2016 - SUPPORTING STATEMENT

0572-0023

7 CFR Part 1744, Subpart C, Advance and Disbursement of Funds - Telecommunications

This is an extension of a currently approved information collection.

A. Justification

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

Section 201 of the Rural Electrification Act (RE Act) of 1936 authorizes the Administrator of the Rural Utilities Service (RUS) to make loans for the purpose of providing telephone service to the widest practicable number of rural subscribers. Title VI, Rural Broadband Access, of the RE Act authorizes RUS to provide loans and loan guarantee to fund the cost of construction, improvement, or acquisition facilities and equipment for the provision of broadband service in eligible rural communities.

RUS Form 481, “Financial Requirement Statement,” must be submitted by the borrower to request loan advances. A supplemental sheet to Form 481 (a continuation sheet) may be used by borrowers needing additional space. The Form 481 is used by RUS to record and control transactions in the construction fund. Upon receipt of the Form 481 and its accompanying documents complying with provisions of 7 CFR part 1744, subpart c, the Government, within a reasonable amount of time, will make and advance to the borrower a sufficient amount for the purposes specified in the statement of purposes. The borrower must immediately deposit all advanced money into a Special Construction account until disbursed.

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 481 is prepared and submitted to RUS by a borrower in order to have approved loan funds advanced. Included as a part of each Financial Requirement Statement (FRS) is an accounting for previous advances and other funds deposited in the Construction Fund Account. Disbursements are classified and reported by budget purposes. Along with the Form 481 the borrower must also submit the following:

a. A description of the advances desired (this generally consists of a one paragraph attachment to the Form 481). This is used to determine what projects the contracts listed on the Form relate to;
b. Other information related to the transactions (listed on the Form 481) when required by RUS. This would include copies of backup documentation relating to the transactions listed on the Form 481. This additional information is only required in about 20 percent of the responses where it is needed to verify that the funds advanced are related directly to loan purposes; and
c. On occasion, more funds may be required than are available in a budget account. In this case the borrower would need to request RUS' approval of a budget adjustment to use funds from another account. The request shall include an explanation of the change, the budget account to be used, and a description of how the adjustment will affect loan purposes.

This Form constitutes certification by the borrower that the amount of funds requested is for approved budget purposes and that the money will be deposited in a Construction Fund – Trustee Account in a Federal Deposit Insurance Corporation (FDIC) insured bank.

After review of the Form 481 and finding that everything is in order, the Agency electronically notifies the Deputy Chief Financial Officer (DCFO) in the Agency's Finance Office in St. Louis, Missouri, that the borrower is due an advance of funds. DCFO performs the necessary accounting functions and directs the Treasury Department to make a wire transfer in the appropriate amount.

3. <u>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</u>.

RUS requests continued approval of the electronic copy of this form on the RUS website. An excel version of the form is available so that borrowers can enter in information to complete the form electronically. A PDF version is also available on the website (http://www.rurdev.usda.gov/SupportDocuments/UTP_form_481.pdf). The form must be signed by the borrower and sent to Washington, DC, office. 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.

4. <u>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</u>.

Each loan advance is for a new purpose, so there is practically no chance for duplication and also no existing data available. This information is also unique to each borrower. Much of the information is collected and analyzed by any prudent business in the course of its operations. Whenever possible, RUS merely requires copies of information the borrower has prepared for another purpose.

5. <u>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</u>.

Telecommunication borrowers are members of the "wired telecommunications carriers" (NAICS 517110) industry. The SBA size standard for this industry is 1500 employees. All telecommunications borrowers have less than 1500 employees and accordingly are considered SBA small businesses.

RUS Form 481 has been designed to be simple, clear, concise, and easy to complete and is submitted by the borrower on an "as needed basis." The data needed to supply the information is readily available from the borrower's records. RUS field staff is available to consult with and assist borrowers in preparation of the material. The Agency feels that it has designed the form to minimize the impact on small businesses.

6. <u>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</u>.

If the information from Form 481 were not collected, RUS would not have any control over how loan funds are spent or a record of the balance to be advanced and; therefore, no assurance of RE Act purposes being accomplished. Since Form 481 is submitted only when an advance of approved loan funds are needed, less frequent collection is not possible either.

7. <u>Explain any special circumstances that would cause an information collection to be conducted in a manner</u>:

a. <u>Requiring respondents to report information more than quarterly</u>.

There is no requirement to respond more than quarterly.

b. <u>Requiring written responses in less than 30 days</u>.

There is no requirement for a response in less than 30 days.

c. Requiring more than an original and two copies.

There is no requirement for more than an original and two copies.

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

There are no such requirements.

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.

This collection does not involve statistical sampling.

g. Requiring a pledge of confidentiality.

There is no requirement for a pledge of confidentiality.

h. Requiring submission of proprietary trade secrets.

There is no requirement for submission of proprietary trade secrets.

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 requesting comments was published in the Federal Register on Monday, October 5, 2015, 80 CFR 60115. No public comments were received.

The following individuals were consulted concerning collection package:

1) Response from Hart Shane – No further suggestions or comments.
CEO/GM
Reservation Telephone Cooperative
P.O. Box 68, 24 Maine Street, North Parshall, North Dakota 58770-0068
(701) 862-3115; FAX (701) 862-2821

2) Russell Ransey – left a message but no response.
Vice President
The Toledo Telephone Co., Inc.
P.O. Box 669, 183 Plomondon Rd., Toledo, WA 98591
(360) 864-4552; FAX (360) 864-4488; tim@toledotel.com

3) Response from Cheryl Rue – No further comments or suggestions.
CEO
Tri-County Communications Cooperative, Inc.
417 5th Avenue, Strum, WI 54770
(715) 695-2691; FAX (715) 695-3881

RUS also maintains close contact with borrowers though its General Field Representatives (GFRs), field accountants, and headquarters staff. GFRs have direct personal contact with the borrower in connection with the fulfillment of RUS requirements including the completing of the Form 481. GFRs pass on any substantive comments to headquarters' staff. RUS also conducts seminars for borrowers. Suggestions and comments are always considered by the Agency.

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

No payment or gift has been provided to respondents.

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

There are no assurances of confidentiality provided to respondents

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 a sensitive nature.

12. <u>Provide estimates of the hour burden of the collection of information</u>.

This is an extension of the previously approved collection and the burden remains the same at 177 respondents, 1,112 responses and 1,223 burden hours. A breakdown of the burden reporting for each form is indicated below.

0572-0023 7 CFR Part 1744, Subpart C, Advance and Disbursement of Funds - Telecommunications	**Number of respondents**	**No. of Responses per respondent**	**Total Annual responses**	**Hours per response**	**Total Burden Hours**
1744.64 Budget Adjustment					
Telecom.	30	1.0	30.00	1.00	30.00
Broadband	25	3.0	75.00	1.00	75.00
1744.66 Description of Advances Desired					
Telecom.	152	2.3	349.60	0.25	87.00
Broadband	25	3.8	95.00	0.25	24.00
1744.66 Other Information Required					
Telecom.	100	0.7	70.00	1.00	70.00
Broadband	25	1.9	47.50	1.00	48.00
1744.66 Financial Requirement Statement					
Telecom.	152	2.3	349.60	2.00	699.00
Broadband	25	3.8	95.00	2.00	190.00
TOTALS	177	6.3	1,112	1.10	1,223.00

The following is the cost to the public:

Item	Hours Per Response	X	Number of Responses	X	Labor Cost Per Hour	=	Line Item Total Cost
Budget Adjustment Request:							
Collecting Data -	0.30	X	105	X	$ 45.52	=	$1,433.88
Preparation -	0.40	X	105	X	$ 45.52	=	$1,911.84
Typing -	0.20	X	105	X	$ 20.83	=	$437.43
Review -	0.10	X	105	X	$ 62.78	=	$659.19
Form 481:							
Collecting Data -	0.50	X	445	X	$ 45.52	=	$10,128.20
Preparation -	0.75	X	445	X	$ 45.52	=	$15,192.30
Typing -	0.50	X	445	X	$ 20.83	=	$4,634.68
Review -	0.25	X	445	X	$ 62.78	=	$6,984.28
Description of Advances:							
Preparation -	0.10	X	445	X	$ 45.52	=	$2,025.64
Typing -	0.15	X	445	X	$ 20.83	=	$1,390.40
Other information as requested:							
Collecting Data -	0.50	X	118	X	$ 45.52	=	$2,685.68
Preparation -	0.25	X	118	X	$ 45.52	=	$1,342.84
Typing -	0.15	X	118	X	$ 20.83	=	$368.69
Review -	0.10	X	118	X	$ 62.78	=	$740.80
Wages With Benefit loading							$64,616.99
Mailing							$1,300.00
Total Estimated Costs to the Respondents							**$65,916.99**

Costs are attributed to a bookkeeper collecting data and preparing a draft, a clerical position of the borrower's operation completing the forms in final form, and an authorized manager reviewing and signing the form. The wage figures used is from the May 2014 National Industry-Specific Occupational Employment and Wage Estimates at http://www.bls.gov/oes/current/naics4_517100.htm. The National 4-digit NAICS Industry-Specific estimates are used. for Wired Telecommunications Carriers (517100). For ‘professional’ time an hourly wage of $62.78 for ‘Managers, All Other (11-9199)’ is used. For ‘Clerical’ time an hourly wage of $20.83 for ‘Office and Administrative Support Workers, All Other (43-9199)’ is used. For bookkeeper time an hourly wage of $45.52 for ‘Financial Specialists, All Other (13-2099)’ is used. Benefit loading of 29.4% was included.

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 associated with this collection.

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

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

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

Annualized cost to the Federal Government is estimated as follows:

Item	Hours Per Response	X	Number of Responses	X	Labor Cost Per Hour	=	Line Item Total Cost
Budget Adjustment Request:							
Review	0.30	X	105	X	$ 49.49	=	$1,558.94
Clerical	0.10	X	105	X	$ 21.11	=	$221.66
Form 481 and Description of Advances:							
Review	0.90	X	445	X	$ 49.49	=	$19,820.75
Clerical	0.10	X	445	X	$ 21.11	=	$939.40
Other information as requested:							
Review	0.75	X	118	X	$ 49.49	=	$4,379.87
Clerical	0.10	X	118	X	$ 21.11	=	$249.10
Wages with Benefit Loading							$37,018.71
Printing							$750.00
Mailing							$400.00
Total Estimated Costs to the Government							**$38,168.71**

The costs used are based on Washington, DC Area wages for senior office engineers at $49.49 per hour (GS 13, step 5) and clerical at $21.11 per hour (GS 6, step 5). A 36.25% benefit loading was included.

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

This is an extension of the previously approved collection and the burden has not changed. Costs to the public and government employees have been updated.

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

There are no plans for publication.

17. <u>If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate</u>.

The Agency is not seeking approval.

18. <u>Explain each exception to the certification statement identified in item 19 on OMB 83-1</u>.

There are no exceptions to the certification statement.

B. <u>Collection of Information Employing Statistical Methods.</u>

This collection does not employ statistical methods.