

**SUPPORTING STATEMENT**

**Broadband Initiatives Program  
Rural Libraries, Technical Assistance and Satellite Grants  
OMB No. 0572-0145**

This package covers a revision of an existing information collection.

**A. Justification**

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

The American Recovery and Reinvestment Act of 2009 (the “Recovery Act”) appropriated \$2.5 billion of budget authority for establishing the Broadband Initiatives Program (BIP) which may extend loans, grants, and loan/grant combinations to facilitate broadband deployment in rural areas. In facilitating the expansion of advanced communications services and infrastructure, the program will advance the objectives of the Recovery Act to spur job creation and stimulate long-term economic growth and opportunity.

The essential goal of the Recovery Act is to provide a “direct fiscal boost to help lift our Nation from the greatest economic crisis in our lifetimes and lay the foundation for future growth.”<sup>1</sup> Accordingly, the Recovery Act identifies five overall purposes: (1) to preserve and create jobs and promote economic recovery; (2) to assist those most impacted by the recession; (3) to provide investments needed to increase economic efficiency by spurring technological advances in science and health; (4) to invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits; and (5) to stabilize State and local government budgets.<sup>2</sup> The Recovery Act further instructs the President and the heads of Federal departments and agencies to manage and expend Recovery Act funds to achieve these five purposes, “commencing expenditures and activities as quickly as possible consistent with prudent management.”<sup>3</sup>

The agency announced the application window for Rural Libraries, Technical Assistance and Satellite grants under the Broadband Initiatives Program on May 7, 2010. Applications for the three funding opportunities were reviewed and awards have been made. This information collection is being revised to remove the burden associated with the application period for the three funding opportunities. This support statement is inclusive of all associated reporting and information collection in addition to the reporting and information collection required by OMB under 2 CFR 176 for the Satellite, Rural Library Broadband, and Technical Assistance Grants offered through the Broadband Initiatives Program. Specifically, as listed in question 2 below and on Form 36, this information collection includes burden associated with post-application requirements as well as other associated reporting requirements.

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<sup>1</sup> President Obama, Statement on Signing the American Recovery and Reinvestment Act of 2009 (Feb. 17, 2009).

<sup>2</sup> See *id.* § 3(a), 123 Stat. at 115–16.

<sup>3</sup> See *id.* § 3(b), 123 Stat. at 116.

The Recovery Act directs RUS to monitor recipient's progress, including through a quarterly reporting requirement.

**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.**

No awards were made for the Rural Libraries funding opportunity. Therefore, this supporting statement covers post-application and reporting burden for recipients of Satellite and Technical Assistance funding under the Broadband Initiatives Program as follows:

**Technical Assistance**

**Recipient Reporting** – Each recipient and each contractor engaged by the recipient must submit the following information to the relevant Agency:

- The total amount of Recovery Act funds received;
- The amount of Recovery Act funds received that were expended or obligated to projects or activities;
- A detailed list of all projects or activities for which Recovery Act funds were expended or obligated, including (A) the name of the project or activity; (B) a description of the project or activity; (C) an evaluation of the completion status of the project or activity; (D) an estimate of the number of jobs created and the number of jobs retained by the project or activity; and (E) for infrastructure investments made by State and local governments, the purpose, total cost, and rationale of the agency for funding the infrastructure investment with Recovery Act funds, and name of the person to contact at the agency if there are concerns with the infrastructure investment; and
- Detailed information on any subcontracts or subgrants awarded by the Awardee to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 102-282), allowing aggregate reporting on awards below \$25,000 or to individuals.<sup>4</sup>

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<sup>4</sup> Recovery Act, § 1512(c), 123 Stat. at 287.

## Satellite

Recipient Reporting – Each recipient and each contractor engaged by the recipient must submit the following information to the relevant Agency:

- The total amount of Recovery Act funds received;
- The amount of Recovery Act funds received that were expended or obligated to projects or activities;
- A detailed list of all projects or activities for which Recovery Act funds were expended or obligated, including (A) the name of the project or activity; (B) a description of the project or activity; (C) an evaluation of the completion status of the project or activity; (D) an estimate of the number of jobs created and the number of jobs retained by the project or activity; and (E) for infrastructure investments made by State and local governments, the purpose, total cost, and rationale of the agency for funding the infrastructure investment with Recovery Act funds, and name of the person to contact at the agency if there are concerns with the infrastructure investment; and
- Detailed information on any subcontracts or subgrants awarded by the Awardee to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 102-282), allowing aggregate reporting on awards below \$25,000 or to individuals.<sup>5</sup>

Submission of CPA Reports – Recipients of funding will be required to submit an annual CPA Audit report. Burden attributed to the CPA report consists of:

- Selection of a CPA firm, approved by the Agency
- Submission of the Auditor's Report
- Plan of Corrective Action (if necessary)
- Submission of Peer Review Reports
- Scope Limitation (if applicable)
- Identification of Irregularities (if applicable)

Submission of Financial Information through the Broadband Collection and Analysis System - Recipients must submit to RUS thirty (30) calendar days after the end of each calendar year quarter, balance sheets, income statements, statements of cash flow, rate package summaries, and the number of customers taking broadband service on a per community basis utilizing RUS' Broadband Collection and Analysis System (BCAS). BCAS is an electronic reporting system that is accessed through the internet.

GAAP System of Accounts – Recipients must adopt a GAAP system of accounts acceptable to RUS. The burden attributed to this is considered record-keeping burden.

Index of Records – Recipients will be required to develop and maintain an index of records and make it available to Agency staff as needed during a review of the recipients records.

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<sup>5</sup> Recovery Act, § 1512(c), 123 Stat. at 287.

- 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.**

RUS 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.

Recipient reporting is completed on-line at [www.fedreporting.gov](http://www.fedreporting.gov). CPA Audits may be submitted to the agency via e-mail. Submission of financial information through the BCAS system is completed electronically also.

- 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.**

Each award is for a new project and new purpose and the reporting is unique to the project.

- 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 Agency believes it has minimized the burden on both large and small entities and that the required reporting and audit information is the least amount needed to that funds are used for authorized purposes.

- 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 information collected is the least amount of information necessary to ensure sustainability requirements for grants. Reporting by the recipients will enable the agency to conduct an appropriate level of monitoring to ensure compliance with the requirements of the awardees' grant agreements.

For these reasons, if RUS did not request this information from applicants, the Agency would fail to comply with the Recovery Act, taxpayer money could be wasted, and BIP could not create the benefits that Congress and the President intended.

- 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 are no such requirements.

**b. Requiring written responses in less than 30 days.**

There are no such requirements.

**c. Requiring more than an original and two copies.**

There are no such requirements.

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

Records will be maintained until the loan/grant fund advance has been audited by RUS.

**e. That is not designed to produce valid and reliable results that can be generalized to the universe of study.**

This information collection does not involve statistical information.

**f. Requiring use of statistical sampling which has not been reviewed and approved by OMB.**

This information collection does not involve statistical sampling.

**g. Requiring a pledge of confidentiality.**

There is no such requirement.

**h. Requiring submission of proprietary trade secrets.**

There is no such requirement.

**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.**

The agency published a 60-Day Notice in the Federal Register on May 7, 2010 at 75 FR 25185, no public comments were received. The agency is conducting a workshop for awardees the week of September 27, 2010, to review all of the requirements of receiving the award. In addition, General Field Representatives and Field Accountants from the agency have been making an initial visit to each recipient.

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

No such decision has been made.

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

No assurances have been made. Information submitted to RUS is covered by the provisions of the Freedom of Information Act (5 U.S.C. 552).

**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.**

There are no questions of this nature.

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

Based on the number of awards made and the Agency's experience with the Broadband Initiatives first and second round funding announcements, the Agency estimates that Burden associated with this information collection will average 216 hours for reporting and 96 hours for recordkeeping for a total 312 hours.

The cost to respondents is estimated to be \$14,040. The cost to respondents is based on an average of \$45 an hour. The Agency based the burden hour estimate and cost estimate on its experience with its existing grant programs. See the spreadsheet included with this information collection package for a detailed breakout of the burden hours.

**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 involved with this collection.

**(b) Total operation and maintenance and purchase of services component.**

There are no operation and maintenance, or purchase of services costs involved with this collection.

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

Up to three percent of the \$2.5 billion in budget authority was authorized for Salary and Expenses to operate the BIP program. RUS has awarded a contract worth approximately \$30 million for assistance in the administration of the program. The contractor will be responsible for multiple levels of program implementation and administration, including the processing of applications, training and outreach, and post award monitoring system development at the direction of the Agency.

Additionally, the cost to the Federal Government directly associated with this information collection is estimated to be \$3,870 based on the following calculations:

Review of awardee reporting:

Staff review - \$57\* X 22 awardees X 30 minutes X 4 quarters = \$2508

\* GS 14, step 5

Review of Satellite Awardees Audit reports

Review of audit report	\$44/hour X 4 awardees X 6 hours*	\$1056.00
Processing	\$21/hour X 4 awardees X 2 hours (clerical)**	<u>\$ 168.00</u>
	Total cost	\$1,362.00

\*Attributed to an Accountant – GS 13, step 5)

\*\*Attributed to a clerical-type – GS 6, step 5)

**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 reduction of 8,115 hours due to removing hours associated with the application process, which is now complete, and adjustment of the number of respondents to include the actual number of awardees.

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

The agency has no plans for publication, other than those required by the American Recovery and Reinvestment Act.

**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.**

RUS is not seeking approval to refrain from displaying the expiration date.

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

There are no exceptions.

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**B. Collection of Information Employing Statistical Methods.**

This collection does not involve statistical methods.