

Department of the Treasury
Information Collection Request – Supporting Statement

Air Carrier Loan and Payroll Support Programs
OMB No. 1505-0263

A. Justification

1. Circumstances necessitating the collection of information

On March 27, 2020, the President signed the “Coronavirus Aid, Relief, and Economic Security Act” or the “CARES Act” (P.L. 116-136), which provided emergency assistance and health care response for individuals, families and businesses affected by the COVID-19 pandemic, and provided emergency appropriations to support executive branch agency operations during the COVID-19 pandemic. The CARES Act authorized the Secretary of the Treasury to make loans, loan guarantees, and other investments that do not exceed \$500 billion in the aggregate to provide liquidity to eligible businesses, States, and municipalities related to losses incurred as a result of coronavirus. Section 4003(b)(1)-(3) authorized the Secretary to make loans and loan guarantees available to passenger air carriers and cargo air carriers, as well as certain related businesses, and businesses critical to maintaining national security. Section 4112 authorized the Secretary to provide payroll support totaling \$32 billion to air carriers and certain contractors (PSP1).

On December 27, 2020, the President signed the Consolidated Appropriations Act, 2021 or the “Appropriations Act,” which provided additional emergency assistance and health care response for individuals, families and businesses affected by the COVID-19 pandemic. Subtitle A of Title IV of Division N of the Appropriations Act (the PSP Extension Law) authorized the Secretary to provide financial assistance totaling \$16 billion to passenger air carriers and certain contractors (PSP2).

On March 11, 2021, the President signed the American Rescue Plan Act, 2021, which provided additional emergency assistance and economic relief in response to the COVID-19 pandemic. Subtitle C of Title VII of the American Rescue Plan Act authorized the Secretary to provide financial assistance totaling \$15 billion to passenger air carriers and certain contractors that received financial assistance under PSP2 (PSP3).

While Treasury is no longer accepting loan program or PSP applications, both programs require ongoing compliance reporting for certain participants, as well as recordkeeping. Specifically, as part of the loan, PSP1, PSP2, and PSP3 agreements, applicants were required to maintain records for a period of five years or more, depending on the agreement type and period of performance, as well as submit compliance reports on a quarterly basis to ensure funding is used in accordance with the agreements and aid statutory reporting requirements.

PSP1, PSP2, and PSP3 Compliance Requirements

Air carriers and contractors that received payroll support pursuant to PSP1, PSP2, or PSP3 (“Recipients”) agreed to comply in a timely fashion with information requests by Treasury or DOT to verify compliance with statutory, regulatory, contractual or other requirements of Recipients that received assistance under this program, including (but not limited to) those specified in the applicable statute. Such requests may include any details related to promissory notes or warrants received as “taxpayer protection instruments” (TPI) by the Secretary.

All PSP1, PSP2, and PSP3 recipients were required to submit quarterly certifications and reports, including, among other things, copies of the recipient’s IRS Form 941; summaries of any changes in employee headcount; changes in the aggregate amount spent by the recipient on wages, salaries, and other compensation; changes in total compensation for, and any severance pay and benefits upon termination of, corporate officers and employees of the recipient and any affiliate; and the reasons for any such changes. The quarterly reporting requirements have expired for all PSP recipients other than 17 recipients that still have outstanding TPI. In addition, recipients with outstanding TPI must notify Treasury of certain corporate events, including any action to commence a bankruptcy or insolvency proceeding in any jurisdiction.

In connection with ongoing program compliance reviews, certain recipients may have to provide documents substantiating that the amounts they received under PSP1, PSP2, and PSP3 were appropriate. This may include obtaining information related to salaries, benefits, payroll taxes, and amounts paid to independent contractors on IRS Form 1099 and to corporate officers.

All recipients and affiliates will also provide Treasury, the Treasury Inspector General, and other entities as authorized by Treasury access to documents, papers, or other records, including electronic records, in connection with audits.

Recipients and affiliates will retain records pertinent to the receipt of payroll support and compliance with PSP1, PSP2, and PSP3, including, but not limited to, information necessary to substantiate factual representations made in the recipient’s application for payroll support, including ledgers and sub-ledgers. While electronic storage of records (backed up as appropriate) is preferable, the recipient and affiliates may store records in hardcopy (paper) format.

A recipient and Treasury may enter into a withdrawal agreement to memorialize the binding terms and conditions applicable to the recipient after the termination of the agreement.

Compliance Requirements for Loans under Section 4003(b) of the CARES Act

Borrowers with outstanding loan balances must submit all information required by the section 4003(b) loan agreements, including, as applicable, quarterly financial statements and other operating data, certificates of compliance, certificates of default, and collateral appraisals and material assumptions related to pledged collateral. Borrowers may also be required to provide information on domestic employee levels, dividends, and other data points as necessary to confirm borrowers are in compliance with the loan agreement and the CARES Act and to respond to inquiries from authorized entities such as the Congressional Oversight Commission. As of April 1, 2025, loans to 17 borrowers were outstanding.

2. Use of the data

The information reported to Treasury has allowed and will continue to allow Treasury to comply with any reporting or transparency requirements under the CARES Act, the PSP Extension Law, the American Rescue Plan Act, or other applicable Federal statutes, regulations, agreements, or in response to inquiries by the Pandemic Response Accountability Committee established by the CARES Act and by Treasury's Inspector General. The information reported will also enable Treasury to audit recipients' compliance with the statutory, regulatory, and contractual obligations under the programs.

3. Use of information technology

Treasury will manage the report and documentation submission process with the use of existing and widely available technology such as e-mail and web-based forms.

4. Efforts to identify duplication

The information collections are under statutory mandates. The information is not known to overlap with any other data collected under any other information collections at Treasury. Furthermore, the information collection is tailored to leverage data that already exists at DOT and collect only the additional data that is necessary.

5. Impact on small businesses and entities

This collection of information may affect small entities. However, Treasury will attempt to minimize burden on small businesses and entities to the greatest extent practicable.

6. Consequences of less frequent collection and obstacles to burden reduction

Collection is at a minimum. Recipients will submit a limited amount of information that should be readily available to the Recipient in the ordinary course of business. If Treasury did not collect this information, it would be unable to audit recipients' compliance with the statutory, regulatory, and contractual obligations under the programs.

7. Circumstances requiring special information collection

There are no special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

8. Solicitation of comments on information collection and justification for expedited processing pursuant to 5 CFR 1320.13

On January 28, 2025, Treasury published a notice in the Federal Register at 90 FR 8322, soliciting public review and comment for a 60-day period. Treasury received no comments.

9. Provision of payments to record keepers

No payments or gifts are provided to respondents.

10. Assurance of confidentiality

Information collected will be confidential to the extent appropriate and consistent with the Freedom of Information Act and other applicable law.

11. Justification of sensitive questions

No sensitive questions are asked of respondents.

12. Estimate of the hour burden of information collection.

The reporting burden estimates are as follows:

Reporting	# Respondents	# Responses Per Respondent	Total annual Responses	Hours per response	Total Burden in Hours	Cost to Respondent (\$55.31 per hour*)
Loan Program, PSP1, PSP2, and PSP3 Quarterly Compliance Reporting and Recordkeeping	34	4	136	4.25	578	\$31,969
Loan Program, PSP1, PSP2, and PSP3 Compliance Reporting and Recordkeeping for Compliance Audits	34	1	34	30	1,020	\$56,416
TOTAL	34		170		1,598	\$88,385

* Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, Accountants and Auditors, on the Internet at <https://www.bls.gov/ooh/business-and-financial/accountants-and-auditors.htm> (visited December 10, 2024). Base wage of \$38.41/hour increased by 44% to account for fully-loaded employer cost of employee compensation (benefits, etc.)

13. Estimated total annual cost burden to respondents

There are no annualized capital/startup costs for the eligible recipients to provide reporting information.

14. Estimated cost to the federal government.

There will be no annualized capital/start-up costs for the government to receive this information. The below table reflects the estimated time for a GS-13, Step 1 to review the information collected.

Collection Instrument	Number of Responses	Average Review Time per Response (in hours)	Total Time to Review (in hours)	Average Hourly Wage Rate ¹	Total Annual Government Cost
Loan Program, PSP1, PSP2, and PSP3 Quarterly Compliance Reporting and Recordkeeping	136	4	544	\$56.52	\$ 30,747
Loan Program, PSP1, PSP2, and PSP3 Compliance Reporting and Recordkeeping for Compliance Audits	34	10	340	\$56.52	\$19,217
Total	170		884		\$2,086,964²

15. Reasons for change in burden

This submission is to renew the OMB approval. The changes to burden since the previous approval update estimates to reflect that applications for the programs are no longer accepted, the expiration of quarterly reporting requirements for most PSP recipients and those section 4003 loan recipients that have repaid their loans in full, as well as to segregate work related to ongoing compliance audits.

16. Plans for tabulation, statistical analysis and publication

The 4003 program is subject to review by GAO, a Congressional Oversight Commission and mandated public reporting by Treasury. See sections 4020 and 4026 of the CARES Act. The PSP1, PSP2, and PSP3 programs are also subject to reporting requirements including, but not limited to, those specified under Section 4118 of the CARES Act, Section 409 of the PSP Extension Law, and Section 7301 of the American Rescue Plan Act.

17. Display of the expiration date for OMB approval

Treasury requests that it omit the expiration date in order to avoid confusion among stakeholders.

18. Exceptions to certification requirement

There are no exceptions to the certification statement.

Part B. Describe the use of statistical methods such as sampling or imputation.

¹ Wage rate from the 2024 GS-pay scale table for Washington-Baltimore-Arlington, DC-MD-VA-WV-PA, https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2024/DCB_h.pdf

² Includes annual cost of \$1,292,000 for financial agent support of quarterly compliance reviews and one-time cost of \$745,000 for financial agent support of compliance audits.

This collection does not employ statistical methods.