

**SUPPORTING STATEMENT**  
**Petition for Classifying Labor Surplus Areas**  
**OMB Control Number 1205-0207**

The Department of Labor (the Department), Employment Training Administration (ETA) is requesting an extension to conduct the information collection request (ICR) titled, ‘‘Petition for Classifying Labor Surplus Areas.’’

**Specific Instructions**

**A. Justification**

1. *Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.*

Under Executive Orders (EO) 12073 and 10582, the Secretary of Labor is required to classify labor surplus areas (LSAs) for the use of federal agencies in directing procurement activities and in locating new plants or facilities in areas of high unemployment. The LSA list is issued annually, effective October 1 of each year, and is based upon the average unemployment rate during the previous two calendar years for each area in comparison with the national average rate for the same period.

EO 12073 was signed by President Carter on August 6, 1978, and concerns federal procurement in labor surplus areas. It was published in the Federal Register August 18, 1978 (43 FR 36873).

EO 10582 was signed by President Eisenhower on December 17, 1954, and concerns uniform procedures for procurement under the Buy-American Act. It was published in the Federal Register on December 21, 1954 (19 FR 8723).

The Department of Labor’s regulations for classifying LSAs are found at 20 CFR Part 654.1 to 654.14. As this information collection is contained in a rule of general applicability, the rule is deemed to be subject to the Paperwork Reduction Act of 1995. See 5 CFR 1320.3(c)(4)(i).

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.*

Federal, state, and local governments use LSAs for various purposes including procurement decisions, food stamp waiver decisions, certain small business loan decisions, and other purposes determined by the government agency.

To be classified as an LSA, the Department of Labor's regulations specify that an area maintain an unemployment rate during the previous two calendar years of 20 percent or more above the national average unemployment rate for the same 24-month period. Such areas are then included on the annual LSA list. The Department's regulations also specify that updates may be made to the annual LSA list by adding areas under an exceptional circumstances criterion. Such updates to the annual list are based upon information contained in petitions submitted by state workforce agencies (SWAs) to ETA.

The petitions submitted by the SWAs concern various aspects of unemployment and the economic condition for a specific area in order to provide justification for adding the area to the LSA list under the exceptional circumstances criteria. Under these criteria, an area may be determined eligible for classification as a LSA if it is experiencing a high rate of unemployment, which is not temporary or seasonal, and which was not adequately reflected in the unemployment data for the two-year reference period. Instructions designed to assist SWAs in the preparation of such petitions are currently contained on the ETA Web site: <http://www.doleta.gov/programs/lisa.cfm>.

- 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.*

In order to comply with the Government Paperwork Elimination Act, the SWAs are encouraged by ETA to submit petitions and information including the LSA package in an electronic file or technique using electronic mail. ETA posts information and requirements for LSA on the ETA Web site: <http://www.doleta.gov/programs/lisa.cfm>.

- 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.*

Most of the information needed for a LSA petition submitted by SWAs is available from State sources, e.g., internal administrative reports, statistical programs, newspaper clippings, etc. The only information that SWAs may have to develop for use in the petition is the 12-month projection of the area's labor force and unemployment statistics. The Department of Labor, however, does not have ready access to these materials, and the SWAs are in a better position to compile this information. The petitions are intended to bring various types of information together in a single document so that a LSA classification determination can be made.

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

Collection of information does not impact small businesses or other small entities.

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.*

LSA classifications are used by Federal as well as state and local governments for various purposes including procurement decisions, waiver decisions for the Supplemental Nutritional Assistance Program, certain small business loan decisions, as well as other purposes determined by the governments. Regulations, procedures and processes are built around having the LSA designation information available. For example, the Department of Defense (DOD) uses the information as part of the basis for determining if DOD property should be transferred to state and local entities. The SBA Regulation at 13 CFR 121.301(e) allows small business in LSA areas to be 25 percent higher than the small business sales ceiling and still remain classified as a small business.

The LSA process is very efficient; only information that is necessary to make the determination is collected.

7. *Explain any special circumstances that would cause an information collection to be conducted in a manner that requires further explanation pursuant to regulations 5 CFR 1320.5:*

- \* 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 “special circumstances” which would cause this information collection to be conducted in any manner listed above, with the exception of a requirement for a complainant who desires a hearing before an Administrative Law Judge to request it within 20 days of the certified date of the Assistant Secretary for Employment and Training’s offer of a hearing. This requirement is contained in regulations 20 CFR 654.9.

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 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 3 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.*

In accordance with the Paperwork Reduction Act of 1995, the Notice concerning this information collection request was published in the Federal Register on December 11, 2019 (84 FR 67759). The public was given sixty days to review and comment on this information collection request. No comments were received.

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

This item is not applicable. No payment or gift to respondents is included.

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

This information collection provides no assurances of confidentiality.

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.*

No information of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters commonly considered private is used or collected.

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. Instead, this cost should be included under “Annual Cost to Federal Government.”*

In the last three years, an average of three States per year has requested a petition for exceptional circumstances. The actual time to prepare the petition ranged from one to three hour(s) per state. Because the overall hours needed to produce the required information is calculated (conservatively) to be three hours altogether, ETA is requesting a three-hour annual burden to be in place for this collection of information.

The nature of the information collection differs from petition to petition even within a state. Therefore, the amount of time needed to complete the petition will vary from state to state. Based on consultation with less than nine states, the average time required to complete the petition is estimated to be three hours per request, including the time for reviewing instructions, searching existing information/data sources, gathering and maintaining information, completing and reviewing the application, and providing the notice of filing.

3 respondents x 0.5 hour (review instructions)	= 1.50
3 respondents x 1.5 hour (compile info./file)	= 4.50
3 respondents x 0.5 hour (complete/submit/provide notice)	= 1.50
3 respondents x 0.5 hour (documentation/maintenance)	= 1.50

**Total Annualized Hours for three respondents 9.0**

The Hourly Cost per Task has been attained from the Mean Hourly Wage for State Government Economists from the Bureau of Labor Statistics Occupations Employment Survey (OES) for 2018 (<http://www.bls.gov/oes/current/oes193011.htm>), which is \$34.86. Adding fringe benefits of 40% to the average hourly wage (\$34.86 x 1.4 = \$48.80), we estimate the annual cost to be \$439.20 (\$48.80 hourly wage x 3 hours x 3 respondents = \$439.20)

Activity	Number of Respondents	Frequency	Total Annual Responses	Time Per Response (Hours)	Total Annual Burden	Hourly Rate*	Monetized Value of Respondent
----------	-----------------------	-----------	------------------------	---------------------------	---------------------	--------------	-------------------------------

					(Hours)		Time
Review instructions	3	1	3	.5	1.5	\$48.80	\$73.20
Compile information	3	1	3	1.5	4.5	\$48.80	\$219.60
Complete and submit request	3	1	3	.5	1.5	\$48.80	\$73.20
Maintain documents	3	1	3	.5	1.5	\$48.80	\$73.20
<b>Unduplicated Totals</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>9</b>	<b>\$48.80</b>	<b>\$439.20</b>

\*See Mean Hourly Wage for State Government Economists from the Bureau of Labor Statistics Occupations Employment Survey (OES) for 2018 (<http://www.bls.gov/oes/current/oes193011.htm>), which is \$34.86. Adding fringe benefits of 40% to the average hourly wage makes the hourly rate \$48.80 ( $\$34.86 \times 1.4 = \$48.80$ ).

13. Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected on the burden worksheet).

\* 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. 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 collections 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 are no other costs than those mentioned in item (12) above.

14. *Provide estimates of annualized costs 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. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.*

The estimated annual cost to the Federal Government is \$78.71 per response. The staff time to review, comment, clarify when necessary, and determine final action on petitions averages 1 ½ hours. Based on the Federal pay schedule for the Washington-Baltimore-Arlington, DC-MD-VA-WV-PA locality (See 2020 General Schedule (GS) Locality Pay Tables, [https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/20Tables/html/DCB\\_h.aspx](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/20Tables/html/DCB_h.aspx) the calculation is \$52.47 per hour (GS-13 Step 3) x 1.5 hours per response = \$78.71. Based on the experience gained in the last three years, approximately three states per year requested adding areas to the labor surplus list. Therefore, the total annual cost to the Federal government would be \$236.13 (\$78.71 x 3 responses per year).

15. *Explain the reasons for any program changes or adjustments reported on the burden worksheet.*

Burden hours remain unchanged.

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.*

With the exception of posting newly designated LSA's on the DOL ETA website, collection of information will not be published. The information will be used solely for determining the eligibility of areas for classification as LSAs.

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

Since there is no standard form for this data collection, the expiration date is included and displayed in the instructions for submitting a LSA petition for an exceptional circumstance on the ETA Web site.

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

There are no exceptions.

**B. Collections of Information Employing Statistical Methods**

This information collection does not employ statistical methods.