

2024
SUPPORTING STATEMENT
OMB Control No. 0572-0076
RUS Specification for Quality Control and Inspection of Timber Products

This package is being submitted under a regular clearance as an extension of a currently approved collection. There is no change in estimated burden hours.

A. Justification

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

The Rural Utilities Service (RUS) is a credit agency of the U.S. Department of Agriculture. It makes mortgage loans and loan guarantees to finance electric, telecommunications, and water and waste facilities in rural areas. Loan programs are managed in accordance with the Rural Electrification Act (RE Act) of 1936, 7 U.S.C. 901 et seq., as amended.

RUS has an interest in loan security and in protection of the Government's interest over the long-term life of a loan, which is generally secured by a first mortgage and amortized over a period of up to 35 years. Therefore, RUS necessarily has a strong interest in the business, financial, and operating aspects of its borrowers. Prior to receiving loan funds, RUS borrowers must enter into a loan contract with RUS. In accordance with Article V, Section 5.14 of the loan contract, "the borrower shall use design standards, construction standards and lists of acceptable materials in conformance with RUS Regulations."

In order to ensure the security of loan funds, adequate quality control of timber products is vital to loan security on electric power systems where hundreds of thousands of wood poles and crossarms are used. Since RUS and its borrowers do not have the expertise or manpower to quickly determine imperfections in the wood products or preservative treatment of the wood product, they must obtain the services of an inspection agency to ensure the specifications for wood poles and crossarms are being met. 7 CFR 1728.202 (formerly RUS Bulletin 1728H-702) provides RUS borrowers with policy guidance on the quality control and inspection of timber products.

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.

When RUS approves an applicant's request for financial assistance and provides funds, a contractual agreement results between the borrower and RUS. Among the contractual provisions contained in the contract are requirements that the borrower construct the system in accordance with RUS accepted specifications, including the quality control specifications for wood poles and stubs for use in borrowers' distribution poles. RUS quality control standards for wood poles follow closely with industry standards. There are several professional organizations that contribute to the formulation of wood product

standards, including but not limited to: The American National Standards Institute (ANSI), American Society for Testing and Materials, American Wood Protection Association (AWPA), Southern Pine Inspection Bureau and Pacific Lumber Inspection Bureau. Standards for wood products are published in the American Wood Protection Association Book of Standards. RUS requires that borrower obtain confirmation from their selected contractor that the wood poles meet the specifications of 7 CFR 1728.202 and RUS communicates the details of the standards for wood products through the publication of 7 CFR 1728.202, which is available online, to the public and available in hard copy. RUS General Field Representatives and RUS headquarters staff are available to discuss and answer questions about the standards from the public or borrowers. RUS will use the following required information to verify acceptability of poles and crossarms purchased by RUS borrowers. RUS cross-references borrowers and treating plants so that if, during an inspection trip by an RUS staff member, a plant is in violation of the specifications, RUS can quickly determine which borrowers purchased from the plant and take appropriate action to correct the violation.

Use of Inspection Agencies to Inspect Poles

7 CFR 1728.202 provides that the purchaser or treating company may obtain the services of an inspection agency or third-party oversight organization to perform certain inspection services. This inspection is the industry standard and would normally be performed even if RUS did not specify it. The requirement is necessary because timber, by nature, is non-uniform. RUS borrowers design their systems based on assumptions about the strength and durability of the poles they purchase. The assumptions are valid only if limitations are imposed on the defects in the wood and minimum levels of preservation are retained in the wood in its treatment. Since RUS borrowers are generally not experts in wood quality, it is essential that this verification work be contracted to someone who is.

Test Reports from Inspectors

7 CFR 1728.202(i) requires that copies of test reports on various preservatives must accompany each charge (a charge being a load of poles treated at the same time in a pressure cylinder). This is the standard operating procedure in the treated wood industry and as such, required in this specification. Test reports are necessary so that the purchaser, the inspector, and RUS will be able to spot check the general accuracy of the tests.

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 encourages borrowers and inspectors to utilize information technologies to transmit the reports electronically when a review of inspection reports is requested. This may include scanning the reports to files and sending the files to RUS as email attachments or

faxing the reports to RUS. RUS does not require the use of a standardized form to collect the data. Inspectors often use their own internal forms to collect the information manually as these forms often double as checklists. Electric Program General Field Representatives and the RUS Headquarters staff are available to provide additional guidance and/or answer questions from borrowers and the public.

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.

There is no duplication of services since the poles are only inspected once. The information collected in the inspection reports is unique to that particular group of wood poles inspected and not available from sources other than the inspection reports.

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 majority 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 agency programs and meet statutory requirements and safety standards with respect to both large and small entities. The inspection requirements are standard throughout the industry and are the minimum necessary to attain the objectives set out in Item 2.

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 establishes standards based upon those set forth by national standardizing groups, engineering societies, and electrical safety codes to the greatest extent practical. RUS requires the inspection of poles and crossarms to help ensure the quality of material received by borrowers. Without the requirement to obtain inspection reports and make them available to RUS upon request, the agency would not be able to ensure compliance with safety standards by the borrowers and organizations receiving financial assistance from RUS.

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 are no requirements for respondents to report more than quarterly

- b. Requiring written responses in less than 30 days.

There are no requirements for written responses in less than 30 days.

c. Requiring more than an original and two copies.

There are no requirements for more than an original and two copies.

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

There are no requirements for respondents to retain records for more than 3 years.

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.

No pledge of confidentiality is required.

h. Requiring submission of proprietary trade secrets.

There is no requirement for submission of 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 1320.9(d), the Agency published a 60-day Notice in the Federal Register on August 23, 2023, [Vol 88, No. 162, Page number 57410,] soliciting comments on the information collection. The public was given until October 22, 2023 to submit comments. No comments were received.

The following individuals were consulted to obtain their views on the availability of data, clarity of instruction, frequency of collection and recordkeeping, and other concerns or comments:

Jeffery Lee
President
Lee Inspections

3358 N. Ewing Ln
Japlin, MO 64801
Telephone: (417) 623-3158
jefflee@leeinspect.com

Mr. Lee feels that the information concerning 7 CFR 1728.202 is readily available. Mr. Lee does not find the collection of information under 7 CFR 1728.202 to be too burdensome or requires more than is necessary. Mr. Lee finds the instructions to be clear and has no further concerns regarding 7 CFR 1728.202.

Edward D. Williams
President
A.W. Williams Inspection Co., Inc.
P.O. Box 2107
Mobile, AL
Telephone: (251) 473-7200
awwico@bellsouth.net

Mr. Williams comments that there is room for improvement regarding data collection for 7 CFR 1728.202. Mr. Williams believes that the requirement for the Quality Control Officer to sign the Independent Inspection agency's reports creates a competitive disadvantage for respondents compared to the Quality Assurance Plan.

Mr. Williams states that the referee methods under paragraph 10 (i) could be clarified to define which methods must be available at a laboratory to be considered in compliance with 1728.202. Mr. Williams specifies that the number of tests that should be available is the primary source of confusion and concern.

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

There are no payment or gift to respondents.

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

No assurances of confidentiality have been provided. The Agency does support maintenance of confidentiality, when appropriate. The Agency published a Privacy Act of 1974; System of Records in the Federal Register on May 14, 2019 (84 FR 21315). A copy of that document can be found at <https://www.govinfo.gov/content/pkg/FR-2019-05-14/pdf/2019-09874.pdf>.

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. Provide estimates of the hour burden of the collection of information.

Summary of Burden Table					
# of Respondents	# of Responses per Respondents	Total Responses	Burden Hours per Response	Total Annual Burden Hours	Total Annual Cost
25	800	20,000	1.01	20,333	\$2,583,396

The agency estimate for burden hours associated with this information collection is 20,333 hours and the estimated annual cost is \$2,583,396. The burden consists of the inspection of about 20,000 lots of poles by 25 different inspection agencies (poles are inspected in lots of about 50 poles). A lot of poles require about 1 hour to inspect, including the time to prepare the accompanying report. Record keeping, estimated at one minute per report, is 333 hours.

The Bureau of Labor Statistics, median hourly wage rate for Log Graders and Scalers (Occupation Code 45-4023; Log Graders and Scalers, \$20.37 per hour) is used in the wage cost calculation. The Occupation Code can be located at https://www.bls.gov/oes/current/oes_nat.htm. With the addition of \$5.85 benefit costs, the total hourly wage is \$26.22. Overhead, including travel, lab analysis costs/fees, printing/copying and supplies total \$102.57 per hour. The respondent cost per hour for inspection is \$128.79.

The agency estimates that it requires 1 minute of recordkeeper time for each of the 20,000 reports or 333 hours of recordkeeping time. The average recordkeeper time for each of the 25 respondents is 13.3 hours. The median hourly wage for a recordkeeping file clerk (Occupation Code 43-4071) is \$17.93 per hour and with the addition of \$5.15 benefits, the hourly wage is \$23.08. The respondent cost for recordkeeping is \$7,684.

The cost calculation is shown in the table below:

Cost categories	Hourly cost estimate	Estimate of inspections/hours	Sub total
Wage (Code 45-4023)	\$ 26.22	20,000	\$524,400
Travel	\$ 31.27	20,000	\$625,400
Lab/Analysis	\$ 56.29	20,000	\$1,125,720
Printing/Copy/Supplies	\$ 15.01	20,000	\$300,192
Recordkeeping	\$ 23.08	333	\$7,684

		TOTAL	\$2,583,396.00
--	--	--------------	----------------

Data provided by the Bureau of Labor Statistics, Employer Cost for Employee Compensation – December 2022 is utilized to calculate the total cost of benefits. Benefits as a percentage of total compensation for Private trade, transportation and utilities industry workers were 28.7% of total hourly compensation. See, <https://www.bls.gov/news.release/pdf/ecec.pdf>.

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 and start-up costs associated with this collection.

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

There are no operation and maintenance or purchase of services costs association with this collection.

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

There is no cost to the Federal Government involved in these requirements.

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

This renewal package requests an extension of a currently approved collection. There was no change or adjustment in burden hour estimate of 20,333.

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

There are no plans to publish 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.

No such approval is sought.

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.