## Before the OFFICE OF MANAGEMENT AND BUDGET Washington, D.C. 20503

In the Matter of	)	
	)	
Public Information Collection Requirement	)	OMB Control Number: 3060-0010
Submitted to OMB for Review and Approval,	)	
Comments Requested	)	

### COMMENTS OF WILEY REIN LLP ON PROPOSED INFORMATION COLLECTION REQUIREMENT

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September 10, 2009

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#### I. INTRODUCTION AND SUMMARY

Wiley Rein LLP ("Wiley Rein") hereby submits these comments in response to the request of the Office of Management and Budget ("OMB"), and pursuant to the Paperwork Reduction Act of 1995 ("PRA"), on the Federal Communications Commission's ("FCC" or "Commission") revised collection of information, FCC Form 323 (the "Form" or "Form 323"), the Commission's ownership reporting form.

For several decades, Wiley Rein has assisted hundreds of radio and television licensees and other entities with attributable interests in those licensees (such as corporations, partnerships, investment funds and individuals) with filing FCC Ownership Reports on Form 323. As a result, the attorneys in our firm have considerable practical experience with the existing form, and our examination of the revised Form 323 now submitted for OMB approval has raised serious

<sup>&</sup>lt;sup>1</sup> Public Information Collection Requirement Submitted to OMB for Review and Approval, Comments Requested, 74 Fed. Reg. 40188 (Aug. 11, 2009) ("OMB Notice").

<sup>&</sup>lt;sup>2</sup> 44 U.S.C. §§ 3501-3520.

<sup>&</sup>lt;sup>3</sup> The revision to this information collection is intended to implement the Commission's *Report and Order* revising several aspects of its broadcast ownership reporting requirements. *See Promoting Diversification of Ownership in the Broadcasting Services*, Report and Order and Third Further Notice of Proposed Rulemaking, MB Docket No. 07-294, FCC No. 09-33 (rel. May 5, 2009) ("*Report and Order*").

concerns about the extraordinary burden and associated costs it will impose upon our clients. Unfortunately, the Commission failed to make the revised form and associated instructions available for public comment as required by the PRA and the OMB's rules. Therefore, this proceeding represents Wiley Rein's first opportunity to point out what we believe to be Form 323's significant faults.4

Wiley Rein respectfully submits that many of the Form's requirements are unnecessary in the context of the agency's functions and flawed as a means to advance the purposes for which the Form ostensibly was adopted—to improve the quality and reliability of data on minority and female ownership of media outlets. The proposed Form appears to be the victim of "mission creep." Instead of focusing narrowly on enhancing the quality of data collected on minority and female ownership, the resulting data collection will require licensees and others with reportable interests in licensees to report the same ownership information over and over again. As a result, the proposed information collection disserves both the licensees, who face the burden of assembling and reporting the information required in the revised Form, as well as members of the public, who will have to sift through reams of repetitive reports in order to obtain useful information about female and minority ownership in the broadcast industry.

The Commission's proposed Form and the Supporting Statement also contain significant procedural defects. For example, the Commission's burden estimate for complying with the revised Form 323 is vastly understated, and the agency neglected to examine the privacy issues and extraordinary burdens associated with requiring individuals to obtain an FCC Registration Number (FRN) using their Social Security Numbers. Likewise, the FCC has not justified why many entities will have to file wholly duplicative and unnecessary reports. Finally, as a practical

<sup>&</sup>lt;sup>4</sup> Notice of Public Information Collection(s) Being Reviewed by the Federal Communications Commission, 74 Fed. Reg. 27,549 (Jun. 10, 2009) ("FCC PRA Notice").

matter, it appears the magnitude of ownership submissions due to be filed with the Commission on the same date may have the unintended consequence of placing such demand on the agency's electronic filing system that it could prevent the timely submission not only of ownership reports but also of wholly unrelated FCC filings.

The Commission's own *Supporting Statement*<sup>5</sup> does not offer sufficient justification as to why the significant burdens the information collection will impose are necessary for the proper performance of FCC functions, let alone how they will have practical utility in the aggregation and analysis of ownership data so as to promote diversity in the broadcast industry. In fact, one unintended consequence of the information collection may be to discourage the kinds of new entry into the radio and television business the Commission is seeking to promote. In short, the Commission has failed to ensure that its revised information collection minimizes the reporting burden on broadcast licensees and the individuals and entities that are part of the reportable ownership chain, as required by statute. Accordingly, OMB should not approve the information collection in its current form and should instead direct the Commission to seek meaningful public comment, to consider such input fully, and to resubmit a revised information collection that complies with the PRA.

# II. THE COMMISSION DID NOT SATISFY ITS STATUTORY OBLIGATION TO SEEK PUBLIC COMMENT ON THE PROPOSED INFORMATION COLLECTION.

The FCC PRA Notice was published in the Federal Register on June 10, 2009, and set a 60-day period for public comment on the revised collection of information including: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the

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<sup>&</sup>lt;sup>5</sup> Supporting Statement, Ownership Report for Commercial Broadcast Station, FCC Form 323, OMB Control No. 3060-0010 (Aug. 2009), available at: <a href="http://www.reginfo.gov/public/do/PRAViewDocument?ref\_nbr=200908-3060-001">http://www.reginfo.gov/public/do/PRAViewDocument?ref\_nbr=200908-3060-001</a> ("Supporting Statement").

accuracy of the Commission's burden estimate; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology. The FCC PRA Notice, however, did not include the revised Form 323 or its associated instructions, and the FCC PRA Notice failed to inform the public about how to obtain a copy of the Form and instructions. Thus, the Commission failed to comply with Section 1320.8(d)(2) of OMB's rules.

Only after the National Association of Broadcasters ("NAB") filed comments in August 2009 pointing out the impossibility of providing meaningful comment on the burdens associated with the revised Form 323 and its instructions<sup>8</sup> did the FCC submit the revised Form 323 to OMB for approval.<sup>9</sup> This submission included the draft revised Form 323. The Commission attempted to address NAB's concerns in the *Supporting Statement* it filed with OMB contending that "the basic substantive changes" to the Form being submitted to OMB were already disclosed.<sup>10</sup>

But that was not the case. Without review of the actual revised Form 323 and its instructions, many of the burdens imposed by the revised Form—including the number of duplicative filings that must be made, the need to obtain FRNs for every individual with a direct

<sup>&</sup>lt;sup>6</sup> FCC PRA Notice. See also 44 U.S.C. § 3506(c)(3). OMB now seeks comment on the same issues. See OMB Notice

<sup>&</sup>lt;sup>7</sup> Section 1320.8(d)(2) of the OMB's rules provide: "(2) If the agency does not publish a copy of the proposed collection of information, together with the related instructions, as part of the Federal Register notice, the agency should—(i) Provide more than 60-day notice to permit timely receipt, by interested members of the public, of a copy of the proposed collection of information and related instructions; or (ii) Explain how and from whom an interested member of the public can request and obtain a copy without charge, including, if applicable, how the public can gain access to the collection of information and related instructions electronically on demand." 5 C.F.R. § 1320.8(d)(2). A "collection of information" includes FCC forms and instructions. *See also* 5 C.F.R. § 1320.3(c)(1) (a "collection of information" may be in any form or format, including the use of report forms" and "instructions").

<sup>&</sup>lt;sup>8</sup> See NAB Comments on FCC PRA Notice (filed via email and in MB Docket No. 07-294 on Aug. 10, 2009).

<sup>&</sup>lt;sup>9</sup> See OMB Notice.

<sup>&</sup>lt;sup>10</sup> See Supporting Statement at 6.

or indirect interest in a broadcast licensee, and the sheer number of data entries required—were not readily apparent, even to seasoned legal practitioners with vast experience relating to the FCC's broadcast ownership rules, its electronic filing systems, and ownership reporting. Moreover, review of a paper copy of what ultimately will be an electronic submission still leaves many questions unanswered. Without access to a functioning online form, there is no way for the public or OMB to assess the Commission's estimate of the time it takes to complete the form or the precise number of forms required. For these reasons alone, OMB should decline to approve the revised collection of information in its current form.

# III. THE COMMISSION'S PROPOSED INFORMATION COLLECTION IS UNDULY BURDENSOME, DUPLICATIVE, AND NOT NECESSARY FOR PERFORMANCE OF ANY FCC FUNCTION.

That the proposed changes to Form 323 will make filing ownership reports significantly more burdensome for broadcasters than ever before cannot be overstated. While these burdens will affect a wide variety of licensees, investors and individuals, it is unclear how certain aspects of the proposed information collection are necessary for proper performance of agency functions or will otherwise have practical utility. Information collection and reporting obligations inevitably result in real world trade-offs, and it is no secret that the broadcast industry is facing unprecedented challenges. Forcing broadcasters to draw down their limited resources and incur substantial new costs without a countervailing public benefit is imprudent and unnecessary.

### A. The Revised Form 323 Would Require the Filing of Duplicative, Unnecessary Reports and Mammoth Amounts of Data Entry

Although the *Supporting Statement* states that the FCC has "considered and adopted a number of measures designed to minimize the burden on all respondents," the proposed Form 323 will require the filing of *numerous additional reports* by parent companies and intervening holding companies without practical utility. The existing Form 323 allows for a less

burdensome, more streamlined approach to filing in a number of respects, without sacrificing the compilation of substantive information or impeding an examination of ownership data.

For example, the Commission's reporting system currently allows a parent company with multiple licensee subsidiaries to file a single report, and permits each of that parent's licensees to cross-reference that report. The same holds true for intermediate holding or other companies with interests in multiple licensees. Based on Wiley Rein's review of the new Form 323 and its instructions, however, it appears that every entity that has an indirect interest (*i.e.*, intervening holding companies and parent companies) in more than one licensee would have to file a separate Form 323 for each subsidiary licensee (instead of a single, consolidated report as is permitted by the existing Form). This one change to the Form 323 increases the burdens on broadcasters by orders of magnitude. As a result, even broadcasters with the simplest ownership structures involving a relatively small number of stations face the prospect of filing multiple additional reports, and performing hours of tedious and duplicative data entry. This problem is exacerbated for licensees with more complex ownership structures—notably, such intricate structures are not limited to large group owners but are common among smaller broadcast groups and new market entrants.

The new Form 323 also requires respondents to enter extensive data into text boxes and menus rather than allowing for the use of multipurpose exhibits. Presently, for example, in response to questions concerning other media interests, parties generally file attachments listing these interests and other relevant details. A single exhibit may be used for multiple licensees and parent companies. These attachments are easily edited, reviewed, and updated with word processing programs and uploaded into the Commission's electronic filing system. The FCC's

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<sup>&</sup>lt;sup>11</sup> This requirement conflicts with yet another PRA standard – that the information collection "is not unnecessarily duplicative . . . ." 44 U.S.C. § 3506(c)(3)(B). The duplicative nature of this change is depicted visually in Exhibit A.

new draft Form 323, however, would require this information to be entered electronically into the form itself, a painstaking and labor-intensive task that would involve hours of data entry and double-checking to ensure that every call sign, city of license, and facility ID number is listed correctly each and every time it is entered. Despite broadcasters' best efforts, the mere act of repeatedly typing the same information in scores of similar filings inevitably will result in a measurable increase in data entry errors. Thus, by increasing the data entry requirements, the Commission is necessarily decreasing the quality of the information submitted. In addition, all licensees with any indirect ownership will be required to include a "flowchart or similar document showing the licensee's ownership structure." Nothing in the *Report and Order* mentions such a requirement, and the practical utility of requiring such a submission from every licensee with any indirect ownership is unclear at best.

The new Form 323's attendant burdens are compellingly illustrated through real world examples. One of Wiley Rein's radio broadcast clients—not an atypical broadcast company—has just two tiers of indirect ownership (an ultimate parent and one subsidiary) that control four licensees with a total of 17 radio stations. Each of the parent, subsidiary, and licensee companies has multiple reportable interest holders. This company will be required to file six additional reports under the Commission's new reporting scheme. The ultimate parent will file an almost identical report four times. <sup>14</sup> Most significantly, a mammoth amount of data entry will be associated with completion of the revised Form. This company alone will be required to type text into 41,200 data fields and select more than 5,700 checkboxes. Of course, the unforeseen

<sup>&</sup>lt;sup>12</sup> Draft Form 323 Instructions at 9 (instructions for non-biennial reports, Section II–A, Question 3(c)) and 15 (instructions for biennial reports, Section II–B, Question 3(c)).

<sup>&</sup>lt;sup>13</sup> Draft Form 323 Instructions at 15 (instructions for biennial reports, Section II –B, Question 5).

<sup>&</sup>lt;sup>14</sup> Notably, the only difference in the reports filed by the ultimate parent will be the stations identified in Section I, Question 7 of the draft Form 323.

burdens vary by company, depending upon the ownership structure. One of our low power television clients, which previously was *not required to file any* ownership reports under the Commission's rules, will now be required to prepare and submit a crushing number of Form 323 reports – 288 – many of them duplicative. One of Wiley Rein's smaller radio broadcast clients will go from 30 reports to 76 under the new form, although there has been no change in the company's structure since it filed biennial ownership reports earlier this year. Another client, which filed 16 reports on staggered filing dates over a two year period, will be expected to file 33 reports on one day. Still another, on the verge of emerging from bankruptcy, will be tasked with the burden of filing about 60 reports under the Commission's new approach as opposed to approximately 15 under the current approach. The magnitude of this undertaking for even a medium-sized company is overwhelming and unreasonable. For a large broadcast company with a complicated ownership structure, it is mind-boggling.

The *Supporting Statement* offers no explanation as to why any of these changes is necessary for any Commission function. At the same time, it is clear that the burdens imposed will add hours upon hours to the proper preparation and submission ownership reports. The FCC should more carefully consider alternatives that would eliminate duplicative, burdensome information collection from parent companies and other entities with indirect interests in broadcast licenses. The current system of cross-referencing call signs or utilizing exhibits does not make minority and female ownership data any more difficult to search or aggregate. At the very least, the Form 323 should continue to allow licensees to conserve their resources and submit consolidated reports for entities holding direct or indirect interests in multiple licensees.

<sup>&</sup>lt;sup>15</sup> The existing system allows anyone searching under a particular call sign to retrieve every report associated with that call sign, including direct and indirect owners' reports in the chain. Conversely, retrieving a report for a parent company yields data about all of the broadcast stations in which that company holds an attributable interest. It is not clear how more reports could provide any additional or better quality information for anyone to analyze.

### B. Requiring FRNs for Individual Interest Holders Is Unnecessary, Raises Privacy Concerns, and Could Deter Broadcast Investment.

The instructions for the proposed Form 323 reveal for the first time that each respondent in a licensee's chain of ownership must supply: "the FCC FRN of any person or entity which holds a direct attributable or reportable interest in the Respondent that is also attributable to the Licensee."16 The agency's Report and Order did not suggest the possibility that individual natural persons who are officers, directors, owners of 5% or greater stock interests, partners, and LLC members would have to obtain and provide FRN numbers in connection with the revised reporting requirement.<sup>17</sup> If the Commission intends that every single attributable interest holder obtain and provide an FRN in connection with an ownership report, it should have provided, under the Administrative Procedure Act, a rational explanation based on record evidence in support of this change. 18 Yet the FCC did not provide any explanation or justification whatsoever for this requirement in the Supporting Statement, and Wiley Rein cannot discern any Commission function or practical use that this information collection would support within the limited context of enhancing the quality of data collected about minority and female ownership in the broadcast industry. Indeed, the expansion of the FRN requirement has significant ramifications that the Commission apparently has ignored completely.

<sup>&</sup>lt;sup>16</sup> See FCC Information Collection Review Submission, FCC 323 Instructions for Ownership Report, available at: <a href="http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section2\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section2\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section2\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section2\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section2\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section2\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section2\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section2\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section2\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section2\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section2\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section2\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section2\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section2\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section2\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section2\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section3\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section3\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section3\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section3\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section3\_anchor\_">http://www.reginfo.gov/public/do/PRAViewICR?ref\_nbr=200908-3060-001#section3\_anchor\_">http://www.reginfo.gov/public/do/

<sup>&</sup>lt;sup>17</sup> Specifically, in its *Report and Order* authorizing the changes to the Form 323 the FCC noted that it would require "each attributable *entity* above the licensee in the ownership chain to list on Form 323, the [FRN] of the entity in which it holds an attributable interest. In other words, each filing *entity* must identify by FRN the *entity* below it in the chain." *Report and Order* at ¶ 21 (emphases added). The Commission proffered a specific example as guidance for the public and FCC staff, stating that: "For example, Licensee A is wholly owned by Corp. B, and Corp. B is wholly owned by Corp. C. Corp. C is required to include on its Form 323, Corp. B's FRN. Corp. B is required to include on its Form 323 the Licensee's FRN." *Id.* at n.60.

<sup>&</sup>lt;sup>18</sup> See Motor Vehicle Mfrs. Assn. of United States, Inc. v. State Farm Mut. Automobile Ins. Co., 463 U. S. 29, 43 (1983).

Specifically, this proposed information collection fails to consider or address privacy matters associated with the new FRN obligation, or its deterrent effect on broadcast investment at a time when working capital is desperately needed in the industry, particularly to increase broadcast ownership among women and minorities. The Supporting Statement states that the revised Form 323 raises no issues under the Privacy Act because the collection: "does not affect individuals or households; thus, there are no impacts under the Privacy Act,"19 and that it "does not address any private matters of a sensitive nature."<sup>20</sup> But that is not the case. The requirement that springs from the new Form 323 and its instructions would require every individual with a reportable interest to file an FCC Form 160 and supply his or her Social Security Number ("SSN") to the Commission.<sup>21</sup> It is difficult to imagine data of a more private or sensitive nature. In Wiley Rein's experience, many individuals will find this information collection highly objectionable, and it will undoubtedly serve as a disincentive to broadcast ownership and investment. The FCC itself has acknowledged consumer concerns about the real and perceived risks of personal information ending up in the wrong hands.<sup>22</sup> Women may be particularly disinclined, given that women are more concerned about identity theft than men.<sup>23</sup>

The Supporting Statement also neglects to discuss or attempt to estimate the burdens associated with the new FRN requirement. Each licensee must: (a) explain to each individual

<sup>&</sup>lt;sup>19</sup> Supporting Statement at 2.

<sup>&</sup>lt;sup>20</sup> Supporting Statement at 8.

<sup>&</sup>lt;sup>21</sup> See FCC, FRN Registration Web Site, available at: https://fjallfoss.fcc.gov/coresWeb/publicHome.do. As discussed fully in the comments filed in this proceeding by Lerman Senter PLLC on behalf of Joint Commenters, the revised form also raises questions concerning compliance with the Privacy Act of 1974 and OMB's Guidelines to implement the E-Government Act of 2002.

<sup>&</sup>lt;sup>22</sup> FCC News Release, September 4, 2009, <a href="http://www.thedcoffice.com/late\_releases">http://www.thedcoffice.com/late\_releases</a> files/09-04-2009/News.pdf (FCC to hold workshop on challenges raised by development of a National Broadband Plan, including risks related to online sharing of financial and personal information).

<sup>&</sup>lt;sup>23</sup> See Reuters, May 11, 2009. Affinion Security Center Survey Finds Identity Theft Impacts Women More than Men http://www.reuters.com/article/pressRelease/idUS114886+11-May-2009+PRN20090511 (study finds women are more concerned about ID theft than men).

reportable interest holder that this new requirement exists (even though it is not mentioned in the *Report and Order*); (b) describe how to apply for an FRN; and (c) ensure that every affected party obtains only one FRN and shares it with any other entities in which it holds a reportable interest. Wiley Rein respectfully submits that the mere act of obtaining FRNs for those who need them prior to the November 1, 2009 ownership filing deadline would prove an almost impossible task. <sup>24</sup> It certainly is not difficult to imagine the process from a licensee's perspective: Licensees would have to scramble to contact hundreds of individuals with equity interests in parents and their subsidiaries and, if they reach these people, attempt to explain how to obtain an FRN from the Commission themselves (licensees would rightfully be loathe to handle such personal information as an SSN). After obtaining an FRN, each individual interest holder would then have to provide that number to the licensee. Along the way, licensees would likely feel compelled to engage counsel to explain to investors that indeed this is a regulatory requirement, despite significant—and legitimate—privacy concerns.

The overwhelming nature of this burden seems readily apparent. Yet the Commission does not discuss or include an estimate of the burden of the new FRN obligation in its *Supporting*Statement. OMB should deny the information collection request so that the FCC may undertake the required analysis and submit a revised information collection request that reflects the benefit of public comment and otherwise complies with the PRA.

#### C. <u>The Commission Significantly Underestimates the Annual Burden Imposed</u> by the Information Collection Requirement.

As stated above, without a functioning draft electronic form, it is impossible to assess accurately the amount of time necessary to complete and file the revised Form 323, given the number of new data entry points, the time required for manual data entry (the Commission's

<sup>24</sup> For example, some of Wiley Rein's broadcast clients will have to obtain FRNs for between 50 and 80 individuals.

electronic filing system does not allow users to save time by uploading data in a standardized, machine-readable format) and system latency while the Commission's servers validate data. That said, based on Wiley Rein's review of the Form and the information it requests, application to a random sample of our client base suggests that the Commission's estimate is significantly lower than the time it will actually take to complete a single Form, let alone the many duplicative iterations that the draft Form's Instructions require.

Moreover, the Commission's *Supporting Statement* states that the estimated number of filers of biennial reports will be 7,500 per year,<sup>25</sup> but Wiley Rein submits that the agency has grossly underestimated the number of annual submissions. Based on the duplicative filing requirements and the expansion of the filing obligation to new entities, such as low power television licensees, sole proprietorships and certain non-attributable interest holders, we conservatively estimate that the number of respondents will be at least double the number cited in the FCC's *Supporting Statement*. As Wiley Rein has taken steps to prepare our clients for this filing requirement, our firm alone estimates that we will file more than 2,000 reports on behalf of our clients.

Wiley Rein concurs with the comments filed by NAB with respect to the annual cost to filers, which does not accurately reflect the ownership report filing fee, <sup>26</sup> misjudges the time involved to prepare and file the reports, and underestimates the legal fees that licensees will incur as a direct consequence of the complicated nature of the revised Form.

<sup>25</sup> Supporting Statement at 9.

<sup>&</sup>lt;sup>26</sup> See Amendment of the Schedule of Application Fees Set Forth in Sections 1.1102 through 1.1109 of the Commission's Rules, FCC 08-209 (rel. Sep. 22, 2008) at Appendix A. The Supporting Statement makes calculations based on a fee of \$55.00, rather than \$60.00. See Supporting Statement at 9.

### D. <u>As a Structural Matter, the Filing Requirement May Be Inconsistent with the Capabilities of the Commission's Electronic Filing System.</u>

Based on our considerable experience with the FCC's Consolidated Database System ("CDBS"), Wiley Rein believes the Commission should seriously weigh the impact that the sheer number of reports that must be filed on the same deadline will have on CDBS. As a practical matter, there are 46,656 file numbers available in CDBS each day.<sup>27</sup> By our calculation, our largest radio broadcast client alone would require approximately 17,500 file numbers for its ownership reports. Therefore, it is conceivable that CDBS could run out of file numbers if a large number of respondents file their Form 323s on the same day. This potential file number shortfall would limit the number of other FCC applications (such as a license to cover an expiring construction permit) that could be filed in CDBS on the same day.

#### E. The Impending Biennial Report Deadline Must Be Extended.

Further compounding the burden on broadcast licensees is the timing of the initial November 1, 2009 filing deadline. The Commission adopted the *Report and Order* in early April, released the *Report and Order* in early May, but then waited 36 days to publish a notice in the Federal Register seeking comment.<sup>28</sup> There was no opportunity for meaningful comment on the FCC's revisions until August 12, 2009, when the draft Form was made available on the OMB website. Most importantly, release of the Form itself revealed a host of new filing requirements, such as obtaining individual FRNs, that were not otherwise apparent.

Until the Form 323 is finalized and operational in CDBS, licensees, their parent companies and investors, and their counsel cannot meaningfully prepare for the impending filing

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<sup>&</sup>lt;sup>27</sup> CDBS assigns a unique file number to each station that appears in an electronic submission. Currently the file number is comprised of three elements: (a) a prefix based on the type of filing, (b) the date of filing (YYYYMMDD format) and (c) a three character suffix. For a given filing day, the only unique information in a file number is the three character suffix; accordingly there are only 36<sup>3</sup> (or 46,656) file numbers available per filing day.

<sup>&</sup>lt;sup>28</sup> The Report and Order was released on May 5, 2009. The FCC PRA Notice was published on June 10, 2009.

deadline. Given the scope of the draft Form's structural and policy failings, licensees would be imprudent to squander scarce time and resources to gather information that ultimately they may not be required to file. Moreover, regardless of the eventual content of the revised Form 323, the expanded scope of the FCC's ownership reporting obligation means that more entities and individuals than ever before will need to devote hundreds of hours to gather information, enter data, obtain external advice, and review draft reports.

Wiley Rein submits that respondents will need at least ninety (90) days from the date of either: (1) an announcement by the FCC that the version of Form 323 currently available in CDBS is to be used for the next biennial filing; or (2) a revised, OMB-approved Form 323 becomes available in CDBS to prepare and submit their initial biennial ownership report filings under the new schedule adopted in the *Report and Order*. The Commission should announce, as soon as possible, plans to delay the filing deadline and to specify which form (old or new) it will require broadcasters to file.

#### IV. **CONCLUSION**

For the reasons discussed above, the FCC's information collection request should be denied. The request and the accompanying draft FCC Form 323 and its Instructions were not forwarded to OMB after meaningful public comment, as required by the PRA. As a result, the proposed information collection is, in numerous respects, unduly burdensome, duplicative and does not serve the purpose for which it was designed in an efficient manner. The FCC should afford parties the opportunity to comment on a draft electronic Form as required by statute, and should submit a revised information collection request that meets applicable standards set forth in the statute and OMB rules.

Respectfully submitted,

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Dated: September 10, 2009

#### **EXHIBIT A**

Figure 1: Current Method of Filing Form 323 Reports

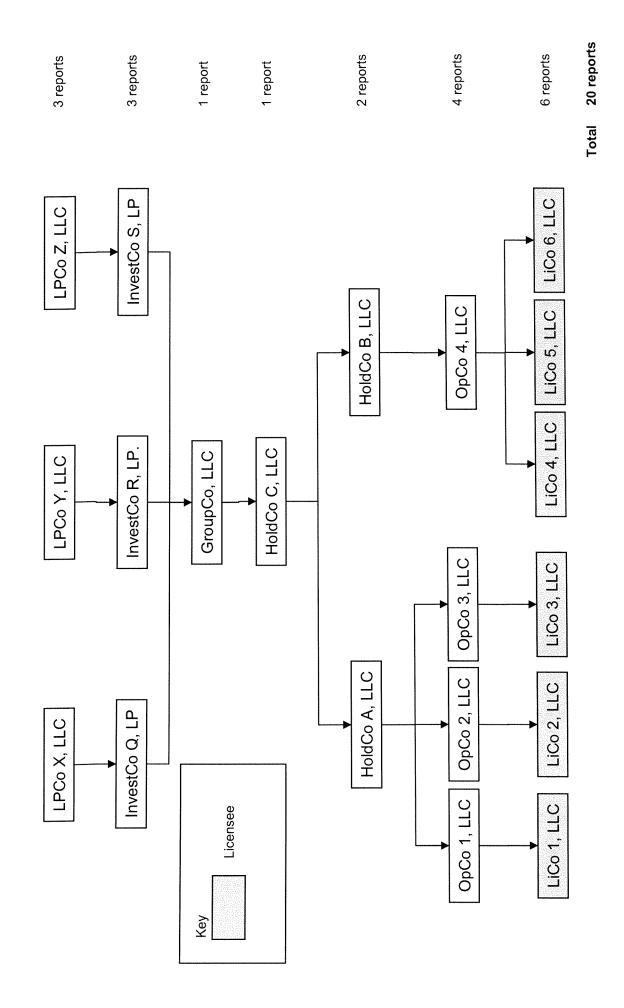


Figure 2: Proposed Method of Filing Form 323 Reports

