

SUPPORTING STATEMENT  
FOR PAPERWORK REDUCTION ACT SUBMISSIONS

**A. JUSTIFICATION**

Summary

The Facility Guarantee Program (FGP) offers credit guarantees to facilitate the financing of U.S. manufactured goods and services to improve or establish agriculture infrastructure in emerging markets. Sales under FGP are considered normal commercial sales.

Thus, the majority of the information required for program participation, including the guarantee application, evidence of export report, assignment notice, and filing of notices of default, is information that would already be in the possession of the participant. The only information not normally available, or additionally required, would be: (1) payment of the application fee; (2) evidence that the project will primarily benefit U.S. agricultural exports; (3) certification the goods and services exported under the FGP are at least 50 percent U.S. origin; (4) the guaranteed value and the exposure fee, both derived from simple mathematical calculations; and, (5) the entry certificate.

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.

The information collection is necessary to enable exporters to receive the benefits of the program.

<b>Information Required for Collection</b>	<b>Reason for Information Collection</b>	<b>Legal Requirement</b>
Qualification Requirements for Exporters - Evidence of an organized business, citizen or legal resident of the U.S.	Permits CCC to determine if an applicant is legally registered to conduct business in the United States.	1493.220
Certification of business regarding participation in U.S. government programs.	Protects the U.S. government from contracting with debarred or suspended companies or individuals.	
Initial Application for a Facility Payment Guarantee	Enables CCC to determine the viability of the project and potential impact on U.S. agricultural exports. If approved, CCC will issue a letter of preliminary commitment.	1493.240
Application fee	Provides a disincentive to speculative applications and helps defray a portion of	1493.250

	CCC's administrative costs.	
Amendments to the application for a payment guarantee.	Alerts CCC to any proposed changes under the project so that the payment guarantee originally issued remains valid. In evaluating proposed changes, CCC must be able to determine the projects continued effect on U.S. agricultural exports.	1493.260(j)
Participants' signature and certifying statements as to the accuracy of the information submitted.	In order for the payment guarantee to be valid through the length of the agreement, all submitted information must be accurate. Submission of falsified information may result in termination of the guarantee, suspension, debarment, or civil or criminal action.	1493.270
Evidence of export	Demonstrates performance under the sales contract. Also established the amount CCC is liable for in case of default.	1493.280
Notice of default. Copy of all documentation related to the transaction covered by the guarantee.	CCC becomes liable for payment upon submission of these documents. All documentation must be in order before CCC will pay a claim.	1493.300(a)
Claim for loss with a copy of all documents relating to that guarantees transactions.	Enables CCC to obtain the right to collect from the party obligated to make payment.	1493.300(b)
Assignment notification of the payment guarantee.	Enables CCC to determine to whom the guarantee has been assigned and to assure that the rights of the new holder of the guarantee are protected.	1493.330(a)
Maintenance of Records	Enables CCC to review exporter documentation related to program participation.	1493.330(e)

A copy of 7 C.F.R. Part 1493, Subpart C is attached.

2. Indicate how, by whom, and for what purpose the information is to be used. Indicate the actual use the agency has made of the information received from the current collection.

Information is collected from participating U.S. exporters in order to determine their eligibility for FGP benefits. The information is also utilized in fulfilling the Commodity Credit Corporations obligation under the issued payment guarantee. Information must be provided in writing and is generally collected in a letter format via mail or facsimile. There are no specific

forms. Exporters may submit their original qualification via the Internet. Information is collected whenever an exporter desires to participate in the FGP. This information is not shared with organizations outside of USDA.

Qualification Requirements - This information ensures CCC that all participants have a business office in the United States and are not debarred or suspended from participating in government programs.

Initial Application for Payment Guarantee - The application is used to determine a projects eligibility for FGP coverage and to determine the impact on U.S. agricultural trade. The information requested in the application also provides CCC with adequate information to meet statutory requirements.

Application Fee - Serves as a disincentive to the submission of speculative applications.

Final Application - The final application confirms that financing and sales arrangements are in place, enabling CCC to issue a final commitment letter.

Exposure Fee - The exposure fee is submitted by the exporter along with the final application. The exporter may submit the fee, in the form of a check payable to CCC, via the mail or courier service, or through a wire transfer. The payment guarantee will not be approved until the fee has been received.

Amendments - Amendments to the payment guarantee are submitted in the same method as the application and reviewed to ensure that any changes to the initial application will not adversely impact the sales eligibility for coverage.

Signature and Certifying Statements - Certifications are made when the exporter signs the application for the payment guarantee. These certifications are necessary for program integrity and compliance with regulatory requirements.

Evidence of Export - Proof of entry documents are necessary to ensure the goods and services exported under the FGP arrived in the stated country of destination. Diversion of the product is prohibited. Evidence of export reports are required for each shipment made under the program and used to accurately determine CCCs liability, consistent with Credit Reform legislation. The evidence of export reports also contain certifications that ensure the exporters compliance with program provisions.

Notice of Default - Notice of default information must be filed in writing with CCC by the exporter or exporters assignee within 10 calendar days after the date that payment was due from the importer. This informs CCC that a default in payment has occurred and that there may be a claim filed or debt rescheduled in the near future.

Claim for Loss - A claim for loss must be made within six months from the due date of the defaulted payment in order for the exporter to receive payment.

Assignment - A notice of assignment of the payment guarantee to a financial institution must be submitted if the exporter wants to secure payment at the time of export.

Record Keeping - For a period of five years after the date of expiration of the coverage of a payment guarantee, the exporter must maintain accurate records related to the export sale. The regulation gives USDA officials the authority to review these records during exporters regular business hours.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

CCC uses the Internet as a communication medium and continues to evaluate how to better utilize this system for interaction between program participants and CCC.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

No similar information currently exists. The FGP is unique among CCC export programs which primarily provide guarantees for agricultural commodities.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

The information required from any size entity does not vary, and thus does not lend in itself to making special provisions for small businesses.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

CCC would be unable to determine if export sales under the FGP would be eligible for coverage or, if coverage conformed to program requirements. Credit Reform Act legislation also requires the collection of information to assess outstanding liability.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

□ requiring respondents to report information to the agency more often than quarterly

Once a payment guarantee is issued, respondents are required to submit information as required under section 1493.280 within 30-60 days, depending upon the mode of transportation, from the date of export. Section 1493.300(a) requires the exporter or the exporters' assignee to submit a notice of default to CCC not later than 10 calendar days after the date that payment was due from the foreign bank.

- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it

There is no such written response required in fewer than 30 days.

- requiring respondents to submit more than an original and two copies of a document

Submissions do not require more than an original and two copies.

- requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years

Program participants are required to retain all records in connection with export sales under the FGP for 5 years after the date of expiration of the coverage of a payment guarantee.

The Secretary of Agriculture or the Comptroller General of the United States must have full access to such records in order to uphold and protect the interests of the U.S. Government.

- in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study

No statistical survey is designed under this collection.

- requiring the use of a statistical data classification that has not been reviewed and approved by OMB

No statistical data is required.

- that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use

No such pledge of confidentiality is involved.

- requiring a respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the informations confidentiality to the extent permitted by law.

Confidential sales contract information, which is considered a proprietary trade secret, is required to establish approval of an FGP guarantee. The Freedom of Information Act has two exclusionary sections that pertain to proprietary business practices. Under Section 552(b) of the FOIA, trade secrets and confidential commercial or financial information are both lawfully allowed to be withheld from any FOIA request.

CCC has internal guidelines in place for responding to FOIA requests in a manner to ensure market sensitive data is not released.

8. Provide a copy and identify the date and page number of publication in the Federal Register of the agency notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received.

A Federal Register Notice was published Tuesday, May 1, 2007, Vol. 72, No.83, page 23793. No public comments were received in conjunction with the solicitation of public comments as required by 5 CFR 1320.8(d).

9. Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractors or grantees.

There are no payments or gifts to respondents provided.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

No such assurances are given.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

No such questions are asked.

12. Provide estimates of the hour burden of the collection of information.

There are no changes in estimated annual burden from the currently approved information collection. The public reporting burden for this collection of information is estimated to average 11.75 minutes per response and an average 329 hours of total annual burden hours.

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information.

There is no annual cost burden to respondents due to lack of usage of the program. There is a start up cost of \$200 for filing an application under the program. Based on a projection of 5 participants, total annual start up costs would be \$1,000. No other capital or long term maintenance costs are associated with the Facility Guarantee Program.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses, and any other expense that would not have been incurred without this collection of information.

The annualized cost to the Federal Government is estimated at \$6,033 and is attributed to the salary costs of officials administering the program. Seven staff in grades 5 to 15 are involved in program administration.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of OMB Form 83-I.

There are no changes or adjustments.

16. For collections of information whose results will be published, outline plans for tabulation, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project.

No collections of information results will be published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

There are no plans to seek such approval.

18. Explain each exception to the certification statement identified in Item 19, A Certification for Paperwork Reduction Act Submissions, @ of OMB Form 83-I.

There are no exceptions.