally identifiable information (PII) that individuals are required to include on the their FCC Form 601s, as noted elsewhere in this supporting statement.
- 12. According to Commission records of its earlier auctions of narrowband PCS licenses and current data in its ULS database, there are approximately a total of 31 such licenses in its inventory of such licenses. While there is no auction currently planned for these licenses, if an auction occurs for these licenses during the three-year period specified above, those who obtain these licenses as a result of that auction will be required to file two responses per license under Section 24.103 of the Commission's rules, 47 C.F.R. § 24.103. One response per licensee will be required at both the five- and ten-year benchmarks. Thus, in the ten years following grant of these licenses, the holders will be required to file approximately 62 response (2 responses X 31 licensees) assuming that the 31 licenses in the current inventory are made available at that auction. Hence, the average annual number of responses during the ten years following license grant will be 6 (62 responses divided by 10).

We estimate that the average burden on the applicant is 1.5 hours for the information necessary to complete these forms. We estimate that 50% of the respondents will contract out the burden of responding. We estimate that it will take approximately 30 minutes to coordinate information with those contractors. The remaining 50% are estimated to employ in-house staff to provide the information.

50% of 6 respondents = 3 (contracting out)  $x \cdot 5$  hours = 1.5 hours

50% of 6 respondents = 3 (in-house) x 1.5 hours = 4.5 hours

# **TOTAL ANNUAL BURDEN = 6** Hours.<sup>2</sup>

### Total Number of Annual Respondents: 6.<sup>3</sup>

<sup>&</sup>lt;sup>2</sup> This time includes the recordkeeping requirements for this collection too.

<sup>&</sup>lt;sup>3</sup> The Commission estimates that there is a total of 31 licensees. The average annual number of respondents during the ten years following the license grant will average the annual number of respondents to 6 respondents. These licensees make up their universe of respondents so OMB approval is still needed for

#### Total Number of Annual Responses: 6.

**Total In-House Cost:** The Commission estimates that respondents are paid \$40 per hour to fulfill the requirements. Therefore, the in-house cost is as follows: **6 hours x \$40**/ hour = \$240.00.

13. Cost to Respondents:

We estimate that 50 percent of applicants will use an outside attorney or engineer (average of \$275 per hour) to prepare the information.

50% of 6 respondents = 3 (contracting out) x 1.5 hrs. = 4.5 hrs. @ \$275.00/hr.<sup>4</sup> = \$1,237.50

# **TOTAL ANNUAL BURDEN COST** = \$1,238 (rounded).

14. The government review time is estimated at 1 hour per response with review being performed by personnel at the GS-14 level, step 5 @ \$75.70 per hour.

6 responses x 1 hr. @ \$75.70 per hour = \$454.20

# **TOTAL COST TO THE FEDERAL GOVERNMENT = \$454.20.**

- 15. There are no program changes to this information collection. There are adjustments to the collection as follows: -3 to the number of respondents, -14 to the annual number of responses, -17 to the annual burden hours and -\$11,137 to the annual cost.
- 16. The data will not be published for statistical use.
- 17. No expiration date will be displayed.
- 18. There are no exceptions to the certification.

### B. <u>Collections of Information Employing Statistical Methods:</u>

No statistical methods are employed.

this information collection.

<sup>&</sup>lt;sup>4</sup> This figure was calculated based on the hourly rate of an attorney being paid \$300/hour and an engineer being paid \$250/hour for an average of \$275/hour due to the possibility of either one completing the task.