

ICR Supporting Statement
Information Collection Request for EPA Application Materials for the Water
Infrastructure Finance and Innovation Act
OMB Control No. 2040-0292, EPA ICR No. 2549.02

A. Justification.

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.**

The collection of information is necessary to receive applications for credit assistance pursuant to section 5024 of the Water Infrastructure Finance and Innovation Act (WIFIA) of 2014, 33 USC 3903. The purpose of the WIFIA program is to provide Federal credit assistance in the form of direct loans and loan guarantees to eligible clean water and drinking water projects. In addition, America's Water Infrastructure Act of 2018 passed on October 10, 2018 reauthorized the WIFIA program and added a new Section 3912(e) that created a separate loan program specifically for State infrastructure finance authority borrowers. Therefore, the collection of information is also necessary to receive applications for the State infrastructure finance authority WIFIA (SWIFIA) program currently under development.

WIFIA Section 3903(a) requires that “an eligible entity shall submit to [the Administrator] an application at such time, in such manner, and containing such information, as the [the Administrator] may require” to receive assistance under WIFIA. To satisfy these requirements, the WIFIA regulation at 40 CFR 35.10015 establishes a two-step application process with a Letter of Interest (LOI) and an application. The regulation established that in the LOI, EPA may collect prospective borrower information, project plan, preliminary project operations and maintenance plan, proposed financing plan and audited financial statements, contact information, written responses to selection criteria, certifications, notification of State infrastructure financing authority, and other information to select projects. Selected project must then submit an application.

The regulation established that the application shall provide additional information, at a minimum, detailed applicant information, detailed project information, detailed project operation and maintenance plan, comprehensive financing plan, and complete certifications. The relevant section of WIFIA is attached hereto as Exhibit A. With each appropriation, EPA publishes a Notice of Funding Availability (NOFA) in the Federal Register to give entities an opportunity to submit application materials to request WIFIA and/ or SWIFIA loans funded with that appropriation. This collection is necessary to determine whether each proposed project meets creditworthiness and other Federal requirements to receive WIFIA credit assistance.

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 LOI and the application for the base WIFIA program and SWIFIA program (attached as Exhibits B, C, D, E, and F) collected from prospective borrowers will be used to evaluate applications for credit assistance under the WIFIA eligibility requirements and selection criteria as outlined in the annual Notice of Funding Availability (NOFA).

Exhibit B is the WIFIA LOI. In it, EPA requests the information it needs to:

- Validate the eligibility of the prospective borrower and the proposed project
- Perform a preliminary creditworthiness assessment;
- Perform a preliminary engineering feasibility analysis; and
- To evaluate the project against the selection criteria found at 40 CFR 35.10055.

To determine eligibility, EPA requests key loan information, such as a general description of the borrower, project, purpose, loan amount, total eligible project costs, application submission date, loan close date, and population information. For EPA to evaluate creditworthiness, the prospective borrower will provide the preferred lien priority for the WIFIA loan, a current rating letter. If the prospective borrower does not have a current rating letter, they may provide a pro-forma or financial statements and a budget. To complete the preliminary engineering feasibility analysis, EPA asks the prospective borrower provides any technical reports or written information relevant to evaluating the project and a high-level schedule of dates for each of the project or projects included as part of the LOI. In the selection criteria section, EPA asks prospective borrower to describe the potential policy benefits achieved using WIFIA assistance with respect to each of the WIFIA program selection criteria. These responses are used to evaluate projects using the selection criteria. Additionally, EPA requests the borrowers' contact information for future communication.

EPA also requests that the prospective borrower certify that it will abide by all applicable laws and regulations, including NEPA, the Federal Water Pollution Control Act, the American Iron and Steel requirements, and federal labor standards, among others, if selected to receive funding. Finally, EPA includes an SRF notification section to ensure that the prospective borrower is aware that the EPA will notify the state infrastructure financing authority in the state in which the project is located that it submitted a LOI, as required by 40 CFR 35.10050, and provide the submitted LOI and source documents to that authority, unless the prospective borrower opts out of having its LOI and source documents shared.

Exhibit C is the WIFIA application. In it, EPA requests information needed to confirm the eligibility of the project and borrower, evaluate the creditworthiness of the prospective borrower and project for the proposed WIFIA credit assistance, and conduct the engineering due diligence, including federal compliance. This includes:

1. **Key Applicant and Loan Information:** EPA requests basic information such as its legal name, project name, estimated total projects costs, requested WIFIA loan amount, anticipated closing date, and contact information. It also collects information about jobs, savings, Dun and Bradstreet Data Universal Number System (DUNS) number, and employer/taxpayer identification number.
2. **Applicant Background:** Materials submitted under this section detail the applicant's legal authority to apply for a WIFIA loan and to undertake the project and disclose any current, threatened, or pending litigation. EPA also requests information like customer concentration analysis, water and sewer rate information, capital improvement planning process information, any accounts receivable outstanding information, the latest condition assessment report or a master plan that informs the engineering due diligence.
3. **Financing Plan:** To assess creditworthiness and calculate the subsidy amount, EPA requests a comprehensive plan describing how the project will be financed and how financing will be repaid over the tenor of the requested WIFIA credit assistance. This includes a detailed financial model covering all periods through final maturity of the WIFIA credit assistance, the sources and seniority of other financing, a description of the dedicated sources of repayment, rate covenants, and security for the requested WIFIA credit assistance. As required by statute, 33 USC 3907(a)(1)(D)(i), EPA also requests a preliminary rating letter from a NRSRO. EPA also asks for the prospective borrower's proposed terms and conditions for the WIFIA credit assistance in order to inform its creditworthiness analysis.
4. **Federal Requirements Compliance:** EPA requests information about the status of the environmental review and the status of SRF environmental review, if applicable. The applicant also identifies any cross-cutter consultations that have been undertaken and any major permits or approvals required. This allows EPA to complete its NEPA determination and assess compliance with federal requirements and cost-cutters.
5. **Contract Information:** To inform engineering due diligence, EPA request that the applicant fills out a separate Excel spreadsheet (Exhibit D) with specific contract information including contract components, project information within each contract, the project delivery method, and filenames of technical reports. The applicant also provides information about costs, schedules, operations and maintenance plans, and final or draft bid specifications for the project(s).
6. **Certifications:** The applicant certifies that it will abide by all applicable laws and regulations, including NEPA and the Davis-Bacon wage rules.

Exhibit E is the SWIFIA LOI. It is used solely by State infrastructure financing authority borrowers applying for financing under the SWIFIA program. In it, EPA requests the information it needs to:

- Validate the eligibility of the prospective borrower and the proposed project
- To evaluate the project against the selection criteria.

To determine eligibility, EPA requests loan information, including, the prospective borrower's legal name, address, website, Dun and Bradstreet Data Universal Number System (DUNS) number, and employer/taxpayer identification number. It also requests its requested SWIFIA loan amount, the estimated total costs of the SWIFIA project, whether the projects are Clean Water SRF and/or Drinking Water SRF projects, and its requested loan structure. EPA also asks for supporting documents including the most recent version of its Intended Use Plan (IUP), SRF Operating Agreements, and the bond indenture (if applicable) to determine eligibility, including creditworthiness. EPA requests documentation of the priority setting system to evaluate the project against the selection criteria defined in the NOFA. EPA also requests the prospective borrower identifies the point of contact with whom the WIFIA program should communicate regarding the LOI. Finally, EPA asks the prospective borrower certify that it will abide by all applicable laws and regulations, including NEPA, the Federal Water Pollution Control Act, the American Iron and Steel requirements as required by 33 USC 3914, and federal labor standards as required by 33 USC 3909(h), among others, if selected to receive financing.

The terms defined in the SWIFIA LOI, Exhibit E, are explained above under the terms for the base program LOI, Exhibit B with the exception of the following. Lettering matches Exhibit E:

- (f) SWIFIA Project means the all the SRF loans being included in request for credit assistance. This includes both the SRF loans that will be financed with the SWIFIA loan (up to 49% of SWIFIA Project costs) and the SRF loans that will be financed by other sources.
- (g) SWIFIA means the separate, stand-alone State Revolving Fund WIFIA program authorized by sec. 4201(b) of America's Water Infrastructure Act of 2018, Pub. L. 115-270.

A separate program for SRFs was authorized under American's Water Infrastructure Act of 2018. This program is new and no terms to define the program were established in the Act. EPA created the term SWIFIA to define this separate program.

Exhibit F is the application form for all State infrastructure financing authority borrowers applying to either the WIFIA program or SWIFIA program. In it, EPA requests information needed to confirm the eligibility of the project and borrower, evaluate the creditworthiness of the prospective borrower and project for the proposed WIFIA credit assistance, and conduct the engineering due diligence, including federal compliance. The following list outlines the elements of an application.

1. **Key Applicant and Loan Information:** EPA requests basic information such as its legal name, project name, requested loan amount, estimated total costs of the SRF loans that are included in the SWIFIA Project, anticipated closing date, and contact information. In addition, it provides its Dun and Bradstreet Data Universal Number

System (DUNS) number, and employer/taxpayer identification number. EPA also requests information about the quantitative and qualitative benefits of the SWIFIA project, such as environmental, public health and economic benefits and cost savings. EPA ask the applicant to explain its legal structure, legal authority to apply for a loan, approval process and to discloses any current, threatened, or pending litigation.

2. **Financing Plan:** EPA requests that the applicant indicate its requested loan structure. Two options are available for SWIFIA borrowers. Option 1 is the WIFIA program adopts SRF program's existing indenture and Option 2 is the SRF program accepts WIFIA program's standard terms. Based on the requested loan structure, the EPA asks the appropriate questions to evaluate creditworthiness.
3. **Supporting Document:** EPA requests documents referenced in the application to support its creditworthiness review, engineering due diligence, and NEPA determination.
4. **Certifications:** EPA asks the applicant to certify that it will abide by all applicable laws and regulations, including NEPA and the Davis-Bacon wage rules.

The terms defined in the SWIFIA application, Exhibit F, are explained above under the terms for the base program application, Exhibit D and the SWIFIA LOI, Exhibit E, with the exception of the following. Lettering matches Exhibit F:

- (k) WIFIA/SWIFIA Project means the all the SRF loans being included in request for credit assistance. This includes both the SRF loans that will be financed with the WIFIA/SWIFIA loan (up to 49% of WIFIA Project costs) and the SRF loans that will be financed by other sources.

This term is defined in the SWIFIA LOI, Exhibit E. However, because the SRF can choose to continue seeking financing at the application stage from the WIFIA base program or SWIFIA, depending on the flexibilities the SRF wants, both WIFIA and SWIFIA are used here to define the project.

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.**

The LOI form is available electronically. To reduce burden and reduce the number of copies required, the LOI and supporting documents are submitted via WIFIA's SharePoint site or e-mail. The application is available electronically. It is also submitted electronically via WIFIA's SharePoint site.

4. **Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purpose(s) described in item 2 above.**

The LOI and applications will generally be project specific and the information is not available elsewhere. Applicants may reference documents that already exist and submit the documents as attachments as part of the LOI and application process.

5. **If the collection of information impacts small businesses or other small entities (item 5 of the OMB form 83-1), describe the methods used to minimize burden.**

Eligible applicants under WIFIA include corporations, partnerships, joint ventures, trusts, Federal, State, or local governmental entities, agencies, or instrumentalities, tribal governments or consortium of tribal governments, and state infrastructure financing authorities, which could include small entities. LOIs and applications are voluntary. EPA cannot minimize the burden to small entities because WIFIA requires all eligible entities to submit an application in order to receive credit assistance. The relevant section of WIFIA is attached hereto as Exhibit A.

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.**

If the collection is not conducted, EPA will be unable to satisfy the statutory mandate to require the submission of applications. Therefore, WIFIA credit assistance will not be available. To provide credit assistance to eligible projects, which is the purpose of the program, EPA must collect letters of interest and applications that respond to the eligibility requirements and selection criteria.

7. **Explain any special circumstances that would cause an information collection to be conducted in a manner inconsistent with 5 CFR 1320.6:**

There are no special circumstances. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.6.

8. **Efforts to consult with persons outside the agency to obtain their views**

On April 23, 2019, Vol. 84, No. 78, pages 16850 to 16851, the Agency published the notice of information collection and request for comments in the Federal Register. The solicitation is attached as Exhibit G. One (1) comment was received from the Council of Infrastructure Financing Authorities.

In addition, EPA requested feedback from all entities that had completed both the LOI and application. Of these, six (6) borrowers or applicants for the base program agreed to

participate in the consultation and provide feedback. For the SWIFIA program, EPA offered all State infrastructure financing authorities the opportunity to participate in a consultation about this ICR and the associated application materials. Two (2) SWIFIA prospective borrowers agreed to participate. For both groups, EPA requested participants share their views on the availability of data, frequency of recordkeeping, disclosure, or reporting format, and on the data elements to be recorded, disclosed, or reported.

EPA appreciates the feedback that it received during the consultation process. As a result, several changes were made to the supporting statement as well as the draft letters of interest and draft applications for both the base and SWIFIA programs.

Base Program

In the six consultations done with borrowers and applicants for the base program, borrowers and applicants were overall very satisfied with the changes made to both the LOI and the application as part of this renewal process. The borrowers and applicants commented that burden in the LOI was less than the original LOI, due to the reduced amount of information required in the engineering and credit sections. Prospective borrowers submitting LOIs will no longer have to provide alternatives analysis findings, the system master plan, permits and approvals, or provide any information involving the environmental review process. The project operations and maintenance plan section has been completely removed. For credit information, prospective borrowers will no longer have to provide any information if a rating letter in the past three years is available. Otherwise, the prospective borrower will need to provide a plan of finance, a pro-forma, and a budget. The original LOI credit section asked for much more information including a detailed description of the source of financing for the project and a description of existing debt and equity financing sources.

Several borrowers and applicants also commented positively on the restructured selection criteria section, saying it would be easier to answer the direct questions in the new section compared to the language directly from the WIFIA statute in the original of the LOI. Specifically, the original LOI required the prospective borrower to explain how it met each of the criteria individually. It did not provide direction on the type of information EPA needed to evaluate the prospective borrower. The new LOI asks specific questions, from which the answers will provide EPA with the information needed to evaluate a project in accordance with the criteria. While this section of the new LOI asks more questions than the original, the questions are more pointed, allowing prospective borrowers to provide shorter answers, and not requiring prospective borrowers to guess at EPA's intent.

For the application, borrowers and applicants commented that they generally liked the new answer choices compared to the current application which has mostly write-in answers. For example, the original application asked the applicant to describe its proposed terms for the WIFIA loan agreement. The new application has radio buttons with potential answers pre-written. This reduces burden and ensures that applicants provide the information EPA is looking for. Borrowers and applicants also commented

that this new application would likely be more burdensome upfront but could save time later in the process by being asked for all the information EPA requires in the application.

For the application materials, EPA appreciates the suggestions it received for clarifying certain questions. For example, EPA edited question #3 in Section B: Applicant Background (question #4 in Section A: Applicant Information in the original application) to ask more specifically about customer concentration, giving examples of class types and the timeframe in which EPA is asking for data. In addition, questions about the applicant's financial condition, previously question #4 in Section D: Financing Plan, are now broken up into three questions (#5, 6, and 7) in Section B: Applicant Background, because applicants found providing that amount of detailed information in one question to be confusing and it was more difficult for EPA to evaluate.

For the base program, most of the comments from the consultations focused on the application. EPA added language in some of the questions' instructions to allow for the borrower to provide information in different ways. For example, EPA is allowing the borrower, in most cases, to reference an attachment instead of providing written description to reduce burden. A few examples of this are Section B: Applicant Background, question #7 where the applicant can provide an attachment with the status of liabilities and funding for pension contributions, defined benefits, and other post-employment benefits. For questions #4 and 5 in the new Section D: Federal Requirements Compliance, EPA asks the applicant to provide cross-cutter supporting documentation and permit information as attachments instead of a written description, saving time. In another effort to reduce burden, EPA is also clarifying instructions for questions that need more detailed information, to clarify that alternative metrics may be provided. For example, for question #8 in Section B: Applicant Background, EPA asks the applicant to provide the latest system condition assessment report or master plan available for the water and/or wastewater system this project supports. If a report or plan is unavailable, provide a brief description of significant facilities (i.e. pump stations or treatment plants) within the system, including construction and major rehabilitation dates, and any asset management processes utilized for the system. These extra instructions and multiple ways to provide information allows flexibility to applicants at different stages of the design, planning, and construction process.

In addition, EPA agreed that the application could be improved to more easily collect information from applicants who are submitting multiple projects, or a large project being constructed under multiple contracts. Due to this feedback, EPA decided to move Section E (previously Project Information, renamed Contract Information) to an additional form, an Excel spreadsheet, so applicants can provide information for multiple contracts using different rows.

These changes for the updated LOI and application are included as Exhibits B, C, and D.

SWIFIA Program

EPA acknowledges that all State infrastructure financing authorities that meet the eligibility requirements for the capitalization grant and all agencies who participate in administering the State Revolving Funds (SRFs) are allowed to apply for SWIFIA financing. EPA clarified the definition of State Infrastructure Financing Authorities to make it clear that it includes agencies who participate in administering the SRFs in the application materials instructions.

EPA received several comments about eliminating or streamlining the LOI. However, EPA does not agree that allowing all agencies who participate in administering the SRF to apply eliminates the need for a LOI or that it can accept the Intended Use Plans instead of a LOI. EPA is required to select loan recipients based on criteria outlined by statute. Based on feedback, EPA has shortened the LOI considerably and now requests only the submission of basic program and contact information, the amount of the loan being requested, the requested loan structure, and key program documents. The changes are included as Exhibit E. As a result, EPA decreased its burden estimate for SWIFIA prospective borrowers to complete a LOI to 5 hours as noted in EPA's updated response to question 12.

EPA appreciates the feedback regarding the documentation that SRF programs already complete as requirements of its annual capitalization grant. As a result, EPA eliminated some questions in the SRF application form related to information provided in those documents, particularly related to the program's engineering review processes, and clarified the instruction to include that those documents could be references where narrative responses are still requested. In addition, at respondents' suggestions, it added the requirement to submit the program's Operating Agreement. EPA will still require that the most recent versions of those documents be provided in the LOI and application. The changes are included as Exhibit E and F. The reduced burden is included in EPA's updated responses to questions 12 and 13.

In addition, EPA appreciates the numerous suggestions it received for making the instructions and questions clearer. It incorporated these changes into the updated LOI and application included as Exhibit E and F. In particular, EPA clarified language to make it clear when it is referring to the SRF sub-loans versus the SWIFIA loan. It also updated the instructions for both documents.

EPA also received a comment that the fee estimates are likely too high for SWIFIA borrowers. In the SWIFIA program, prospective borrowers will either accept EPA's standard terms or EPA will adopt the prospective borrower's existing indenture. Therefore, the fees should be less. EPA agrees with this comment and reduced its estimated fees by \$50,000 for SWIFIA borrowers in question 13.

EPA did receive a comment about allocating annual appropriations to SRF applicants on a pro rata basis. EPA will follow this recommendation.

EPA appreciates these comments and will take this feedback into consideration as it continues to develop the SWIFIA program.

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 to respondents.

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

EPA cannot offer an assurance of confidentiality to any applicant. The applicant is directed to state if any information submitted in its LOI, application, or any supplementary material may not be released by the Agency upon request from a member of the public or otherwise made publicly available. The applicant must identify the confidential business information and provide reasons why such information is confidential business information and should not be released, including particulars as to any competitive harm which would potentially result from the release of such information. The Agency will handle requests from the public for release of information under its standard Freedom of Information Act procedures.

11. Provide additional justification for any questions of a sensitive nature.

Questions of a sensitive nature are not found in this information collection.

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

Based on respondent numbers, burden data from the WIFIA’s 2017 and 2018 rounds of collecting LOIs and applications, and consultations with borrowers, EPA is estimating the burden below.

LOI (Base Program)

LOI Burden per LOI				
Function	Legal	Manager	Technical	Clerical
Read LOI guidelines		1	1	1
Gather Information			10	3
Complete basic LOI form				3
Complete narrative			20	
Review LOI	9	10		
Compile LOI				2
TOTAL	9	11	31	9

- Total number of unduplicated respondents: 55
- Frequency of response: one per respondent
- Annual hour burden per application: 60

- Total annual burden hours: 3,300

LOI (SWIFIA Program)

LOI Burden per LOI				
Function	Legal	Manager	Technical	Clerical
Read LOI guidelines			0.5	
Gather Information				1
Complete basic LOI form			0.5	
Review LOI	1	1	0.5	
Compile LOI			0.5	
TOTAL	1	1	2	1

- Total number of unduplicated respondents: 5
- Frequency of response: one per respondent
- Annual hour burden per application: 5
- Total annual burden hours: 25

Application for Borrowers (Base Program):

Application Burden per Application				
	Legal	Manager	Technical	Clerical
Read application guidelines		1	2	1
Gather Information			50	10
Complete application form				1
Complete narrative			110	
Review Application	5	15		
Compile Application				5
TOTAL	5	16	162	17

- Total number of unduplicated respondents: 35
- Frequency of response: one per respondent
- Annual hour burden per application: 200
- Total annual burden hours: 7,000

Application for Borrowers (SWIFIA Program):

Application Burden per Application				
	Legal	Manager	Technical	Clerical
Read application guidelines	1	1	1	1
Gather Information			30	5
Complete application form				1
Complete narrative			42	
Review Application	4	4	9	
Compile Application				2

TOTAL	5	5	82	8
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- Total number of unduplicated respondents: 5
- Frequency of response: one per respondent
- Annual hour burden per application: 100
- Total annual burden hours: 500

Total Burden:

Applicant Burden per Program		
	WIFIA	SWIFIA
Total number of LOI respondents	55	5
Total number of applicants	35	5
Total annual hour burden per applicant	260	105
Total burden hours	10,300	525

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

EPA estimates that the total annual cost burden to respondents will be \$14,946,754.85. EPA used the following median hourly wages from the May 2017 National Occupational Employment and Wage Estimates United States (http://www.bls.gov/oes/current/oes_nat.htm) from the U.S. Bureau of Labor Statistics to calculate the cost of the estimated burden hours:

- Lawyers= \$57.33
- Management= \$50.77
- Engineers= \$41.73
- Office and Administrative Support= \$18.21

The tables below show the breakdown in these costs for the LOIs, Applications, and other Application Costs. The numbers in blue in the tables below add up to the total annual cost. This estimate includes the following:

LOIs (Base Program)

For the Base Program LOI, EPA estimates 3,300 annual burden hours and the annualized cost of those hours is \$139,257.80. EPA estimates 495 legal hours (at \$57.33/hour equal \$28,378.35); 605 management hours (at \$50.77/hour equal \$30,715.85); 1,705 technical hours (at \$41.73/hour equal \$71,149.65); and 495 clerical hours (at \$18.21/hour equal \$9,013.95).

Number of Collections per year	Hours per Collection	Total Hours per Collection	Total Cost per year
55	60	3,300	\$139,257.80

LOIs (SWIFIA Program)

For the SWIFIA LOI, EPA estimates 25 annual burden hours and the annualized cost of those hours is \$1,048.85. EPA estimates 5 legal hours (at \$57.33/hour equal \$286.65); 5 management hours (at \$50.77/hour equal \$253.85); 10 technical hours (at \$41.73/hour equal \$417.30); and 5 clerical hours (at \$18.21/hour equals \$91.05).

Number of Collections per year	Hours per Collection	Total Hours per Collection	Total Cost per year
5	5	25	\$1,048.85

Applications (Base Program)

For the Base Program application, EPA estimates 7,000 annual burden hours and the annualized cost of those hours is \$285,908. EPA estimates 175 legal hours (at \$57.33/hour equal \$10,032.75); 560 management hours (at \$50.77/hour equal \$28,431.20); 5,670 technical hours (at \$41.73/hour equal \$236,609.10); and 595 clerical hours (at \$18.21/hour equal \$10,834.95).

Number of Collections per year	Hours per Collection	Total Hours per Collection	Total Cost per year
35	200	7,000	\$285,908.00

Applications (SWIFIA Program)

For the SWIFIA application, EPA estimates 500 annual burden hours and the annualized cost of those hours is \$31,048.30. EPA estimates 25 legal hours (at \$57.33/hour equal \$1,433.25); 25 management hours (at \$50.77/hour equal \$1,269.25); 410 technical hours (at \$41.73/hour equal \$17,109.30); and 40 clerical hours (at \$18.21/hour equal \$728.40).

Number of Collections per year	Hours per Collection	Total Hours per Collection	Total Cost per year
5	100	500	\$20,540.20

Application Costs – Other

In addition, applicants will be charged two fees: an application fee and a credit processing fee. An application fee will be due upon submission of the application. A credit processing fee will be due upon loan closing, to reimburse costs incurred by the EPA due to legal, financial, and other expert contractor help. For projects serving small communities (population of not more than 25,000 people), the application fee will be \$25,000. For all other applicants, including all SWIFIA applicants, the application fee will be \$100,000. The application fee is a down payment on the credit processing fee when they submit an application, so the amount a small vs. large borrower pays differs in

terms of what they pay in the up-front application cost, but EPA estimates the total costs of the application fee and the credit processing fee to be the same for all borrowers in the base program. Due to the nature of this credit processing fee, the amount is expected to vary between applicants. However, EPA estimates these costs for WIFIA base program applicants based on the FY 2017 borrowers as approximately \$275,000 per applicant. For SWIFIA applicants, EPA estimates these costs to be lower since applicants will either accept EPA’s standard terms or EPA will adopt the applicant’s existing indenture. The total credit processing fees for SWIFIA would be \$225,000. The total for 40 borrowers is \$10,750,000, estimating 3 small community borrowers and 32 large community borrowers (at \$275,000/borrower), and 5 SWIFIA borrowers (at \$225,000/borrower).

By statute, applicants to the base WIFIA program are required to submit a preliminary rating letter at the time of application and two (2) final rating letters at the time of closing that indicate that the senior obligation of the project has an investment grade rating. The cost of these rating letters varies based on the size and complexity of the project. Based on bond rating agency estimates and industry research, EPA estimates that the final rating letters will cost approximately \$50,000 per letter and that the initial preliminary rating letter is included in the cost of one of the final letters. The total cost for 35 applicants (3 small community borrowers and 32 large community borrowers) is \$3,500,000. Applicants to the SWIFIA program are required to submit a preliminary rating letter at the time of application and one (1) final rating letter at the time of closing that indicate that the senior obligation of the project has an investment grade rating. These rating letters must be from a bond rating agency identified by the Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization. The total cost for 5 applicants will be \$250,000.

Large Community	Cost	# of Applications	
Application Fee + Credit Processing Fee	\$275,000	32	\$8,800,000
Two Rating Letters	\$100,000	32	\$3,200,000
Annual Total per borrower	\$375,000	Annual Total	\$12,000,000

Small Community	Cost	# of Applications	
Application Fee + Credit Processing Fee	\$275,000	3	\$825,000
Two Rating Letters	\$100,000	3	\$300,000
Annual Total per borrower	\$375,000	Annual Total	\$1,125,000

SWIFIA	Cost	# of Applications	
Application Fee + Credit	\$225,000	5	\$1,125,000

SWIFIA	Cost	# of Applications	
Processing Fee			
One Rating Letter	\$50,000	5	\$250,000
Annual Total per borrower	\$275,000	Annual Total	\$1,375,000

14. Provide estimates of annualized cost to the federal government.

The estimated cost to the Federal government of this request for letters of interest and applications is \$3,512,217.76. This cost reflects three components:

1. EPA follows an evaluation process to review each LOI and application and to determine which projects will receive WIFIA funding. This process includes technical, financial, and management review of the letters of interest. Then, additional technical, financial, and management review of the applications. EPA estimates that this process will take 65% of the 26 FTEs' time employed by WIFIA.

The estimated average annual cost for EPA personnel is \$129,869 based on the General Schedule (GS) 14, Step 05 level from the 2018 GS salary table. The annual cost was then multiplied by the standard government benefits multiplication factor of 1.6 to calculate an estimated annual pay including benefits per FTE of \$207,790.40. Therefore, the estimated annualized cost for the evaluation team is \$3,511,657.76.

2. EPA will hire legal, financial, and other expert contractor support for credit processing. These costs are estimated to be \$275,000 per Base Program application and \$225,000 per SWIFIA application. They are expected to be reimbursed in full by the applicants. The net estimated annualized cost to the Federal Government for credit processing is \$0.
3. EPA will print application materials. EPA does not expect to need any special equipment or support, other than printing. As noted above in item 12, EPA expects 60 letters of interest and 40 applications. If each LOI is 25 pages and each application is 50 pages, as requested in the solicitation, EPA may need to print as many as 3,500 pages for staff involved in the evaluation process. EPA estimates up to 8 staff may need materials which adds up to a total of 28,000 pages of printing. EPA's printing costs are approximately 2 cents per page, which adds up to a total printing cost of \$560.

15. Explain the reason for any program changes or adjustments reported in items 13 or 14.

There is an increase of 9,325 hours in the total estimated respondent burden compared with the ICR currently approved by OMB. This increase is due to several factors including the increase in expected LOIs and applications, a small increase in the burden estimate for base program LOIs, a doubling of the burden estimate for base program applications, and the addition of the SWIFA program application materials.

EPA received more Letters of Interest and applications than it originally estimated during program inception. For the respondent burden in item 13, the annual cost increased compared to the previous submission approved by OMB. Since program inception, EPA received more LOIs and applications than it originally estimated. EPA estimated the program would receive 20 LOIs and 5 applications. This was based on the amount of budget authority initially authorized for WIFIA. However, in 2017, the program received 43 LOIs and invited 12 prospective borrowers to apply. In 2018 and 2019, the program received 62 and 51 LOIs and invited 39 and 38 prospective borrowers to apply, respectively.

EPA increased the LOI submission collection burden by 5 hours per LOI from the previously approved amount. Although EPA believes the burden for the LOI will decrease, after conducting consultations with borrowers, EPA believes that burden estimation for the original LOI was too low. Therefore, to more accurately reflect the true burden, EPA has only minimally increased the burden in this renewed LOI version to highlight the underestimation in the original burden.

EPA increased the application submission burden by 100 hours per application from the previously approved amount. This burden is increasing because the renewal application form asks for more information than the previous version. EPA decided to reduce the burden in the LOI (see paragraph above, burden is actually increasing because the original burden estimate was too low, however, if the original burden was accurate, the burden would be in comparison decreasing) because the prospective borrower has lower investment in the process, having not yet been selected. At the application stage, EPA is working closely with individual borrowers and shifted some of the technical and credit information, previously required in the LOI, to the application.

EPA is including the newly authorized State Revolving Fund WIFIA (SWIFIA) program as part of this ICR renewal. EPA estimates that WIFIA will receive 5 LOIs and 5 applications through SWIFIA.

For the cost to the federal government, EPA's annual cost increased, because it received more LOIs and applications than initially anticipated. Due to the large number of LOIs and applications, EPA has since hired more WIFIA staff to meet the burden of these reviews. Due to the nature of the work, the majority of WIFIA staff are legal, financial and technical experts with salaries that are high on the GS scale. This also increases the cost.

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

The letters of interest and applications collected for the WIFIA program will not be published. EPA will maintain a publicly available list of projects that have submitted letters of interest and applications to the WIFIA program. The current lists are available at <https://www.epa.gov/wifia/wifia-financing-requests>.

- 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 plans to display the expiration date for OMB approval of the information collection on all instruments.

- 18. Explain each exception to the certification statement identified in item 19, "certification for paperwork reduction act submissions."**

The Agency can certify compliance with all provisions under Item 19.