

Supporting Statement for Requests for Approval under the Paperwork Reduction Act and 5 CFR 1320

Application for Section 26a Permit, OMB # 3316-0060

SECTION A. JUSTIFICATION:

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

Applicants provide certain information as a requirement to obtain a permit from TVA. Section 26a of the Tennessee Valley Authority Act of 1933, as amended, requires that TVA review and approve plans for the construction, operation, and maintenance of any dam, appurtenant works, or other obstruction affecting navigation, flood control, or public lands or reservations across, along, or in the Tennessee River or any of its tributaries. In addition, review of plans for construction is necessary to determine if plans comply with Part 1304 of Title 18, Code of Federal Regulations, and with the Shoreline Management Policy implemented by TVA on November 1, 1999.

The information collected on the Department of Army/TVA Joint Application Form (Permit Application Form) (TVA 17423) is used to assess the impact of proposed projects on the statutory TVA programs and to determine if the project can be approved. TVA's land management activities require that TVA approval be obtained before actions affecting land owned by the United States and in the custody and control of TVA are initiated. Additionally, TVA's ethics protocol, "Obtaining Things of Value from TVA" established a procedure for identifying inherent conflicts of interest by those applying for a TVA benefit. The Applicant Disclosure Form (TVA 17423A) is used to collect information to identify potential conflicts of interest.

In addition to the requirements in Section 26a of the TVA Act, a new section of the TVA Act (Section 9b) specifically addresses floating cabins. Floating Cabins are structures determined by TVA to be structures designed and used primarily for human habitation or occupation and not for navigation or transportation on the water. A May 5, 2016 TVA Board of Directors Policy as well as the Water Infrastructure Improvements for the Nation Act of 2016 (WIIN Act) prohibit new floating cabins, and the WIIN Act amended the TVA Act to include Section 9b. Section 9b provides that TVA may allow the use of floating cabins where the structure was located on waters under TVA's jurisdiction as of December 16, 2016; and where the owner maintains the structure in accordance with reasonable health, safety, and environmental standards set by the TVA Board of Directors and pays a compliance fee. Section 9b also states that TVA may establish regulations to prevent the construction of new floating cabins. TVA estimates over 2,200 floating cabins are moored on TVA Reservoirs, and over half may not have been permitted by TVA. To fulfill its obligations under Section 9b and Section 26a of the TVA Act, TVA is requiring all owners of floating cabins to register their floating cabin with TVA, in addition to obtain Section 26a permits for the structure. The Floating Cabin Registration Form (TVA 21158) will be used to collect this information.

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.

The information collected on the Permit Application Form is reviewed by TVA staff to determine compatibility of the proposal with TVA statutory requirements for operation of the Tennessee River System and for compliance with all applicable Federal laws and Executive Orders. TVA also uses the information to contact applicants and authorized agents regarding the review of their request.

The Floating Cabin Registration Form will be used to establish an inventory of floating cabins and their owners, and to enforce the requirements of the May 5, 2016 Board Policy and Section 9b of the TVA Act.

In 2009, TVA published protocol to ensure that all people obtaining things of value from TVA are treated in a consistent manner. The information collected on the Applicant Disclosure Form is used to identify any potential conflicts of interests by those applying for a Section 26a permit and to ensure TVA's permitting process is fair, impartial, and transparent. Edits were made to the disclosure categories in 2017 to align with a protocol update.

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.

The Permit Application Form and the Applicant Disclosure Form are available on TVA's Internet website. Applicants may submit the Permit Application Form, Applicant Disclosure Form, and supplementary material to TVA by email or postal mail.

In July 2018, TVA disabled the web portal used for respondents to apply to TVA for a Section 26a permit via TVA's Internet website due to a software upgrade implementation. A new online system is expected to be available to the public in 2019.

The application will be submitted "online" for ease of access and ease of completion. TVA's new web portal will improve efficiencies, reduce response burden, and reduce processing costs. For example, the system will allow applicants to use a mapping service to pinpoint the location of their property instead of having to upload copies of scanned maps or submit paper copies. The system will also auto-populate the Permit Application Form, the Applicant Disclosure Form, and the Section 26a database based on input from the applicant. TVA received approximately 30% of the Section 26a applications online via the previous system and expects to increase the submissions with the new, more user-friendly system. The remainder of the applications and supplementary material is submitted to TVA by email or postal mail.

The Floating Cabin Registration Form will be available on TVA's Internet website. Floating cabin owners may submit the registration form and supplementary material to TVA by email or postal mail.

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.

Each respondent's application for a new Section 26a permit is unique to geographic location and construction plans. In cases where an applicant wishes to revise construction plans or add to a structure, TVA only requires information on the new addition. Also, the U.S. Army Corps of Engineers and TVA have a Memorandum of Understanding that established a joint permitting program for structures constructed on the Tennessee River System. This reduces paperwork by 50 percent.

Although, TVA estimates less than half of the floating cabins may have been previously permitted by TVA, modifications and change of ownership may have occurred since the structure was permitted. Further, the current information system does not allow TVA to pull previous submitted information in order to prepopulate the new online form. Therefore, TVA needs each floating cabin owner to register their facility. Information on the Floating Cabin Registration Form may be used again when applying for a Section 26a permit.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

There is no significant impact on a substantial number of small businesses; however, TVA provides technical assistance to any small businesses that request it in completing a Permit Application Form, Applicant Disclosure Form, or Floating Cabin Registration Form.

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.

Section 26a of the TVA Act requires review and approval by TVA before any structure can be constructed on the Tennessee River or its tributaries. If TVA did not collect the applicants' information, it could not conduct the required review. If TVA could not conduct the required review, no construction approvals would be issued and all development on the Tennessee River System would stop.

TVA estimates over 2,200 floating cabins are moored on its reservoirs. Over half of them have not been permitted by TVA. In order to implement TVA's statutory authority to regulate existing floating cabins and prevent new ones, TVA needs to obtain minimal information regarding the location, size, and ownership of these structures.

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

- *requiring respondents to report information to the agency more often than quarterly;*
- *requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;*
- *requiring respondents to submit more than an original and two copies of any document;*

- *requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;*
- *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;*
- *requiring the use of a statistical data classification that has not been reviewed and approved by OMB;*
- *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; or*
- *requiring respondents to submit proprietary trade secrets, 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.*

None of these apply.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB.

Included in this submission is a copy of the 60-day and 30-day Federal Register notices. The notices were published at 84 FR 6040-6041 (February 25, 2019) (60-day notice) and 84 FR 19824-19825 (May 6, 2019) (30-day notice). No comments were received in response to these notices.

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

No payments or gifts are provided.

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

The majority of information provided in a Permit Application Form, Applicant Disclosure Form, and the Floating Cabin Registration Form is not confidential. Most information collected describes construction plans and is not of a sensitive or personal nature. However, since these records are maintained by a personal identifier (name of applicant), they are identified as a Privacy Act System of Records, TVA-36 (copy attached). A Privacy Act Statement is included on the Permit Application Form, Applicant Disclosure Form, and the Floating Cabin Registration Form. Furthermore, these forms are handled in accordance with TVA's procedures regarding restricted information.

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 information collection does not ask questions of a sensitive nature.

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

The statement should:

- *Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices. * **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.***

Permit Application Form (TVA 17423)

Number of responses (permits): Approximately 1,500 annually. TVA records and tracks in a computer database the number of respondents who apply for permit approvals via the Permit Application Form. From this computerized database, TVA is able to review applicant numbers for any year and is able to use the data to project anticipated respondent numbers for future years.

Frequency of Response: On occasion. One permit application is required for each request. There is no predetermined frequency or renewal cycle. Permit applicants are required to provide the information on the Permit Application Form.

Annual Hour Burden: 2 hours per application. Therefore, the Total Annual Hour Burden is 3,000 hours (2 hours x 1,500 applications = 3,000 hours). Burden is estimated by asking some applicants how long it took to complete the permit application, completion of test applications by TVA staff, and by assisting applicants in completing the Permit Application Form.

Floating Cabin Registration Form (TVA 21158)

Number of responses: 2,200 one-time registrations, due by January 1, 2021 (1,100 registrations per year).

Frequency of Response: One registration is required for each floating cabin. If the floating cabin is sold after registration, the new owner would apply for a Section 26a permit. There is no requirement to renew the registration. Once a floating cabin owner has registered their structure, it does not have to be registered again.

Annual Hour Burden: 2 hours per registration form. Therefore, the Total Annual Hour Burden is 2,200 hours (2 hours x 1,100 applications = 2,200 hours).

Response and Burden Summary			
	Permit Application	Floating Cabin	Totals

	Form	Registration Form	
Annual Number of Respondents	1,500	1,100	2,600
Frequency of Response	On occasion	1	N.A.
Hours per Response	2.0	2.0	N.A.
Annual Burden Hours	3,000	2,200	5,200
Total estimated annualized cost for respondents to provide information: \$873,812.00			

Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included under item 13.

Annualized cost per applicant: The average hourly wage for the states in the TVA service area is \$23.81, and represents an increase in the average hourly wage from the previous approval. This estimate was calculated using a snapshot of data taken on 2-14-2019 from the U.S. Bureau of Labor Statistics National Compensation Survey on Wages from the following sources:

https://www.bls.gov/regions/southeast/news-release/countyemploymentandwages_mississippi.htm
https://www.bls.gov/regions/southeast/news-release/countyemploymentandwages_kentucky.htm
https://www.bls.gov/regions/southeast/news-release/countyemploymentandwages_alabama.htm
https://www.bls.gov/regions/southeast/news-release/countyemploymentandwages_tennessee.htm
https://www.bls.gov/regions/southeast/news-release/countyemploymentandwages_georgia.htm
https://www.bls.gov/regions/southeast/news-release/countyemploymentandwages_northcarolina.htm
https://www.bls.gov/regions/mid-atlantic/news-release/countyemploymentandwages_virginia.htm

Based on the estimated 2 hour burden, the total annualized time cost for all applicants is \$123,812 ($\$23.81 \times 5,200 = \$123,812$). The typical Joint Application fee for Section 26a permits is \$500 so the total estimate permit cost is \$750,000 ($\$500 \times 1,500$ applications = \$750,000). There is no fee for the floating cabin registration. The total annual time and application fee cost for all applicants is \$873,812.

13. Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information. Do NOT include the labor cost (wage equivalent) of the burden hours described in Question 12 (above). The information required here corresponds to that in #14 on the 83-I (cost to the public).

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. 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 collections 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.

Capital and startup cost do not apply to Section 26a Permit Applications or Floating Cabin Registrations.

14. Provide estimates of annualized costs to the Federal government.

Include here a description of the method used to estimate costs to the Federal government, which should show the quantification of hours, operational expenses (such as equipment, overhead, printing, and staff support), and any other expense which would not have been incurred without this collection of information. If there will be no costs beyond the normal labor costs for staff, state so.

The TVA cost of processing Section 26a permit applications for fiscal year 2019 is estimated to be \$1,500,000. The annual cost of implementing the floating cabin program is estimated to be \$475,000.

15. Explain the reasons for any program changes or adjustments reported on the burden worksheet.

The increase is due to the addition of the Floating Cabin Registration Form. Annual responses in the 2019 Section 26a and floating cabin submission are estimated to be 1,500 and 1,100, respectively. For the Section 26a applications, this represents an reduction from 1,800 in the previous approval.

The number of responses to the Floating Cabin Registration Form is estimated to be 1,100 in each of the first two years with a sharp reduction in subsequent years.

The estimated burden per response remains at 2 hours.

Therefore in the first two years, the estimated burden will increase from 3,600 hours in the previous approval to 5,200 hours. The estimated overall burden for the information collection will be about 3,000 hours in the third year.

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.

Not applicable.

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.

Not applicable.

18. Explain each exception to the topics of the certification statement identified in "Certification for Paperwork Reduction Act Submissions,"

Not applicable.

Section B. Collections of Information Employing Statistical Methods

This information collection does not employ statistical methods.

Applicants provide the information whenever they wish to construct or modify a structure or other obstruction that may affect navigation, flood control, or public lands or reservations along or in the Tennessee River or any of its tributaries.