

SUPPORTING STATEMENT

A. Justification:

1. Section 202(h) of the Telecommunications Act of 1996 requires the Commission to review its media ownership rules quadrennially to determine whether its rules “are necessary in the public interest as the result of competition.”¹ The media ownership rules include (1) the local radio ownership rule, 47 C.F.R. § 73.3555(a); (2) the local television multiple ownership rule, 47 C.F.R. § 73.3555(b); (3) the radio-television cross-ownership rule, 47 C.F.R. § 73.3555(c); (4) the daily newspaper cross-ownership rule, 47 C.F.R. § 73.3555(d); and (5) the Dual Network Operation rule, 47 C.F.R. § 73.658(g). The Commission is required to repeal or modify any regulation it determines no longer to serve the public interest. This Consumer Survey (Consumer Survey or Information Collection) will be used in its determination.

The Commission requested emergency processing under 5 C.F.R. §1320.13 for this collection so that the information would be available for Commission use for formulating the media ownership rules as required by section 202(h) of the Telecommunications Act of 1996. The Commission will seek 17 days of public comment on the information collection requirement(s) contained in this supporting statement.

With the Notice of Inquiry (NOI) released on May 25, 2010, the Commission launched its fifth proceeding pursuant to the statutory mandate requiring that the media ownership rules be reviewed.² Subsequently, in June 2010, the Commission’s Media Bureau sought Requests for Quotation (RFQ) for nine studies to be incorporated as part of the 2010 Quadrennial Review.³ The survey that is the subject of this review, the Consumer Survey, was included in the RFQ and a bid was selected on September 30, 2010. The Consumer Survey created by the selected contractor will be used to examine the impact of local media market structure on consumer satisfaction with available broadcast radio and television service. The Consumer Survey will collect information regarding how the respondents get their news and information on current affairs. The Consumer Survey will ask respondents to rate their current satisfaction with the overall local media environment and with components such as broadcast television, broadcast radio, and newspapers. The Consumer Survey will also include questions asking respondents to

¹ Telecommunications Act of 1996, Pub. L. No. 104-104 §202(h), 110 Stat. 56, 111-12 (1996) (“1996 Act”), as amended by Consolidated Appropriations Act of 2004, Pub. L. No. 108-199, § 629, 118 Stat. 3 (2004), 47 U.S.C. §303 note.

² *2010 Quadrennial Regulatory Review — Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, Notice of Inquiry, MB Doc. No. 09-182, 25 FCC Rcd 6086, 6087 ¶¶ 1&2 (2010) (“2010 Quadrennial Regulatory Review”).

³ *Media Bureau Announces the Release of Requests for Quotation for Media Ownership Studies and Seeks Suggestions for Additional Studies in Media Ownership Proceeding*, MB Doc. No. 09-182, DA 10-1084 (MB, rel. June 16, 2010), 1-2 (The description of the Consumer Survey that is the subject of this review is listed under “Study 2”).

rate their current satisfaction with the local news, local public affairs, and other locally oriented media content. Based on the results of the Consumer Survey, the contractor will conduct a study to examine the impact of local media market structure on consumer satisfaction with available broadcast radio and television service.

Upon completion of the study, the Commission will release the study to the public subject to the terms and conditions of a protective order, seek formal comments, and provide for a formal peer review process.⁴

The Commission will not be collecting information directly from individuals/households. The contractor will collect the information and has ensured the Commission that the information will be protected pursuant to the Privacy Act.

The statutory authority for this collection of information is contained in Section 202(h) of the Telecommunications Act of 1996.

2. Agency Use of Information: The Consumer Survey will be distributed to a selected sample of consumers. The results of the Consumer Survey will form the basis of a study created by the contractor. The Commission will use the resulting study in its statutorily-mandated review of the media ownership rules. The Commission will release the study to the public subject to the terms and conditions of a protective order, seek formal comments, and provide for a formal peer review process. This is a new information collection.

3. Consideration Given to Information Technology: The contractor will conduct the Consumer Survey via the Internet.

4. Effort to Identify Duplication and Similar Information: To our knowledge, there are no similar information collections on consumers.

5. Effort to Reduce Small Business Burden: Not applicable. This survey collection affects individual consumers.

6. Less Frequent Data Collections: If this collection of information were not conducted, the contractor would be unable to complete an important study that the Commission will rely on in its review and determination of whether the media ownership rules are necessary in the public interest as a result of competition, as required by Congress.

7. Information Collection Circumstances: This collection of information is consistent with 5 C.F.R. § 1320.5(d)(2).

8. Consultations with Persons outside the FCC: Opportunity for public comment on this information collection requirement has been published in the *Federal Register* on November 5, 2010 (75 FR 68356). To date, no comments have been received from the public on the information

⁴ *Id.* at 1.

collection requirement.

9. Payment or Gift: The sub-contractor, Knowledge Networks (KN), provides free netbook computers and Internet service to panelists without home Internet access. Non-specific survey incentives are used to maintain a high degree of panel loyalty and to prevent attrition from the panel. For the households provided Internet appliances and an Internet connection, their ‘panel loyalty’ incentive is the hardware and Internet service that KN provides free. For households using their own personal computers and Internet service for survey participation, KN enrolls the panelists into a points program that is analogous to a ‘frequent flyer’ program, in that respondents are credited with points in proportion to their regular participation in surveys. Panelists receive cash-equivalent checks approximately every four to six months in amounts reflecting their level of participation in the panel, which commonly results in distributions in the range of \$4 to \$6 per month.

10. Confidentiality of Information: No personally identifying information will be transmitted to the Commission from the Survey contractor as a matter of vendor policy.

11. Justification for Sensitive Questions: This information collection does not address any private matters of a sensitive nature.

12. Estimate of Annual Burden and Annual Burden Hour Cost:

The Commission estimates that the Consumer Survey will take respondents 15 minutes (.25 hours) per survey to complete and the respondent will not require any outside assistance. Therefore, the burden is as follows:

Total Number of Respondents: 5,000 consumers

Total Number of Estimated Annual Responses: 5,000 Consumer Surveys

Total Annual Burden Hours: 5,000 Consumer Surveys x .25 hours/survey = 1,250 burden hours

There is no “in-house” cost for this information collection because consumers are responding online via a computer to the Survey.

13. Annual Cost Burden:

This information collection is based on an online Survey that will impose no cost burden on the respondents reached on their computers at home.

14. Cost to the Federal Government. An outside party will administer this collection. Specifically, the Commission has contracted with Professor Scott J. Savage and Professor Donald Waldman, Department of Economics, University of Colorado at Boulder to draft the Consumer

Survey. This Survey contractor has subcontracted the survey out to KN to administer. KN will conduct the Survey. Professors Savage and Waldman will collect and analyze the data. The cost of the contract for the Survey is \$88,300. The Commission does not anticipate any additional costs to the Commission as a result of this collection.

15. Reason for Changes in Burden or Cost: This is a new information collection which adds program changes/increases to this collection of 5,000 respondents, 5,000 responses and 1,250 burden hours.

16. Plans for Publication: The data will not be published.

17. Display of OMB Approval Date: The Commission is not seeking approval to not display the OMB expiration date for approval of the information collection. The Commission publishes a list of all OMB-approved information collections including the OMB control numbers, OMB expiration dates and titles in 47 C.F.R. § 0.408.

18. Exceptions to the Certification Statement: There are no exceptions to the Certification Statement.