

## SUPPORTING STATEMENT

### Personal Commercial Solicitation on DoD Installations

#### A. JUSTIFICATION

##### 1. Need for Information Collection.

This information collection is necessary to ensure established annual procedures for the DoD registration requirement for the sale of insurance and securities on U.S. military installations overseas are met. It also attests to their compliance with Department policies and procedures outlined within the governing DoD Instruction 1344.07 (Atch 1).

##### 2. Use of the information.

No person has authority to enter upon a DoD installation to transact personal commercial solicitation as a matter of right without meeting specific requirements. This information collection will assist the Secretary of Defense and Secretaries of the Military Departments in ensuring that established procedures are in place to protect our Service members.

Information collected will be used to verify the companies requesting authority to solicit insurance and securities in overseas areas are in compliance with the registration and re-registration requirements set forth in state and local government regulatory guidance.

Insurance companies must apply annually by June 30 for solicitation privileges on overseas U.S. military installations for the next fiscal year beginning October 1<sup>st</sup>. Insurers will be required to complete a standard letter application, which is signed by the President, Vice President, or designated official of the insurance company, containing certifying statements that the company is in compliance with DoD criteria to register (or re-register) for solicitation privileges on overseas U.S. military installations (Atch 2).

The registration applications are forwarded to the Principal Deputy Under Secretary of Defense for Personnel and Readiness (PDUSD(P&R)) for approval to grant the insurance company solicitation privileges on overseas U.S. military installations.

In the event registration is denied, specific reasons for the denial shall be submitted to the applicant. The insurer can request reconsideration of the original decision by providing substantiating data or information in rebuttal of the reason upon which the denial was based.

Each company that has been granted approval for solicitation privileges shall send to the applicable overseas DoD Combatant Commander a verified list of agents registered for overseas solicitation. The company shall also include the names and prior military affiliation, if any, of new agents for whom original registration and permission to solicit on base is requested.

3. Improved Information Technology.

Collection, at this time, is in letter format and can be forwarded via e-mailed or faxed.

4. Efforts to Identify Duplication.

The specific information sought by this information collection is not available from other sources. This collection is an integral part of the Department's program on personal commercial solicitations on DoD overseas installations.

5. Methods to Minimize Burden on Small Entities.

The burden applied to small business is the minimum consistent with applicable laws, executive orders, regulations and prudent business practices.

6. Consequences of Not Collecting the Information

If the collection of information were not accomplished, the Department of Defense would not be able to safeguard and promote the welfare of DoD personnel in the conduct of all personal commercial solicitation and sales to them on board the installations. The program can only be administered using information collected from the company's leadership.

7. Special Circumstances.

There are no special circumstances. This collection will be conducted in a manner consistent with the guidelines contained in 5 CFR 1320.5(d)(2).

8. Agency 60-Day Federal Register Notice and Consultations Outside the Agency.

An agency 60-Day Federal Notice was published July 17, 2009 (74 FR 34729).

No comments were received.

This information collection has been reviewed by the following individuals:

<u>Name</u>	<u>Organization</u>	<u>Phone Number</u>
Mr. James Davis	US Army	(703) 325-4530
LT Col Sandra Adams	US Air Force	(703) 693-9765
LT Brian Weinthal	US Navy	(202) 433-1071
Chris Rydelek	US Marine Corps	(703) 697-1266
James Schwenk	DGC(P&HP)	(703) 697-9393
Mr. James M. Ellis	OUSD (P&R)(MC&FP)	(703) 602-5009

9. Payments to Respondents

No payment or gift will be made to respondents.

10. Assurance of Confidentiality

Although there is no privacy information collected on the letter application, applications faxed into the office are received on a machine accessible by the MWR Policy Directorate personnel. The Suite in which the faxes are received has entry via a cipher lock. Only authorized personnel have access to the Suite. Visitors have to be met by staff and are escorted the entire time.

All information, applications and any updated financial status are filed in a locked filed cabinet in the MWR Policy Directorate and are only accessible by the action officer responsible for the coordination and implementation of the program.

11. Sensitive Questions

No sensitive information is collected for this requirement.

12. Estimates of Response Burden and Annual Labor Cost to the Respondent

A. Response Burden:

(1) Registration Process/Approval (Letter not exceeding two pages)

Total annual respondents:	15
Frequency of responses:	1 per year
Total annual responses:	15
Burden per response:	2 hours
Total burden hours:	30 hours

(2) Denial - Request for Reconsideration

Total annual respondents:	1
Frequency of response:	1
Total respondents:	1
Burden per response:	.33 hours
Total burden per response:	.33 hours

(3) List of Agents

Total annual respondents:	15
Frequency of response:	1
Total respondents:	15
Burden per response:	15 minutes
Total burden per response:	3.75 hours

(4) Overall average burden per year:	
Total annual respondents:	15
Frequency of response:	1
Total Respondents:	15
Burden per response:	2.27 hours
Total Burden:	34 hours

B. Explanation of How Burden was Estimated:

Burden estimate for the process to obtain approval to solicit on DoD installations overseas were based on discussions with two insurance companies in the Boston and Kansas City area.

C. Labor Cost to Respondents:

(1) Registration Process/Approval.

The cost to the respondent is based on the GS pay scale, Grade 8/Step 5

$\$21.97 \text{ hour} \times 2 \text{ hours} = \$43.94 \times 15 \text{ insurance companies} = \$659.10$

(2) Denial – Request for Reconsideration.

The cost to the respondent is based on the GS Pay scale, GS 8/Step 5 and a VP of Marketing GS15/Step 1

$\$53.54 \text{ hour} \times .33 \text{ hours} = \$17.67 \times 1 \text{ insurance company} = \$17.67$

(3) List of Agents.

The cost to the respondent is based on the GS pay scale, Grade 8/5

$\$21.97 \text{ hour} \times .25 \text{ hrs} = \$5.49 \times 15 \text{ companies} = \$82.35$

Total Labor Costs to the Respondents: \$759.08

To determine the hourly rate, contacted two insurance companies and spoke with the VP of Marketing at one and Manager of Licensing and Contracting at the other. Both provided monthly salary which was converted into GS equivalent based off the OPM scale for their geographical areas (Boston and Kansas City respectively).

13. Estimates of Cost Burden for the Respondent for Collection of Information

A. Total Capital and Start-up Costs

There are no capital and start-up costs associated with this information.

B. Operation and Maintenance Costs

Supporting Documentation and Copying

2 pages at \$.10 per page = \$.20

15 applications x \$.20 = \$3.00

10 applications\* - postage = \$3.90

\*It is estimated 33% will fax documentation

TOTAL ANNUAL O&M COST: \$ 7.10

14. Estimates of Costs to the Federal Government

A) Admin review and processing – Total 15 Applications

GS-14 Senior Program Analyst Hourly Rate: \$49.40 x 4 hrs \$197.60

GS-15-6 Senior Attorney Hourly Rate: \$58.11x3 hrs \$174.33

Subtotal \$371.93

B) Final Review of Advisory Board – Total 15 Applications

GS-15/4 Senior Legal Advisor Hourly Rate: \$54.79 x 1 hr \$ 54.79

LT Navy Legal Officer Hourly Rate: \$19.11 x 1 hr \$ 19.11

Lt Col Air Force Staff Officer Hourly Rate: \$25.68 x 1 hr \$ 25.68

GS 12/5 Army Solicitation Officers Hourly Rate: \$34.15 x 3 x 1 hr \$102.45

Subtotal \$202.03

C) PACOM and EUCOM Representatives – Total 15 Applications

GS-9/1 Program Analyst Hourly Rate: \$20.02 x 1 hr \$ 20.02

GS6 Admin Assistant Hourly Rate: \$15.75 x .25 hrs \$ 3.94

\$ 23.96

Total cost to the government for 15 applications \$ 597.92

15. Changes in Burden

This is an extension of a previously approved collection.

16. Publication Plans/Time Schedule

The results of collection of this information will not be published.

17. Approval Not to Display Expiration Date

The agency will display the expiration date.

18. Exceptions to the Certification Statement

There are no exceptions to the Certification Statement.

**B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

This information collection does not employ statistical methods.