



**United States Department of Agriculture
Rural Development**

TO: Nathan Frey
Desk Officer
Office of Management Budget

THROUGH: Charlene Parker
Clearance Officer

FROM: JAMES R. NEWBY
FOR Acting Administrator

A handwritten signature in black ink, appearing to read "James R. Newby". The signature is written in a cursive style and is positioned to the right of the typed name.

SUBJECT: Request for Emergency Review and Clearance
for a New Information Collection Request

Abstract of Program and Implementation

The Food, Conservation and Energy Act of 2008, Public Law 110-234 (Farm Bill) amended Section 306(a)(2) of the Consolidated Farm and Rural Development Act (CONACT) (7 U.S.C. 1926 (a)(2)) and created the Special Evaluation Assistance for Rural Communities and Households (SEARCH) Program for predevelopment and planning grants which include feasibility studies, design assistance, and technical assistance for direct loans, grants and guaranteed loans, to financially distressed communities in rural areas with populations of 2,500 or fewer inhabitants for water and waste disposal projects as authorized in Sections 306(a)(1), 306(a)(2) and 306(a)(24) of the CONACT. Eligible entities for SEARCH grants will be the same entities eligible to obtain a loan, grant, or loan guarantee from the Rural Utilities Service Water and Waste Disposal and Wastewater loan and grant programs. As applied to the SEARCH program, the definition of "rural area" has been defined as one with a population of 2,500 or less.

Reason for Emergency Clearance

The Agency is requesting emergency review and approval of a new information collection. The Administrator of the Rural Utilities Service is required to prescribe regulations to implement the provisions of the Farm Bill.

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This new authority in the Farm Bill allows the Agency to fund predevelopment costs with 100 percent grants for needy rural communities and more importantly to help those communities get ready to use Recovery Act funds to fund construction during these difficult and stressed financial times.

These small, financially distressed communities need the grants available under this authority to pay the costs associated with developing applications to finance the construction of water and waste disposal systems. These communities lack the resources to begin the predevelopment work needed to access construction funding and are also the same communities being impacted the greatest under the current economic recession. The availability of the American Recovery and Reinvestment Act of 2009 (ARRA) funding is providing an opportunity to greatly impact these small, financially distressed communities. The SEARCH funding is needed to assist with predevelopment costs to allow access to the ARRA funding. The ARRA funding authorization expires on September 30, 2010, but we expect the demand to utilize the funds prior to that date. The emergency review and approval will allow the Agency to provide needed resources, allowing for opportunities for economic improvements and a better quality of life.

In conjunction with this paperwork package, the Agency is planning to publish an Advanced Notice of Proposed Rulemaking (ANPRM) seeking comments for the development of a proposed rule to implement the SEARCH Program as well as publish a Notice of Funds Availability (NOFA). In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), RUS will include a 60 day notice for public comment on this information collection burden within the NOFA.

As previously stated, this action was mandated by Congress under the 2008 Farm Bill. Before grant funds can become available, paperwork clearance is required on the associated burden. In compliance with OMB regulations (5 CFR part 13320), which implements the Paperwork Reduction Act of 1995 (Pub.L. 104-13), the information collection requirements imposed by this action are submitted to OMB for emergency review and approval. The Agency requests review and approval of this emergency paperwork collection package as soon as possible so that RUS can begin accepting applications and approving SEARCH grants.

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