

**Information Collection Request  
Supporting Statement**

**Department of the Treasury, Office of Debt Management**

**Quarterly Dealer Agenda Survey  
OMB Control No. 1505-0261**

**A. Justification**

**1. Circumstances Making the Collection of Information Necessary.**

The Department of the Treasury’s mission to manage the U.S government’s finances and resources effectively includes financing the government’s borrowing needs at the lowest cost over time. Treasury meets this objective by issuing debt in a regular and predictable pattern, providing transparency in its decision-making process, and seeking continuous improvements in the Treasury auction process. The risks to regular and predictable debt issuance result from unexpected changes in our borrowing requirements, changes in the demand for Treasury securities, and anything that inhibits timely sales of securities. To reduce these risks, Treasury closely monitors economic conditions, market activity, and, if necessary, responds with appropriate changes in debt issuance based on analysis and consultation with market participants.

Changes in debt management policy are generally developed through the quarterly refunding (<https://www.treasury.gov/resource-center/data-chart-center/quarterly-refunding/Pages/default.aspx>) process near the middle of each calendar quarter. Treasury begins this process by soliciting advice and views from the private sector through questions to primary dealers (<https://www.treasury.gov/resource-center/data-chart-center/quarterly-refunding/Pages/agenda-index.aspx>) in the Primary Dealer Meeting Agenda (Agenda).

At the beginning of each mid-quarter month (February, May, August, and November), the Assistant Secretary for Financial Markets, or a designated official, will release a policy statement, referred to as the “Quarterly Refunding Statement,” on debt financing focused on the following three months.

The policy statement generally sets the borrowing amounts needed for the next 3- and 10-year note and the 30-year bond. In addition, the statement is often used to indicate other financing needs, or to announce significant policy decisions related to debt financing. Funding the government is a mission critical function, and setting policy for debt financing through this regular and predictable process is an important aspect to ensure that the government is able to borrow at the lowest cost to the taxpayer.

Before the statement is released, staff in the Office of Debt Management (ODM) spend considerable time analyzing potential policy decisions. To inform that process, ODM staff

rely, in part, on the feedback received from the Agenda. That agenda is the focus of this information collection request.

## **2. Purpose and Use of the Information Collection.**

The information is collected through an agenda consisting typically of four to six questions. The survey is sent to all primary dealers, of which there are currently 24 financial institutions. The status of primary dealer is a designation given by the Federal Reserve Bank of New York (FRBNY). The total number can fluctuate some over time. The complete list of primary dealers is available on the FRBNY website.

<https://www.newyorkfed.org/markets/primarydealers>

As fiscal agent, the FRBNY sends and receives the survey, via email, to the primary dealers on Treasury's behalf.

The information is used to inform ODM's decision to set the securities' issuance sizes for the upcoming quarter. In effect, the information provides a market view of borrowing needs for the U.S. government. In addition, aggregate statistics are made public through Treasury's Quarterly Refunding materials.

The survey is also posted on Treasury's website for informational purposes.

<https://www.treasury.gov/resource-center/data-chart-center/quarterly-refunding/Pages/default.aspx>

## **3. Consideration Given to Information Technology.**

The survey is sent only via email, and completed responses are received only via email.

## **4. Duplication of Information.**

Treasury is not aware of similar information that is available elsewhere nor does it believe that similar information is being collected through another source. The purpose of this survey and information collected is specific to the policy objectives of the Office of Financial Markets within Treasury.

## **5. Reducing the Burden on Small Entities.**

Primary dealers are large, financial institutions. There is no impact on small businesses or other small entities. The requirements for becoming a primary dealer are listed on FRBNY's website, and indicate that the dealer must be a significant institution in the Treasury market:

“In order to be eligible as a primary dealer, a firm must:

Be either (1) a broker-dealer or government securities broker-dealer, registered with and supervised by the Securities and Exchange Commission (SEC) and approved as a member of the Financial Industry Regulatory Authority, Inc., and that has net regulatory capital of at least \$50 million or (2) a state or federally chartered bank or savings association (or a state or federally licensed branch or agency of a foreign

bank) that is subject to bank supervision, and that maintains at least \$1 billion in Tier 1 capital.

Demonstrate a substantial presence as a market maker that provides two-way liquidity in U.S. government securities, particularly Treasury cash and repo operations, for at least one year prior to the application date.”

<https://www.newyorkfed.org/markets/primarydealers>

## **6. Consequences of Not Conducting Collection.**

If this information were not collected, or collected less frequently, Treasury would not have insight into market expectations for debt issuance or other fiscal policy initiatives, nor would the public have the aggregate statistics published after the collection of that information. When making policy decisions, Treasury takes into account market expectations to better understand market demand for Treasury securities, capacity to absorb additional issuance when applicable, and the magnitude of risk from announcing policies in contrast to expectations. Without this information, Treasury’s goal of financing the government at the lowest cost to the taxpayer would be at risk.

## **7. Special Circumstances.**

Primary dealers are given 1.5 weeks to provide a response. The turnaround time ensures that information on debt issuance or other policy priorities is timely for use in finalizing decisions just prior to the Quarterly Refunding. The information provided is consistent with information gathered as part of the normal course of business for respondents.

There are no other special circumstances. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.6.

## **8. Consultations with Persons Outside the Agency.**

Treasury and the FRBNY have regular interaction with the primary dealers and a general understanding that dealers have established processes to provide this information to Treasury on a regular basis. In addition, Treasury published a notice in the *Federal Register* soliciting additional comment from the public on August 8, 2019 (84 FR 39394). No comments were received.

## **9. Payment or Gift.**

No payment or gift is provided.

## **10. Confidentiality.**

Treasury does not provide any assurance of confidentiality. While some primary dealers will publish their own responses for clients, Treasury’s practice is to report only aggregate statistics to the public.

## **11. Questions of a Sensitive Nature.**

Treasury does not handle any personally identifiable information associated with the

agenda.

No questions of a sensitive nature, (e.g., such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private) have or will be asked.

## 12. Burden of Information Collection.

Respondents	Frequency	Total Annual Responses	Time Per Response	Total Annual Hour Burden	Labor Cost Per Hour	Total Annual Labor Costs
24	Quarterly	96	2 hours	192 hours	\$80.49	\$15,454

The agenda is sent to all primary dealers, of which there are currently 23 institutions. The primary dealer relationship is managed by the Federal Reserve Bank of New York. Information on the primary dealers, including a current list, is available here: <https://www.newyorkfed.org/markets/primarydealers>

Each primary dealer is surveyed once each quarter, with an expected hour burden of two hours. This estimate is based on interaction with the primary dealers and a general understanding that they have established processes to provide this information on a regular basis. Therefore, two hours should be sufficient to collect and return information.

The annual cost is based on a per hour cost of \$80.49 and quarterly agendas taking two hours each. The cost is based on the 90% wage for Financial Analysts as estimated by the Bureau of Labor Statistics in May 2018 (<https://www.bls.gov/oes/current/oes132051.htm>). Given the reputation of the primary dealers, it is reasonable to expect that analysts providing information are earning wages near the higher end of the distribution.

## 13. Annual Cost to Respondents.

There are no capital/start-up or ongoing operation/maintenance costs associated with this information collection. The information provided is consistent with information gathered as part of the normal course of business for respondents.

## 14. Cost to the Federal Government.

For each quarterly survey, the cost to the government is estimated as one hour for a full-time equivalent (FTE) employee to create and distribute the instrument, and eight hours for a FTE, typically at GS-14 Economist (series 1101) to analyze the responses.

The hourly wage for a GS-14 employee in Washington DC is \$54.91 based on Office of Personnel Management 2018 Salary Tables ([https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/18Tables/html/DCB\\_h.aspx](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/18Tables/html/DCB_h.aspx)). Adding an overhead & benefits factor of 60% produces a fully-loaded wage of \$87.86/hour.

9 hours \* 4 quarters \* \$87.86/hour = \$3,163 total annual cost to government

**15. Reason for Change.**

There is an increase of 4 responses and 8 hours of burden from the previously approved estimates due to one additional Primary Dealer having been designated by the FRBNY.

**16. Tabulation of Results, Schedule, Analysis Plans.**

Aggregate statistics from the survey are posted to the Treasury website.

<https://www.treasury.gov/resource-center/data-chart-center/quarterly-refunding/Pages/default.aspx>

The aggregate information is generally released just over a week after all agendas are returned to Treasury.

**17. Display of OMB Approval Date.**

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

**18. Exceptions to Certification for Paperwork Reduction Act Submission.**

There are no exceptions to the certification statement.

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

- 1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used. Data on the number of entities (e.g., establishments, State and local government units, households, or persons) in the universe covered by the collection and in the corresponding sample are to be provided in tabular form for the universe as a whole and for each of the strata in the proposed sample. Indicate expected response rates for the collection as a whole. If the collection had been conducted previously, include the actual response rate achieved during the last collection.**

The entire universe, all primary dealers, of which there are currently 24, is surveyed so no sampling methods are used.

- 2. Describe the procedures for the collection of information including:**

- **Statistical methodology for stratification and sample selection,**
- **Estimation procedure,**
- **Degree of accuracy needed for the purpose described in the justification,**
- **Unusual problems requiring specialized sampling procedures, and**
- **Any use of periodic (less frequent than annual) data collection cycles to reduce burden.**

Not applicable.

- 3. Describe methods to maximize response rates and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling, a special justification must be provided for any collection that will not yield "reliable" data that can be generalized to the universe studied.**

Since the number of respondents is low (currently 24), Treasury can follow-up by email to encourage timely completion of the agenda.

- 4. Describe any tests of procedures or methods to be undertaken. Testing is encouraged as an effective means of refining collections of information to minimize burden and improve utility. Tests must be approved if they call for answers to identical questions from 10 or more respondents. A proposed test or set of tests may be submitted for approval separately or in combination with the main collection of information.**

Not applicable.

- 5. Provide the name and telephone number of individuals consulted on statistical aspects of the design and the name of the bureau unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the bureau.**

Not applicable.