



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

1200 New Jersey Avenue, SE
Washington, DC 20590

To: Office of Management and Budget

August 5, 2009

RE: Request Approval to Use OMB's Emergency Processing System for Paperwork
Reduction Act Requirements

The American Recovery and Reinvestment Act (ARRA) of 2009 appropriated \$20 million for the Disadvantaged Business Enterprise (DBE) Bonding Assistance Program (BAP) to assist DBEs performing on transportation and infrastructure related contracts receiving ARRA funds. The ARRA BAP is a bonding assistance program that will directly reimburse DBEs the premiums paid to the surety company. In the event that the DBE obtains a bond guarantee from the Small Business Administration's (SBA) Surety Bond Guarantee Program (SBGP), the DOT will also reimburse the DBE the small business principal fee charged by the SBA. In order to ensure that these reimbursements are awarded in a responsible, yet expeditious manner, to alleviate the financial burden incurred by the DBE to obtain the surety bonds required by the Miller Act, the Office of Small and Disadvantaged Business Utilization (OSDBU) requests approval to use OMB's emergency processing system to meet Paperwork Reduction Act (PRA) requirements.

OSDBU is required to undertake PRA for the ARRA BAP to administer bonding assistance under Section 332 (e) of Title 49, the United States Code. The program requires the collection of information from DBEs to satisfy ARRA reporting requirements and verify eligibility for reimbursement of bond fees and premiums paid by the DBE. To meet ARRA requirements, to be eligible for a bonding fee cost reimbursement under the DBE ARRA BAP, a contractor must:

- (a) be a certified DBE in accordance with Title 49 Code of Federal Regulation Part 26 (49CFR26);
- (b) have a Dun and Bradstreet Number (DUNS#);
- (c) be registered in the Central Contractor Registration (CCR), CCR.gov; and
- (d) provide goods or services on a contract for a transportation-related project receiving funding pursuant to ARRA or if a bid/proposal bond is required, bid on a contract for a transportation-related project receiving funding pursuant to ARRA.

In an effort not to impose an undue burden on potential applicants, OSDBU intends to collect the minimum information to be consistent with DOT and government-wide practices for ARRA reporting requirements, verify eligibility for the ARRA BAP

program, and substantiate obligation and disbursement of ARRA funds. OSDBU intends to collect:

- (a) program application to collect relevant applicant information, including the DUNS number and CCR registration status
- (b) supporting documentation to verify DBE certification
- (c) supporting documentation to verify the issuance of a bond for a contract and the related fees and bond premiums paid by the DBE
- (d) supporting documentation to verify the bonded contract was transportation-related
- (e) supporting documentation to verify the federal project number and the project received ARRA funding from DOT.
- (f) standard certifications.

The required supporting documentation to verify eligibility has not been previously collected, and is within the applicant's possession or easily obtained by the applicant.

Due to the disproportional effect the current economic situation has on DBEs, the need for immediate assistance coming from the ARRA to these small and disadvantaged businesses cannot wait for standard PRA procedures. In an attempt to address these circumstances, OSDBU needs a waiver of normal OMB processing requirements. Without a waiver of OMB's normal PRA process, OSDBU will not meet the requirements mandated by the ARRA, thus delaying the impact this legislation was created to affect as part of America's recovery.

Sincerely,



Brandon T. Neal, Director
Office of Small and Disadvantaged
Business Utilization