

May 2013  
November 5, 2014 Revision

## 2013 - SUPPORTING STATEMENT

OMB Control Number: 0572-0117

### Environmental Policies and Procedures (7 CFR Part 1794)

#### A. JUSTIFICATION

##### 1. Circumstances that make this collection of information necessary.

The Rural Utilities Service (RUS) provides financial assistance to eligible applicants and borrowers for the construction of essential utility infrastructure in congressionally defined rural areas. As part of the application process and as required by multiple Federal and State laws, RUS requires applicants and borrowers to integrate environmental factors during early project planning and design and to provide environmental documentation, as prescribed by RUS Environmental Policies and Procedures (7 CFR 1794). This process and documentation is to assure that the Agency's decision making and implementation of its programs are consistent with the policies of the National Environmental Policy Act (NEPA) and other environmental and historic preservation laws, regulations, and Executive Orders. RUS's Environmental Policies and Procedures, 7 CFR 1794, were originally promulgated in 1984 by the Rural Electrification Administration for administering its electric and telephone programs. The procedures were required by and supplemented the Council on Environmental Quality (CEQ) Regulations for Implementing the Procedural Provisions of NEPA (40 CFR Parts 1500-1508), and other related Federal environmental and historic preservation laws, regulations, and Executive Orders. The CEQ Regulations directed all federal agencies to classify actions into the levels of environmental reviews established by the CEQ regulations. In order to accommodate the 1994 USDA Reorganization Act, the newly created RUS published a revision to 7 CFR 1794 in December 1998 to integrate the Water and Waste Disposal program from the old Farmers Home Administration. The regulations were revised again in 2003 to clarify a few procedural issues.

The paperwork burden required by the multiple Federal environmental and historic preservation laws, regulations, and Executive Orders and 7 CFR 1794 varies depending on the type, size, and location of each project. These factors dictate the type of information collection involved. The collection of information is essential for RUS to evaluate the environmental implications of the actions prior to the Agency making a decision on whether to provide financial assistance and to comply with all of the Congressional and Executive Department's environmental laws, mandates, and requirements and to assure that, as appropriate, required public involvement activities are completed prior to RUS taking its actions, i.e., the approval of federal funds.

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate that actual use the Agency has made of the information received from the current collection.**

The documentation required by this regulation is collected from RUS's electric and telecommunications program borrowers and from water and waste loan and grant applicants. The purpose of the information is to assist and ensure that RUS is in compliance with all of the Congressional and Executive Department's environmental laws, mandates, and requirements. The information includes the following factors:

- a. A description of the proposed project for which financial assistance (loan or grant) is being requested;
- b. The project's technical and economic feasibility;
- c. The project's proposed cost estimate and the degree, if any, of co-funding from other sources;
- d. The affected environment within the project's defined area of potential effect;
- e. The potential environmental impacts of the proposed project;
- f. Whether significant impacts, if they exist, can be successfully mitigated;
- g. Public or tribal concerns or issues related to the proposed project;
- h. Proposed project's compliance with applicable Federal and State environmental laws, regulations, and Executive Orders; and
- i. The proposed project's compliance with applicable public involvement requirements.

**Categorically excluded proposals with or without an Environmental Report (ER) and Environmental Assessments –**

The amount of documentation required by 7 CFR 1794 for each project proposal depends primarily on the size and magnitude of the proposed project and its expected environmental impacts. A project description is the only documentation submitted by applicants for categorically excluded proposals listed in 7 CFR 1794.21. Applications for actions classified under 7 CFR 1794.22 are also categorically excluded proposals but require the preparation and submittal of an environmental report (ER) with the application or other applicant prepared processing documentation. An ER is also required documentation for proposals classified in 7 CFR 1794.23 as environmental assessments (EA). For proposals in the latter two categories, the Agency provides detailed guidance to applicants and borrowers, and supervises and coordinates the analysis with all applicable Federal and State environmental regulatory or natural resource agencies and tribal governments and, where necessary, the public. Ultimately, for actions classified as EAs, upon review and concurrence of the information provided in the ER, the document will serve as the Agency's EA.

**Proposals requiring an Environmental Analysis (EA) with scoping and Proposals requiring and Environmental Impact Statement**

Applications for proposals listed in 7 CFR 1794.24, require an EA with a requirement to conduct public scoping meetings and require submission of multiple early planning and design

documents from Electric Program borrowers. Before public scoping meetings are held, the borrowers are required to prepare and submit an Alternative Evaluation Study and either a Siting Study (for electric generation proposals) or a Macro-Corridor Study (for electric transmission line proposals). Following the outcome of public scoping meetings, borrowers prepare and submit an environmental impact analysis (EIA) or draft EAs. Proposals listed in 7 CFR 1794.25 (mostly Electric Program borrowers), require the preparation of an EIS, also require the preparation and submittal of the documents mentioned above and public scoping meetings. Subsequent to public meetings, an environmental services contractor with the borrower's assistance will be contracted to prepare a draft and final EIS. Each of those documents requires public involvement activities and meetings prior to RUS preparing and publishing a Record of Decision.

**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 complying with the E-Government Act, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes. The Agency continues to make progress toward accepting electronic submittals of environmental information from applicants and their consultants. Most environmental information and documents from applicants are already submitted electronically to appropriate environmental staff and the Agency has completed an internal Microsoft Sharepoint site that is being used to collect and store environmental compliance data for internal tracking purposes and external reporting responsibilities. In addition, electronic templates and data collection forms are nearly complete and will increase the acceptance of project information and data. All of the templates and data collection forms will be part of the Agency's new environmental policies and procedures published February 4, 2014 in the Federal Register at 6740 FR 79 as a proposed rule. The new environmental policies and procedures are scheduled to be published as a final rule by the mid-2015. Most of the Electric Program's Generation and Transmission borrowers and environmental consultants have automated the process of reporting environmental information by creating standardized electronic templates using RUS guidance documents. Information provided in the templates is associated with each project proposal's specific requirements and needs, but the overall format remains constant, ensuring that the required documentation is accurate and complete. Applicants and borrowers convert the environmental documentation (i.e., environmental reports, EAs, scoping reports, correspondence) into PDF documents for electronic submittal to RUS, and for public involvement processes. Hard copies are still used and available if required, but electronic files have become the standard format particularly for encouraging greater public involvement for EAs and EISs, i.e., posting on RUS websites.

**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.**

The documentation required is associated with a particular project and no general data collection is involved other than basic-level environmental or natural resource data collected through Federal or State environmental regulatory or natural agencies consultation or data collected off their websites. In many situations, another Federal agency may have an action associated with the proposed project that also triggers that agency's compliance with NEPA and other applicable environmental and historic preservation laws. The CEQ procedures and 1794 provide for and encourage cooperation among Federal and State agencies, the adoption of environmental documents produced for or by other Federal agencies, and tiering to or incorporating information from other environmental documents for the intent and purpose of minimizing the duplication of paperwork and cost reductions to the applicant or borrower.

**5. If the collection of information impacts small businesses or other small entities (item 5 of OMB Form 83-I), describe any methods used to minimize burden.**

Ninety percent of RUS electric and water program borrowers meet the Small Business Administration criteria for small business and all of RUS telecom borrowers meet the criteria. RUS makes every effort to ensure that the information to be collected is in the format designed to minimize the paperwork burden on small business, especially small engineering and environmental consulting firms. The information collected is the minimum required by the Agency, with respect to both large and small firms, to ensure that the environmental consequences of proposed projects are identified and adequately addressed as required by NEPA and all of the other environmental and historic preservations laws, regulations, and Executive Orders. In addition, Agency headquarters and field staff are available for consultation and to assist firms to the extent possible in preparation of required documents.

**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 the information prior to approving applications for financial assistance, RUS would not be in compliance with NEPA and all other applicable Federal and State environmental and historic preservation laws, regulations, and Executive Orders and would be precluded from legally approving financial assistance. As noted previously, each collection is unique to each project proposal, therefore it is not feasible to conduct the collection less frequently.

**7. Explain any special circumstances that would cause an information collection to conduct in a manner:**

**a. Requiring respondent to reporting information more than quarterly.**

There is no requirement to respond more frequently than quarterly. All reporting is based on applications for financial assistance and is specifically associated for each project proposal.

**b. Requiring written response 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.**

There is no requirement of more than original and two copies to be submitted.

**d. Requiring respondent to retain records for more than 3 years.**

Record retention requirements shall be in accordance with 7 CFR 1767, part D, and are in agreement with Federal Energy Regulatory Commission's (FERC) "Regulations to Govern the Preservation of Records of Public Utilities and Licensees" at 18 CFR part 125.

**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 the use of a statistical data classification that 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.**

This is no requirement of a pledge of confidentiality.

**h. Requiring respondents to submit proprietary trade secret, 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 on April 9, 2013 at 78 FR 21098. No comments were received related to the publication of the Notice.

RUS maintains close contact with applicants and borrowers through general field representatives (GFR), field accountants (FA), staff in Rural Development State/Area Offices, and headquarters staff. Field staff have direct personal contact with RUS's electric, telecommunications, and water and waste disposal applicants and borrowers on a regular basis in connection with complying with the Agency's pre and post-loan requirements and for providing technical assistance and guidance during project development and construction.

The Agency contacted the following three respondents to discuss the paperwork burden:

1. Karl Myers  
Tri-State Generation and Transmission Association  
P.O. Box 33695  
Denver, CO 80233-0695  
Tel: (303) 452-6111  
<mailto:kmyers@tristategt.org>
2. Jim Behnken  
JGB Consulting  
1605 Monte Largo Dr. NE  
Albuquerque, NM 87112  
Tel: (505) 298-9542  
<mailto:JGB@swcp.com>
3. David McDaniel/Richard Chamberlain  
Brazos Electric Power Cooperative  
P.O. Box 2585  
Waco, TX 76702-2585  
Tel: (254) 750-6324  
<mailto:dmcdaniel@brazoselectric.com>

All three respondents generally stated the information provided is also required by or can be, in most cases, provided to Federal and State agencies for environmental compliance purposes and is the minimum possible to adequately address environmental issues associated with construction of each project proposal. The three respondents commented that data availability for this

collection was good and, as time progresses, more data and databases are available electronically. Respondents noted that RUS's clearly defined project categories make it easy to determine the proper level of environmental classifications and requirements for each project. RUS bulletins and guidance are logically written and contain good examples. RUS staff is readily available to answer questions via telephone or email thereby reducing the amount of time needed to resolve problems and provide guidance. The ongoing movement to electronic submittal of documents should reduce the time factors in reviewing documents and reduce expense of producing multiple hard copies of documents. All respondents' responses on costs and labor burdens were consistent with revised estimates, confirming the accuracy of the estimates presented in the spreadsheet (RUS Form 36) and in Table 1: Hourly Burden and Costs on page 9.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration 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 is public information which 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 does not contain questions of a sensitive nature.

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

The programs provided information concerning the number of loans for Fiscal Years (FY) 2011, 2012 and 2013. The number of total loans for the programs for the 3 years in the last collection period was 406 for the Electric Program, 114 for the Telecommunications Programs and a total of 1,003 for the Water and Environmental Program. The number of projects requiring environmental evaluation for Fiscal Year (FY) 2011 was 6,781 for the Electric Program, 68 for the Telecommunications Programs, and 1049 for the Water and Environmental Program. The number of projects for the programs for FY2012 was 5,830 for the Electric Program, 16 for the Telecommunications Program, and 976 for the Water and Environmental Program. The numbers of projects for the programs for FY2013 was 6,029 for the Electric Program, 30 for the Telecommunications Program and 986 for the Water and Environmental Program.

The *average number* of respondents was calculated by taking the average of the actual number for the past three years and for the electric, telecommunications and Water and Environmental Programs (WEP) is 1,176 respondents. The breakdown on an annual basis is as follows: 135 respondents for the Electric Program; 38 respondents to the Telecommunications Program applicants; and an average of 1,003 respondents for the Water and Environmental Program that will require a level of environmental review specified in 7 CFR 1794, Subpart C. The number of responses per respondent averages 6 with a total of 7,261 of annual responses. The number of hours per response is calculated to be 49 and the total annual burden is 353,620.

The wage rates utilized in the cost calculation are based on the Bureau of Labor Statistics, May 2011 National Employment and Wage Estimates United States retrieved from [http://www.bls.gov/oes/current/oes\\_nat.htm#00-0000](http://www.bls.gov/oes/current/oes_nat.htm#00-0000). The three categories of occupations are professional and clerical. The professional wage rate is the median hourly wage rate for Architectural and Engineering Managers, (Occupation Code 11-9041) of \$58.75. The wage rate for clerical is provided by the median hourly wage rate for Executive Administrative Assistants (Occupation Code 43-6011) of \$21.91. Historical data provided by the Bureau of Labor Statistics, Employer Cost for Employee Compensation Supplemental Tables Historical Data December 2006 – September 2012 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 29.4% of total hourly compensation. See, <http://www.bls.gov/ncs/ect/sp/ecsuphst.pdf>, Page 91. Hourly wage and benefits for the professional category is \$76.02 per hour. Hourly wage and benefits for clerical is \$28.35 per hour. The calculation of cost of total annual staff hours required to comply with this information collection is illustrated below in Table 1: Hourly Burden and Costs.

Table 1: Hourly Burden and Costs

<u>Cite</u>	<u>Job Position</u>	<u>Number of Respondents</u>	<u>Number of responses per respondent</u>	<u>Total Responses</u>	<u>Hrs. per response</u>	<u>Total Hrs.</u>	<u>Cost per Hr.</u>	<u>Total cost per CFR cite</u>
<b>Electric</b>								
1794.21(b)	Professional	101	53.3	5384	.75	4,038	\$76.02	\$306,969
	Clerical	34	158.4	5384	.25	1,346	\$28.35	\$38,159
1794.22(a)	Professional	101	8.08	816	90	73,440	\$76.02	\$5,582,909
	Clerical	34	24	816	30	24,480	\$28.35	\$694,008
1794.23	Professional	12	1	12	240	2,880	\$76.02	\$218,938
	Clerical	12	1	12	80	960	\$28.35	\$27,216
1794.24	Professional	1	1	1	2,100	2,100	\$76.02	\$159,642
	Clerical	1	1	1	1,050	1,050	\$28.35	\$29,767
1794.25	Professional	1	1	1	2,773	2,773	\$76.02	\$210,803
	Clerical	1	1	1	1,387	1,387	\$28.35	\$39,321
<b>Total Electric</b>		<b>135</b>	-	-	-			<b>521.85</b>
<b>Telecommunications</b>								
1794.22(a)	Professional	29	1.3	38	90	3,420	\$76.02	\$259,988
	Clerical	9	4.2	38	30	1,140	\$28.35	\$32,319
1794.21(b)	Professional	6	1	6	.75	4.5	\$76.02	\$342
	Clerical	6	1	6	.25	1.5	\$28.35	\$43
<b>Total Telecommunications</b>		<b>38</b>	-	-	-		-	<b>208.74</b>
<b>Water and the Environment</b>								
1794.21(c )	Professional	112	1.34	150	.75	112.5	\$76.02	\$8,552
	Clerical	38	4	150	.25	37.5	\$28.35	\$1,063
1794.22(b)	Professional	188	1.33	250	90	22,500	\$76.02	\$1,710,450
	Clerical	62	4.03	250	30	7,500	\$28.35	\$212,625
1794.23	Professional	450	1.34	600	240	144,000	\$76.02	\$10,946,880
	Clerical	150	4	600	80	48,000	\$28.35	\$1,360,800
1794.25	Professional	3	1	3	2,660	7,980	\$76.02	\$606,640
	Clerical	3	1	3	1,500	4,500	\$28.35	\$127,575
<b>Total Water and the Environment</b>		<b>1,003</b>	-	-	-		-	<b>417.48</b>
<b>Total Collection</b>		<b>1,176</b>	-	-	-	<b>353,650</b>	-	<b>\$22,575,009</b>

**13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.**

There are no capital and start-up costs and purchase of service components nor are there maintenance and/or operation costs involved with this collection.

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

The cost to the Federal Government is based on an hourly professional rate of \$48.35 at the GS-13, Step 5 level and an hourly clerical rate of \$20.63 at the GS-6, Step 5 level. The Federal Government wage information was obtained from the Office of Personnel Management's 2014 General Schedule Tables located at:

<http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2014/DCB.pdf>. After calculating cost of total benefits, the hourly professional rate is \$65.88 and the hourly clerical rate is \$28.11.<sup>1</sup> Based on the following calculation, the cost to the Federal Government for collection and evaluation of this information collection is as follows:

**COST TO THE FEDERAL GOVERNMENT**

Electric and Telecommunications Proposals

Travel		\$ 14,438
Professional	4,000 Review/hours x \$65.88 =	\$263,520.00
Clerical	50 Review/hours x \$28.11 =	\$1,405.50
		<b>\$279,363.50</b>

Water and Environmental Proposals

Travel		\$ 21,388
Professional	3,040 Review/hours x \$65.88 =	\$200,225
Clerical	40 Review/hours x \$28.11 =	\$ 1124.00
		<b>\$222,737.00</b>

**TOTAL** **\$724,837.50**

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

This is an Agency adjustment of a currently approved information collection. There is a reduction of 163 in the number of respondents from 1,339 to 1,176 due to reduced numbers of loan applications submitted and approved. In addition, the program conducted a detailed review

<sup>1</sup> Cost 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.

of response times resulting in a reduction in several of the environmental review categories such as those that are determined to be categorically excluded proposals with and without an environmental review and the proposals normally requiring environmental assessments. The adjustment of response times and the reduction in the number of respondents resulted in a reduction of 132,790 in total burden hours, from 486,440 to 353,650 and reflects a more accurate burden estimation approach. Changes in the cost to respondents also resulted from the downward adjustment of response times and decreased respondent numbers. Annualized cost to respondents decreased from \$33,835,610 to \$22,525,009.

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

All comments will become a matter of public record.

**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.**

The Agency is not requesting an exemption to not display the OMB expiration date.

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

None requested.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

This information collection does not employ statistical methods.