

June, 2009

**SUPPORTING STATEMENT**

**(0572-0131)**

**7 CFR Part 1728, Electric Standards and Specifications for Materials and Construction**

**OMB Terms of Clearance: None**

A. Justification

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

The Rural Electrification Act of 1936, 7 U.S.C. 901 *et seq.*, as amended, (RE Act) in Sec. 4 (7 U.S.C. 904) authorizes and empowers the Administrator of the Rural Utilities Service, an agency which administers the United States Department of Agriculture's (USDA) Rural Development Utilities Programs, hereinafter referred to as Rural Development and/or the Agency, is requesting Office of Management and Budget (OMB) clearance of the reporting requirements relating to 7 CFR Part 1728, Electric Standards and Specifications for Materials and Construction. This regulation is used to make loans in the several States and Territories of the United States for rural electrification and the furnishing and improving of electric energy to persons in rural areas. It also authorizes and empowers the Agency Administrator to provide financial assistance to borrowers for purposes provided in the RE Act by guaranteeing loans made by the National Rural Utilities Cooperative Finance Corporation, the Federal Financing Bank, and other lending agencies.

These loans are for a term of up to 35 years, secured by a first mortgage on the borrower's electric system, and can only be 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 assure that loans made or guaranteed by the Agency are adequately secured; the Agency has established certain standards and specifications for materials, equipment, and the construction of electric systems. The use of standards and specifications for materials, equipment, and construction units helps 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.

7 CFR Part 1728 establishes Agency policy that materials and equipment purchased by Rural Development electric borrowers or accepted as contractor-furnished material must conform to Agency standards and specifications where they have been established and, if included in Agency IP 202-1, "List of Materials Acceptable for Use on Systems of Rural Development Electrification Borrowers" (List of Materials), must be selected from that list or must have received technical acceptance from Rural Development.

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.

Manufacturers, wishing to sell their products to Rural Development Utilities Programs Electric Borrowers, request Agency consideration for acceptance of their products and submit letters of request with certifications as to the origin of manufacture of the products and include certified data demonstrating their products' compliance with Agency specifications. Compliance with the Agency specifications and standards is demonstrated to a large extent via presentation of laboratory tests results and other informational data upon which the determination of acceptability can be made. The Agency evaluates this data to determine that the quality of the products is acceptable and their use will not jeopardize loan security. The information is closely reviewed to be certain that test data and product dimensions and material compositions fully comply with Rural Development established technical standards and specifications. This information review relies heavily on manufacturer certification of the product compliance and presentation of data that demonstrates compliance to the specifications.

Rural Development staff conducts the information reviews, checks the manufacturers' certifications, and scrutinizes the data and products to assure they comply with the appropriate specifications and standards.

The information is used to be certain the products comply with the established Agency standards and specifications and that the products are otherwise acceptable for use on rural electric systems. The review and determination of product acceptability is made to help assure the products will perform properly and provide service lives that ensure reliable revenue incomes and repayment of Agency loan funds in a manner consistent with the terms and conditions of the Rural Development loan. Unacceptable products may fail prematurely and interrupt service, require costly replacements, and reduce revenues. Without this collection, Rural Development has no means of determining the acceptability of products for use in the rural environment.

Rural Development may codify additional standards and specifications from time-to-time with little if any impact on the paper work burden reported here. Paper work burden related to standards and specifications only arises when a manufacturer requests Rural Development acceptance consideration of products covered by the specification. The reporting burden presented here is based on a three-year average of applications received from manufacturers. The number of applications received does not significantly increase as a result of new specifications; applications are more market competitive oriented.

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 meeting the requirements of the E-Government Act, which requires Government agencies in general to provide the public the option of submitting information or transacting business electronically to the maximum extent possible.

Manufacturers wishing to have their products listed by USDA Rural Development Utilities Program as an approved product submit certified data demonstrating their products compliance with USDA Rural Development Utilities Programs specifications, usually in the form of laboratory test results, catalog pages, or drawings. This data can be quite extensive and voluminous. Each manufacturer prepares their material using different software and/or computer programs. If USDA Rural Development Utilities Programs were to dictate one specific format for the required information, it would be overly burdensome on the manufacturer to submit the information to RUS electronically. At this time, USDA Rural Development Utilities Programs does not plan to offer an electronic solution for this information collection.

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.

In order to eliminate duplication, Rural Development utilizes National standards except where experience has indicated they are not adequate for materials and equipment to be used on rural systems. Therefore, insofar as practical, Rural Development accepts test data which manufacturers normally have readily on hand, in lieu of requiring specialized tests to be performed. In the event specialized tests are required, Rural Development routinely restricts them to the absolute minimum commensurate with an adequate level of confidence that the product achieves the required level of performance.

5. If the collection of information impacts small businesses or other small entities (item 5 of OMB Form 83-1), describe any methods used to minimize burden.

By holding required information to the absolute minimum in all cases, Rural Development is able to minimize the burden for both large and small business alike. As data requirements are product oriented rather than producer oriented, it is not feasible to reduce the burden as a function of business size.

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.

Data is collected only on new or modified products. Less frequent data collection would be impractical and would not satisfy Rural Development's materials/products review obligations in an appropriate, meaningful, or equitable manner.

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

- a. Requiring respondents to report information more than quarterly.

There is no requirement to respond more frequently than quarterly.

- b. Requiring written responses 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.

Rural Development requires six copies of the material submitted – one for each member of the Technical Standards Committee “A” (Electric) to review and one for the Chair/official records. Submission of fewer copies would delay the consideration of the application.

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

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

- e. 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 use of statistical sampling which has not been reviewed and approved by OMB.

This collection does not employ statistical sampling.

- g. Requiring a pledge of confidentiality.

There is no requirement of a pledge of confidentiality.

- h. Requiring submission of proprietary trade secrets.

There is no requirement to submit propriety trade secrets.

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.

As required by 5 CFR 1320.8(d), a Notice to request comments was published in the Federal Register on November 10, 2008 at 73 FR 66592. No public comments were received.

Rural Development maintains close contact with borrowers through general field representatives and a headquarters staff. Suggestions are always considered by the Agency. The following applicant/borrowers were contacted in 2008:

Ed Pearl  
Tyco Electronics  
3903 Voltaire Drive  
Monroe, NC 28110  
(919) 449-5149

Gregg Allen  
South Atlantic LLC  
325 West Pennsylvania Avenue  
Southern Pines, NC 28387  
(910) 693-2620

Michael Gassman  
ERICO  
34600 Solon Road  
Solon, OH 44139  
(440) 542-3886

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	Total Costs
7 CFR Part 1728	38	100	2000	\$32,430

Rural Development estimates the burden to be \$32,430 to the respondents to comply with this regulation. The cost is based on 38 borrowers each completing 2.63 documents annually.

Completion Costs

Professional time: 500 @ \$28.66 hr. = \$14,330  
 Clerical time: 1500 @ \$12.54 hr. = \$18,100  
 Total: = \$32,430

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 Clerical time in a non-metropolitan area are \$12.54. The hourly earnings for Professional time in a non-metropolitan area are \$28.66. It appears the hourly wage used for the previous submission was higher due to use of metropolitan area wage.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers 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 operation and maintenance or purchase of services components associated with this collection.

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

The cost to the Federal Government is estimated as follows:

Professional review time for each submittal is estimated to be approximately 10.5 hours. Clerical work for each submittal is estimated to be 0.5 hours. An annual average of submittals is expected. Attributing an hourly rate of \$37.27 to professional time (grade 13, step 5) and \$14.26 to clerical time (grade 5, step 5 for non-metropolitan area; hourly wage used for the previous submission was higher due to use of metropolitan area wage) the annualized cost to the Government is estimated to be:

Professional time: 100 x 10.5 @ \$37.27 = \$39,133.50  
 Clerical time: 88 x 0.5 @ \$14.26 = \$ 627.44

Total: = \$39,760.94

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 information collection. There is no change in burden hours; however, there is a decrease in responses of -1,900 to correct the data input error into ROCIS from the previous submission.

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

Rural Development publishes an annual “List of Materials Acceptable for Use on Systems of Rural Development Electrification Borrowers” (Informational Publication 202-1), which is a compilation of accepted submittals. Quarterly updates of this publication are also published. Rural Development also includes this information on the USDA Rural Development website.

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.

No such approval is requested.

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

There are no exceptions to the certification statement.

B. Collection of Information Employing Statistical Methods.

This information collection does not employ statistical methods.