

**FY 2023 – SUPPORTING STATEMENT  
PAPERWORK REDUCTION ACT SUBMISSION FOR  
FERTILIZER PRODUCTION EXPANSION PROGRAM  
NEW INFORMATION COLLECTION  
OMB No. 0570-0081**

**Terms of Clearance:**

**A. Justification**

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

On July 9, 2021, Executive Order (E.O.) 14036, "[Promoting Competition in the American Economy](#)" was issued, which created a White House Competition Council and directed federal agencies to enhance fairness and competition. In response, the United States Department of Agriculture (USDA) announced on March 11, 2022, that it would support additional fertilizer production to help American farmers address rising costs and spur competition as part of the whole-of-government effort to enhance fair and competitive markets along the same lines as the independent food processing investments being made as part of the [Food System Transformation Effort](#).

The Fertilizer Production Expansion Program (FPEP) is authorized by the Commodity Credit Corporation (CCC) Charter Act to assist agricultural producers through grants, purchases, payments, and other operations, and makes available materials and facilities required in the production and marketing of agricultural commodities. Through FPEP, USDA is supporting new and expanded supplies of fertilizer and alternatives that play the same role as fertilizer to United States farmers as a key input necessary for production of agricultural commodities. The FPEP Program will be administered by the USDA, Rural Development (RD) Rural Business Cooperative Service (RBCS). RBCS has developed requirements for FPEP, prepared a Request for Applications (RFA) and up to \$500 million will be made available in competitive grants.

The purpose of FPEP is to expand capacity, improve competition, and increase supply chain resilience within the agricultural fertilizer and nutrient management sector, in connection with the production of agricultural commodities. To meet its purpose, FPEP will support the production of agricultural commodities through the manufacturing and processing of fertilizer and nutrient alternatives that are:

- **Independent and outside the dominant fertilizer suppliers** - The goal is to increase domestic competition. Consequently, entities that hold a Market Share (in either production or distribution) that is greater than or equal to the entity that holds the fourth largest share of the market for nitrogen, phosphate, or potash, or any combination therefore, will not be considered for funding;

- **Made in America** - Produced within Tribal Lands or in the U.S. and its territories by entities operating within Tribal Lands or in the U.S. and its territories, creating good-paying jobs at home, and reducing the reliance on potentially unstable or inconsistent foreign supplies;
- **Innovative** – To improve upon fertilizer production methods and efficient-use technologies to jump start the next generation of fertilizers and nutrient alternatives;
- **Sustainable** - Reduces the greenhouse gas impact of transportation, production, and use through renewable energy sources, feedstocks, formulations, and incentivizing greater precision in fertilizer use; and
- **Farmer-focused** - Like other CCC investments, a driving factor will be making sure the additional domestic capacity supported by USDA is dedicated to U.S. agricultural commodity production.

An emergency clearance approval for this information collection was requested from the Office of Management and Budget (OMB) due to the need to effectively implement the program as quickly as possible to increase competition in fertilizer production and support American farmers. The emergency clearance approval was granted with an expiration date of March 31, 2023. The Agency is now updating the initial submittal based on experience with the program to date. The first application window for this program closed on November 14, 2022.

**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.**

Applicants wishing to apply for an FPEP grant must submit applications with specified forms, proposals, certifications and agreements to the Agency electronically through the [www.grants.gov](http://www.grants.gov) online application system.

The information collected will be used to determine applicant and project eligibility, conduct technical evaluations, 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.

Specifically, the burden associated with this RFA to be cleared is as follows:

**APPLICATION CONTENT – INCLUDED IN BURDEN ESTIMATE**

*SAM Registration.* To do business with the Federal government, the applicant is required to obtain a Unique Identification Number and register in the System for Award Management (SAM). Registration in SAM allows the applicant to complete the Online Representations and

Certifications which replaces several paper forms. Registration in SAM is also required in order to submit applications into [www.grants.gov](http://www.grants.gov) and the registration must be updated annually.

*Project Narrative.* Applicants are required to provide a detailed narrative to describe their overall project and associated tasks to achieve their goal. The narrative should include an executive summary along with information which allows the Agency to determine the eligibility of the applicant and project, and to evaluate the merit of the project. A work plan and budget will identify how funds are proposed to be used. In addition, the narrative should describe how the applicant will own and control or have access to the land where the project will be located, state what metrics they plan to achieve and address and thoroughly discuss the evaluation criteria included in the RFA. The narrative should not exceed 20 pages.

*Financial Viability.* Applicants must provide the following to assist the Agency in determining financial viability of the project. (a) Business plan (b) Three years of historical balance sheet and income statements. Applicants with fewer than three years of data should submit what is available, which may include but is not limited to balance sheets, income statements, and other related documentation to demonstrate the financial viability of the venture. (c) Current balance sheet and income statements (within 90 days); and (d) Two years of proforma and projected financial analysis including but not limited to balance sheet, income statement, cash flow analysis. Include financial projections with assumptions used in development of projections.

*Feasibility Study.* Applicants must provide a feasibility study, signed by a qualified consultant, if their applications are requesting more than \$5 million in grant funds (or equivalently, with total eligible project costs greater than \$20 million). The study can be no more than 3 years old.

*Source Documentation.* Applicants must provide documentation, including resumes, to support key personnel, construction labor and operational workforce.

*Applicant certifications.* Applicants must certify to the following and the Agency uses these certifications to ensure applicant and/or project eligibility:

- a. The applicant must identify whether or not the applicant has a known relationship or association with an Agency employee. If there is a known relationship, the applicant must identify each Agency employee with whom the applicant has a known relationship.
- b. Certification that the applicant is a legal entity in good standing and operating in accordance with the laws of the state(s) or Tribe(s) where the applicant has a place of business.
- c. Certification that the applicant is not the subject of a pending administrative, civil, or criminal enforcement action.
- d. Certification by the applicant that any equipment required for the project is available, can be procured and delivered within the proposed project development schedule, and will be installed in conformance with manufacturer's specifications and design requirements. This would not be applicable when equipment is not part of the project.
- e. Certification by the applicant that the project will be constructed in accordance with applicable laws, regulations, agreements, permits, codes, and standards.

- f. Certification by the applicant that the applicant is not one of the top four manufacturers or processors or distributors of nitrogen, phosphate, or potash, as applicable.
- g. Certification by applicant of matching funds and other funding needed to complete the project as proposed in the application has been secured.
- h. Applicant certifies and acknowledges that:
  - i. RBCS will check the Do Not Pay System to verify that the applicant entity: has an active entity registration in the System for Award Management; has not been debarred or suspended; is not listed on Credit Alert Verification Reporting System; and is not listed on the Treasury Offset Program; and
  - ii. The applicant is responsible for resolving any issues that are reported in the Do Not Pay System. If issues are not resolved by the time RBCS makes program awards, RBCS may proceed to award funds to other eligible applicants.

*Design and construction documents.* Applicants must provide any design and construction documents for projects involving construction. If selected, RBCS will follow the construction planning and performing development regulation at 7 CFR 4280.125.

*Environmental review.* Applicants are required to provide documentation as outlined in 7 CFR 1970, “Environmental Policies and Procedures”. This information is necessary for the Agency to comply with the National Environmental Policy Act of 1969 (NEPA). The Agency has assumed, for the purpose of counting burden, that the majority of the projects will require a CATEX with report.

*Tribal Government Resolution of Consent.* A Tribal Government Resolution of Consent, a certification from the appropriate tribal official, is required if a project is being proposed on Tribal Lands and the applicant is not the Tribe nor a Tribal Entity owned by the Tribe. This requirement is necessary to ensure the Agency does not inadvertently fund projects that the Tribe is not in support of on their lands.

*Tribal matching fund waiver.* In consideration of Section 6 of Executive Order 13175, “Consultation and Coordination with Indian Tribal Governments,” qualifying applications requesting \$5 million or more from Tribes and Tribal Entities owned by Tribes, with projects that are well aligned with FPEP priorities as described in this RFA are eligible for a lower matching fund requirement of 50 percent of total eligible project costs. Qualifying applications from Tribes and Tribal Entities owned by Tribes requesting less than \$5 million are eligible for a waiver of the matching funds requirement. Successful applications from Tribes will be automatically granted these waivers. Tribal Entities owned by Tribes are required to clearly identify ownership by Tribes in their application materials in order to be granted these waivers if successful.

#### **AWARD PROCESSING – INCLUDED IN BURDEN ESTIMATE**

The forms included in this section have been cleared under other packages but are not common forms. Therefore, the burden has been counted in this package, and the agency will use the form as approved under the noted OMB control number(s).

*RD 1942-46, “Letter of Intent to Meet Conditions” (Approved under OMB No. 0575-0015, 0570-0021, 0570-0061, 0570-0062, 0572-0137, 0570-0079).* Awardees must execute this form to acknowledge their intent to meet the conditions of the grant award.

*RD 1940-1, “Request for Obligation of Funds” (Approved under OMB No. 0570-0061, 0570-0062, 0570-0079),* is prepared by the Agency and the Awardee must execute prior to obligation of grant funds.

*RD 4280-2, “RBCS Financial Assistance Agreement” (Approved under OMB No. 0570-0067, 0570-0079).* The Awardee must execute this legally binding agreement between the Awardee and Agency setting forth the terms of the award.

*SAM Registration Maintenance.* Each applicant (unless an exception, as outlined in 2 CFR 25.110(a) through (d), is approved by the Agency) is required to maintain an active SAM registration with current information at all times during which it has an active Federal award. The Agency uses the SAM site to ensure continued eligibility to receive Federal financial assistance.

*Insurance Requirements.* Applicants must ensure assets funded in part with federal funds are insured. This is required by 2 CFR part 200 and will also be included in the conditions to the award.

*RD 1924-9, “Certificate of Contractor’s Final Release and Waiver of Lien” (Approved under OMB No. 0575-0042, 0570-0079).* If applicable, Awardees will be required to submit the form for construction projects to ensure no liens have been filed on performed work.

*RD 1924-10, “Release by Claimants” (Approved under OMB No. 0575-0042, 0570-0079).* If applicable, Awardees will be required to submit the form to ensure no liens have been filed on performed work.

*Surety.* Required as per federal contracting requirements in 7 CFR 4280.125.

*Technical Services.* Inspections and certifications required by project such as engineer certifications.

*Final Plans and Specs.* Used for construction projects to ensure sound construction adhering to all local, state and federal regulatory requirements.

*Construction Contract.* Used for construction contracts to outline scope of services.

## **SERVICING AND REPORTING – INCLUDED IN BURDEN ESTIMATE**

*Time Extensions.* Applicants are allowed, on a case by case basis, up to 24 months of no cost extensions to their period of performance per the Financial Assistance Agreement.

*Semi-Annual Project Performance Report.* Written 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 Financial Assistance Agreement.

*Final Project and Financial Status Report.* Awardees must submit a final report within 120 days after the expiration or termination of the grant, or as otherwise specified in 2 CFR 200.343 “Closeout”.

*Outcome Project Performance Report.* Awardees must provide an outcome project performance report one year after project completion. The report must describe the outcomes in expanding processing capacity as identified in the Financial Assistance Agreement. The report is due 60 days after the first full year following the year in which the project was completed.

### **RECORDKEEPING – INCLUDED IN BURDEN ESTIMATE**

*Recordkeeping.* Applicants must maintain records pertaining to the grant.

### **BURDEN ACCOUNTED FOR UNDER OTHER OMB DOCKET NUMBERS**

*SF 424, “Application for Federal Assistance” (Approved under OMB No. 4040-0004).* Completed once, by the applicant, at the time of application. The form is required to collect necessary information on the applicant.

*SF 424-C, “Budget Information - Construction Programs” (Approved under OMB No. 4040-0008).* Completed once, by the applicant, at the time of application.

*SF 424-D, “Assurances for Construction Programs” (Approved under OMB No. 4040-0009).* Completed once, by the applicant, at the time of application to confirm that the applicant has legal authority to apply for federal assistance and will comply with all applicable requirements and statutes

*Form AD-2106, “Form to Assist in Assessment of USDA Compliance with Civil Rights Laws,” (Approved under OMB No. 0503-0019).* This form is optional and is used to assist in the assessment of compliance with USDA civil rights laws. The Agency has estimated that 20 percent of the applicants will submit this form.

*Form SF-LLL, “Disclosure of Lobbying Activities” (Approved under OMB No. 4040-0013).* All applicants must complete and submit this form as a part of the application even if the applicant does not conduct lobbying activities. Applicants that have not participated in lobbying activities should fill out all form fields and specify “not-applicable-do not lobby” in the fields asking for the name of lobbyist. This should allow submission of the form in grants.gov.

*SF-271, “Outlay Report and Request for Reimbursement for Construction Programs” (Approved under OMB No. 4040-0011).* Completed once, by the applicant, when the project is complete to

request advances or reimbursement on all construction programs when the advance payment or reimbursement methods are used.

*SF-425, "Federal Financial Report" (Approved under OMB No. 4040-0014).* Completed semiannually, by the applicant, until the project is complete to report the status of grant funds.

*RD 400-1, "Equal Opportunity Agreement" (Approved under OMB No. 0575-0201).* This form is executed by the grantee to acknowledge that they are bound by equal opportunity requirements as outlined in the form.

*RD 400-4, "Assurance Agreement" (Approved under OMB No. 0575-0201).* This form is executed by the grantee and outlines the activities they will undertake to ensure compliance with Title VI of the Civil Rights Act of 1964, 7 CFR Part 15, and this RFA.

**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.**

Applications will be accepted electronically via grants.gov. Electronic signatures will be used and accepted on all forms for which they are available. In some cases, this collection of information involves the signing of documents, and original signatures may be needed for legal purposes.

**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.**

Neither the Agency nor the Department has another grant program of this nature and therefore, there will be no duplication.

**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.**

The information to be collected for this program places little or nominal burden on small businesses and other small entities beyond that performed in normal business practices. The Agency is using industry-standardized data elements and documents, supplementing them with Government-wide forms that are familiar to many applicants.

**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 RFA requires the minimum information needed to determine whether an applicant for the FPEP is competitive for federal assistance, reporting requirements, and semi-annual 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 RBCS to administer FPEP 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 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 propriety 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.**

This is a new program and the first application window closed on November 14, 2022. Applications are still under review and no awards or announcements have been made.



Therefore, there are no previous collections for which to solicit views on. A 60-day notice was published in the *Federal Register* October 7, 2022 at 87 FR 60980. The Agency did not receive any comments on the 60-day notice.

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

No payments or gifts will be provided to respondents, including no remuneration of contractors or grantees.

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

No assurance of confidentiality is provided to respondents for the information required. When necessary, the Agency will process any and all requests for release of records and information in accordance with the Privacy Act of 1974. However, in some instances, the information collected under the provisions of this program is not considered to be of a confidential nature. For example, organizations, such as not-for-profit entities and public bodies from which information is collected, are ordinarily required to make their activities available for public scrutiny.

The Agency published a Privacy Act of 1974; System of Records in the Federal Register on May 14, 2019 (84 FR 21315). A copy of that document can be found at <https://www.govinfo.gov/content/pkg/FR-2019-05-14/pdf/2019-09874.pdf>

**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 does not contain any sensitive information such as sexual behavior and attitudes, religious beliefs or other matters commonly considered private.

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

The following table summarizes the estimated average annual burden associated with the FPEP program. The attached spreadsheet provides the specific estimates.

<b>Burden Item</b>	<b>Estimated Yearly Average Burden</b>
Number of respondents:	189
Annual responses:	2,241
Total hours:	26,372
Cost per hour:	\$71.81

Total annual cost:	\$1,893,630
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The wage rate utilized in the cost calculation is based on the Bureau of Labor Statistics, May 2021 National Employment and Wage Estimates United States retrieved from [http://www.bls.gov/oes/current/oes\\_nat.htm](http://www.bls.gov/oes/current/oes_nat.htm). The category of occupation is General and Operations Managers. The wage rate is the mean hourly wage rate (Occupation Code 11-1021) of \$55.41. Data provided by the Bureau of Labor Statistics, Employer Cost for Employee Compensation – March 2022 is utilized to calculate the total cost of benefits. Benefits as a percentage of total compensation for private industry workers in professional and business services industries were 29.6% of total hourly compensation (<https://www.bls.gov/news.release/pdf/ecec.pdf>).

**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.**

The estimated annualized cost to the Federal Government is **\$166,931**. Costs were calculated based on the estimated amount of time the national office program staff is expected to spend on each component of the program. Salary Table 2022-DCB of the general schedule for a GS-13, step 5 for the Washington-Baltimore-Arlington, DC-MD-VA-WV-PA locality area was used for wage calculation purposes. The cost of total benefits as a percentage of total hourly compensation for Federal Government employees has been calculated by multiplying 36.25 percent by the hourly OPM wage (\$58.01) in accordance with OMB Memorandum M-08 13.

The cost to the Federal Government is broken down as follows:

Activity	No. of Applications and Awards	Review Hours	Total Review Hours	Salary	Total Cost
Step 1: Application Completeness and Eligibility Review	189	4	756	\$79.04	\$59,754
Step 2: Application Evaluation	189	4	756	\$79.04	\$59,754

Step 3: Post Award Servicing	50	12	600	\$79.04	\$47,424
<b>Total Annual Cost to the Federal Government</b>					<b>\$166,932</b>

Step 1: Application Completeness and Eligibility Review includes reviewing for completeness, compliance and eligibility. RBCS has estimated that approximately 135 total applications will be received for both application windows together.

Step 2: Application Evaluation Review includes reviewing eligible applications, scoring, funding priority and awardee selections. RBCS has estimated that the 135 applications referenced above will proceed to this step.

Step 3: Post Award Servicing and Recordkeeping includes preparing the letter of conditions, grant closing, advance of funds, servicing, reviewing of reports and recordkeeping. RBCS has estimated that 50 awards will be made.

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

This is a new program and in order to implement the program quickly, emergency approval for the information collection was granted. Since that time, the first application window has closed and the Agency received more applications than was anticipated. The burden numbers were updated based on the actual number of applications that were received and what the Agency anticipates.

The summary of changes are shown in the chart below:

	Initial Submission for Emergency Approval	Change	Renewal Submission for 3-year Approval
Respondents	135	54	189
Annual Responses	1,831	410	2,241
Burden Hours	19,082	7,290	26,372

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

This collection of information will not be published for statistical purposes.

**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.**

RBCS is seeking approval to not include the new OMB control number (0570-0081) and the expiration date on forms RD 1942-46, RD 1940-1, RD 4280-2, RD 1924-9, and RD 1924-10, which all have other, current OMB control numbers and are in the process of being converted to common forms.

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

There are no exceptions requested.

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

The SCI calls for changes to improve services to the United States Department of Agriculture (USDA) customers. USDA continuously strives to improve customer service, including facilitating one stop service for greater customer convenience in accessing USDA programs.