

**SUPPORTING STATEMENT FOR REQUESTS FOR APPROVAL UNDER
THE PAPERWORK REDUCTION ACT AND 5 CFR 1320
SALARY POLICY SALARY SURVEYS, OMB APPROVAL #3316-0009**

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The practice of collecting data on employee compensation and benefits from firms in one's labor market is widespread and accepted among private sector employers. TVA's pay and benefits survey practices are designed to be similar in most respects to those of other employers and participation is voluntary. TVA's relationship with many of the firms is reciprocal in nature—they participate in our surveys, we in theirs. In all TVA responds to about 50 requests for pay and benefits data annually.

Consistent with Section 2 of the TVA Act, which states, "The compensation plan shall be based on an annual survey of the prevailing compensation for similar positions in private industry, including engineering and electric utility companies, publicly owned electric utilities and Federal, State, and local governments." TVA has entered into separate agreements with the Engineering Association, Inc. (EA) and the Law Enforcement Employees Association (LEEA). These agreements state that rates of pay are fixed on the basis of prevailing rates, including evaluations of total fringe benefit levels, for similar work in the relevant labor market within the vicinity. In determining these prevailing rates, the primary basis is a salary and benefits surveys

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

The custom salary survey data is collected by either TVA or a third party contractor. The salary surveys are coded to protect employer identity and then provided to TVA management and union representatives for use in negotiations to determine and establish rates of pay for approximately 3,500 TVA employees. TVA also uses published compensation and benefits surveys to determine employee pay and benefits.

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, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.

Respondents are encouraged to submit their responses electronically.

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.

Labor contracts between TVA and the EA and the LEEA unions require custom surveys conducted jointly by TVA and these unions. TVA emphasizes the used of published compensation and benefits data as much as the labor agreements allow in order to reduce any potential duplication.

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

Small businesses or small entities typically are not participants of custom surveys conducted by TVA.

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.

TVA could not fulfill its obligations under the current labor agreements with the EA and the LEEA and employee pay could potentially become misaligned with the market.

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;
- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- requiring respondents to submit more than an original and two copies of any document;
- requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- 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;
- requiring the use of statistical data classification that has not been reviewed and approved by OMB;
- 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; or
- requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

None.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years—even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

A copy of the Federal Register Notices are attached. There were no public comments. TVA management engages the assistance of professional consulting firms as necessary to help develop and administer the survey instrument and tabulate the results in a confidential manner.

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

No payments or gifts were provided to participants. However, participants are provided with a copy of the survey report at no cost.

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

When participating firms are contacted it is stressed to them that their data will be confidential. It has been the policy of TVA to require any third party contractor collecting the data on certain surveys to handle all information with utmost confidentiality. In the fifty years that TVA has conducted salary surveys, there have been no complaints by the participants concerning a violation of the confidentiality of the information.

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. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

Not applicable. Questions of this nature are not a part of survey information requested.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

- If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-1.

- Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead this cost should be included in Item 14.

	<u>EA</u>	<u>LEEA</u>	<u>Total</u>
a) Number solicited	80	30	110
b) Frequency of response	Every 1-3 years	Every 1-3 years	
c) Number of responses	30	20	50
d) Hours per response	4	3	
e) Total Burden hours	120	60	180

Total annualized cost for respondents to prepare information and respond to the survey is estimated to be \$6,300

EA = \$4,200 (4 hours x \$35/hour x 30 respondents)

LEEA=\$2,100 (3 hours x \$35/hour x 20 respondents)

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

- If cost estimates are expected to vary widely, agencies should present rates of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

- Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

Respondents' estimated annual cost is indicated in # 12. There are no additional costs for respondents.

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 (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

Annualize cost to TVA is approximately \$45,000 for the EA survey, which is paid from TVA revenues generated from the sale of electricity. This covers payments to the consulting firm selected to conduct the custom salary survey once every three years. Services include developing the survey, sending it to approximately 80 companies, following up with the companies to encourage participation and/or clarify their submission, and compiling the data.

The LEEA survey is conducted with current TVA staff as a level of effort.

EA Survey	\$ 45,000 (Contractor)
EA Survey	\$ 84,000 (TVA costs - estimated @ 1,680 hours x \$50 per hour)
LEEA Survey	\$ 8,800 (TVA costs - estimated @ 176 hours x \$50 per hour)
Total annualized cost	\$137,800

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

Per TVA's labor agreements, TVA is no longer required to conduct custom compensation and benefits surveys for the OPEIU or SEIU unions, thereby reducing the burden to TVA and

participants solicited for participation in these surveys. TVA now conducts surveys for only the EA and the LEEA, which has resulted in a decrease in burden hours and costs.

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, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Not applicable.

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.

Not applicable.

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

Not applicable.

B. Collections of Information Employing Statistical Methods

Not applicable. This information collection does not employ statistical methods.