**DEPARTMENT OF TRANSPORTATION**

**BUILD AMERICA BUREAU**

**JUSTIFICATION STATEMENT**

Railroad Rehabilitation and Improvement Financing and Transportation Infrastructure Finance and Innovation Act Programs Letters of Interest (LOI) and Application Form

OMB Control No. 2105-0569

ABSTRACT

This is to request the Office of Management and Budget (OMB) renew the collection of OMB Control Number 2105-0569, “Integrated Letter of Interest and Application Forms for the Railroad Rehabilitation and Improvement Financing and Transportation Infrastructure Financing and Innovation Act Credit Programs (RRIF/TIFIA)” information collection request (ICR), which is currently due to expire on February 28, 2025, and extend the collection for three years.

The ***Transportation Infrastructure Finance and Innovation Act (TIFIA)*** program is a federal credit assistance program for eligible surface transportation projects under which the Department of Transportation (the Department) can provide three forms of credit assistance: direct loans, loan guarantees, and standby lines of credit. The Transportation Infrastructure Finance and Innovation Act of 1998 was enacted as part of TEA-21 (Public Law 105-178, §§1501-04), as amended in 1998 by the TEA-21 Restoration Act (Title IX of Public Law 105-206), was further amended in 2005 by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) (Public Law 109-59), was amended and restated in 2012, by the Moving Ahead for Progress in the 21st Century Act (MAP-21) (Public Law 112-141), was amended in 2015 by the Fixing America’s Surface Transportation (FAST) Act (Public Law 114-94), and most recently, was further amended in 2021 by the Infrastructure Investment and Jobs Act (IIJA) (Public Law 117-58). TIFIA is codified within sections 601 through 609 of Title 23 of the United States Code (23 U.S.C. §§ 601-609), with supporting regulations appearing in part 80 of Title 49 of the Code of Federal Regulations (49 CFR Part 80).

The ***Railroad Rehabilitation and Improvement Financing (RRIF)*** program provides direct loans and loan guarantees for the development of railroad infrastructure. The RRIF program was created in 1998 by the TEA-21 amendments (§7203 thereof) to a predecessor loan and loan guarantee program from the 1970s set forth in Title V of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), and was amended in 2005 by SAFETEA-LU, was further amended in 2008 by the Rail Safety Improvement Act of 2008 (Public Law 110-432), was amended in 2015 by the FAST Act, and most recently, was amended in 2021 by the IIJA. The RRIF program is codified within sections 22401 through 22406 of Title 49 of the United States Code (49 U.S.C. §§22401-22406), with supporting regulations appearing in part 260 of Title 49 of the Code of Federal Regulations (49 CFR Part 260).

1. **Circumstances That Make The Collection Necessary**.

***Evaluating applicants for the TIFIA and RRIF credit assistance programs is a statutory requirement.*** The TIFIA and RRIF authorizing legislation require parties interested in receiving credit assistance to submit applications. In addition, TIFIA requires interested parties to submit an LOI prior to submitting an application for credit assistance. In order for the Secretary of the Department to evaluate applicants for the RRIF and TIFIA programs against applicable statutory requirements, and consistent with the statutory requirements therefore, the Department must collect LOIs and applications from applicants seeking funding.

***TIFIA data are used to report to Congress on the success of the Program and need for continued appropriations.*** Section 609(b) of Title 23 U.S.C. requires the Secretary of Transportation to submit an application process report to the Senate Committee on Environment and Public Works and the House Committee on Transportation and Infrastructure that includes a list of all LOIs and applications received from project sponsors during the preceding fiscal year (FY). This information is compiled annually and provided to the relevant committees using the information entered on the LOI and subsequent application form.

***RRIF data are used to report to Congress on Transit Oriented Development Eligibility.*** Section 21303 of IIJA requires the Secretary of Transportation to submit a semiannual report to the Senate Committee on Commerce, Science, and Transportation and the House Committee on Transportation and Infrastructure that identifies the number of applications for a direct loan or loan guarantee under section 22402(b)(1)(E) of title 49 received from project sponsors during the preceding semiannual period. This information is compiled semiannually and provided to the relevant committees using the information entered on the application form.

1. **How, by whom, and for what purpose the information is to be used and consequences if the information is not collected.**

***How:***

The Bureau collects information through the LOI and application form. This data is evaluated by project development leads and underwriters at the Bureau who perform initial eligibility and creditworthiness analysis. The respondents using the LOI and application form are public or private entities seeking to finance, design, construct, own or operate eligible surface transportation, railroad infrastructure, intelligent transportation systems, or transit oriented development projects.

***For What Purpose:***

The Bureau will conduct an initial eligibility review of the LOI to identify major statutory, regulatory, financing or timing issues that would prevent the project from receiving either TIFIA or RRIF credit assistance. After it is determined that initial eligibility requirements have been satisfied, an in-depth creditworthiness review of the project sponsor and the revenue stream proposed to repay the TIFIA and/or RRIF credit assistance requested is performed. The creditworthiness review involves evaluation of the plan of finance, financial model, and feasibility of the anticipated pledged revenue or, in the case of RRIF loans where the proposed collateral is other than a dedicated revenue stream, the sufficiency of such other pledged collateral. In connection with this review, the DOT will ask project sponsors to provide any additional materials necessary to facilitate its review of the project’s eligibility, compliance with statutory requirements, and creditworthiness.

1. **Consideration Of Improved Information Technology**.

The Bureau will accept all LOIs electronically through a secure FTP site that limits access only to applicants in order to address privacy concerns. In the event a project sponsor is unable to access the FTP site, they are able to submit physical copies of the LOI and application.

1. **Describe Efforts To Identify Duplication**.

LOIs and applications will generally be project-specific and financial information must be current. However, at the applicant’s discretion, relevant materials provided previously to a Department agency in support of a different Department discretionary program may be referenced and described as unchanged. For example, environmental documentation created for a project for another Departmental program can be referenced in a LOI or application, rather than attached, and need not be refreshed or supplemented except as required by law.

1. **Methods Used To Minimize Burden On Small Businesses Or Other Small Entities**.

The LOI and application forms have been clarified to ensure that the Department collects only information necessary to evaluate applications against RRIF or TIFIA criteria. The documents are interactive, with relevant options provided to facilitate correct responses, and the Bureau provides a checklist with the LOI and application forms to assist project sponsors with organizing their submissions. References to the Bureau’s Credit Programs Guide also provide more explanation of concepts and our website advises that the Bureau is available to provide technical assistance to project sponsors applying for credit assistance if needed.

1. **Consequences If Information Was Not Collected Or Collected Less Frequently**.

The Department will be unable to satisfy its statutory mandate to receive LOIs and applications if the collection is not conducted, which means that RRIF and TIFIA credit assistance will not be available. In order to provide credit assistance to eligible projects, which is the purpose of these programs, the Department must collect LOIs and applications that respond to the eligibility requirements.

1. **Special Circumstances That Require The Collection To Be Conducted In A Manner Inconsistent With 5 CFR 1320.6.**

The collection of LOIs and applications is consistent with 5 CFR 1320.6.

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

A 60-day Federal Register notice was published on November 26, 2024 (89 FR 93399), soliciting comments prior to the submission of this information collection to OMB. The Department received no comments. A 30-day notice was published on [INSERT DATE OF PUBLICATION] (89 FR [-----]).

1. **Explain Any Decision To Provide Any Payment Or Gift To Respondents**.

No payment or gift is made to respondents.

1. **Describe Any Assurance Of Confidentiality Provided Respondents.**

No assurances of confidentiality are made to respondents.

1. **Additional justification for questions of a sensitive nature.**

The Bureau will protect confidential information, to the extent required under applicable law.

1. **Estimate Of The Total Annual Hour Burden Of The Collection To Respondents.**

Based on the average annual total number of respondents, the total annual burden of this collection for RRIF LOIs and applications is 960 hours and for TIFIA LOIs and applications is 1,440 hours.

**TABLE 1: Summary of Hours of Annual Burden Calculation**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **RRIF Responses** | **TIFIA Responses** | **Time to prepare each response** | **Calculation** |
| LOI | 8 | 12 | 20 hours | 8+12 = 20 X 20 = 400 |
| Application | 8 | 12 | 100 hours | 8+12 = 20 X 100 = 2,000 |
| **Total** | 960 | 1,440 |  | 400 + 2000 = **2,400** |

1. **Estimate of total annual cost burden to respondents.**

There is no additional cost beyond that shown in item 12.

1. **Estimate Of The Annualized Cost To The Federal Government.**

The estimated annualized cost to the Federal government of this request for LOIs and applications is $315,675. This cost reflects the cost of an evaluation team member to review each LOI and application and make recommendations about which projects are eligible to receive credit assistance. The Department currently estimates that ten people from various agencies in the Department will need to review the applications and LOIs. The evaluation process takes approximately three months for each LOI and application, which is the equivalent of two and one-half job years. The estimated pay for the evaluation team members is approximately $125,000 per year, so the estimated annualized cost to the Federal government for the evaluation team is $312,500. The Department does not expect to need any special equipment or support.

As the Bureau implements a more streamlined process for administering the TIFIA and RRIF application process, the Bureau will be able to reduce the number of persons needed to review each LOIand application, thereby reducing the annualized cost to the Federal government.

1. **Explain Reasons For Changes In Burden**.

There is no change in burden.

1. **Plans For Tabulation And Publication.**

Some data from the LOI and application form are made available electronically at <https://www.transportation.gov/buildamerica/projects/financing-search>.

1. **If seeking approval not to display the expiration date for omb approval, explain the reasons.**

The Department will display the expiration date for OMB approval of the information collection.

1. **Explain Any Exceptions To The Certification Statement Identified In Item 19 Of Omb Form 83-I.**

There are no exceptions to the certification statement.