

**SUPPORTING STATEMENT**

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

This package covers an extension 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 advances 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 were made. This information collection is being extended to retain compliance because awardees continue to report grant information in compliance with the Recovery Act. This supporting statement is inclusive of all associated reporting and information collection in addition to the reporting and information collection required by OMB in accordance with 2 CFR 176 for the Satellite, Rural Library Broadband, and Technical Assistance Grants offered through the Broadband Initiatives Program. Specifically, as

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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.

listed in question 2 below and on Form 36, this information collection includes the burden associated with post-application requirements as well as other associated reporting requirements. The Recovery Act directs RUS to monitor recipients' progress through periodic reports, 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 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 organization if there are concerns with the infrastructure investment, and;
- Detailed information concerning 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 are required to develop and maintain an index of records and make it available to agency staff as needed during a review of the recipient's 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, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

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 also completed electronically.

**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.**

This collection impacts recipients Broadband Initiatives Project – Rural Libraries, Technical Assistance and Satellite Grants under the Recovery Act and is administered by the RUS Telecommunications Program. All telecommunications recipients and borrowers meet the SBA small business standard as they each have less than 1,500 employees. RUS makes every effort to ensure that the burden on these small entities is the minimum necessary for the Agency to meet statutory requirements 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 recipients enables 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 be unable 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 July 3, 2013 at 78 FR 40095, no public comments were received. At the beginning of the grant program, the agency

conducted a workshop for awardees the week of September 27, 2010, to review all of the requirements of receiving the award. General Field Representatives and Field Accountants from the agency made an initial visit to each recipient and remain available to assist recipients with responses to reporting requirements. The agency has maintained close contact with awardees to monitor the completion of projects.

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

Awardees continue to report grant information in compliance with the Recovery Act and this collection of information is being extended to retain compliance. There were 22 recipients under the program who are required to submit 132 annual reporting responses that take a total of 216 hours. In addition, an average of 4 recordkeepers require 96 annual hours for record keeping duties. Thus the combined total of 312 annual hours for information reporting and recordkeeping is broken out and shown on the separate spreadsheet.

The total cost to respondents is estimated to be \$18,523. The wage rate in the respondent cost calculation is based on the Bureau of Labor Statistics, 2012 National Employment and Wage Estimates, retrieved from [http://www.bls.gov/oes/current/oes\\_nat.htm#00-0000](http://www.bls.gov/oes/current/oes_nat.htm#00-0000). The median hourly wage of \$45.88 for a professional occupational category of General and Operational Manager (Occupation Code: 11-1021). Benefits as a percentage of total hourly wages are calculated and added to make the total hourly wage \$59.37.<sup>6</sup>

Calculation of respondent cost is demonstrated in the following table:

<sup>6</sup> Historical data provided by the Bureau of Labor Statistics, Employer Cost for Employee Compensation Supplemental Tables Historical Data December 2006 – September 2012 is utilized to calculate the total cost of benefits. Benefits as a percentage of total compensation for private trade, transportation, and utilities industry workers were 29.4% of total hourly compensation. See <http://www.bls.gov/ncs/ect/sp/ecsupt.pdf> page 91.

Category	Total Reporting Hrs.	Total Recordkeeping Hrs.	Hourly Wage/Benefit	Total Respondent Cost
Professional	216	96	\$59.37	\$18,523

**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. A contract valued at approximately \$30 million was awarded by RUS for assistance in the administration of the program. Multiple levels of program implementation and administration, including application processing, training, outreach, and post-award monitoring has been the responsibility of the contractor at the direction of the agency.

In addition, the direct cost to the Federal Government related to this information collection is estimated to be \$5,230.96. It is estimated that 44 hours of professional time (GS 14/Step 5) are required to review awardee reports (30 minutes each quarter for each of 22 awardee reports). The hourly wage for GS14/Step 5 is \$57.13 and, adjusted for benefits<sup>7</sup>, is \$77.84. Recordkeeping costs are based upon the estimate that a GS13/Step 5 accountant requires 6 hours annually to conduct and review each audit report for 4 awardees (24 hours). The hourly OPM wage for a GS13/Step 5 is \$48.35 and, adjusted for full benefits, is \$65.88. Recordkeeping costs also involve the wage cost for a clerical/administrative GS6/Step 5 who requires 2 hours to process each of the audit reports for 4 awardees (8 hours annually). The hourly wage for a GS6/Step 5 is \$20.63 and, front-loaded for fringe benefits is \$28.11 per hour. The calculation for cost estimation to the Federal Government is demonstrated in the following table:

Category	Reporting Hours	Recordkeeping Hours	Hourly wage//benefit	Total
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<sup>7</sup> Cost of total benefits as a percentage of total hourly compensation for Federal Government employees has been calculated by multiplying 36.24% by the hourly OPM wage and adding that amount in accordance with OMB Memorandum M-08 13.

Professional	44		\$77.84	\$3,424.96
Accountant		24	\$65.88	\$1,581.12
Administrative		8	\$28.11	\$224.88
Total Cost to Federal Government				0

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

This is an extension of a currently approved collection. There is no change in burden hours and any increase in cost to the Federal Government result from addition of benefits to the hourly wage rate. All awards have been made under the program and the collection of information associated with reporting requirements on awardees remains active for the purpose of compliance with the Recovery Act. It is anticipated that this collection will be retired as grant projects are concluded and reporting requirements expire.

**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.**

The Agency is not requesting an exemption from displaying the OMB expiration date.

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

There are no exceptions.

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

This collection does not involve statistical methods.