

2020 - Supporting Statement
Higher Blends Infrastructure Incentive Program (HBIIP)
OMB control number- 0570-0072

This request is for OMB review and approval of a renewal collection of information necessary for the Higher Blends Infrastructure Incentive Program (HBIIP).

RBCS published a Notice of Funds Availability (NOFA) in the *Federal Register* on May 5, 2020. Applicants were able to submit applications to the HBIIP online application system beginning May 15, 2020. RBCS requested emergency approval of the new information collection package in order make awards and obligate funds before the end FY 2020. The HBIIP NOFA included the 60-day notice for public comments on the information collection and is now submitting a request for a three (3) year approval from OMB.

Justification

1. Explain the circumstances that make the collection of information necessary.

The Commodity Credit Corporation (CCC) and the Rural Business-Cooperative Service (RBCS), announced the availability of up to \$100 million in competitive grants to eligible entities for activities designed to expand the sales and use of renewable fuels under the Higher Blends Infrastructure Incentive Program (HBIIP). Of the total amount of available funds, approximately \$86 million are available to transportation fueling facilities (including fueling stations, convenience stores, hypermarket fueling stations, fleet facilities, and similar entities with capital investments) and approximately \$14 million are available to fuel distribution facilities (including terminal operations, depots, and midstream partners), for eligible implementation activities related to higher blends of fuel ethanol, such as E15 or higher; greater than 10 percent ethanol and higher blends of biodiesel, such as B20 or higher; greater than 5 percent biodiesel. Cost-share grants of up to 50 percent of eligible project costs but not more than \$5 million will be made available to assist transportation fueling and biodiesel distribution facilities. This information collection is needed for RBCS to identify eligible applicants seeking grant funds through the HBIIP and provide funding this fiscal year.

HBIIP is intended to encourage a more comprehensive approach to marketing higher blends biofuels by sharing the costs related to building out biofuel-related infrastructure. To be eligible for this program, a project's sole purpose must be to assist transportation fueling and biodiesel distribution facilities with converting to higher ethanol and biodiesel blend friendly status by sharing the costs related to the installation, and/or retrofitting, and/or otherwise upgrading of fuel storage, dispenser/pumps, related equipment, and infrastructure. An eligible project must conform to all applicable Federal, State and local regulatory requirements.

A Targeted Assistance Goal is also established for applicants (owners) owning the fewest number of transportation fueling station/locations (and owning at least one). Approximately 40 percent of funds will be made available for activities/investments related to upgrading or installing higher blends of fuel ethanol and/or biodiesel. The Agency expects this Targeted Assistance to be exhausted by applicants owning 10 fueling stations/locations or fewer.

This policy goal is rooted in Agency experience and borne out by several comments submitted to the RFI (85 FR 2699). Approximately 80 percent of fuel sales in the U.S. is sold by convenience store owners. Moreover, about 58 percent of the stores selling fuel in the U.S. are “single store owners.” A significant majority of HB fuel is currently sold/dispensed by large retail convenience store chains located in the Midwest and along the East Coast of the U.S., due in part because these are the types of businesses and locations with the highest densities of HB fueling infrastructure. The Agency established this Targeted Assistance Goal as a means to distribute a portion of program funds among a greater number of business owners and perhaps indirectly, across a broader geographic region, that may not otherwise participate. There is an underlying expectation that owners/participants located in underserved areas today will be positioned as HB fuel market leaders of tomorrow.

2. Indicate how, by whom and for what purpose the information is to be used. Except for new collections indicate the actual use the Agency has made of the information received from the current collection.

Pursuant to the authorization by the Commodity Credit Corporation Charter Act of 1948 (Charter Act), (62 Stat. 1070; 15 U.S.C. §714. Charter Act), RBCS will collect information to determine whether participants meet the eligibility requirements to be a recipient of grant funds, project eligibility, conduct the technical evaluation, calculate a priority score, rank and compete the application, as applicable, in order to be considered. Lack of adequate information to make the determination could result in the improper administration and appropriation of Federal grant funds.

Applications must be submitted electronically using either the Government-wide www.grants.gov Web site or by the secure-server portal <https://www.rd.usda.gov>. No other form of application will be accepted.

Eligible applicants include owners of transportation fueling, and fuel distribution facilities located in the United States. Eligible entities would include fueling stations, convenience stores, hypermarket fueling stations, fleet facilities, and similar entities with equivalent capital investments, as well as biodiesel terminal operations and heating oil distribution facilities or equivalent entities.

There are two different eligible activities an applicant can apply for grant funds: (1) For Higher Blend Implementation Activities related to Transportation Fueling Facilities and (2) For Higher Blend Implementation Activities related to Fuel Distribution Facilities. The HBIIP Application is comprised of the same collection instruments as follows:

BURDEN AND REPORTING REQUIREMENTS ACCOUNTED FOR UNDER THIS COLLECTION PACKAGE

Non-Form- HBIIP Project Worksheet with Priority Scoring Criteria, Transportation Fueling Facilities – Used in the pre-award phase intended to be a fill in form completed in the online application system.

Written- Non-Form - HBIIP Project Technical Report with Matching Funds Certification - is a detailed narrative used in the pre-award phase to be submitted concurrently with the HBIIP Application.

SF 270, “Request for Advance or Reimbursement,” (NOTE: The burden for this form is being accounted for under this collection package because OMB Docket No. 4040-0012 expired in January 2019.) Grant recipients will submit SF 270 for disbursement of grant funds. RUS uses it to approve the disbursement. The use of this form complies with OMB Circular A-110.

The following technical requirements must be provided as required by the Technical Report to apply for grant funds under the HBIIP Fueling Station Projects or the HBIIP Biofuel Distribution Facility Projects: (a) Qualifications of project team; (b) Agreements, permits, and certifications for Environmental Information; (c) Resource assessment; (d) Design and engineering; (e) Project development schedule; (f) Project economic assessment; (g) Equipment procurement; (h) Equipment installation; (i) Certification of Matching Funds; and (j) SF 424D, Assurances-Construction Programs.

(Note: The burden for the *Request for Environmental Information (Cleared Under OMB Docket No. 0575-0197)* and the *SF 424D, Assurances-Construction Programs (Approved under OMB Docket No. 4040-0009)* are accounted for under other OMB Docket Numbers and not included in this collection, although they are part of the HBIIP Project Technical Report.)

REPORTING REQUIREMENTS

After grant approval and through grant completion, grantees will be required to provide the following, as indicated in the Grant Agreement:

Semi-Annual Report Written Non-Form project performance report will be required on a semiannual basis (due 30 working days after end of the semiannual period). For the purposes of this grant, semiannual periods end on March 31st and September 30th. The project performance reports shall include the elements prescribed in the grant agreement.

Final Reports

- A *final project and financial status report* within 90 days after the expiration or termination of the grant, or as otherwise specified in 2 CFR 200.343 “Closeout”.
Final status report
- Provide *outcome project performance reports* and final deliverables. Annual Sales and volume data 5 years after the report.

BURDEN ACCOUNTED FOR UNDER OTHER OMB DOCKET NUMBERS

Written - Transparency Act Reporting, (Cleared Under OMB Docket No. 3090-0292) All recipients of Federal financial Assistance are required to report information about first tier sub awards and executive compensation in accordance with 2 CFR part 170. If an applicant does not have an exception under 2 CFR 170.110(b), the applicant must then ensure that they have the necessary processes and systems in place to comply with the reporting requirements to receive funding.

SF 424, “Application for Federal Assistance,” (Common Form approved under 4040-0004) Used by Applicants in the pre-award phase as a required cover sheet for applications submitted for the HBIIP grants. The application is an official form required for all Federal grants and requests basic information about the applicant and the proposed project. This common form is submitted as part of the application.

SF 424C, “Budget Information - Construction Programs,” (Common Form Approved under OMB Docket No. 4040-0008) Used in the pre-award phase by applicants only in construction grant applications and repair, renovation, and modernization grant applications

SF 424D, “Assurances for Construction Programs.” (Common Form Approved under OMB Docket No. 4040-0009) Used to confirm that the applicant has legal

authority to apply for Federal assistance and will comply with all applicable requirements and statutes.

Written – “Environmental Review Documents,” (Cleared Under OMB Docket No. 0575-0197) For the Agency to consider an application, the application must include all environmental review documents with supporting documentation in accordance with 7 CFR part 1970. Any required environmental review must be completed prior to the obligation of funds or the approval of the application. Applicants are advised to contact the Agency to determine environmental requirements as soon as practicable to ensure adequate review time.

Form RD 4280-4, “Letter of Conditions,” (Approved under OMB Docket No. 0570-0035) – Letter from the Agency to the applicant (i.e. recipient) that has received approval for funds subject to the terms and conditions set forth in the letter.

Form RD 1940–1, “Request for Obligation of Funds,” (Approved under OMB Docket No. 0570-0061 and 0570-0062) - The reservation of funds with the obligation date inserted as required by the agreement between the recipient and Agency.

Form RD 1942–46, “Letter of Intent to Meet Conditions,” (Approved under OMB Docket No. 0575-0015, 0570-0021, 0570-0061, 0570-0062 and 0572-0137) - Used to confirm the intent of the recipient to meet the conditions as required by the program for their application to receive further consideration.

SF–425, “Federal Financial Report,” (Common Form Approved under OMB Docket No. 4040-0014) - Grant recipients must report the status of grant funds on SF-425 on a quarterly basis. The use of this form complies with OMB circular A-110. The project performance report summarizes the project’s progress for the quarter and supports expenditures claimed.

Form RD 4280-2, Rural Business-Cooperative Service Financial Assistance Agreement,” (Cleared Under OMB Docket No. 0570-0050) – This is the Grant Agreement between the Recipient and Rural Business-Cooperative Service.

3. 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, and the basis for the decisions for adopting this means of collection. Also describe any consideration of information technology to reduce burden.

In order to be considered for funds under the HBIIP, applications must be deemed complete and be received by the www.grants.gov or the secure server/portal address <https://wmv.rd.usda.gov> by the specified deadline. Also, most of the electronic

forms are available at www.grants.gov. All forms are available at Grants.gov and the USDA web site.

The HBIIP online application, “Project Worksheet with Priority Scoring Criteria for Transportation Fueling Stations/Facilities,” is interactive and designed to indicate an applicant’s priority score based on -- HBIIP activities (e.g., fuel dispensers, related equipment and infrastructure installations), Administrator’s geographic diversity priorities, Targeted Assistance Goals (for owners of 10 fueling stations or fewer), and the amount of requested funds. Applicants may directly influence their priority score by the activities they select in the worksheet and by the amount of grant funds they request.

4. Describe efforts to identify duplication. Show specifically why similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

There is no duplication of information.

5. Methods to minimize burden on small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods to minimize burden.

Information to be collected is in a format designed to minimize the paperwork burden on small businesses and other small entities. The Agency is reasonably confident that by establishing the 40 percent targeted assistance for owners of 10 fueling stations or fewer, that the firms most likely to be successful at obtaining the targeted funds are relatively more likely to overlap with small businesses by the SBA definition than applicants in general. The Agency has deemed therefore, to use this 40 percent of funds in targeted assistance as a proxy for the likely portion of small business applicants. The information collected is the minimum needed by the Agency to approve awards and monitor participant performance.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The Notice of Funds Availability (NOFA) requires the minimum information needed to determine whether an applicant for the HBIIP is competitive for Federal assistance, reporting requirements, and mid-year reports. Failure to collect proper information could result in improper determinations of eligibility or improper use of funds. This minimum reporting of information is necessary for the RBCS to administer HBIIP in an equitable and cost-effective manner. For the remaining information collected as indicated, USDA has exercised discretion that the information is needed to appropriately award grants or loans for the program.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- a) Requiring respondents to report information more frequently than quarterly. There are no information collection requirements that require information more frequently than quarterly.
- b) Requiring written responses in less than 30 days. There are no information collection requirements that require written responses in less than 30 days.
- c) Requiring more than an original and two copies. There are no information collection requirements that require more than an original or single copy of a document.
- d) Requiring respondents to retain records for more than 3 years. There are no such requirements.
- e) No utilizing statistical sampling. There are no such requirements.
- f) Requiring the use of statistical sampling which has not been reviewed and approved by OMB. There are no such requirements.
- g) Requiring the pledge of confidentiality. There are no such requirements.
- h) Requiring submission of proprietary trade secrets. There are no such requirements.

8. Describe efforts to consult with persons outside the Agency to obtain their view on the availability of data, frequency of collection, the clarity of instructions and record keeping, disclosure, or reporting format (if any), and on data elements to be recorded, disclosed, or reported.

Prior to publishing the May 2020 Notice, the CCC and RBCS determined it to be in the public interest to solicit informal comments from the public and interested stakeholders on a wide range of issues on information and options for fuel ethanol and biodiesel infrastructure, innovation, products, technology, and data derived from all HBIIP processes that drive economic growth, promote health, and increase public benefit.

A Request for Information (RFI) was published in the *Federal Register* (85 FR 2699) on January 16, 2020. Information received from the public to the RFI was intended to inform the Agencies as well as private sector and other stakeholders with interest in and expertise relating to such a promotion. Fifty-seven (57) comments were submitted from the public which served to inform the CCC and RBCS on an array of issues, including but not limited to: (a) Fueling stations, convenience stores, hypermarket fueling stations, fleet facilities, and similar entities with capital investments; (b) equipment providers, equipment installers, certification entities and other stakeholder/manufacturers (both upstream and down); (c) fuel distribution centers, including terminals and depots; and (d) those performing innovative research, and/or developing enabling platforms and applications in manufacturing, energy production, and agriculture.

Additionally, on February 5, 2020, RBCS convened a Federal Inter-Agency Task Force of experts with relevant knowledge to assist with the review of the public comments and

provide recommendations for the guiding principles of this Notice. And, on February 28, 2020, an "Announcement of Future Competitive Grant Funds Availability for Higher Blends Infrastructure Incentive Program (HBIIP) for Fiscal Year 2020," was published in the *Federal Register* (85 FR 11946) to alert prospective participants and stakeholders of the Agencies' intentions to publish this Notice published today.

During the week of April 6th, the Agency began receiving complaints regarding the length of time required to receive the System for Award Management (SAM) Commercial and Government Entity (CAGE) Code which is required element for Companies wishing to enroll in the HBIIP. Upon contacting the Defense Logistics Agency (DLA), it was learned that DLA resources and response times were acutely stressed by the national response to the COVID-19 pandemic. Approximately, 20 companies were unable to enroll due to the delay in receiving a SAM CAGE code. Of the 128 companies that enrolled in the HBIIP online application system, 7 companies' enrollment was delayed such that they were unable to complete their application in time to submit before the 11:59pm EDT, August 13, 2020, deadline. A total of 121 applications were successfully submitted in the window.

The 60-day notice requesting public comment on this collection of information was included in the HBIIP NOFA that published in the **Federal Register** on May 5, 2020 (85 FR 26656). No comments were received by the Agency.

9. Explain any decision to provide any payment or gift to respondents.

There is no payment made nor gift given to respondents.

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

The information collected pertains mostly to administering federal grant funds according to rules and regulations and to program and policy evaluation. The proprietary nature and confidentiality of information collected from program participants is specified in, 7 U.S. Code § 2276.

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

The information collected under NOFA is financial in nature. As a condition for the receipt of federal grant funds, RBCS will handle financial information as part of the business operations. However, the information is required to properly administer federal funds.

12. Provide estimates of the hour burden of the collection of information.

The burden for the HBIIP collection of information includes both the upfront one-time application and the on-going reporting, which will include semi-annual, and annual reporting. The reporting may include additional reports for projects that run longer. So, the estimate of the annual burden and costs reflects the average of the one-time and the annual information collection activities. These estimates were prepared based on the variety of forms and other information collection methods that will be used by the RBCS.

For a detailed breakdown of the burden for the forms and activities, please see the attached spreadsheet. The collection is summarized as follows:

Total Annual Respondents	Total Annual Responses	Hours per Response	Total Annual Burden	Recordkeeping Burden	Total Burden Hours
121 applications submitted in HBIIP online application system	348	26.73	9,302	318	9,620

* Respondents Type	Estimated Hours Per Response	Total Burden Hours	Cost per Hour Professional Time	Benefits https://www.bls.gov/news.Release/pdf/ecec.pdf	Total Cost
121 applicants	26.73	9,302	\$48.52	31.7%	\$594,160 \$451,147 +143,013 benefits

Record-keeping	Estimated Hours Per Response (1 hr. per rpt. x 3 reports)	Total Hours	Cost per Hour Professional Time	Benefits https://www.bls.gov/news.Release/pdf/ecec.pdf	Record Keeping Cost t
106 award recipients	3	424	\$48.52	31.7%	\$27,093 (\$20,572 + \$ 6,521 Benefits)

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Total costs to 121 Applicants: \$594,160

Total Costs to 106 Award Recipients:

Application Process:	\$520,460
Plus	
Post-award process(Recordkeeping) :	\$ 27,093
Total Cost -	\$547, 553

* Breakdown of respondent types expected to apply for grant funds:

58 respondents with (1-10 fueling stations)	
35 respondents with (11-70 fueling stations)	
1 respondent with fleet facility	
<u>12 respondents with (fuel distribution facilities)</u>	
106 TOTAL Award Recipients	

A breakdown of the reporting and recordkeeping requirements is provided on the attached Summary of Information Collection. Cost estimates are based on experience and discussion with program staff. Primary individuals for a grant respondent (applicant) would typically be a manager, earning \$48.52 per hour. (Refer to Wage Estimates Data Source below.)

Wage Estimates Data Source: May 2018 National Occupational Employment and Wage Estimates, United States; Bureau of Labor Statistics, https://www.bls.gov/oes/current/oes_nat.htm/#11-0000. Find Occupation Code 11-1021, General and Operations Managers. Refer to Median hourly wage.

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information.

There are no capital and start-up costs involved with this collection. There are no requirements for respondents to report information other than what is project specific and associated with specific funding applications. Once a request for financial assistance has been approved, grantees will be required to provide information that is required of them, as indicated in the Grant Agreement. Additional information is information the applicant would have available and would not be expected to recreate and, only requested under limited situations where formal mitigations measures have been required.

14. Provide estimates of annualized cost to the Federal Government.

Agency employees provide guidance and assistance to applicants and awardees in obtaining and reporting the information needed. In addition, they will ensure information provided is complete and accurate, and to reduce the time it takes an applicant and awardee to gather and submit the required information. Lastly, employees review the information provided to effectively administer federal grant funds according to applicable rules and regulations.

Calculations are rounded. The cost to the Government is broken down as follows:

Activity	Number of applications	No. of Review hours per application	Total Review Hours	Rate	Benefits	Total Costs
Step 1: Application Review (Includes the following activities: 1) eligibility 2) compliance 3) completeness	121	2	242	\$73.63	36.25%	\$23,466 <hr/> \$17,818 + \$5,648 benefits
Step 2: Evaluation Process Includes the following activities: 1) review of eligible applications 2) priority scoring 3) determine funding priority 4) awardee selection.	121	4	484	\$48.52	31.7%	\$30,928 <hr/> \$23,484 + \$7,444 benefits

Step 3: Post Award: Includes the following activities) 1) Advance of funds 2) Review of Semi-Annual reports 3) Servicing 4) Grant closing 5) Annual Audit review	106	10	1,060	\$73.63	36.25%	\$106,340 <hr/> \$78,048 + \$28,292
Post Award: Record Keeping	106	2 (2 hrs. x 3 reports)	212	\$73.63	36.25%	\$21,268 <hr/> \$15,610 + \$5,658 benefits
TOTAL Annual Cost to the Federal Government						\$182,002

The estimated annualized cost to the Federal Government to be **\$182,002**. The method used to estimate cost was to rely on the estimated amount of time the national office program staff is expected to spend on each component of the program. The Office of Personnel and Management GS wage rate tables for 2020 are used to estimate the wage rates for each type of Agency function. Wage rates are adjusted to include 36.25% for employee benefits.

Step 1: Application process - is expected to be completed by a GS-14, Step 9 @ \$73.63 hr. plus benefits.

Step 2: Evaluation process - is expected to be completed by approximately nine (9) contractors at \$48.52 plus benefits (See Wage Estimates Data Source for more details)

Step 3: Post-Award stage - is expected to be completed by a (1) GS-14, Step 9 @ \$73.63; (1) GS-14-6 @ \$67.82 and (1) GS-13, Step 10 @ \$ 63.95.

Cost per hour for staff is derived from the OPM GS Wage Table, January, 2020 at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/DCB.pdf>

Cost per hour for contractors is derived from the Wage Estimates Data Source: May 2018 National Occupational Employment and Wage Estimates, United States; Bureau of Labor Statistics, https://www.bls.gov/oes/current/oes_nat.htm/#11-0000. Find Occupation Code 11-1021, General and Operations Managers. Refer to Median hourly wage.

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

There was an increase in the number of applicants that actually applied for funds vs. the anticipated number of applicants. Also, there are changes in estimate calculations for the amount of time it was expected to take a respondent to complete certain requirements. The estimates in this collection are based on actual values since the implementation of the program vs. estimates provided prior to implementation.

In this collection, there are 121total respondents which is an increase of 21 from the previous collection of 100 estimated respondents. The total number of burden hours decreased for this collection by 6,378 to a total of 9,302 burden hours from the previous collection of 15,680 burden hours. The calculation of hours per response in the previous collection for HBIIP Project Technical Report (pre-award) was overestimated at 120 hours and has been adjusted for this collection to 40 hours per response. This had a direct impact on the total hours per response from the previous collection of 56, decreasing it to 26.73 hours per response for this collection.

16. For collection of information whose results will be published, outline plans for the tabulation and publication.

RBCS has no such plans.

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

Burden associated with this information collection is in a non-form format. However, the exception is the SF 270 burden which is accounted for under this collection because OMB Docket Number 4040-0012 expired in January 2019 and has not been reinstated by grant.gov. RBCS does not control the printing of the forms cleared in the other information collection packages, so therefore, no such approval is requested.

18. Explain each exception statement to the certification statement identified in Items 19 and 20 on OMB Form 83-I.

RBCS is able to certify compliance with all provisions under Item 19 of OMB Form 83-I.

19. Explain how this information collection relates to the Secretary of Agriculture's Service Center Implementation Team initiative.

This information collection is not related to the Service Centers as they are not involved in the administration of HBIIP.

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