

SUPPORTING STATEMENT

A. Justification

1. The transition to digital television is a massive and complex undertaking, affecting virtually every segment of the television industry and every consumer with a television set. In the Telecommunications Act of 1996, Congress directed that every broadcaster be given a second channel for digital operations. The Commission will request information about the availability of digital television services and equipment from broadcast television networks, broadcast television network affiliates, cable television operators, Direct Broadcast Satellite Operators (DBS) licensees, consumer electronics manufacturers, and consumer electronics retailers. Six different letters will be used to elicit the requisite information from the foregoing groups. The information gathered will be used to assess the impact of prior policy initiatives to facilitate the digital television transition and to ascertain future efforts in this area.

At the end of the transition, broadcasters' analog channels will be returned to the government. Subsequently, Congress established February 17, 2009 as the date certain for the end of the transition. In addition, at the end of the transition the broadcast spectrum will contract from channels 2-69 to channels 2-51. This 108 MHz of spectrum (channels 52-69) can then be used by advanced wireless services and public safety authorities. The end of the transition will double the amount of spectrum available for public safety in the U.S.

There are several key building blocks to a successful transition. First, content – consumers must perceive something significantly different than what they have in analog. Second, distribution – the content must be delivered to consumers in a simple and convenient way. Third, equipment – equipment must be capable, affordable and consumer-friendly. And fourth, education – consumers must be educated about what digital television is, and what it can do for them. These information requests are designed to gather data in these key areas.

The Commission is requesting an extension of this information collection in order to receive the full three year OMB approval/clearance.

As noted on the OMB Form 83-I, 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 Sections 309(j) of the Communications Act of 1934, as amended.

2. Information about the availability of digital television services and equipment will be requested by letter from the Chief of the FCC's Media Bureau. The request will be sent to broadcast television networks, broadcast television network affiliates, cable television system operators, direct broadcast satellite operators (DBS), consumer electronics manufacturers, and consumer electronics retailers. Also, as a follow-up to these letters, we may, if necessary, ask

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respondents to clarify their initial answers. The information will be used by the Commission to assess the impact of prior policy initiatives to facilitate the digital television transition and to ascertain future efforts in this area. A one-time report was delivered to Congress on June 19, 2003 (FCC 03-138).

3. Respondents will have the option of submitting the information collection to the FCC via e-mail or regular mail.
4. The FCC does not impose similar information requirements on the respondents.
5. This information collection will require a response from entities falling under the Small Business Administration's criteria of small businesses for the category of television broadcasting station licensees. To minimize the burden on these entities, the information requested will be easily obtainable based upon every day knowledge of station operation. The information collection will not have a significant economic impact on a substantial number of small entities/businesses.
6. If the FCC does not request the information, its ability to accurately assess DTV progress and devise policies to promote the digital television transition would be more difficult
7. There are no special circumstances associated with this collection.
8. The Commission published a Notice (71 FR 64273) in the *Federal Register* on November 1, 2006. No comments were generated as a result of the Notice.
9. There are no payments or gifts given to respondents.
10. Respondents may request confidential treatment under sections 0.457 and 0.459 of the Commission's rules (47 CFR §§ 0.457 and 0.459).
11. This collection does not address any private matters of a sensitive nature.
12. Information will be requested from approximately 844 entities (broadcast television networks, broadcast television network affiliates, cable television operators, DBS licensees, consumer electronics manufacturers, and consumer electronics retailers).

Total Number of Annual Respondents: 844 entities

Total Number of Annual Responses: 844 responses

Annual Burden Hours:

- a) 8 broadcast television networks x 9 hours = 72 hours
 - b) 800 broadcast television network affiliates x 5.5 hours = 4,400 hours
 - c) 10 cable television operators x 24 hours = 240 hours
 - d) 2 DBS licensees x 5 hours = 10 hours
 - e) 14 consumer electronics manufacturers x 4 hours = 56 hours
 - f) 10 consumer electronics retailers x 4.5 hours = 45 hours
- Total Annual Burden Hours: 4,823 hours**

Annual "In-house cost":

- a) For broadcast television networks, we assume that this activity will be handled by in-house engineers (4 hours @ \$150 per hour), in-house counsel (4 hours @ \$200 per hour), and other in-house personnel (1 hour @ \$50 per hour).
- b) For broadcast television network affiliates, we assume that this activity will be handled by in-house counsel (2.25 hours @ \$200 per hour), in-house engineers (2.25 hours @ \$150 per hour), and other in-house personnel (1 hour @ \$50 per hour).
- c) For cable television operators, we assume that this activity will be handled by in-house counsel (6 hours @ \$200 per hour), in-house engineers (6 hours @ \$150 per hour), and other in-house personnel (12 hours @ \$50 per hour).
- d) For DBS licensees, we assume that this activity will be handled by in-house counsel (2 hours @ \$200 per hour), in-house engineers (2 hours @ \$150 per hour), and other in-house personnel (1 hour @ \$50 per hour).
- e) For consumer electronic manufacturers, we assume that this activity will be handled by in-house counsel (1.5 hours @ \$200 per hour), in-house engineers (1.5 hours @ \$150 per hour), and other in-house personnel (1 hour @ \$50 per hour).
- f) For consumer electronic retailers, we assume that this activity will be divided among in-house counsel (2.25 hours @ \$200 per hour), in-house engineers (0.75 hours @ \$150 per hour), and other in-house personnel (1.5 hours @ \$50 per hour).

8 broadcast television networks x 4 hours x \$150 p/hour = \$4,800
8 broadcast television networks x 4 hours x \$200 p/hour = \$6,400
8 broadcast television networks x 1 hour x \$50 p/hour = \$400
800 broadcast television network affiliates x 2.25 hours x \$200 p/hour = \$360,000
800 broadcast television network affiliates x 2.25 hours x \$150 p/hour = \$270,000
800 broadcast television network affiliates x 1 hour x \$50 p/hour = \$40,000
10 cable television operators x 6 hours x \$200 p/hour = \$12,000
10 cable television operators x 6 hours x \$150 p/hour = \$9,000
10 cable television operators x 12 hours x \$50 p/hour = \$6,000
2 DBS licensees x 2 hours x \$200 p/hour = \$800
2 DBS licensees x 2 hours x \$150 p/hour = \$600
2 DBS licensees x 1 hour x \$50 p/hour = \$100
14 consumer electronic manufacturers x 1.5 hours x \$200 p/hour = \$4,200
14 consumer electronic manufacturers x 1.5 hours x \$150 p/hour = \$3,150
14 consumer electronic manufacturers x 1 hour x \$50 p/hour = \$700
10 consumer electronic retailers x 2.25 hours x \$200 p/hour = \$4,500
10 consumer electronic retailers x 0.75 hours x \$150 p/hour = \$1,125
10 consumer electronic retailers x 1.5 hours x \$50 p/hour = \$750

Total Annual "In-house cost": \$724,525

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

13. Annual Cost Burden. We assume that broadcast television network affiliates, consumer electronic manufacturers, and consumer electronic retailers will seek the assistance of outside counsel to review completed documents before they are submitted to the FCC. Cost burden estimates for such assistance are as follows:

800 broadcast television network affiliates x 1.5 hours x \$200 p/hour = \$240,000
14 consumer electronic manufacturers x 3 hours x \$200 p/hour = \$ 8,400
10 consumer electronic retailers x 1.5 hours x \$200 p/hour = \$ 3,000
Total Annual Cost Burden: \$251,400

14. Cost to the Federal Government.

Professional staff to analyze responses @
\$59.93/hour x 0.33 hours x 844 responses = \$16,691.70
30% overhead = 5,007.51
Total Cost to the Government: \$21,699.21

15. The Commission had an adjustment to the total annual burden hours. This adjustment is due to the Commission miscalculating the annual burden hours in its previous submission. There are no program changes to this information collection.

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

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

18. There are no exceptions to the Certification Statement in Item 19.

B. Collections of Information Employing Statistical Methods:

No statistical methods are being used for this information collection.