

February 2016

SUPPORTING STATEMENT

(0572-0131)

7 CFR Part 1728, Electric Standards and Specifications for Materials and Construction

OMB Terms of Clearance: None

A. Justification

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

The Rural Electrification Act of 1936, 7 U.S.C. 901 *et seq.*, as amended, (RE Act) in Sec. 4 (7 U.S.C. 904) authorizes and empowers the USDA Rural Development, Rural Utilities Service (RUS or the Agency) Administrator to direct and coordinate the program to provide loans and loan guarantees to furnish electrification and improve electric energy service to persons in rural areas of the United States and Territories of the United States. The loan term may be up to 35 years and loans are secured by a first mortgage on the borrower's electric system. To assure loans made or guaranteed by RUS are adequately secured, used effectively, and for the intended purposes, the Agency has established standards and specifications for materials, equipment and the construction of electric systems. Utilization of standards and specifications for materials, equipment, and construction helps assure appropriate standards and specifications are maintained, loan security is not adversely affected, and loan and loan guarantee funds are used effectively for intended purposes.

RUS policy is established by 7 CFR part 1728 which provides that materials and equipment purchased by RUS electric borrowers or accepted as contractor-furnished material must conform to Agency standards and specifications where they have been established and, if included in Agency IP 202-1, "List of Materials Acceptable for Use on Systems of Rural Development Electrification Borrowers" (List of Materials), must be selected from that list or must have received technical acceptance from Rural Development.

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.

Manufacturers planning to sell products to RUS electric borrowers request Agency consideration for acceptance of the products and submit letters of request with certifications as to the origin of manufacture of the products including certified data showing product compliance with Agency specifications. Compliance with Agency specifications and standards is demonstrated to a large extent via presentation of laboratory tests results and other informational data upon which the determination of

acceptability can be made. The Agency evaluates the data to determine that the product quality is acceptable and that product use will not jeopardize loan security. The information is closely reviewed to be certain that test data and product dimensions and material compositions fully comply with RUS established technical standards and specifications. Review and determination of product acceptability is made to help assure products will perform properly and provide service lives that ensure reliable revenue incomes and repayment of Agency loan funds in a manner consistent with the terms and conditions of the RUS loan. The information review relies heavily on manufacturer certification of the product compliance and presentation of data demonstrating specification compliance. RUS staff conducts information reviews, checks manufacturers' certifications, and scrutinizes data and products to assure compliance with appropriate specifications and standards.

Review and determination of product acceptability is made to help assure products will perform properly and provide service lives that ensure reliable revenue incomes and repayment of Agency loan funds in a manner consistent with the terms and conditions of the RUS loan. Unacceptable products may fail prematurely and interrupt service, reducing revenue and requiring costly replacement. Without this collection, RUS has no means of determining the acceptability of products for use in the rural environment. RUS may codify additional standards and specifications from time-to-time with little if any impact on the paper work burden reported here. Paper work burden related to standards and specifications arises only when a manufacturer requests RUS acceptance or consideration of products covered by the specification. The reporting burden presented here is based on a three-year average of applications received from manufacturers. The number of applications received does not significantly increase as a result of new specifications; applications are more market competitive oriented.

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.

Manufacturers wishing to have their products listed by RUS as an approved product submit certified data demonstrating product compliance with RUS specifications, usually in the form of laboratory test results, catalog pages, or drawings. This data can be extensive and voluminous. Each manufacturer prepares material using different constantly evolving software and/or computer programs. If RUS were to dictate one specific format for the required information, it would be overly burdensome on the manufacturer to submit the information to RUS electronically. Based on these constraints, it is not feasible to implement electronic submission for this information collection, at this time.

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.

In order to eliminate duplication, RUS utilizes National standards except where experience indicates they are not adequate for materials and equipment to be used on rural electric systems. Therefore, insofar as practical, RUS accepts test data which manufacturers normally have readily on hand, in lieu of requiring specialized tests to be performed. In the event specialized tests are required, RUS routinely restricts them to the absolute minimum commensurate with an adequate level of confidence that the product achieves the required level of performance.

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.

The Agency believes that the information requested is the minimum necessary for the Agency to meet statutory requirements with respect to both large and small entities. Ninety percent of the electric borrowers meet the Small Business Administration 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. The information collected is the minimum required by the Agency, with respect to both large and small firms, to ensure products meet specifications. The Agency headquarters and field staff are available for consultation and to assist borrowers in preparing documents or to answer questions from industry representatives.

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.

Without collecting and evaluating information concerning product specifications, RUS could not ensure that products utilized by its borrowers will perform adequately. Data is collected only on new or modified products. Less frequent data collection would be impractical and would not satisfy RUS materials/products review obligations in an appropriate, meaningful, or equitable manner.

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 respond more frequently than quarterly.

b. Requiring written responses in less than 30 days.

There is no requirement to respond in less than 30 days.

c. Requiring more than an original and two copies.

RUS requires six copies of the material submitted – one for each member of the Technical Standards Committee “A” (Electric) to review and one for the Chair/official records. Submission of fewer copies would delay the consideration of the application.

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

Record retention requirements shall be in accordance with 7 CFR 1767.

e. In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.

This collection is not a survey.

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

This collection does not employ statistical sampling.

g. Requiring a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.

There is no requirement of a pledge of confidentiality.

h. Requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information’s confidentiality to the extent permitted by law.

There is no requirement to submit propriety 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 to request comments was published in the Federal Register on December 24, 2015 at 80 FR 80315. No public comments were received.

RUS maintains close contact with borrowers through general field representatives and headquarters staff. Suggestions are always considered by the Agency. The following applicant/borrowers were contacted in February 2016 concerning data collection for 7 CFR 1728 and stated that the data collection requirements were neither excessive nor burdensome:

Margaret Karadimas
Sr. Project Engineer – Electrical Safety
SALISBURY by Honeywell
Honeywell Safety Products
101 E. Crossroads Pkway, Ste A
Bolingbrook, IL 60440
Office: (630) 343-3728 (direct)
Mobile: (630) 235-9553
Email: margaret.karadimas@honeywell.com

Ms. Karadimas stated that the required information was not burdensome and did not require an excessive amount of effort to produce to the Agency. Ms. Karadimas had no specific suggestions for reducing or streamlining the submission of the required information. She commented that it seemed to take a long time to receive product approval by the RUS Technical Standards Committee. She stated that reducing the time for application review would be a big improvement.

Ms. Penny Elder, Product Manager
Utility Agency & Import
2417 FM917
Mansfield, TX 76063
Office: (817) 477-9888
Mobile: (615) 497-1783
Email: penny@uaires.com

Ms. Elder did not feel that the information required for product review by the Technical Standards Committee was excessive.

Ms. Brandilyn A. Johnson, Product Manager
Houston Wire & Cable Company
10201 North Loop East
Houston, TX 77029
Office: (713) 609-2252
Cell: (713) 550-6903
Email: bjohnson@houwire.com

Ms. Johnson did not feel the collection was overly burdensome and had no suggestions for reducing the burden or streamlining the required information.

9. Explain any decision to provide any payment or gift to respondents, other than re-numeration 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 does not require confidentiality.

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.

The burden hours were estimated based upon the annual number of manufacturers submitting products for RUS certification. RUS estimates an average of 38 annual respondents and a total estimated average of 100 responses annually. Program investigation has indicated that hours per response is 20, with professional time required for 25 percent of the response preparation and administrative/clerical time needed for about 75 percent of the response preparation. The attached spreadsheet (RUS Form 36) contains a detailed calculation of burden hours. The wage rates used in the following calculation of respondent cost were taken from the Department of Labor, Bureau of Labor Statistics at http://www.bls.gov/oes/current/oes_nat.htm. The professional wage rate is \$46.77 (Occupation Code 11-1021) and the administrative/clerical wage rate is \$15.64 (Occupation Code 43-0000). Data provided by the Bureau of Labor Statistics indicates that employer cost for employee benefits for the private industry was 30.5% of wages. See; Bureau of Labor Statistics Employer Costs for Employee Compensation – June 2015, <http://www.bls.gov/news.release/ecec.nr0.htm>. After calculating total wages and employee benefits, total wage rates for Senior Manager are \$61.03 per hour and the clerical/administrative hourly wage and benefits is \$20.41. The calculation for annualized estimated respondent cost follows:

Job Position	Number of responses	Hours per response	Total Hours	Hourly Wage/Benefit	Cost
Professional	100	5	500	\$61.03	\$30,515
Clerical/Administrative	100	15	1500	\$20.41	\$30,615
Total Respondent Cost					\$61,130

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 is no operation and maintenance or purchase of services component associated with this collection.

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

The estimated annualized cost to the Federal Government is \$72,899. The agency estimates that approximately 11 hours are required to review each submittal. For each submittal, approximately 10.5 hours of professional review time is required. Each submittal requires approximately .5 hours of time by an employee in a clerical/administrative position. The Federal Government wage information used in the cost calculation was obtained from the Office of Personnel Management Salary Table 2016-DCB located online at : https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2016/DCB_h.pdf. The hourly wage of a professional employee is \$50.04 (grade 13, step 5), and the hourly wage for the clerical/administrative time is \$19.15 (grade 5, step 5). After calculating the cost of total benefits, the hourly professional rate is \$68.18 and the hourly clerical rate is \$26.19.¹ The cost calculation is shown below:

Job Category	Number of Submittals	Review time required	Total Hourly Wage & Benefits	Cost to Federal Government
Professional	100	10.5	\$68.18	\$71,589
Clerical/Admin	100	.5	\$26.19	\$1,310
Total Cost				\$72,899.00

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 request for extension of a currently approved collection and there is no change in the number of burden hours. Cost of total burden hours has been adjusted for changes in wage rates.

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

¹Cost of total benefits as a percentage of total hourly compensation for Federal Government employees has been calculated by multiplying 36.25% by the hourly OPM wage in accordance with OMB Memorandum M-08 13.

RUS publishes an annual “List of Materials Acceptable for Use on Systems of Rural Development Electrification Borrowers” (Informational Publication 202-1), which is a compilation of accepted submittals. Quarterly updates of this publication are also published. RUS includes this information on the USDA Rural Development website, See, <http://rurdev.sc.egov.usda.gov/SupportDocuments/lom100701.pdf>.

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.

No such approval is requested.

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

None requested.

B. _

This information collection does not employ statistical methods.