

**SUPPORTING STATEMENT**

**OMB Control No. 0572 – 0132**

**7 CFR Part 1755, Telecommunications Specifications**

**A. Justification**

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

The Rural Utilities Service (RUS) is a credit agency of the United States Department of Agriculture. To protect the security of loans and to ensure that the telecommunications services provided to rural Americans are comparable to those offered urban and suburban areas, RUS establishes the minimum acceptable performance criteria for materials and equipment to be employed on telecommunications systems financed by the Telecommunications Program (Authority: 7 U.S.C. 901 et seq.) These performance specifications cover a variety of materials and equipment, ranging from multipair cables for direct burial in the earth to highly sophisticated computerized central office switches. Manufacturers, wishing to sell their products to Telecommunications borrowers, request consideration for acceptance of their products and submit data demonstrating their products' compliance with - Telecommunications performance specifications or -selected industry specifications. Compliance with the specifications 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 staff evaluates this data to determine that the quality of the products is acceptable. In the telecommunications program, because of the complex and highly technical nature of equipment, service and system architectures, also requires a manufacturer to demonstrate successful product use in a working telecommunications system. In most cases, manufacturers develop telecommunications products with field verifications as a normal business operation practice and they can easily provide this information. Products which have not been deployed in a working environment can be handled under field trial procedure.

To facilitate the programmatic interests of the RE Act, and to assure that loans made or guaranteed by are adequately secured, as a secured lender, has established certain performance specifications for materials, equipment, and the construction of telecommunications systems. The use of performance specifications for materials, equipment and construction units helps assure that:

- A. Appropriate performance specifications are maintained;
- B. loan security is not adversely affected; and
- C. Loan and loan guarantee funds are used effectively and for the intended purposes.

7 CFR Part 1755 establishes Agency policy that materials and equipment purchased by telecommunications borrowers or accepted as contractor-furnished material must conform to performance specifications where they have been established and, if included in IP 344-2, "List of Materials Acceptable for Use on Telecommunications System of Borrowers," must be selected from that list or must have received technical acceptance from the Agency.

**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 RUS - Telecommunications Borrowers, request RUS 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 RUS performance specifications or RUS-selected industry specifications. Compliance with the RUS specifications 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. RUS evaluates this data to determine that the quality of the products is acceptable and that their use will not jeopardize loan security. The information is closely reviewed to be certain that test data, product dimensions and product material compositions fully comply with RUS performance specifications or that have been established for the particular product. This information review relies heavily on manufacturer certification of the product compliance and presentation of data that demonstrates product compliance to the specifications.

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

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

RUS may codify additional performance specifications from time-to-time with little if any impact on the paper work burden reported here. Paper work burden related to specifications only arises when a manufacturer requests RUS 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.**

To the extent possible, RUS complies with the E-government act. Manufacturers wishing to have their products listed by RUS as an accepted product submit certified data demonstrating their products compliance with RUS performance specifications or RUS - selected industry 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 RUS 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. However, the manufacturer may submit the application and supporting information in an electronic format by email. At this time, RUS 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, RUS utilizes National standards except where experience has indicated that they are not adequate for materials and equipment to be used on rural systems. Therefore, insofar as practical, RUS accepts test data which manufacturers normally have readily on hand, in lieu of requiring specialized tests to be performed. In the event that specialized tests are required, RUS 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, RUS 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 and less frequent data collection would be impractical and would not satisfy RUS 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.**

There are no requirements requiring more than an original and two copies.

**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 requesting comments was published in the *Federal Register* on January 30, 2009 at 74 FR 5635 (copy attached). No public comments were received.

RUS maintains close contact with borrowers through general field representatives and a headquarters staff on a weekly basis. RUS also conducts seminars for its borrowers and associated organizations. Suggestions are always considered by the Agency.

**9. Explain any decision to provide any payment or gift to respondents, other than reenumeration 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.**

RUS has received an annual average of 85 responses from 47 respondents, per year. Preparation time for each submittal is estimated to be 20 hours. The total annual burden for this collection is estimated to be 1700 hours. RUS estimates that approximately 20 percent of this time, or about 340 hours is professional time, and the balance of 1,360 hours, is clerical time. RUS has established a rate of \$17.92 an hour for clerical time and a rate of \$42.00 an hour for professional time. The estimated cost is as follows:

Professional time:	340 @ \$45.05	=	\$15,317.00
Clerical time:	1,360 @ \$19.22	=	<u>\$26,139.00</u>
Total:		=	\$41,456.00

**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.**

The collection is not associated with operation and maintenance or purchase of services components.

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

Professional review time for each submittal is estimated to be approximately 5 hours for new applications and 2 hours for changes to already Agency-accepted products. An annual average of 27 new applications and 58 for changes to already Agency-accepted submittals is expected. Attributing an hourly rate of \$42.00 to professional time (GS 13/5), the annualized cost to the Government is estimated to be:

Cost to the Government of professional time:

New application:	27*5@ \$45.05	=	\$06,082.00
Application Revisions	58*2@ \$45.05	=	<u>05,226.00</u>
Total:		=	\$11,308.00

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

The increase from 70 responses to 85 responses is a result of the increase deployment of broadband in rural areas which in turn has translated in to an increased number of companies to participate in the Agency programs. The increase of annual burden hours from 1,400 to 1700 is a direct result of the increase in applications.

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

RUS publishes an annual “List of Materials Acceptable for Use on Systems of Telecommunications Borrowers” (Informational Publication 344-2), which is a compilation of accepted submittals. Rural Development also includes this information on the RUS 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.