

SUPPORTING STATEMENT
0572-0051 - 2011
RUS Form 87, Request for Mail List Data

This is a revision of a currently approved information collection package.

A. Justification

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

The Rural Utilities Service (RUS), an agency of the United States Department of Agriculture (USDA), Rural Development makes loans (direct and guaranteed) to finance electric and telecommunications facilities in rural areas.

The RUS Electric Program is a leader in lending to upgrade, expand, maintain, and replace the vast rural American electric infrastructure while the Telecommunications Program make loans to furnish and improve telecommunications and services in rural areas. Both Electric and Telecommunications Programs loans are fully amortized over a period approximately equal to the useful life of the facilities financed by the loan, not to exceed 35 years and have a typical draw down on approved loan funds over a 3 to 4-year period. There are approximately 650 active electric borrowers and 500 active telecommunications borrowers.

The Rural Utilities Service Administrator, acting on behalf of the United States and the Secretary of Agriculture, is authorized and empowered by section 2a of the Rural Electrification Act of 1936, as amended (RE Act) to “make loans in the several States and Territories of the United States for rural electrification and for the purpose of furnishing and improving electric and telephone service in rural areas, as provided in this chapter, and for the purpose of assisting electric borrowers to implement demand side management, energy conservation programs, and on-grid and off-grid renewable energy systems.” In accordance with section 2b of the RE Act, the Administrator may “make, or cause to be made, studies, investigations, and reports regarding matters, including financial, technological, and regulatory matters, affecting the condition and programs of electric, telecommunications, and economic development in rural areas, and publish and disseminate information with respect to the matters.”

The Administrator signs the official mortgage and loan documents as the Mortgagee on behalf of the Federal government, and thereby, attests to the feasibility and security of the loan. In order to protect and ensure the Government’s security interest in loans, and in exercise of due diligence as custodian and guardian of the Government’s interest, in accordance with section 4 for Electric loans and section 201 for Telecommunications loans of the RE act “Loans ... shall not be made unless the Administrator finds and certifies that in his judgment the security therefore is reasonably adequate and such loan will be repaid within the time agreed.”

In addition, the RUS Loan Contract with the borrower (Article V, Affirmative Covenants, Section 5.20, Miscellaneous Reports and Notices, Subsection (g), Other Information), states that the borrower shall furnish to Rural Development “such other information regarding the condition, financial or otherwise, or operations of the borrower as the Agency may, from time to time, reasonably request.”

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.

RUS Form 87 is used for both the Electric and Telecommunications Programs to obtain the names and addresses of the borrowers’ officers/board of directors (president, vice president, treasurer, and secretary) and corporate officials (manager, attorney, and certified public accounting firm), who are authorized to sign official documents, make official representations concerning borrower operations and management, etc. The form is mailed to the borrower’s prior to their annual membership meetings. At these meetings, new board members might be elected, and/or new appointments might be made concerning corporate officials. In addition, borrowers that have changes throughout the year (not due to a membership meeting) are required to submit changes to the agency. The form is submitted to the Washington, DC office and to the General Field Representatives by the Electric and Telecommunications Programs borrowers. The information is used by RUS principally to assure that:

- Accurate, current, and verifiable information is available to the Agency for individual borrowers as changes occur to a borrower’s board of directors and corporate officials;
- Correspondence with borrowers is properly directed; and
- Official documents submitted to the Agency, such as loan applications and requests for advance of loans funds, are signed by the appropriate officials.

The information collected is maintained in accordance with RUS Programs requirements.

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 complying with the requirements of the 2002 E-Government Act. RUS Form 87 is posted on the USDA eForms site and is available in an Adobe PDF fillable format. Individuals may register on the site and obtain an eAuthentication credential which will enable them to conduct electronic transactions with USDA. Agency customers are entity-type organizations. RUS is working with the Service Center Agencies to develop a mechanism to allow individuals to conduct transactions on

behalf of an organization. Although customers cannot submit this form to the agency electronically, they can take advantage of using the fillable form provided on the website.

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.

The information contained on the Request for Mail List Data form is specific to, and available only from, each individual active borrower. The information provided on the form is collected by the borrower in the course of its business operations and reflects changes which result from elections held at annual cooperative membership meetings, retirements, new appointments, reorganizations, changes in responsibilities, death, etc. As this information is borrower specific there is no duplication of information or information that would be available from another source.

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.

Of the 500 respondents for telecommunications borrowers 100 percent are small businesses. All but 10 percent of 650 electric borrowers meet the criteria for a small business. RUS has made every effort to ensure that the burden on these small entities is the minimum necessary to effectively administer the agency programs. RUS continually reviews the information collected to determine what reductions are possible in order to minimize burden on all of the Agency's program participants and believes that it has minimized the burden on both small and large entities alike.

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.

Rural Development must have current information for borrower's officials because documents submitted to the agency by borrowers, e.g., loan applications and requests for advance of loan funds, must be authorized/signed by the borrower's appropriate officials. In addition, accurate information needs to be maintained in order for the agency to direct official written communications and contacts with the appropriate borrower.

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 report more than quarterly.

b. Requiring written responses in less than 30 days.

This form should be submitted as soon as a change in the borrower's officials occurs.

c. Requiring more than an original and two copies.

A copy is sent to the Washington, DC office and a copy to the Borrower's General Field Representative.

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

There is no requirement to retain records for more than 3 years.

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

This collection does not involve a survey.

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

There is no use of statistical sampling involved with this collection.

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 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.

Rural Development published a notice and request for comments in the Federal Register on March 10, 2011, at 76 FR 13125. One comment was received however, it was not related to the burden package.

In addition, the Agency consulted the following representatives to obtain their opinion regarding the collection of information and their comments have been incorporated into the burden package:

Bruce Griffin
Illinois Rural Electric Cooperative

P.O. Box 80
Winchester, Illinois 62694-0080
(217) 243-8701

Overall the borrower believes that the collection of information requested is necessary and not too burdensome and materials such as CFR and Website are very accessible. Instructions and record keeping instructions are explained by GFR or Program staff are clear and useful.

Deb Morris
Tipmont REMC
P.O. Box 20
Linden, Indiana 47955-0020
(765) 339-3238

Overall the borrower believes that the collection of information requested is necessary and not too burdensome and materials such as CFR and Website are readily available.

Lisa Wagner
Rural Telephone Service Company
P.O. Box 158
Lenora, KS 67645
(785) 567-4281

Ms. Wagner was contacted on February 23, 2011, and stated her opinions about the Form 87 were unchanged from the previous data collection inquiry. She felt the form was simple enough to complete and offered no negative comments related to the information collection.

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 collection does not require confidentiality. Information submitted to the Agency by borrowers is covered by 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.

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:

Program	Number of Respondents	Total Annual Responses	Total Man hours	Wage Class	Total Costs
Electric	650	650	163	\$15.00	\$2,445.00
Telecommunications	500	650	125	\$15.00	\$1,875.00
Totals	1,150	1,150	288	\$15.00	\$4,320.00

Rural Development estimates the burden to be \$4,826.00 to the respondents to comply with this regulation. The cost is based on 1,150 borrowers each completing one document annually.

Completion Costs

Clerical position @ \$15.00 hr. X 288 hours = \$4,320.00
 Mailing Costs – 1,150 responses X \$.44 = \$ 506.00
\$4,826.00

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 a Clerical position in a non-metropolitan area are \$15.00.

13. Provide an estimate of the total annual cost burden to respondents or record keepers 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 and/or start-up costs associated with this collection.

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

There are no operation and maintenance and/or purchase of services components associated with this collection.

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

Rural Development estimates that processing of this information by a clerical type position takes about 0.25 hours per response which would total 296 hours for an estimated 1,182 responses.

Estimated cost to the Federal Government:

Clerical 0.25 hours X \$20.63 X 1,150 responses = \$5,931.13
(GS 6/5)

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 decrease of 8 burden hours due to reduction in the number of borrowers.

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

There are no plans to publish the information.

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.

Approval is requested for non-display of the expiration date on the form. Some borrowers reproduce this form to meet their reporting needs in lieu of requesting copies directly from Rural Development. Many times previous expiration dates are carried over each time copies are reproduced or on those electronically prepared.

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.