



United States Department of Agriculture  
Rural Development

May 10, 2006

Mr. Borrower  
President/CEO  
Electric/Telephone Cooperative (US0000)  
P.O. Box 999  
Anywhere, US 12345

Dear Mr. Borrower:

Rural Development Utilities Programs announces a replacement Data Collection System (DCS) that will be used for the collection of operating report information submitted on Form 7, "Financial and Statistical Report," and Form 12, "Operating Report," for Electric borrowers and previously Form 479, "Financial and Statistical Report for Telecommunications Borrower," (renamed as Operating Report for Telecommunications Borrowers) for Telecommunications borrowers commencing with Calendar Year 2006 data.

The following will help explain the DCS system in a question and answer format:

Why is the Rural Development Utilities Programs using a new system?

The new reporting system will provide better security than the current system through the use of security provided by the common USDA security system. The new system will utilize the USDA electronic signature capability, eliminating the need for the signed paper form with the operating report submission.

The new system will use standard web page technology instead of requiring installation of a software program on the borrower's computer. This will allow access to the system from any computer that has web access.

What new requirements are there?

The new system will require authorized employees to obtain a USDA eAuthentication account. Authorizing certain employees to represent your company as a certifier or security administrator will require the completion, and submission to Rural Development Utilities Programs, of a new Form 674, "Certificate of Authority to Submit or Grant Access to Data," and a board resolution. This will need to be completed by November 30, 2006.

1400 Independence Avenue, SW, Washington, DC 20250  
Web: <http://www.rurdev.usda.gov>

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What is USDA eAuthentication?

USDA eAuthentication is the method by which USDA will identify each user of its electronic systems. This identification allows these systems to keep a record of actions taken by each user.

USDA eAuthentication is the system used by USDA agencies to enable users to obtain USDA eAuthentication accounts that will allow them to access USDA Web applications and services via the Internet. This includes activities such as submitting forms electronically, completing surveys online, and checking the status of your USDA accounts.

What is a USDA eAuthentication account?

A USDA eAuthentication account consists of a user ID, a password, and a profile containing information about the user that will help USDA applications make decisions about what systems to allow user access to based on their individual level of authorization. Each individual user will have a separate account, rather than a global one for the borrower.

What does a Rural Development Utilities Program Borrower need to do?

- Identify Employees: Identify which employees need a USDA eAuthentication account in order to access DCS.
- Register Employees: These identified employees should register for a USDA eAuthentication account (see below).
- Complete Form 674 & Board Resolution: Form 674 and a board resolution should be completed designating a certifier and security administrator for DCS. Electronic copies of Form 674, its instructions, and a sample Board Resolution are currently under review by the Office of Management and Budget (OMB). Once these documents have been approved, they will be posted to the agency website and you will find them at <http://www.usda.gov/rus/index2/rusregs.htm>. Please follow instructions for distribution of these documents as provided in the instructions.
- Enter Users and Readers into DCS: Once Rural Development Utilities Programs enters your security administrator into DCS, your security administrator may enter additional users and readers into DCS.

What are these roles: certifier, security administrator, user and reader?

- Certifier: The certifier is the borrower employee who is authorized to sign the form for the company certifying that it is complete and accurate and that all obligations have been met. For Electric Program borrowers, this person must be the general manager / CEO. For Telecommunications Program borrowers, this person must be an officer of the board.
- Security Administrator: The security administrator is the borrower employee who is authorized to add other employees into the system to serve as users and readers.
- User: The user is an employee who is allowed to enter data on the operating report form.

- Reader: The reader is an employee who is only allowed to see the data in the system.

There are three business rules enforced for these roles: (1) there is one and only one certifier, (2) there is one and only one security administrator, and (3) a USDA employee must enter the certifier and the security administrator into DCS. Employees may have more than one role. The certifier and security administrator can be the same person.

Each identified employee should visit the USDA eAuthentication website at <http://www.eauth.egov.usda.gov> and begin the process to obtain a Level 2 USDA eAuthentication account. Once an account is established, the employee will receive a confirmation e-mail which requires activation of the account within seven calendar days. In addition, the employee will need to be identity-proofed by a Local Registration Authority (LRA). All of your employees that need access to the DCS are required to have a USDA eAuthentication account and be identity-proofed by November 30, 2006.

#### What is an LRA?

Local Registration Authorities (LRAs) are USDA employees who are trained to act as the “trusted entity” to validate the identity of a customer in eAuthentication. The role of the LRA can be compared to a Notary Public who ensures the identity of an individual conducting official business transactions. USDA Rural Development employees located in Local and Area offices across the United States serve as LRAs as well as Utility Program General Field Representatives (GFRs) and Field Accountants (FAs). There are several ways that you can complete the identity-proofing process:

- During a routine visit or at a scheduled meeting by your assigned GFR or FA.
- By visiting a USDA Office. You can visit the following website <http://offices.sc.egov.usda.gov/locator/app> to determine the office closest to you that can provide identity-proofing. It is recommended that you call ahead to determine if a LRA will be available for your planned visit.
- By a visit from a GFR or FA that may not be the one generally assigned to your organization.
- In addition, the identity-proofing process will be offered at certain state-wide meetings and at the upcoming Utilities Programs’ Certified Public Accountant Seminars being held late this summer. Contact your GFR or FA for more information on these meetings and seminars.

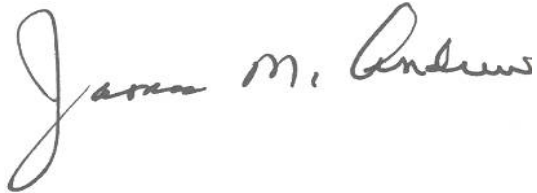
#### What is the new location of the DCS web page that contains information about DCS?

The DCS web page has been moved to <http://www.usda.gov/rus/dcs/>. This page is up and running now and has information about how to use the existing system and will contain information about the new system as it becomes available. Please replace your old DCS bookmark with this page. The old DCS web page currently forwards you to the new web page but it will be shut down on June 1, 2006.

What is the location of the DCS application itself?

The new DCS is located at: <https://dcs.sc.egov.usda.gov> . This is the web page that you will use to access the new system.

If you have additional questions, please contact your assigned General Field Representative, Field Accountant, or Regional Office.

A handwritten signature in black ink that reads "James M. Andrew". The signature is written in a cursive style with a large initial 'J'.

JAMES M. ANDREW  
Administrator  
Rural Development Utilities Programs