

Supporting Statement for Paperwork Reduction Act Submissions

Reclamation Loan Guarantees, 43 CFR Part 403 OMB Control Number 1006-NEW

General Instructions

A Supporting Statement, including the text of the notice to the public required by 5 CFR 1320.5(a)(i)(iv) and its actual or estimated date of publication in the Federal Register, must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified in Section A below. If an item is not applicable, provide a brief explanation. When Item 17 of the OMB Form 83-I is checked "Yes", Section B of the Supporting Statement must be completed. OMB reserves the right to require the submission of additional information with respect to any request for approval.

Specific Instructions

A. JUSTIFICATION

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

Much of the Bureau of Reclamation's water supply infrastructure, which provides a substantial portion of the municipal, industrial, and agricultural water supplies for the western United States, was built in the early 1900s and is at or nearing its design life. In many cases, this infrastructure is in need of extraordinary maintenance work or rehabilitation. Although Federal reclamation law assigns responsibility for these costs to the projects' beneficiaries, many are small irrigation entities which are unable to absorb these costs within the year they occur. These entities often cannot secure long-term financing from private lenders for major maintenance and rehabilitation expenses. This is partly because Reclamation continues to hold title to the facilities, leaving the water districts with little or no collateral to pledge for typical loans.

Public Law 109-451 was enacted December 22, 2006. Among other things, this law gives the Secretary of the Interior authority to issue loan guarantees to assist in financing rural water supply projects, extraordinary maintenance and rehabilitation of Reclamation projects, and improvements to water infrastructure directly associated with Reclamation projects. The Act requires the Secretary to publish eligibility criteria in the *Federal Register*. Authority and responsibility for implementing the provisions of the Act are delegated to Reclamation. Reclamation's rulemaking will establish the eligibility criteria and program requirements for the loan guarantees authorized by Title II. Reclamation expects to

supplement these rules in the future with program eligibility criteria specific to Title I. The forms in this information collection will be used for all types of projects eligible for Reclamation loan guarantees. However, the burden estimates are only for projects involving extraordinary maintenance and rehabilitation of Reclamation projects and improvements to associated facilities (Type B and C projects, as described below). The information collection will be amended in the future to reflect increased burden hours for rural water supply projects as criteria for such projects are more fully developed.

Purpose and Need for a Reclamation Loan Guarantee Program:

The purpose of the program is to assist in the financing of rural water supply projects described in Title I of the law; extraordinary maintenance, rehabilitation, and replacement of Reclamation project facilities; and improvements to water infrastructure directly associated with Reclamation projects. These three project types will be subsequently referred to as Type A, B, and C projects, respectively. The stated purpose is to be achieved through bolstering existing private credit sources by guaranteeing quality loans made by private lending institutions. The Reclamation Loan Guarantee program may be administered by Reclamation through its regional and area offices, or pursuant to a memorandum of agreement with the U.S. Department of Agriculture. In an effort to reduce paperwork burdens and make forms more consistent with each other, thereby improving customer service, the forms in this burden package were adapted with only minor modifications from those used by the USDA for its loan guarantee programs. This will also lend efficiency to the program should parts of it be administered by USDA.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use Reclamation has made of the information received from the current collection. [Be specific. If this collection is a form or a questionnaire, every question needs to be justified.]

This is a new information collection. The information will be used by private lenders, as well as Reclamation staff and approving officials to determine program eligibility and monitor program performance. This package excludes burden hours for customary and usual business practices. Therefore, this package considers only the information Reclamation requires in excess of what a lender would typically require of a borrower for a non-guaranteed loan. The burden estimates in this package are based on the assumption that the Reclamation Loan Guarantee program will request and receive in program authority \$1 million, \$25.7 million, \$43.8 million, and \$101.8 million in fiscal years 2010, 2011, 2012, and 2013, respectively. With this amount, Reclamation will be able to guarantee an estimated total of 18 loans over that 4-year period. Specifically, the burden associated with this information collection is as follows:

REPORTING REQUIREMENTS - NO FORMS

Proof of Lender Eligibility. This requirement is necessary to ensure the lender is capable of meeting the requirements of the enabling legislation as well as providing a reasonable assurance to the Government that the lender will provide maximum protection of the

Government's investment in the borrower's operation.

Application Requirements. The Application for Loan Guarantee, Form 7-2580, is addressed in the forms section of this statement. This section lists the information required by Reclamation to be included in the application package as attachments, for which specific forms are not required. These documents will be used by the lender and Reclamation to determine program eligibility and creditworthiness of the loan proposal. The burden per response is low because the lender would typically require virtually the same documentation for a non-guaranteed loan, and only the burden in excess of typical lender requirements is included in the estimates. The following will typically comprise the content of attachments to Reclamation's application form:

- (a) Commercial credit report - The lender provides a credit report on the borrower and related firms. They provide aids in making a determination concerning the creditworthiness of the borrower. This is typically required by lenders for non-guaranteed loans.
- (b) Current and previous 2 years financial statements and pro forma balance sheet and projections - The applicant must provide these to enable the lender and Agency to determine the financial health of the borrower and the likelihood it will continue to operate successfully. This is typically requested by lenders for non-guaranteed loans.
- (c) Current Operating Budget for Borrower - Reclamation will require the submittal of the Borrower's entire operating budget for the current operating cycle. This information would be used as an additional indicator of the Borrower's ability to repay the loan. These are generally already prepared by the types of applicants expected to participate in the loan guarantee program. For loans not guaranteed by Reclamation the lender might limit the scope of this requirement to the project itself.
- (d) Lender's analysis - The lender completes a comprehensive credit analysis that is the lender's justification for making the loan. Reclamation relies on this analysis as a basis for approving the request. In most cases, the lender would prepare a loan analysis for its internal loan approval process, but possibly not as comprehensive as required by Reclamation.
- (e) Proposed Loan Agreement - An agreement between the lender and the borrower establishing conditions for the loan such as collateral, repayment schedule, loan purpose, and other conditions. They are a general lender practice for all commercial loans.
- (f) Intergovernmental consultation - The applicant is required by Executive Order 12372 to notify the designated State clearinghouse of its proposal. This is to ensure the project is in compliance with State and local development strategies.
- (g) Feasibility studies - The study must address the economic, financial, and engineering, feasibility of the project, and how the project meets the evaluation criteria in 43 CFR

403.10. The information would be used by the lender and Reclamation to help determine the creditworthiness of the proposal. Reclamation already requires these on Type B projects, whether they receive financing assistance or not, and Lenders would often require feasibility studies on Type C projects for loans without a guarantee, but a less comprehensive analysis might satisfy the lender.

- (h) Lender certification - A certification by the lender that indicates the lender has completed a comprehensive analysis of the proposal, the applicant is eligible, the loan is for authorized purposes, the collateral is adequate, and the borrower has a reasonable chance of success. The lender would not prepare this if it were not required by Reclamation.

Cancellation of Conditional Commitment for Guarantee - Reclamation must be advised immediately if for any reason the Conditional Commitment for Guarantee is cancelled by the lender.

Assurance of Conditions. The lender must ensure that conditions precedent to issuance of the Loan Note Guarantee have been met. This is the final check prior to issuance of the guarantee. It results in a comprehensive certification from the lender that the borrower meets all requirements of the Conditional Commitment for Guarantee.

Periodic Financial Reporting. Reclamation will require quarterly reports from the lender reflecting the outstanding principal and interest balance on all Reclamation-guaranteed loans in its portfolio. Reclamation will also direct the lender to determine the type and frequency of submission of the financial statements by the borrower. Financial statements must be completed by an accountant at least annually in accordance with Generally Accepted Accounting Principles. This is what a lender would typically require on similar non-guaranteed loans, and, lenders often require quarterly statements for new or problem accounts. However, there may be situations where the lender reporting requirements would be less. Also, if specific circumstances warrant, Reclamation may require annual audited financial statements, which may be more than a lender would require. The information is used by Reclamation to monitor the financial status of the borrower and to help identify potential problems before they become critical, thus helping to keep defaults and Reclamation losses to a minimum.

REPORTING REQUIREMENTS - RECLAMATION FORMS

Form 7-2580, Application for Loan Guarantee - The information collected on the form is used by Reclamation to determine applicant eligibility for program assistance and to provide financial and other data about the applicant and lender. In an effort to reduce paperwork and make Reclamation forms more consistent with those used by other agencies, thereby improving customer service, the form was adapted, with minor modifications, from Form RD 3575-1, currently used by the Department of Agriculture for its guaranteed loan programs (OMB No. 0575-0137). Total time required to complete the form, including reviewing instructions, searching existing data sources, gathering and maintaining needed data, and

completing and reviewing the collection of information, is estimated to be 5 hours.

Below is the justification for the information requested on the Application Form:

- Part A requests information on the amount of the loan, the percent of the loan to be guaranteed, the term of the loan, and interest rate information. The responses will be used by Reclamation to ascertain the amount of funds it would have to obligate in order to guarantee the loan, and the appropriateness of the associated interest rate.
- Part B requests general contact information for the lender.
- Part C requests general contact information for the borrower.
- Part D requests information Reclamation will use to determine project eligibility under the proposed rule.
- Part E asks the applicant to identify the type and cost of the project(s) for which a loan guarantee is being requested.
- Part F lists supporting information which should be attached to the application. The supporting information is not required to be on a specific form, and the requirements listed are discussed in the Non-Form Reporting Requirements section of this Supporting Statement.
- Part G requires that the borrower and the lender certify that they have read and agree to the certifications which comprise the remainder of the application form, and which detail requirements of various executive orders associated with federal financial assistance.

Form 7-2581, Conditional Commitment for Guarantee - The form is used by Reclamation to provide notice to the lender and lender acceptance that the guarantee request is approved subject to the conditions established by Reclamation and listed on the form. It is adapted from USDA form RD-449-14, authorized under OMB No. 0575-0017. Information requested from the lender is limited to reviewing the information on the form, and signing the Acceptance of Conditions section of the form to indicate acceptance of the conditions listed on the form. Total time required to complete the form, including reviewing instructions, searching existing data sources, gathering and maintaining needed data, and completing and reviewing the collection of information, is estimated to be 1 hour.

Form 7-2582, Loan Note Guarantee Agreement- This form is used to notify Reclamation of the terms and conditions of the guaranteed loan. The lender submits documentation confirming all the conditions identified in the Conditional Commitment for Guarantee are met and remits the loan guarantee fee to Reclamation. This form is adapted from USDA form RD 1980-17, authorized under OMB No. 0575-0078. If Reclamation determines the loan is underwritten in accordance with agency requirements, the guarantee may be issued. One guarantee for each loan guaranteed is issued to the lender. The lender maintains the *Loan Note Guarantee* until the loan is paid in full or otherwise terminated. Total time required to complete the form, including reviewing instructions, searching existing data sources, gathering and maintaining needed data, and completing and reviewing the collection of information, is estimated to be 1 hour.

Form 7-2583, Lender's Agreement- This form is the signed agreement between Reclamation and the lender setting forth the lender's loan responsibilities. Following execution of a Lender's Agreement, the Lender will be considered an approved Lender for a period of 2 years and need not resubmit proof of eligibility for each subsequent guaranteed loan application. It will then apply to all Reclamation-guaranteed loans the lender makes thereafter. It is adapted from USDA form RD 4279-4, authorized under OMB No. 0575-0017. The form requests identifying information about the lender, contains all of the conditions and requirements to be associated with any Reclamation-guaranteed loans to be serviced by the lender, and requests official contact information from the lender. The lender is required to review the form, and execute section XI, indicating concurrence with the terms of the Lender's Agreement. Total time required to complete the form, including reviewing instructions, searching existing data sources, gathering and maintaining needed data, and completing and reviewing the collection of information, is estimated to be 5 hours.

Form 7-2584, Loan Guarantee Closing Report - Reclamation prepares the form, and the lender verifies it for accuracy. It is completed after issuance of the Loan Note Guarantee by Reclamation. The information will be used to establish the account in the financial system. The form is adapted from USDA form RD 1980-19, authorized by OMB No. 0575-0137. Total time required by the lender, including reviewing instructions, searching existing data sources, gathering and maintaining needed data, and completing and reviewing the collection of information, is estimated to be 2 hours.

Below is the justification for the information requested on the Loan Guarantee Closing Report:

- Items 1 – 3 require general information on the borrower needed to establish the account in the financial system.
- Items 4 – 8 require similar general information on the lender, which will be used for the same purpose.
- Items 9 – 18 require information regarding the amount of the loan, the guarantee fee paid, loan amounts advanced as of the date of the closing report, the percent of the loan guaranteed by Reclamation, and information on the interest rate and method of assessment. This information will be used by Reclamation in its periodic financial reporting.
- Item 19 is reserved for future agency use as deemed necessary.
- Items 20 – 22 report information regarding the beginning and ending dates of the guaranteed period of the loan, and the annual review date. This information will be used by Reclamation to maintain a schedule of necessary oversight and monitoring activities.
- Items 23 – 25 require signature by an authorized representative of the lender certifying that the Loan Guarantee Closing Report is accurate.
- Items 26 – 32 are for Reclamation use only.

Form 7-2585, Loan Guarantee Borrower Default Status – Will be completed by the lender and submitted to Reclamation if a borrower is in default on a guaranteed loan

obligation. It is adapted from USDA form RD 1980-44, authorized under OMB No. 0570-0016. Total time required by the lender, including reviewing instructions, searching existing data sources, gathering and maintaining needed data, and completing and reviewing the collection of information, is estimated to be 2 hours.

Below is the justification for the information requested on the Loan Guarantee Borrower Default Status form:

- Items 1 – 7 request general identifying information regarding the lender, the borrower, and the loan for which default status is being reported to Reclamation. This information is needed to correctly identify the loan in default status within Reclamation’s financial system.
- Items 8 – 13 request information identifying the amount of principal and interest payments which are past due as of the date the form is completed, as well as the type of default for which notification to Reclamation is being given. The information will be used to develop corrective actions or appropriate collection/liquidation efforts.
- Items 14 – 17 request comments from the lender regarding the default, and the signature of an authorized representative of the lender. This information will also be used in developing corrective actions or appropriate collection/liquidation efforts.

Form 7-2586, Loan Guarantee Report of Loss – This form will be completed by the lender and submitted to Reclamation first to report estimated losses if a borrower defaults, and then to report a final loss upon determination of the remaining obligation of a borrower after collection and/or liquidation efforts have been exhausted. The final Report of Loss will be the basis for payment by Reclamation of amounts owed to the lender under the Loan Note Guarantee. The form is adapted from USDA form RD 449-30, authorized under OMB No. 676-0137. The total time required by the lender, including reviewing instructions, searching existing data sources, gathering and maintaining needed data, and completing and reviewing the collection of information, is estimated to be 25 hours.

Below is the justification for the information requested on the Loan Guarantee Report of Loss form:

- Items 1-6 request general identification data for the borrower, the lender, and the loan guaranteed.
- Items 7 – 10 request information on any previous loss payments associated with the loan.
- Items 11 – 45 request information necessary for Reclamation to calculate the amount of loss payment due to the lender for the defaulted guaranteed loan. This includes information on outstanding balances, collateral, protective advances, and adjustments.
- Items 46 – 49 require an authorized representative of the lender to sign the form.
- Items 50 – 52 are for Reclamation use.

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. Also describe any consideration of using information technology to reduce burden [and specifically how this collection meets GPEA requirements].

Reclamation plans to make all of the forms available on its website. The respondents will be able to fill out the forms online, and download or print them. However, electronic submission will not be possible, since the forms must be signed, and Reclamation is not prepared to process electronic signatures. Some non-form requirements for information accompanying the application package will be specific to the individual applicants, and electronic submission of these would more likely increase the burden rather than reducing it. Reclamation intends to accept much of the needed information in the form of documents already existing or routinely prepared by the respondents in order to avoid duplication and allow maximum flexibility.

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 required information on the forms to be used for determining creditworthiness will be specific to each applicant, and generally not available through other sources. The information is proprietary to each applicant as well. The information collected on each form will be collected only once for each loan guarantee. The forms developed have been adapted with only minor modifications from those used by USDA for its existing loan guarantee programs. However, the respondents are unlikely to be the same as those for the USDA programs.

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.

Submission of the information required on the forms is elective; borrowers can choose not to take advantage of the financing opportunities offered under the program. Reclamation has also taken care to ensure that only information essential to effective evaluation of the request for credit assistance according to criteria established in 43 CFR 403, and to responsible administration of loans which have received guarantees by Reclamation is requested. One specific method used to minimize burden is incorporated into the Application for Loan Guarantee form. Much of the required information is submitted as attachments which may be in a format already produced by the borrower or lender, avoiding potential duplication.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The consequences of not collecting the information required in this information collection package (forms and non-form requirements) is that Reclamation would not have adequate knowledge to evaluate the merits of individual requests for loan guarantees, and would be unable to effectively administer any loans guaranteed under the program. Given that the information is requested only once per applicant, reducing the frequency is impractical.

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

a. requiring respondents to report information to Reclamation more often than quarterly.

N/A. Information on the forms is generally collected only once. Most of the non-form information collections require such collection once; those with multiple-instance reporting requirements are no more often than quarterly.

b. requiring respondents to prepare a written response to a collection of information in fewer than 30 days.

N/A. Reclamation has included no requirement that the data be provided within 30 days of a fixed date.

c. requiring respondents to submit more than an original and two copies of any document.

N/A. The information request only requires submission of an original copy. The respondent may retain a copy for their own purposes if they desire.

d. requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than 3 years.

N/A. This data request does not require the respondent to retain any records for more than 3 years that they are not already required to retain without their elective participation in the loan guarantee program.

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.

N/A. None of the forms or non-form requirements are part of a statistical survey.

f. requiring the use of a statistical data classification not reviewed and approved by OMB.

N/A. None of the forms or non-form requirements involve the use of statistical data.

g. that includes 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.

N/A. The forms advise the borrower and lender that the information collected may be released under the Freedom of Information Act and other applicable laws.

h. requiring respondents to submit proprietary trade secrets, or other confidential information unless Reclamation can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

N/A. Reclamation does not require the respondent to supply proprietary, trade secret, or other confidential information.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of Reclamation's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize the public comments received in response to that notice [and in response to the PRA statement associated with the collection over the past three years] and describe actions taken by Reclamation in response to these comments. Specifically address comments received on cost and hour burden.

Not Applicable. This information collection is associated with a new Notice of Proposed Rulemaking (1006-AA53), which will be published in the *Federal Register* concurrent with this rulemaking.

a. Describe efforts to consult with persons outside Reclamation to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any) and on the data elements to be recorded, disclosed, or reported.

Reclamation has consulted extensively with the U.S. Department of Agriculture in developing the loan guarantee program authorized under Pub. L. 109-451. All of the forms in this information collection have been adapted with very minor modifications from forms used by USDA in its existing loan guarantee programs. Discussion with various lending institutions have also informed the development of the program and the associated information collection.

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

No payments or gifts will be provided.

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

None given. The forms advise the borrower and lender that the information collected may be released under the Freedom of Information Act and other applicable laws.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why Reclamation considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

No questions of a personally sensitive nature, such as sexual behavior and attitudes, religious beliefs, or other matters that are commonly considered private are included in the request.

12. Provide estimates of the hour burden of collection of information. The statement should:

a. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated.

For purposes of this information collection, a total of 72 applicants, an average of 18 per year, are expected over the period of 2008 – 2011, based on discussions with Reclamation water users and other potential program participants during 2006. Reclamation estimates that these applications will be submitted through 28 lenders (4 per year). It is further estimated that 4 applicants per year will receive Loan Note Guarantees. These guarantees will be issued to 3 lending institutions per year. For purposes of calculating burden estimates, 4 of the 18 loans issued over the period of 2008 – 2011 are expected to default. It should be noted that this number was used in order to achieve an annual default incidence of at least 1, the minimum number used for calculating annual burden hours. The expected default rate used in Reclamation’s benefit-cost analysis regarding the proposed rule is approximately half this amount. Therefore, the burden estimate provided here is likely somewhat higher than what would be predicted by the benefit-cost analysis. Based on these factors, the total annual burden hour estimate is 737. This total is broken down by individual form and non-form requirements in the spreadsheet in (b) below.

b. If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in item 13 of OMB Form 83-I.

IDENTIFICATION OF REPORTING AND RECORDKEEPING REQUIREMENTS		ANNUAL BURDEN				
DESCRIPTION <i>(b)</i>	FORM NO(s) <i>(c)</i>	NO. OF RESPONDENTS <i>(d)</i>	NO. OF RESPONSES PER RESPONDENT <i>(e)</i>	TOTAL ANNUAL RESPONSES <i>(Col. d & e)</i> <i>(f)</i>	HOURS PER RESPONSE <i>(g)</i>	TOTAL HOURS <i>(Col. f & g)</i> <i>(h)</i>
Reporting Requirements - No Forms						
Proof of Lender Eligibility		7.0	1.0	7.0	10.0	70.0
Application Development (Attachments)		18.0	1.0	18.0	24.0	432.0
Cancellation of Conditional Commitment		5.0	1.0	5.0	1.0	5.0
Assurance of Conditions		5.0	1.0	5.0	4.0	20.0
Periodic Financial Reporting		5.0	4.0	20.0	3.0	60.0
Subtotal - Non-Form Requirements				55.0		587.0
Reporting Requirements - Forms						
Application for Loan Guarantee	7-2580	18.0	1.0	18.0	5.0	90.0
Conditional Commitment for Guarantee	7-2581	4.0	1.0	4.0	1.0	4.0
Loan Note Guarantee Agreement	7-2582	4.0	1.0	4.0	1.0	4.0
Lender's Agreement	7-2583	3.0	1.0	3.0	5.0	15.0
Loan Guarantee Closing Report	7-2584	5.0	1.0	5.0	2.0	10.0
Loan Guarantee Borrower Default Status	7-2585	1.0	1.0	1.0	2.0	2.0
Loan Guarantee Report of Loss	7-2586	1.0	1.0	1.0	25.0	25.0
Subtotal - Forms Requirements				36.0		150.0
Total Annual Responses and Burden Hours Associated with Information Collection				91.0		737.0

c. Provide estimates of annualized costs to respondents for the hour burdens for collection of information, identifying and using appropriate wage rate categories.

Staff costs were calculated at an average that is equivalent to a GS-12 Step 5 hourly rate using Office of Personnel Management (OPM) Salary Table 2008-DEN. This cost is broken out in the table below using a benefits multiplier of 1.4 for all civilian workers, inferred from Table 1 of Bureau of Labor Statistics news release USDL: 07-1883, dated December 11, 2007.

Grade	Level	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.4 x \$/hour)	Total Annual Cost to Respondents (x 737 hrs)
12	5	\$37.93	\$53 (rounded)	\$39,060

13. Provide an estimate of the total annual [non-hour] cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

- **The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information [including filing fees paid]. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities..**
- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

(a) There would be no capital and start-up costs for the respondents imposed because of this information collection. The information being collected and recorded is already routinely collected and recorded by respondents. The increase would be in hours spent only.

(b) Given that no additional capital purchases will be required, no operation and maintenance or purchase of services costs are expected to be incurred generating, reviewing, and maintaining the data required for this information collection beyond what is noted under question 12.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

The estimated annual cost to the Federal Government for the information collection is \$41,040, including the cost of a review team to evaluate and rank statements of interest and full proposals, and to review cover letters requesting Reclamation to review a completed study. Staff costs were calculated at an average GS-12 Step 5 hourly rate using OPM Salary Table 2008-DEN. We estimate that the review team will consist of 6 individuals, working

for approximately 15 days each, or a total of 720 hours. This cost is broken out in the table below using a benefits multiplier of 1.5 for all state and local government workers, inferred from Table 3 of Bureau of Labor Statistics news release USDL: 07-1883, dated December 11, 2007.

Grade	Level	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.5 x \$/hour)	Total Annual cost to Federal Gov (x720 hrs)
12	5	\$37.93	\$57 (rounded)	\$41,040

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

The program change is to approve and implement a new information collection. This information collection is required to support a Reclamation loan guarantee program authorized by Pub. L. 109-451 and 43 CFR 403.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Reclamation does not plan to publish the results of the information collection.

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.

Reclamation will display the expiration date of the OMB approval of the information collection.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

No exceptions to the certification statement are being requested.