

June 11, 2014

**SUPPORTING STATEMENT
0572-0051
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 provides lending to upgrade, expand, maintain, and replace the vast rural American electric infrastructure while the Telecommunications Program makes 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 625 active electric borrowers and 500 active telecommunications borrowers.

The Rural Utilities Service Administrator, acting on behalf of the United States 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.”

The RUS Loan Contract with the borrower (Article V, Affirmative Covenants, Section 5.20, Miscellaneous Reports and Notices, Subsection (g), Other Information), provides that the borrower shall furnish to RUS “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.

Both the RUS Electric and Telecommunications programs utilize RUS Form 87 to obtain 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) authorized to sign official documents and/or to make official representations concerning borrower operations and management. RUS Form 87 is available in a fillable Adobe format on the USDA eforms website at <http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/RUS87.PDF>. At membership meetings, new board members may be elected, and/or new appointments may be made concerning corporate officials. Borrowers are also required to submit information RUS throughout the year concerning other changes not due to the membership meeting. Electric and Telecommunications programs borrowers submit the form to the Washington, DC office and to General Field Representatives. RUS uses the information 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 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. RUS Form 87 is posted on the USDA eforms site at <http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/RUS87.PDF> 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 and, although customers cannot submit this particular 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 Form 87, Request for Mail List Data form is specific to, and available only from, each individual active borrower. The information provided is collected by the borrower in the course of its business operations and reflects changes resulting 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 and the information would not 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 as they are within the standards established by the SBA for the industry. All but 10 percent of 625 electric borrowers meet the criteria for a small business. RUS is conscious of the needs of small entities and 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 each participant of agency's programs and 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.

RUS requires current information for borrowers' 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 borrowers' appropriate officials. In addition, the agency must maintain accurate information in order to direct official written communications and have contact with the appropriate borrower representative. Failure to collect information from borrowers could result in failure to protect the government's security interest when determining eligibility and administering loan programs.

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.

The Agency does not request more than an original and two copies of the information. 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.

As required by 5 CFR 1320.8(d), a Notice to request public comments was published in the Federal Register on April 16, 2014, at 79 FR 21437 (73). The agency received no comments.

In addition, the agency consulted the following representatives to obtain their opinion regarding the collection of information and their views on the availability of data, clarity of instruction, frequency of collection and other concerns or comments. Comments are summarized below:

Mr. Jonathan West, General Manager/CEO
Twin Lakes Telephone Cooperative
200 Telephone Lane
Gainesboro, Tennessee 38562
931-405-3217

Mr. West was contacted on April 9, 2014, about the Form 87. He stated that the form was easy to do and not too onerous. He estimated that it took around 15-20 minutes to fill out the form, and that he does so every two years or whenever there is a change in the contacts on the form. He stated that the instructions and the form were very user friendly.

Mr. Dale Snider, CFO
Leaco Rural Telephone Cooperative
220 West Broadway
Hobbs, New Mexico 88240
575-433-4301

Mr. Snider was contacted on April 9, 2014, about the Form 87. He stated that the form was very straightforward and that it took between 5-10 minutes to complete. He stated that the instructions were very clear and that they submitted the Form every year or two or when the contacts listed on the form changed.

Mr. Ray Bussell, General Manager
Alenco Communications, Inc.
P.O. Box 1000
Joshua, Texas 76058
817-447-0127

Mr. Bussell was contacted on April 9, 2014, about the Form 87. He stated that the form was easy to understand and easy to complete. He estimated that it takes between 15-30 minutes to fill out. He stated that they re-submit the form whenever there is a change with the contacts listed on the form.

Danny Nichols
Colquitt Electric Membership Corporation

P.O. Box 3608
Moultrie, GA 31776-3608
229-985-3620

Overall the borrower believes the collection of information requested is necessary and not too burdensome and materials such as the Code of Federal Regulations (CFR) and Website are readily available.

Jan Hedgepeth
Salt River Electric Cooperative Corporation
P.O. Box 609
Bardstown, KY 40004-0609
502-350-1521

Overall the borrower believes the collection of information requested is necessary and not too time consuming to complete the form.

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.

No assurance of confidentiality has been provided to the respondents. 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.

Based upon the current Electric Program and Telecom caseload and the number of previous borrowers, the agency estimates that there are 1,125 respondents with 1,125 responses and 281 burden hours. See the attached spreadsheet (RUS Form 36) for complete breakout of burden.

The total cost to respondents is estimated to be \$7,032.00. The estimated wage rate of \$17.91 is based on information from the Bureau of Labor Statistics, median hourly wage for Information and Records Clerks (Occupation Code 43-4199) found at http://www.bls.gov/oes/current/oes_nat.htm#43-0000. With the addition of cost of

benefits in the amount of \$5.27 per hour, the total hourly wage is \$23.18. The wage cost for the collection is summarized as follows:

Program	Number of Respondents	Annual Responses	Total hours	Wage/Benefit @ \$23.18	Mailing Cost @ .49	Total Costs
Electric	625	625	156	\$3,616	\$306	\$3,922.00
Telecommunications	500	500	125	\$2,898	\$245	\$3,143.00
Totals	1,125	1,125	281	\$6,514.00	\$551.00	\$7,065.00

Historical data provided by the Bureau of Labor Statistics, Employer Cost for Employee Compensation Supplemental Tables Historical Data December 2006-September 2012 is used to calculate the total cost of benefits. Benefits as a percentage of total compensation for Private trade, transportation and utilities industries workers were 29.4% of total hourly compensation. See <https://www.bls.gov/ncs/ect/sp/ecsupst.pdf>.

Completion Costs

Clerical position @ \$23.18 hr. X 281 hours = \$6,514.00
 Mailing Costs – 1,125 responses X \$.49 = \$551.00
 \$7,065.00

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.

RUS estimates that the annualized cost to the Federal Government is \$7,982. Each of the 1,125 responses requires .25 hours of Administrative/Clerical time. The wage rate for Administrative/Clerical wage is (GS 6/5) of \$20.83 per hour. The fringe benefit cost factor of 36.25%¹ is applied for total hourly wage cost of \$28.38.

Estimated cost to the Federal Government:

Admin/Clerical 0.25 hours X \$28.38 X 1,125 responses = \$7,981.88

¹ The fringe benefit cost factor of 36.25% is applied in accordance with OMB Memorandum M-08 13.

(GS 6/5) with benefits

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

During the last collection period, the number of RUS Electric program borrowers declined by 25 from 1,150 to 1,125 respondents. This change decreased responses by 25 from 1,150 to 1,125, and the estimated hour burden was reduced by 7 hours. The decrease is a result of borrowers paying in full and thus no longer being active borrowers, or of Electric program borrowers merging or consolidating with other 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.

The agency plans to display the expiration date for OMB approval of the information collection on all instruments.

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.