

SUPPORTING STATEMENT FOR APPROVAL

A. Justification

1. Legal authority for this information collection is found in 22 U.S.C, Section 234 (d) of the Foreign Assistance Act (FAA) of 1961, as amended. OPIC must screen each applicant for investment insurance to determine the eligibility for OPIC programs of the investor and the project, and assess the political risks of the project in the host country. The information collected through the OPIC-52 form enables OPIC to comply with its congressional mandate to manage the program in a prudent manner and to ensure that projects that would have significant adverse effects on the U.S. economy and employment do not receive OPIC support.

The information provided by the applicant falls into several areas. First, information concerning the investor is necessary to determine eligibility for OPIC insurance as required by the Foreign Assistance Act.

Second, the proposed investment must be explained in detail so OPIC can determine the amount and type of investment to be covered, as well as the underwriting risks associated with insuring the U.S. investor against losses due to political events.

Information concerning the project's impact on the environment and the economic and social development in the host country is necessary to determine its developmental effects as required by the Foreign Assistance Act.

Finally, questions concerning the effects of the project on the U.S. economy are necessary to prevent OPIC from inadvertently insuring an investment that has detrimental effects on U.S. employment or the U.S. balance of payments.

Proposed amendments to OPIC-52 form:

- Create an on-line "smart form"

At present the on-line OPIC-52 is a series of fields similar to a "fillable PDF" that looks very much like the original paper form. The new on-line version of the form will have programming that will guide the applicant through the form, showing the applicant only those questions that are relevant to them. OPIC believes that this will be a much more user-friendly and efficient format.

- Divide the form into two forms

Previously, the OPIC-52 collected investor information and project information as well as policy information (developmental, U.S. economic effects, environmental, and worker rights). The updated OPIC-52 is significantly shorter and focuses only on the investor information and project information. This allows the applicant to quickly and efficiently convey the information that OPIC needs to broadly determine whether a project insurance request fits within its programmatic guidelines. If yes, then the applicant would be directed to complete the OIP Questionnaire that collects the policy information. If no, the process would end there, saving time and cost for both the applicant and OPIC.

- Private Political Risk Insurance section streamlined

The question where the applicant was asked to list private market insurers or brokers with whom they had discussed the project has been removed. Also removed is the question of whether private insurance is available. This change will save time for the applicant.

- Investment Schedule section removed

The questions concerning the timing of the investment have been removed. This information is captured in the project criteria. This deletion will save time for the applicant in that the information will not have to be repeated.

2. On an annual basis, OPIC receives approximately 100 applications from U.S. companies. The information collected is used by OPIC insurance officers and analysts to determine the eligibility of the investor, the project, and the risks associated with underwriting the investment against political events. OPIC collects one response per project. OPIC continues to rely on the material representations provided by the investor in the OPIC-52 in its determinations.
3. Using a standard form, the collection of information enables OPIC to “log” and track all applicant data in a consistent manner, improve internal information management procedures and more efficiently respond to each applicant. The Agency is performing business process and technical re-engineering on all business practices and information submissions to minimize the burden and reduce expenses for both the applicants and OPIC. The next stage of this process is to allow the applicant to complete all forms on-line, link forms so that information provided in one form will auto-populate certain sections of other forms, and make forms into “smart forms” so that applicants will only see questions that are applicable to them. The use of a web-based application will also enable valuable pop-up definitions and explanations and webpage links that should both facilitate the applicant’s answers and help assure the data submitted accurately reflects the intent of the question asked.

4. The information collected is not duplicated elsewhere. The information is not already available in any other electronic form and would not be requested by another federal agency since it is applicable solely to OPIC's insurance program.
5. OPIC's applicants include both large and small businesses. The same questions are asked of all applicants and require only brief answers. As discussed above, significant efforts are being made to make questions clearer and information input easier, reducing the burden on the applicant.
6. OPIC would not be able to fulfill its mandate to screen projects if this information were not collected. Without a form to collect the information, the amount of staff time needed to gather the requisite information would be significantly greater and would result in multiple requests for information for program users. This would reduce the amount of time that could be devoted to underwriting and marketing OPIC programs, thereby reducing the productivity and administrative efficiency of the insurance program.
7. No special circumstances exist that require the information collection to be conducted in a manner inconsistent with the guidelines of the Paperwork Reduction Act and OMB's implementing regulations.
8. The first Federal Register Notices were published. OPIC did not receive any public comments in response to these notices.

For the purposes of estimation, OPIC relied upon both internal and external sources of information gathering. Internally, one of OPIC's staff members, using proxy information, completed Form-52 from the perspective of a new investor. Externally, OPIC relied upon representations provided by investors that have previously completed Form-52 as part of the process of seeking political risk insurance for their investments.

The average public reporting burden for the collection of information was previously estimated to be 9 hours. Based upon the revision of the form, the public burden is estimated to decrease by an average of 7 hours, for an average total of 2 hours.

9. No payments and gifts are offered to respondents.
10. OPIC provides respondents the assurance of confidentiality by labeling **the top of each** page of the OPIC-52 form with the phrase, "Business Confidential Information." Client information contained in this questionnaire will be deemed designated as privileged or confidential in accordance with OPIC's Freedom of Information Act (FOIA) regulations (22 CFR part 706) and will be treated as confidential to the extent permitted under FOIA.
11. Not applicable. None of the questions on this form are of a sensitive nature.

12. The estimated burden of collecting this information is as follows:

100 respondents
x 1 per respondent
100 total annual responses
x 2 hours per average respondent
x \$75 for personnel, record-keeping, overhead
\$15,000 total cost to respondents

Annual reporting is not required. Information is only collected once per investment.

13. The estimated annualized cost to respondents is as follows:

(a) Total capital and start-up costs: \$0

(b) Total operation and maintenance costs: \$0

All costs associated with the form are part of the normal cost of doing business. Since all submissions will be electronic and stored on OPIC's secure servers, there will be no postage or storage costs.

14. The estimated annualized cost to the Federal Government is 100 responses x 1 hour. Using an average cost of \$50.41 (GS-14/1) to review these applications, the total cost to the Federal Government is estimated to be \$5,041.00 (100 x 1.0 x \$50.41).

15. The number of total respondents 100 is based on the approximate number of companies formally applying for OPIC insurance each year. As discussed above, the OPIC-52 is being split into the OPIC-52 and the OPIC-248, so the time estimates and costs have been divided accordingly.

16. Not applicable. Information provided in the application is not published or made public in any way.

17. Not applicable. The OMB expiration date will be printed on each form.

18. Not applicable. No exceptions are being requested on the certification statement.

B. Timing of Form Effectiveness

OPIC's IT Department is scheduled to complete the development of the "smart form" platform by fall 2012, so that is when OPIC would expect to begin using the revised OPIC-52. However, this timing may be delayed for unforeseen reasons, so OPIC asks that OMB consider the current OPIC-52 to be effective until OPIC notifies OMB that the revised on-line OPIC-52 platform is ready for use by applicants.