

# **1Supporting Statement A**

## **Economic Contribution of Federal Investments in Restoration of Degraded, Damaged, or Destroyed Ecosystems.**

### **OMB Control Number 1028-NEW**

**Terms of Clearance:** None

#### **General Instructions**

A completed Supporting Statement A must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified below. If an item is not applicable, provide a brief explanation. When the question "Does this ICR contain surveys, censuses, or employ statistical methods?" is checked "Yes," then a Supporting Statement B must be completed. OMB reserves the right to require the submission of additional information with respect to any request for approval.

#### **Specific Instructions**

#### **Justification**

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.**

The mission of the DOI Natural Resource Damage Assessment and Restoration Program (NRDA Restoration Program) is to restore natural resources injured as a result of oil spills or hazardous substance releases into the environment. As authorized by the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), Oil Pollution Act of 1990 (OPA), and Federal Water Pollution Control Act or Clean Water Act (CWA), injuries to natural resources that the DOI manages or controls are assessed, and appropriate restoration projects are identified in contemplation of negotiated settlements or legal actions (in rare cases) with potentially responsible parties. Under these authorizing legislations as well as the American Restoration and Recovery Act (ARRA) (PL 111-5), the U.S. Department of the Interior (DOI) is implementing restoration projects across the nation to restore injured natural resources and to improve the health and resiliency of terrestrial, freshwater and marine ecosystems.

Under NRDA, settlements for natural resource injuries are usually based on the cost of restoration projects, which are often implemented by third parties with federal, state and/or tribal government oversight. The restoration industry tends to use fixed price contracts, which leaves all levels of government at a disadvantage in understanding restoration costs. The NRDA

Restoration Program needs actual unit costs to enhance its ability to ensure settlements sufficiently compensate the public for nature resource damage, and to help ensure that the money spent on assessment is not disproportionate to the expected settlement for restoration. Better information on actual costs is expected to broadly benefit all levels of government through Trustee Councils, which can include state and tribal representatives. From an economic perspective, correcting incomplete information (also called information asymmetry) leads to better decisions and performance.

In addition to increased information on the costs of restoration, there is a need to better understand the relationship between restoration investments and job creation. An emphasis on quantifying the relationship between job creation and investments in ecological restoration is evident in the goals of the ARRA and Interior Secretary Salazar's annual report on the Department's economic contribution to the Nation's economy (Department of the Interior, 2012). This need is also illustrated in a recent report by the President's Council of Advisors on Science and Technology, which calls on the federal government to better prioritize the approximately \$10 billion it spends each year on ecological restoration and biodiversity preservation (Executive Office of the President, President's Council of Advisors on Science and Technology, 2011).

Researchers with the U.S. Geological Survey (USGS) are conducting this information collection at the request of the DOI Restoration Program. The DOI Restoration Program is interested in collecting restoration cost data as part of contractor reporting requirements for all DOI restoration projects. The collection described under this request is designed to refine potential expenditure and project summary questions prior to initializing these questions as part of the contractor reporting requirements. As part of this collection, expenditure data will be collected and economic impacts will be estimated for approximately 100 DOI restoration projects. This number of cases will allow the USGS to gather information on a wide variety of different types of projects in a number of different locations, and will also allow the USGS to refine the survey instruments and to begin to identify patterns in restoration expenditures and resultant economic impacts. Most importantly, these initial analyses will help the DOI Restoration Program determine if it is worth their investment to collect these data for all DOI restoration projects. Results from the individual case studies will be summarized as fact sheets and will not be generalized or aggregated.

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection. Be specific. If this collection is a form or a questionnaire, every question needs to be justified.**

As indicated in #1 above, information from this data collection will be used to refine potential expenditure and project summary questions and validate the data collection process for estimating the costs of restoration and the resultant economic job and income contributions of DOI restoration projects. Collection of these data is necessary to improve agency decision making on individual restoration projects, to help prioritize spending across restoration projects, and to meet internal guidelines for credible economic analysis. The data collected under this authorization will help the DOI Restoration Program determine how

these data should be collected for future DOI restoration projects in conjunction with contractor reporting requirements. How and for what purpose the information will be used is described below and in the attached surveys.

This collection contains two surveys: (1) a project summary survey, and (2) an expenditure survey.

The project summary survey will be completed by the project manager for each project. The purpose of the project summary survey is to gather background information that will be used to classify and describe the restoration projects. The NRDA Restoration Program does not have detailed descriptive information about each restoration project. The descriptive/categorizing questions asked in the project summary survey will also be standardized in the Restoration Program's project tracking database and will allow the program to search for restoration actions that meet certain criteria. These questions will also be used to write the narratives for the case studies. The descriptive questions include questions about the type of injury to the land, the restoration actions that took place, land ownership and realty changes on restored lands, the type of land cover that was restored, the focus of the restoration, and any cultural or tribal resources that were affected. The project summary survey also asks the project manager to provide total project cost, project duration and timing, contracting expenditures, and contractor contact information. This information is necessary in order for the expenditure survey to be administered.

The purpose of the expenditure survey is to gather expenditure information on the restoration project that will be used to estimate the economic impacts in the local economy. The survey asks each project manager and project contractor to break their expenditures into labor, non-labor, and subcontracting expenditures. These expenditures are each further broken down into components necessary to accurately estimate the economic contributions of project expenditures.

Individual question justifications are provided in the surveys.

All respondents will receive instructions and answer a series of questions. The project summary survey will be an online survey. Although the project summary survey contains many questions, we will use Key Survey, a software system that will branch and skip questions based on responses to previous questions. With this system, respondents will only answer questions relevant to them.

- 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 decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden and specifically how this collection meets GPEA requirements.**

Data collection for this information collection is designed to be 100% electronic, but paper

versions of the surveys will be made available to all respondents who lack the appropriate technology to access the online survey or the Excel-based survey. For the online survey, all respondents will receive an e-mail message providing a URL link to the survey. We will follow the most up-to-date methods for conducting an online survey, utilizing the data collection methods outlined in Dillman (2007) for web-based surveys. All instructions and the survey instrument will be available online. Key Survey™ software will be used to develop, serve, collect, and store the information collected during this study.

The primary basis for choosing an online approach for the project summary survey is to simplify the survey for respondents. The project summary survey includes many questions that can be skipped based on respondent's answers. The use of Key Survey™ will substantially reduce the length of the project summary survey for most respondents and will thus reduce burden.

The primary basis for choosing an Excel based survey for the expenditure survey is also to simplify the survey for respondents. The expenditure survey primarily consists of tables which are easiest viewed in Excel.

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

There is very little information available about expenditures and associated economic impacts of restoration projects. Several studies have addressed impacts of specific restoration projects, but these estimates are not generalizable to other restoration projects. The most comprehensive study of the economic impacts of restoration was conducted by the University of Oregon (Nielsen-Pincus & Moseley, 2010). This study specifically addressed forest and watershed restoration projects in the state of Oregon, and provides reliable and transferable estimates, but only for forest and watershed restoration projects in the Northwest.

There are a number of studies that address the economic value of restoration. These studies were summarized by a Blue Ribbon Panel for estuary economics organized by the National Oceanic and Atmospheric Administration (NOAA, 2010). The NOAA panel set forward guidelines on how to measure the economic value of ecosystem restoration, with a specific focus on the economic value of restoring degraded marine and coastal habitat. These values include values associated with commercial and recreational fisheries, wildlife viewing and other recreation, increases in property values, and the non-market values associated with ecosystem services such as shoreline protection and flood control. The NOAA report excludes economic impacts because economic impacts are not a measure of economic value; rather, economic impacts measure how spending in local economies generates jobs and income.

This analysis is focused on restoration expenditures and resultant economic impacts. The NRDA Restoration Program seeks reliable data for a broad range of restoration activities across the nation. To better understand DOI-related restoration, the USGS quantified expenditures and economic impacts for several restoration projects supported by DOI bureaus and partners. USGS obtained information for these case studies from the federal staff that managed and implemented

these efforts. The results from these original case studies confirmed that there is a large amount of variation in the economic impacts supported by restoration investments. Specifically, this preliminary work suggests that the type of restoration and the costs and availability of inputs and labor play a large role in impact estimates. Because of this substantial variation, it has become clear that applying generic economic impact multipliers from studies that estimate impacts of non-similar restoration projects is likely to result in large errors. The original case-studies represent only a small subset of the broad range of restoration projects supported by DOI.

**5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.**

This collection is not expected to have a significant impact on small business or small entities. Only businesses that are currently working on or recently completed work on DOI restoration projects will be surveyed. We have made efforts to keep the amount of information requested to a minimum for all of the respondents, and we have worked with reviewers to organize expenditure questions in a manner that best coincides with existing small business bookkeeping figures.

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

Without the information from this data collection and future collection efforts, the NRD Restoration Program will not have the necessary cost data to ensure settlements sufficiently compensate the public for natural resource damage, and to help ensure that the money spent on assessment is not disproportionate to the expected settlement for restoration. Furthermore, Federal agencies who invest in ecosystem restoration projects will not have the necessary data to meet internal guidelines for credible economic analysis of the impacts of project alternatives. Previous research indicates that there is a large amount of variation in the economic impacts supported by restoration investments. Because of this substantial variation, it has become clear that applications of generic economic impact multipliers to estimate the economic impacts of restoration projects are likely to result in large errors. As a consequence, without additional information to develop accurate and reliable estimates, the economic contributions of such activities may be ignored which may result in sub-optimal policy suggestions and management implications for DOI agencies.

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

- \* **requiring respondents to report information to the agency more often than quarterly;**
- \* **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**

- \* **requiring respondents to submit more than an original and two copies of any document;**
- \* **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;**
- \* **in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- \* **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- \* **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- \* **requiring respondents to submit proprietary trade secrets, or other confidential information, unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

There are no circumstances that require us to collect the information in a manner inconsistent with OMB guidelines. This request contains no special circumstances with respect to 5 CFR 1320.5 (2) (i) and (iii-viii) with the exception of (ii). Because of the nature of the designed online survey, we expect that respondents will respond rather quickly. This is a voluntary survey and respondents are not obligated to respond.

- 8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and in response to the PRA statement associated with the collection over the past three years, and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

**Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

**Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three years — even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

On November 15, 2011, we published a 60-day Federal Register notice (FR Doc No: 2011-29425) announcing that we would submit this information request to OMB for approval. In that notice we solicited public comments for 60 days, ending January 14, 2012. We received one

comment and it was not applicable to the proposed collection.

In addition to our Federal Register notice, we solicited three reviewers (see Table 1) and conducted several initial case-studies with federal staff to help develop the survey instruments. We incorporated the suggestions, edits, and comments from the reviewers into the survey instruments that were used for the initial case-studies. In conducting the initial case studies, we worked with nine project managers. Each of these project managers completed both the project summary survey and the expenditure survey. The project managers also facilitated the administration of the expenditure survey to the contractors that worked on their projects. Based on their experiences, we have further amended the survey instruments to increase clarity and to accommodate a wider range of circumstances.

**Table 1. Individuals Contacted**

<b>Contact #1</b>	<b>Contact #2</b>	<b>Contact #3</b>
Dr. Susan Winter Economist U.S. Forest Service 2150 Centre Ave. Bldg. A Fort Collins, CO 80526 (970) 295-5726	Kawa Ng Economist U.S. Forest Service 2150 Centre Ave. Bldg. A Fort Collins, CO 80526 (970) 295-5929	Mark Griswold Project Manager Tetra Tech EC, Inc 143 Union Blvd., Suite 1010 Lakewood, Colorado 80228 (303) 980-3665

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

There are no payments or gift giving associated with this collection.

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

The financial data that is collected in the survey will not be reported or disclosed. For each project, data from each contractor will be combined to estimate the economic contribution of the restoration work to the local economy in terms of income and jobs created. No list of respondent e-mail addresses will be retained after data collection is completed.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

This collection does not ask for information of a sensitive nature.

**12. Provide estimates of the hour burden of the collection of information. The statement should:**

- \* Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**
- \* If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.**
- \* Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here.**

This burden estimate is based upon the time needed for personal phone contacts and the time needed for respondents to read instructions and to complete the survey. There are two surveys which will be administered: the project summary survey and the expenditure survey.

The project summary survey will consist of a 15 minute introductory telephone call where the survey instructions and project overview will be discussed. Following the telephone call, the project manager will then be prompted via email to complete an online questionnaire (project summary survey) that is expected to take an average of 30 minutes. If the project manager incurred direct project expenditures, they will also be asked to complete the expenditure survey.

The expenditure survey will be conducted via email and will be sent in a Microsoft Excel format. This survey will be completed by all contractors who worked on the restoration project. The expenditure survey is estimated to take an average of 60 minutes.

For those contacts that do not respond by a certain date, we will follow up with them via an email message or phone call. We expect to follow up with approximately 100 contacts and the burden to be approximately 5 minutes.

Each case study project is expected to include 1 project manager and between 1 and 5 contractors. We estimate the dollar value of the burden hours to be \$19,157 (see Table 2). The hour cost is based on BLS news release USDL-12-1830 of September 11, 2012, for average full compensation per hour including benefits. The particular value utilized is for the Private sector (average hourly wage of \$20.27) multiplied by 1.4 to account for benefits.

- Estimate of 1 project manager per case study with a burden of 1.25 hours each.
- Estimate of 5 contractors per case study with a burden of 1 hour each. (Note: this is an upper bound. We expect that most case studies will have 1 to 2 contractors.)

- Estimate of 100 case studies.

**Table 2. Estimated Maximum Dollar Value of Total Burden Hours**

Activity	Number of Respondents	Estimated Completion Time per Respondent (Minutes)	Total Burden (Hours)	Dollar Value of Burden Hour Including Benefits	Total Dollar Value of Burden (Hours)
Project Summary Survey: Introductory Call	100	15	25	\$28.38	\$710
Project Summary Survey	100	30	50	\$28.38	\$1,419
Project Expenditures Survey	600	60	600	\$28.38	\$17,028
Follow Up Contact	100	5	8	\$28.38	\$227
<b>TOTAL</b>	<b>900</b>		<b>683</b>		<b>\$19,157</b>

**13. Provide an estimate of the total annual non-hour cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected in item 12.)**

- \* The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information (including filing fees paid for form processing). Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.
- \* If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated

with the rulemaking containing the information collection, as appropriate.

- \* Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

There is no non-hour cost burden to applicants under this collection.

**14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information.**

The total estimated cost to the Federal Government for processing and reviewing information received as a result of this collection is \$44,100 (Table 3). This total includes Federal employee salaries and benefits. The table below shows Federal staff and grade levels performing various tasks associated with this information collection. We used the Office of Personnel Management Salary Table 2012-DCB (<http://www.opm.gov/oca/12tables/html/dcb.asp>) to determine the hourly rate. We multiplied the hourly rate by 1.5 to account for benefits (as implied by the previously referenced BLS news release).

**Table 3. Federal Employee Salaries and Benefits**

Position	Grade/ Step	Hourly Rate	Hourly Rate incl. Benefits (1.5 x hourly pay rate)	Estimated Time per Task	Annual Cost
<b>Survey Development</b>					
Economist	GS-11/1	\$29.52	\$44.28	300 hrs	\$13,284
Economist	GS-9/1	\$24.40	\$36.60	100 hrs	\$3,660
<b>Subtotal</b>					<b>\$16,944</b>
<b>Survey Administration</b>					
Economist	GS-11/1	\$29.52	\$44.28	100 hrs	\$4,428
Economist	GS-9/1	\$24.40	\$36.60	300 hrs	\$10,980
<b>Subtotal</b>					<b>\$15,408</b>
<b>Data Analysis</b>					
Economist	GS-11/1	\$29.52	\$44.28	100 hrs	\$4,428
Economist	GS-9/1	\$24.40	\$36.60	200 hrs	\$7,320
<b>Subtotal</b>					<b>\$11,748</b>

<b>Total</b>	<b>\$44,100</b>
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**15. Explain the reasons for any program changes or adjustments in hour or cost burden.**

This is a new request.

**16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

The surveys will create a set of case studies.

For each case study restoration project, information from the individual expenditure surveys will be combined to develop an overall expenditure profile for that restoration project. This expenditure profile will be used to develop an IMPLAN input/output model to estimate the economic impacts of that restoration project.

The case studies will be published as individual fact sheets. Results from individual case studies will **not** be generalized or aggregated to the population of restoration projects. The case studies will be compiled with a methods section and published as a USGS Open File Report.

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

Not applicable. We will display the expiration date.

**18. Explain each exception to the topics of the certification statement identified in "Certification for Paperwork Reduction Act Submissions."**

There are no exceptions to the certification statement.

**References**

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