

June, 2008

SUPPORTING STATEMENT
0572-0118
7 CFR Part 1724 and Part 1738
Electric Engineering, Architectural Services, and Design Policies and Procedures
and
Rural Broadband Access Loans and Loan Guarantees

A. JUSTIFICATION

1. Explain the Circumstances that make the collection of information necessary.

The Rural Utilities Service, an Agency delivering the United States Department of Agriculture's (USDA) Rural Development Utilities Programs, hereinafter referred to as Rural Development and/or the Agency, is requesting OMB clearance of the reporting requirements relating to 7 CFR Part 1724, Electric Engineering, Architectural Services, and Design Policies and Procedures and Part 1738, Rural Broadband Access Loans and Loan Guarantees loan programs. These regulations are used to administer loans (direct and guaranteed) to finance, furnish, and improve electric and telecommunications facilities in rural areas. The Administrator of Rural Development Utilities Programs is authorized to make the grants under The Rural Electrification Act of 1936, 7 U.S.C. 901 et seq., as amended, (RE Act) in Section 4 (7 U.S.C. 904). This is a revision of a currently approved information collection package.

Loans are for a term of up to 35 years, secured by a first mortgage on the borrower's electric or broadband system, and can only be made or guaranteed if there is reasonable assurance the loan and all outstanding loans and obligations of the borrower will be repaid in full within the time agreed. In order to facilitate the programmatic interests of the RE Act, and, in order to assure that all loans made or guaranteed are adequately secured, the Agency has established certain standards and specifications for materials, equipment, and construction of electric and broadband systems. The use of standards and specifications for materials, equipment, and construction units help assure that appropriate standards and specifications are maintained, loan security is not adversely affected, and loan and loan guarantee funds are used effectively and for the intended purposes

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.

Title 7 CFR 1724 requires each borrower to select a qualified architect to perform certain required architectural services and one or more qualified persons to perform the engineering services involved in the planning, design, and construction management of the system. The Agency requires applicants to use specific forms for Rural Development financed projects.

The contractual forms provide standardized contract agreements between the electric or broadband borrower and the engineering or architectural firm providing services to the borrower.

The forms stipulate the parties to the agreement, contain certain information relating to the approved loan or loan guarantee, and provide detailed contractual obligations and services to be provided and performed relating to construction, project design, construction management, compensation, and related information. This information is used by the Agency electric and broadband borrowers and their engineering and architectural contractors. The development, preparation, and standardization of these forms results in substantial savings to the borrowers who would have to develop and prepare their own contractual documents and the Government who would require extensive and costly review by Rural Development and the Office of General Counsel.

The applicant will submit the following information:

RUS 211, “Engineering Service Contract For The Design And Construction Of A Generating Plant.”

For Agency financed electric system facilities, this form must be used for all new generating units and repowering of existing units and is submitted with the application for Agency approval.

RUS 220, “Architectural Services Contract.”

The electric or broadband borrower selected architect is required to use Form 220 when the Agency provides financing. The form provides for the architectural services to be provided related to the design and construction management of the facilities.

RUS 236, “Engineering Service Contract Electric System Design And Construction.”

This form is required for distribution, transmission, substation, and communications and control facilities.

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.

Rural Development is committed to complying with the requirements of the Government eGov Act of 2002. The forms associated with this collection consist of contract forms used by Agency borrowers to contract for services; the Agency is not a party to these contracts. Rural Development forms RUS 220 and 236 are posted on the USDA eForms site and are available in an Adobe PDF fillable format. Form RUS 211 is available to applicants on the Agency website. Individuals may register on the site and obtain an eAuthentication credential which will enable them to conduct electronic transactions with USDA. Agency customers are entity-type organizations. Rural Development is working with the Service Center Agencies to develop a mechanism to allow individuals to conduct transactions on behalf of an organization. Although customers cannot submit this form to the agency electronically, they can take advantage of using the fillable form provided on the website.

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. The required information is available only from individual Agency electric or broadband borrowers and relates to specific engineering and/or architectural projects undertaken by a borrower for specific dollar amounts as specified in the individual contract service agreements. There is no duplication.

The contractual agreements and the information required in the agreement represent sound financial and management practices and serve not only to protect the financial and business interests of the electric and broadband borrower, but also to protect the Agency's security interests in the loan to the borrower.

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 burden placed on small business is minimal when considering the Government's need to protect its security on the loans made to the borrowers. However, Rural Development is continually reviewing the information collected to determine what reductions are possible.

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

The use of these forms is required only when a borrower undertakes certain projects, i.e., on an as needed basis. They are required to protect the electric and broadband borrowers financial and business interests as well as protect the Government's loan security interests. Since the forms relate to specific projects, the information cannot be collected less frequently.

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

a. Requiring respondent to reporting information more than quarterly.

There is no requirement to respond more frequently than quarterly.

b. Requiring written response in less than 30 days.

There is no requirement to respond in less than 30 days.

c. Requiring more than an original and two copies.

There are no such requirements.

- d. Requiring respondent to retain records for more than 3 years.

Record retention requirements shall be in accordance with 7 CFR 1767.

- e. 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.

This collection is not a survey.

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

This collection does not employ statistical sampling.

- g. Requiring 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.

There is no requirement of a pledge of confidentiality.

- h. 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.

There are no such requirements.

8. If applicable, identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection. Summarize public comments received and describe actions taken by the agency in response to these comments. 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, reporting format (if any), and on data elements to be recorded, disclosed, or reported.

Rural Development published a notice and request for comments in the Federal Register on July 2, 2008, at FR Vol. 73, No. 128, 379128-37929. No public comments were received.

The following applicants were contacted:

Linda Grey, GDS Associates
850 Parkway Place, Suite 800
Marietta, GA 30067
Phone 770-426-0819
Ms. Grey had no negative comments.

Joe Perry, Patterson and Dewar Engineers
 850 Center Way
 Norcross, GA 30071
 Phone 770-453-1410
 Mr. Perry had no negative comments.

Jill Parrett, Utility Systems Engineering
 7601 Paragon Rd
 Centerville, OH 45459
 Phone 937-433-8262
 Ms. Parrett had no negative comments.

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

Payments or gifts are not provided to respondents.

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

This information does not require confidentiality.

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

This information collection includes no questions of a sensitive nature.

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

See the attached spreadsheet. The collection is summarized as follows:

Regulation	Number of Respondents	Total Annual Responses	Total Man-hours	Wage Class	Total Costs
7 CFR 1724 And 1738	99	99	104	\$28.85	\$3,000.00

Rural Development estimates the cost to be \$3,000.00 to the respondents to comply with this regulation. The cost is based on 99 organizations filing an application and 99 of them receiving a loan.

The Department of Labor, Bureau of Labor Statistics, Standard Occupational Classification wage rates were used as the basis for the cost estimates. The hourly earnings for Professional Engineers and Architects in a non-metropolitan area are \$28.85.

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

- a. Total capital and start-up cost component (annualized over its expected useful life); and

There are no capital or start-up costs associated with this collection.

b. Total operation and maintenance and purchase of services component.

There are no operations and maintenance or purchase of services components associated with this collection.

14. Provide estimates of annualized cost to the Federal Government.

Professional review time for each submittal is estimated to be approximately 1.05 hours per response, and for 99 responses would total 104 hours. The agency further estimates that 100 percent of this time is professional time (grade 13, step 5).

Cost to the Federal Government

Professional 104 hours x \$37.27 hr. = \$3,876.00

Total cost to the Government

\$3,876.00

15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-1.

This is a revision of a currently approved collection. There is a decrease in respondents for the Architectural Services Contract. The electric program has doubled the estimated time to complete the Engineering Service Contract for a Generating Plant due to lack of assistance from clerical/support staff and full completion by an engineer/architect. These changes result in an overall decrease of -57 burden hours.

Cost for this Information Collection Package is estimated to be cut in half due to the lack of applications to be received. Use of the Department of Labor wages for professional engineers/architects in non-metropolitan areas has reduced the total cost of the burden on the public by more than half. The reduction of expected applications received that need to be reviewed by the Agency has saved the Government almost \$25,000.

16. For collection of information whose results will be published, outline plans for tabulation and publication.

There are no plans to publish this information collection.

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 forms cleared under this collection.

18. Explain each exception to the certification statement identified in item 19 on OMB 83-1.

There are no exceptions requested.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

This information collection does not employ statistical methods.

