

Supporting Statement
OMB 1520-NEW

Bureau of Engraving and Printing
Feature of Interest Survey for Banknote Equipment Manufacturers

A. Justification

1. Circumstances Making the Collection of Information Necessary.

The Bureau of Engraving and Printing, under the authority of the Secretary of the Treasury, has the responsibility to design and print U.S. currency. See 12 U.S.C. Sections 418-421 and Title 31, U.S.C., including Sections 303, 321, 5114, 5119, and 5120.

This involves developing new features (ex. security, public, forensic, etc.) for use in redesigned Federal Reserve Notes (FRNs).

BEP periodically gathers information from Banknote Equipment Manufacturers (BEMs) to determine if proposed features may affect the acceptance of future redesigns of FRNs through machines that make accept/reject decisions on FRNs in commerce (FRN Validators). There are over 10 million FRN Validators in commerce. BEP is in contact with more than 70 BEM companies that manufacture FRN Validators.

2. Purpose and Use of the Information Collection.

The information collected will be used to determine if proposed features and/or FRN redesigns (a.k.a. Features of Interest) can be detected, validated, transported, and stored by BEM's FRN Validators.

In addition, information collected will indicate cost, risk, and mitigation recommendations from BEMs with respect to proposed features with the goal of providing input for banknote development decisions that relate to the acceptance of genuine FRNs and the rejection of counterfeits by FRN Validators.

The information provided by BEMs will be summarized and reported to BEP's Technology Development Process and/or Banknote Development Process as a factor in determining if prospective features may be incorporated into future FRN redesigns.

3. Consideration Given to Information Technology.

The information can be submitted electronically via email or physically using the submitter's preferred delivery option. To reduce burden, the submitter chooses the delivery method according to the submitter's preferences.

The *Feature of Interest Survey for Banknote Equipment Manufacturers* is not offered electronically on the Internet as it accompanies physical Feature of Interest (FOI) samples and is provided only to companies that complete an eligibility process and non-disclosure agreements.

4. Duplication of Information.

No similar information already available can be used or modified for the purposes of this information collection. The questions are being asked about future proposed features that

will be in the process of FRN design and development at the time of information collection using the *Feature of Interest Survey for Banknote Equipment Manufacturers*. As such, there is no similar information available that will help the BEP assess the efficacy of the FOI samples that it plans to evaluate.

This information collection pertains to features contemplated for use in future FRNs. Therefore, information collections performed in the past do not provide relevant information.

BEP will be asking for feedback about specific FOI samples which are being considered for incorporation into FRNs. BEP seeks to collect relevant, timely information directly from BEM companies to obtain up-to-date information. Previous tests involved samples and features different from those being contemplated for use in future FRNs.

5. Reducing the Burden on Small Entities.

The collection of information is voluntary and is not anticipated to burden small entities.

6. Consequences of Not Conducting Collection.

If BEP does not collect this information, BEP risks wasting time and money on features and FRN redesigns that will not work with FRN Validators in circulation. Collecting this information during FRN feature and design development is BEP's earliest opportunity to determine whether a proposed feature and/or redesign may adversely impact the millions of FRN Validators worldwide prior to the U.S. government expending years and money on feature and subsequent banknote development

More than a decade of research and development, followed by years of optimization and integration testing, ensure the successful deployment of features in FRNs. As a point of reference, the current \$100 note with the Optically Variable Thread (OVT), which is highly effective against counterfeiters, took more than 10 years to develop. BEM companies were provided an opportunity to voluntarily comment on the OVT prior to issuance of the current \$100 note.

7. Special Circumstances.

There are no special circumstances involved in this information collection.

The *Feature of Interest Survey for Banknote Equipment Manufacturers* is not a statistical survey, nor does it require the use of a statistical data classification.

8. Consultations with Persons Outside the Agency.

As required by 5 CFR 1320.8 (d), a notice of this proposed data collection appeared in the *Federal Register*, Vol. 87, No. 122, p. 38259 on June 27, 2022. No public comments were received in response to the notice.

9. Payment or Gift.

No payment or gift will be provided to respondents.

10. Confidentiality.

The information shared by each BEM will be protected in accordance with the United States Cash Machine Group (USCMG) Memorandum of Understanding (MOU) which each participating BEM will review and sign before the information is collected. The MOU

compels the BEP to take all precautions necessary to hold the information in the strictest confidence and to safeguard the BEM's information from unauthorized disclosure.

11. Questions of a Sensitive Nature.

The BEP will not ask sensitive questions.

12. Burden of Information Collection.

BEP expects an average of 3 voluntary surveys per year with a maximum of 50 respondents per survey. This is approximately 150 responses per year with an estimated time-per-response of 1 hour.

Type of Intake	Estimated number of respondents	Frequency of Response	Time per response	Annual Hour Burden	Average Hourly Wage Rate	Estimated Annualized cost to respondents
Feature of Interest Survey for Banknote Equipment Manufacturers	50	3 surveys per year (average)	1 hour	150	\$87.05	\$13,057.50

It is expected that administrative and/or operational managers for the respondent companies will prepare and submit the information for these collections. The average wage rate for operation managers is \$60.45 in 2020. <https://www.bls.gov/oes/current/oes111021.htm>

A benefit multiplier of 1.44 is used to calculate a fully-loaded wage rate of \$87.05 (\$60.45x1.44=\$87.05).

Response is not on a regular yearly schedule. Maximum response coincides with periodic BEM feedback opportunities during development of features and/or FRN redesigns. There were nearly 50 BEM participants per year when BEP offered test decks in 2008, 2010 and 2013. Historically, fewer BEMs participate in feedback opportunities than in test deck events.

13. Annual Cost to Respondents.

There are no capital/start-up or ongoing operation/maintenance costs associated with this information collection.

14. Cost to the Federal Government.

BEP estimates incurring minimal cost in the collection of this information. FOI samples exhibiting proposed features will be manufactured during testing that is already required for BEP's Technology Development Process and/or Banknote Development Process. They are not produced at additional cost to the Federal Government.

The cost associated with providing BEMs access to the samples and collecting the information, including employee labor and materials, are negligible and are in conjunction with other program activities associated with facilitating the acceptance of genuine FRNs through FRN Validators in direct support of BEP's mission.

15. Reason for Change.

Not applicable. This information collection is new.

16. Tabulation of Results, Schedule, Analysis Plans.

The BEP will not publish the results of this information collection. The information will be distributed among the members of the USCMG in accordance with the USCMG MOU.

The members of the USCMG are the United States Department of the Treasury, Bureau of Engraving and Printing ("BEP"), the Board of Governors of the Federal Reserve System (the "Board"), the Federal Reserve Bank of San Francisco ("FRBSF"), the Federal Reserve Bank of Richmond ("FRBR"), and the United States Secret Service (the "USSS") referred to individually as a "Member" and collectively as the "Group."

The information will be tabulated to the extent possible. While much of the information is expected to be experiential rather than quantifiable, USCMG benchmarking with other Central Banks and banknote manufacturers indicates that early BEM input can prevent FRN Validator rejection of banknote features and/or redesigns.

The information provided by BEMs will be summarized by the USCMG and reported to BEP's Technology Development Process and/or Banknote Development Process as a factor in determining whether and/or how prospective features may be incorporated into future FRN redesigns.

17. Display of OMB Approval Date.

The BEP 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

BEP invites BEMs to voluntarily provide input. There are no statistical methods involved in this information collection; hence, there is no sampling plan which is the aim of this question.

While the responses are not expected to be representative of any larger group, they can identify objective opportunities to improve FRN features and/or redesigns. The information provided voluntarily by BEMs may be verified through laboratory testing and used in conjunction with other information to inform BEP's efforts to develop features to be included in future FRN redesigns. Statistical methods will not improve the relevance nor accuracy of the information gathered

In addition, information collected will indicate cost, risk, and mitigation recommendations from BEMs with respect to proposed features with the goal of providing input for FRN development decisions that relate to the following functions of FRN Validators in circulation: acceptance of genuine U.S. currency and rejection of counterfeits.

The information provided by BEMs will be summarized and reported to BEP's Technology Development Process and/or Banknote Development Process as a factor in determining whether and/or how prospective features may be incorporated into future FRN redesigns.

- 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.**

There are no statistical methods involved in this information collection; hence, there is no sampling plan which is the aim of this question.

- 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.**

There are no statistical methods involved in this information collection.

- 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.**

There are no statistical methods involved in this information collection.

- 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.**

There are no statistical methods involved in this information collection.

- 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.**

There are no statistical methods involved in this information collection.