

SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSION  
FOR USAID REGULATION 1, "RULES AND PROCEDURES  
APPLICABLE TO COMMODITY TRANSACTIONS FINANCED BY USAID"  
OMB CONTROL NO. 0412-0514

A. Justification

1. In Egypt, USAID provides U.S. dollar financing to public and private sector entities to enable them to import U.S. goods through the sole remaining Commodity Import Program (CIP) mechanism. This CIP will terminate by September 30, 2009, and there is presently no funding for or anticipation of further CIPs in the foreseeable future. The USAID Mission in Egypt reports that there have been 12 transactions in FY 2009 to date, and another eight are anticipated before its termination. Five elements of the information collection previously approved under OMB Control No. 0412-0514 have been dropped because we do not anticipate incurring requirements for them in the remaining four months. Payment document may be submitted as late as December 31. Consequently, we only seek approval of the remaining four elements of the information collection through December 31.

The importing entities, which do not have sufficient access to U.S. dollars in foreign exchange, pay local currency for the commodities and the U.S. suppliers are paid in U.S. dollars provided for their CIP-financed transactions. The local currency generated is then provided to the host country government. The information collection and reporting requirements in USAID Regulation 1 (22 CFR 201) are necessary to assure that CIP funds are expended appropriately and in accordance with statutory requirements and Agency policies and that any deviations are justified and approved. Section 621 of the Foreign Assistance Act of 1961 (FAA), as amended, allows the promulgation of regulations to carry out the functions of the Agency.

2. The information requirements are imposed on suppliers of commodities or commodity-related services and, in two cases, on banks responsible for paying suppliers.

Section 201.31(f) requires the customary commercial shipping document distribution (bills of lading), as well as any special distribution (e.g., to the USAID Mission in the importing country) which may be specified in the payment instruction covering a transaction. We receive and process

shipping documents because of the statutory requirement that we must comply with the Cargo Preference Act, which requires that 50% of all tonnage (except P.L. 480 food aid) financed by USAID be shipped on U.S. flag vessels. We are required to report annually to the Maritime Administration, hence the need to receive these shipping documents.

The information requested in Section 201.52(a) is standard commercial documentation, along with two USAID forms (under separate OMB approvals: 0412-004 and 0412-012), on which payment is based. The documents are reviewed for sufficiency for payment by the USAID/Mission Controller's Office.

Section 201.51(c) and 201.74 impose information and recordkeeping requirements respectively on Letter of Commitment banks, which the USAID Mission Controller's Office needs to assure accurate accounting of funds and to provide records of expenditures.

These information requirements of this regulation are necessary for USAID to fulfill its requirements concerning stewardship of public funds.

3. Much of the information requested includes copies of physical documentation where actual copies of the documents are required. There is no established method for providing any of this information electronically, and the very small number of responses in the final four months of the remaining term of the last CIP make further automation of the information collection a very low priority for the agency's ADP resources.
4. USAID needs the requested information for the specific, individual transaction in order to assure compliance: similar information would be of no use. Because the information relates to specific transactions, there is no duplication.
5. While the information collection does not have a significant impact on small businesses, small businesses do participate. In order to minimize the burden, USAID limits its documentation requests to standard commercial documents as much as possible.

6. USAID cannot discontinue collection or reduce the frequency of its information collection requirements without losing its ability to properly administer the use of public funds.
7. Where reporting may be required more frequently than quarterly, it is because the information request relates to a specific transaction and is the basis for making payment to a supplier. There are no other requirements that are not consistent with 5 CFR 1320.6.
8. We have no formal system for consulting with persons outside the Agency regarding our information requirements. However, consultations with suppliers and banks take place informally as questions occur, and USAID Regulation 1 is subject to public review and comment. Any problems regarding these requirements which suppliers and banks raise will be considered.
9. N/A.
10. There is no assurance of confidentiality. USAID does comply with the Freedom of Information Act.
11. USAID does not request any sensitive information.
12. Estimates of the hourly burden of the information elements on approximately eight commodity and commodity-related service providers and approximately two banks are as follows:

	<b>Information Requirements by USAID Regulation 1 (22 CFR 201) Citation</b>	<b>No. of Resp'ts</b>	<b>Frequency of Responses</b>	<b>No. of Response</b>	<b>Hours per Response</b>	<b>No. of Hours</b>
A.	201.31(f) Shipping Docs.*	8	1	8	0.25	2
B.	201.51(c)					
	1-Bank Charges**	8	1	8	0.25	2
	2-Bank Reports**	2	1	2	2.00	4
C.	201.52(a) Payment Docs**	8	1	8	0.50	4
D.	201.74 Additional Bank Recordkeeping	2		2		1
			<b>Total Responses</b>	28	<b>Total Hours</b>	13
* Processed thru USAID/Washington Office of Acquisition and Assistance.						

\*\* Processed thru USAID Mission Controller's Office or Office of Commodity Management.

The annual cost to respondents is approximately \$650. This is estimated as follows:

Preparation of Subelements A, C, and D by clerical personnel. \$14.00/hr x 6 hours	\$ 84
Preparation of Subelement B by administrative personnel. \$20.00/hr x 5 hrs	\$ 100
Review by management personnel \$34.00/hr x 2 hours	<u>\$ 68</u>
	\$ 252
Fringe benefits and overhead for a medium- size commercial organization at 120%.	\$ 302
Mailing, facsimile transmission, copying, and misc. costs	<u>\$ 100</u>
Est. respondent cost	\$ 654

13. There are no capital or start-up costs, nor are there operation or maintenance costs beyond those that are part of customary and usual business practice.
14. The estimated cost to the Federal Government for this information collection is \$1,100. This is determined, as follows:

Traffic Management Specialist, GS-11, 1 hours @ \$30.20/hr	\$ 30
Project Accountant FSN-9, 6 hours @ \$12.95/hr	\$ 78
Voucher Examiner FSN-8, 15 hours @ \$14.49/hr	<u>\$ 217</u>
	325
Health benefits, transportation	

allowance, retirement contribution	
Overhead - 90% of above	<u>\$ 293</u>
Total annual personnel costs	\$ 618
Documentation Specialist/Admin, Contractor employee, 12 hours @\$35.00/hr	\$ 420
Printing and facsimile transmission costs	<u>\$ 100</u>
Est. annual Federal Government cost	\$1,138

15. The estimated number of responses for the final six months has declined from the annual approved inventory by 2,617, and the estimated burden hours has declined by 1,029 from the current OMB inventory.
16. N/A.
17. N/A.
18. No exceptions are taken to Item 19 of Form OMB 83-I.

B. Collections of Information Employing Statistical Methods.

The collection does not employ statistical methods. Since the information must be collected for specific individual transactions, statistical survey methodology is not appropriate.