
Supporting Statement for Applications
for Loans Under the Advanced
Technology Vehicles Manufacturing
Incentive Program

Part A: Justification

OMB No. 1910-5137



Collection Instrument:

- *A loan application providing the information required by the “ATVM Program Rule,” 10 C.F.R. Part 611, Subparts A&B*



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Introduction

Provide a brief introduction of the Information Collection Request (ICR). Include the purpose of this collection, note the publication of the 60-Day Federal Register Notice, and provide the list of forms within this collection.

The U.S. Department of Energy (the “Department” or “DOE”) requests an extension of an additional three years of the information collection request approved under OMB Control Number 1910-5137 (the “ICR”) and utilized by DOE’s Loan Programs Office (“LPO”) to administer the Advanced Technologies Vehicles Manufacturing Program (the “ATVM Program”). This is the same ICR that LPO has used continuously for this purpose since it was promulgated in 2007. On October 29, 2021, LPO published a “60-day notice” in the Federal Register (86 Fed. Reg. 60024) of its intention to seek this extension and inviting questions and comments. None were received.

The ICR collection instrument comprises:

- An ATVM Program loan application providing the information required by *Interim Final Rule for the Advanced Technologies Vehicles Manufacturing Program* (10 C.F.R. Part 611, Subpart A and Subpart B) (the “ATVM Program Rule”),

which specifies the information that applicants for direct loans under the ATVM Program (“Applicants” or “Respondents”) must submit to LPO in order to establish the eligibility of the loans they request. A copy of the ATVM Program Rule (the collection instrument) is attached.

LPO uses the ICR to determine whether and on what terms to make a loan for the purposes an applicant proposes. For additional context, see *Guidance for ATVM Applicants* (attached) and screenshots of the internet portal that Applicants use to submit their loan applications to LPO (attached).

A.1. Legal Justification

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 information collection.

The ATVM Program was created by the Secretary of Energy (the “Secretary”) pursuant to Section 136 of the *Energy Independence and Security Act of 2007*, as amended (“EISA”) (42 U.S.C. 17013) to make direct loans to eligible applicants for projects that reequip, expand, or establish manufacturing facilities in the United States to produce qualified advanced technology vehicles, or qualifying components, and for associated engineering integration costs.

As required by EISA section 136(e), DOE promulgated the ATVM Program Rule in 2007 for the purpose of establishing the basic applicant eligibility and project eligibility requirements. Copies of 42 U.S.C. 17013 and the ATVM Program Rule are attached.

LPO uses the ICR to obtain from ATVM Program applicants the information that EISA and the ATVM Program Rule require DOE to evaluate when determining whether and on what terms to make direct loans to Applicants.

In addition, the information collected through the ICR assists DOE to meet its public transparency and accountability obligations, such as requirements and requests to deliver timely information on ATVM Program activities to OMB, Congress, and the public.

A.2. Needs and Uses of Data

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

DOE's Loan Programs Office administers the ATVM Program and the ICR.

LPO uses the ICR to obtain business, financial, and technical information from an applicant about the ability of the proposed borrower to comply with EISA, the ATVM Program Rule, and other federal law before DOE can provide financing. For instance, among many other requirements: EISA requires that loan proceeds be used to reequip, expand, or establish manufacturing facilities in the United States to produce qualified advanced technology vehicles, or qualifying components, or for associated engineering integration costs; EISA requires that the borrower be able to repay the loan; the National Environmental Policy Act of 1969 ("NEPA") prohibits the Secretary from making a loan unless the borrower complies with that statute; and the Davis Bacon Act requires that the borrower pay prevailing local wages to mechanics and laborers constructing the project.

The financial and technical information that the applicant must provide through the ICR comprises the same information as the applicant would provide in the private sector when seeking a loan for a project of similar complexity, size, and risk. For instance, among many other things, LPO requires Applicants to submit: a description of the nature and scope of the project, including key milestones and location; a detailed estimate of the total project costs; a detailed overall financial plan for the project, including all sources and uses of funding, equity, and debt, and the liabilities of parties associated with the project; the applicant's business on which the project is based and applicant's financial model presenting project *pro forma* statements for the proposed term of the loan including income statements, balance sheets, and cash flows; an analysis of the projected market use for any product; etc.

LPO has continuously used, and will continue to use, the information it collects through the ICR for all aspects of administering the ATVM Program, including:

- LPO's teams of credit analysts, engineers, lawyers, risk managers, and other professionals rely on the ICR information provided by Applicants to determine whether and on what terms to make a loan for the project the Applicant proposes, including evaluating the eligibility of proposed borrowers and projects under the requirements of the ATVM Program, evaluating the financial, policy, and engineering merits of applications and projects, and structuring the terms of direct loans so that they protect the federal government's financial interests and achieve its policy objectives. Each project and each loan is unique, but historically, projects receiving loans under the ATVM Program cost hundreds of millions of dollars, deployed innovative technology, and entered uncertain markets. In such complex situations and with such large sums of money at stake, LPO's process for evaluating loan applications is necessarily deep and exacting. Because of their scale and complexity, these projects and loans typically take years to develop and for LPO to originate. LPO simply could not successfully carry out the ATVM Program without the information it obtains through the ICR. Applicants who have received loans through this ICR and application process are Ford, Nissan, Tesla, Vehicle Production Group, and Fisker.

Dozens more applications have not qualified for loans. Dozens more applications are currently under review by LPO. And, dozens more applications are expected during the requested ICR extension period.

- LPO uses the ICR information for planning, management, and evaluation of the ATVM Program;
- LPO uses the ICR information to manage its funds and make projections of risks; and
- LPO uses the ICR information to answer congressional, OMB and public inquiries regarding the ATVM Program.

A.3. Use of Technology

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.

LPO requires Applicants to submit their applications to LPO in electronic form through LPO's application portal, which they can access via an internet address LPO provides them upon request (at present: <https://dart-uat.loanprograms.energy.gov/Content/Login.html>). As a result, 100% of the ICR is collected in electronic form.

This electronic manner of collection reduces the hour and cost burdens on Applicants by allowing them to easily and speedily store, review, deliver, and amend their applications using contemporary methods and technologies with which Applicants and LPO are familiar and regularly conduct their business.

A.4. Efforts to Identify Duplication

Describe efforts to identify duplication.

The eligibility requirements of the ATVM Program are unique within DOE and the federal government, therefore the information collected through loan applications is also unique. Neither DOE nor other federal agencies collect the same information from Applicants. However, because Applicants will have already developed the same or similar information in the course of seeking private sector-capital for their projects, they are able to respond to this ICR using much of this existing information, thus reducing potential burdens of the collection.

A.5. Provisions for Reducing Burden on Small Businesses

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

Most eligible projects under the ATVM Program will be larger than those that small businesses usually undertake. Nevertheless, LPO has taken steps that may increase the attractiveness of the program to smaller businesses. There are no application fees associated with applications under the program, and the application encourages prospective Applicants to consult with program staff before applying. This allows prospective Applicants to better understand eligibility and related ATVM Program requirements before incurring the hour burden and cost associated with submission of an application.

A.6. Consequences of Less-Frequent Reporting

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 information is not collected, DOE will be unable to implement the ATVM Program.

Additionally, if the information is not collected, DOE will be unable to effectively respond to congressional, budget, and general public inquiries about ATVM Program activity.

A.7. Compliance with 5 CFR 1320.5

Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines:

- (a) requiring respondents to report information to the agency more often than quarterly;**
- (b) requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- (c) requiring respondents to submit more than an original and two copies of any document;**
- (d) requiring respondents to retain records, other than health, medical government contract, grant-in-aid, or tax records, for more than three years;**
- (e) in connection with a statistical survey, that is not designed to product valid and reliable results that can be generalized to the universe of study;**
- (f) requiring the use of statistical data classification that has not been reviewed and approved by OMB;**
- (g) that includes a pledge of confidentiality that is not supported by authority established in stature of 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**
- (h) 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.**

The ICR is consistent with OMB guidelines. No special circumstances require the ICR to be conducted in a manner inconsistent with OMB guidelines.

A.8. Summary of Consultations Outside of the Agency

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 5CFR 320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken in response to the comments. Specifically address comments received on cost and hour burden. Describe efforts to consult with persons outside DOE 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 report.

In accordance with the requirements of the Paperwork Reduction Act, DOE issued a notice and request for comments with respect to the proposed reinstatement/extension of its information collection for the Section 136 program as set forth in 10 CFR Part 611. Such 60-day notice was published in the *Federal Register* on October 29, 2021, Volume 86, Number 207, Page 60024. DOE did not receive any public comments in response to this 60-day notice.

The information Applicants must submit in their applications for ATVM Program loans was established by the ATVM Program Rule after notice and comment rulemaking in which DOE took into consideration all comments.

A.9. Payments or Gifts to Respondents

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

No payment or gift to Applicants is being proposed under this ICR. However, providing the information requested by this ICR is one condition under the ATVM Program Rule to receiving a loan under the ATVM Program.

A.10. Provisions for Protection of Information

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

The ICR seeks information that Applicants are likely to deem includes proprietary trade secret and other confidential business information. LPO must have this information to evaluate the financial and technical merits of the project an Applicant proposes to finance with a direct loan from the ATVM Program. The ICR does not seek other common types of confidential information, such as personally identifiable information.

LPO protects an Applicant's trade secret and confidential business information in LPO's possession from public disclosure to the maximum extent permitted by law, including under the Trade Secrets Act, 18 U.S.C. 1905, which prohibits federal employees from unauthorized disclosure of such information, and under the Freedom of Information Act's exemption from disclosure for trade secret and confidential business information (5 U.S.C. § 552a, exemption 4). In addition, an Applicant's trade secret and confidential business information is deemed "Official Use Only" information under DOE policy (DOE O 471.3-1) and is to be labeled as such by DOE personnel so as to guard against inadvertent public disclosure and to limit distribution to only those within the U.S. Government who have a need to know it in order to perform their jobs. Lastly, the ATVM Program Rule (cross-referencing 10 C.F.R. 600.15) provides detailed instructions to Applicants about how they may mark their trade secret and business confidential information so that DOE can readily recognize it as subject to a claim of confidentiality and accord it appropriate protections. LPO stores Applicant information on DOE's computer systems, which are protected by government IT security measures and allow access only to authorized personnel.

A.11. Justification for Sensitive Questions

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 DOE 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, and other matters that are commonly considered private are included in this ICR.

The ICR seeks financial and business information that Applicants typically consider sensitive and often constitutes trade secret and confidential business information. However, Applicants to the ATVM Program well understand that it is necessary and customary to provide such information when seeking financing, whether in the private or public sectors, for projects of such size, complexity and risk.

A.12A. Estimate of Respondent Burden Hours

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, DOE should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample fewer than 10 potential respondents is desirable.

When estimating burden hours, include time to read rules, instructions, FAQs, gather records, complete response, and submit information to agency. Talk to the public via consultations to generate or update burden estimates.

The ICR seeks complex business, financial, and technical and information, including information regarding innovative technologies and financial models. Accordingly, the estimate of hour burden of the information collection is as follows:

Total number of unduplicated respondents: 40

Reports filed per respondent: 1

Total annual responses: 40

Total annual burden hours: 5,300 hours

Average Burden

Per Collection: 132.5 hours

Per Applicant: 132.5 hours

The forgoing estimates are based on LPO's 10-plus years of experience administering the ATVM Program and other similar LPO programs, including feedback and other experience working with ATVM Program Applicants to collect the information for applications. The estimates are based on the assumption described in response to Question 13 below regarding the functional/occupational categories of

personnel working for the Applicant who would typically be involved in furnishing the required information and the time required of each category. The burden hours per response (132.5 hours) remains the same as estimated in LPO’s most recent (2019) request to OMB for an extension of this ICR authority.

Table A1. Estimated Respondent Hour Burden

Form Number/Title (and/or other Collection Instrument name)	Type of Respondents	Number of Respondents	Annual Number of Responses	Burden Hours Per Response	Annual Burden Hours	Annual Reporting Frequency
ATVM Program loan application (10 C.F.R. Part 611, Subparts A&B)	Applicant for ATVM program loan (business or other for-profit)	40	40	132.5	5,300	1
			0		0	
TOTAL		40	40		5,300	

A.12B. Estimate of Annual Cost to Respondent for Burden Hours

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 ‘Annual Cost to Federal Government’.

When estimating cost burden, itemize the cost by requirements (reporting and/or recordkeeping), by forms, etc. In addition, use BLS data on wage rates to calculate burden estimates. A standard multiplier to the hourly wage rate should be used to convert the hourly wage to a fully-burdened wage (i.e., wage plus benefits) – use a 1.6 multiplier for government employees and 1.4 for private employees <http://www.bls.gov/news.release/ecec.nr0.htm>

LPO estimates the cost for the hour burden of the information collection is \$27,075 per Applicant. This estimate is based on the same estimate of the amount of time to complete an application (132.5 hours) distributed in the same amounts across the same functional/occupational categories of personnel as in the estimate contained in LPO’s most recent (2019) request to OMB to extend the ICR authorization. The upward estimate from 2019 (from \$26,296) is based solely on upward adjustments of the applicable wage rates to reflect contemporary wages.

In the following table, LPO breaks out the various functional/occupational categories involved in preparing and submitting an application, the estimated amount of time for the activities in each functional/occupational category, and an estimate of the hourly wage rate of the personnel in each functional/occupational working for a hypothetical and typical Applicant. These figures are multiplied

and added to produce the estimated total cost per Applicant. Then, multiplying the estimated cost of \$27,075 per Applicant times the estimated 40 annual Applicants LPO expects produces an annual combined cost estimate for 40 Applicants equal to \$1,083,000.

ESTIMATED COST BURDEN TO APPLICANT

FUNCTION	RATE	HOURS	TOTAL COST
Collecting information	\$ 81	40.0	\$ 3,240
Compiling information	\$ 81	40.0	\$ 3,240
Management review	\$ 271	20.0	\$ 5,420
Legal review	\$ 677	20.0	\$ 13,540
Submitting information	\$ 55	10.0	\$ 550
Other labor/services	\$ 22	2.5	\$ 55
General expense*	n/a	n/a	\$ 1,030
TOTAL			\$ 27,075

* General expenses include supplies, delivery charges, mailing, copying, telecommunications, etc.

To produce this estimate of the cost to each Applicant, LPO consulted the U.S. Bureau of Labor Statistics' most recently published (2020) data regarding hourly wage rates for various occupational categories and functions similar to those involved in submitting an Application. LPO also drew from its 10+ years of institutional knowledge and experience administering the ATVM Program and other similar loan programs, including its experience working with hundreds of prospective applicants and actual applicants as they prepared and submitted their applications to LPO. LPO then adjusted these estimated rates so that they would reflect a fully-burdened wage (i.e., wage plus benefits).

A.13. Other Estimated Annual Cost to Respondents

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

To apply for an ATVM Program loan, an Applicant need not incur costs for capital, start-up, total operation, maintenance, or purchase of services beyond what the Applicant already incurs in the ordinary course of business of developing its project.

A.14. Annual Cost to the Federal Government

Provide estimates of annualized cost to the Federal government.

LPO estimates that in utilizing the information it collects through applications for loans under the ATVM Program, LPO incurs annual costs of \$29,000,000.

LPO derives this estimate from its Cost Estimation Model and from its 10-plus years of experience originating loans under the ATVM Program. LPO most recently updated its Cost Estimation Model in early calendar year 2021. That version of the Model estimates the cost to LPO to originate a single loan as \$1,450,000 over an assumed 24-month period from receipt of the Application through loan closing. Annualized, this is \$725,000 per Application. However, because the circumstances regarding each Application vary greatly, LPO ascribes a +/- 45% confidence level to this estimate. Multiplying \$725,000

by LPO’s estimate of 40 Applications per year yields \$29,000,000 as its estimate of annual cost to LPO to utilize the information contained in all of those Applications.

A.15. Reasons for Changes in Burden

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

LPO estimates that it will receive 40 applications annually from 40 Applicants. This is an increase from the number LPO estimated to OMB in 2019 as part of its last request for extension of the ICR approval. LPO has increased its estimate for this ICR extension because of actual and predicted public interest and demand for financing of the sort available through the ATVM Program.

LPO’s estimate of 132.5 hours per Applicant per response (loan application) remains the same as estimated to OMB in connection with the 2019 extension. The upwards adjustment of the annual hours requested is due entirely to the increased estimate of the number of expected loan applications.

LPO’s current baseline hour and cost burdens estimates are based on 10-plus years of experience with the administration of the ATVM Program along with the LPO’s experience with loan guarantee programs that collect substantially the same information to evaluate loan guarantee applicants.

Based on LPO’s experience administering the ATVM Program, LPO understands from Applicants that the information LPO seeks through the ICR is information that Applicants already possess in the ordinary course of business. For instance, Applicants will have previously generated and used the same information in some form for the purposes developing the project, including raising equity and exploring other financing sources. Thus, the LPO’s hour burden estimate comes from LPO’s estimate of the time it takes Applicants to assemble, organize and upload into the LPO application portal this information they already have.

Table A3. ICR Summary of Burden

	Requested	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Previously Approved
Total Number of Responses	40		+33	7
Total Time Burden (Hr)	5300		+4370	930
Total Cost Burden	\$1,083,000		+\$1,056,704	\$26,296

A.16. Collection, Tabulation, and Publication Plans

For collections whose results will be published, outline the plans for tabulation and publication.

The information collected is not intended to be published. There will be no collections of information for which results will be published for statistical use. No complex analytical techniques will be employed. There will not be a report on the information LPO collects, other than quarterly and annual reporting on the progress of the ATVM Program as a whole.

A.17. OMB Number and Expiration Date

If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate.

The OMB control number, OMB expiration date, and burden disclosure statement will be included on all forms and instructions, including the electronic forms found on LPO's application portal.

A.18. Certification Statement

Explain each exception to the certification statement identified in Item 19 of OMB Form 83-I.

There are no exceptions to the certification statement in Item 19 of the OMB Form 83-I to which this Supplemental Statement pertains.