



United States Department of the Interior

Office of the Secretary

Washington, D.C. 20240

9040.1b

PEP - ENVIRONMENTAL REVIEW MEMORANDUM NO. ERM 10-12

To: Heads of Bureaus and Offices

From: Michaela E. Noble, Director /s/04/28/2020
Office of Environmental Policy and Compliance

Subject: Reporting Costs Associated with Developing Environmental Impact Statements (EISs) and Environmental Assessments (EAs)

PURPOSE

This memorandum provides guidance to the Department's bureaus and offices to improve public understanding of the total costs associated with preparation, review, and issuance of EISs and EAs, and any associated analyses that would be made public upon publication of an EIS or EA. A standard description of EIS and EA development and production cost estimates will assist bureaus and offices in determining how to appropriately focus resources, diagnose problems, find opportunities to improve project planning, and be used to meet Secretarial Order 3380 and the Agency Performance Accountability requirements and the associated Office of Management and Budget performance accountability system guidance established under Executive Order (E.O.) 13807.

SCOPE

This memorandum applies to all proposed actions for which the Department, including any of its Bureaus or Offices, is the Lead agency¹ and has published a Notice of Intent (NOI) to prepare an EIS or started or issued an EA document since March 10, 2020. It also applies to bureaus or offices that are Cooperating Agencies² for qualifying major infrastructure projects under E.O. 13807 or Title 41 of the Fixing America's Surface Transportation Act (FAST Act). For purposes of this memorandum, "environmental review costs" include the bureau's or office's personnel, contractors, travel or other direct costs associated with environmental reviews and authorizations when an EIS or EA is prepared, or for otherwise qualifying major infrastructure projects. "Environmental review costs" also include the bureau or office's costs associated with complying

¹ 40 CFR 1508.16.

² 40 CFR 1508.5

with environmental review laws other than NEPA, such as the Endangered Species Act or the National Historic Preservation Act, that are necessary for the agency to authorize or consult on the proposed action.

GUIDANCE

Upon the effective date of this memorandum, all bureau or office Lead agency Draft, Supplemental, and Final EISs or EAs shall display the estimated environmental review costs associated with developing and producing the EIS, to that point in the NEPA process, on the EIS cover page or cover/first page of the EA according to the following guidance.

1. Cost Tracking and Reporting Guidance

- a. For ongoing proposed actions, Lead bureaus or offices shall make a good faith estimate of past incurred environmental review costs;
- b. To facilitate an estimate, each Lead bureau or office shall begin tracking environmental review costs once it has determined that it will prepare an EIS or EA to evaluate a proposed action;³
- c. Each Lead bureau or office shall continue to track environmental review costs until it issues a final decision on the proposed action evaluated by the EIS or EA; and
- d. Each cooperating Bureau or Office for qualifying FAST Act or E.O. 13807 projects with an EIS NOI issued after November 14, 2019 or EA started after March 10, 2020 shall begin tracking project and environmental review costs once it has agreed to be a Cooperating agency with actions that are tracked on the Federal Infrastructure Permitting Dashboard. Each cooperating bureau or office will continue to track those costs until it has completed all tasks for which it is responsible for as a cooperating agency for the proposed action.

2. Developing a Cost Estimate

- a. Lead, and as applicable, Cooperating agency bureaus and offices shall track the costs of their full-time equivalent (FTE) personnel hours, travel costs, contractor costs, and other direct costs related to the proposed action and associated environmental review.
- b. Bureau and Office FTE hours should include an estimate determined by their own methodology of the costs of time spent by:
 - i) the project management team responsible for the proposed action;

³ Costs include those incurred pre-application and pre-Notice of Intent (NOI) to assist the applicant in submitting a complete application and to assist in issuing an effective NOI and EIS or EA.

- ii) subject matter experts who participate in a portion of the review;
- iii) managers or supervisors who have delegated responsibility over or direct oversight of the proposed action and EIS; and
- iv) attorneys who review documents pertaining to the proposed action.

c. Contractor costs should include:

- i) the direct costs associated with a Bureau or Office employing a contractor to develop an EIS and associated environmental review;
- ii) any additional contractor costs; and
- iii) any additional third-party costs that were necessary to complete the EIS, EA or other environmental reviews that were not directly billed to the contractor.

3. Calculating Time and Costs

- a. Bureaus or offices shall calculate a proposed action's environmental review costs by totaling the bureau or office's direct and contractor costs and rounding that number to the nearest thousand-dollar figure.⁴ Department financial and administrative systems may be used to track such costs.⁵
- b. Bureaus and offices may calculate FTE costs by estimating, or by reporting tracking system data, the amount of applicable staff time spent on an environmental review and multiply those hours by the bureau or office's average hourly rate.⁶

$$\text{FTE Costs} = \text{Total estimated FTE hours} \times \text{Average FTE Hourly Rate}$$

- c. Bureau, office, and applicant-funded contractor environmental review costs of developing and producing an EIS or EA should be totaled and added to bureau or office FTE costs described above.⁷

$$\text{Contractor Costs} = \text{Bureau/Office contractor expenses} + \text{applicant contractor expenses} + \text{FTE costs devoted to applicant document review} + \text{additional third-party costs}$$

⁴ For example, if environmental review costs for a Draft EIS total \$456,678.09, then the number displayed prominently on the cover page of the Draft EIS should be \$457,000.

⁵ Work Breakdown Structure (WBS) coding may be used for applicable proposed actions, even if costs accrue across budget cycles. These codes can be used in the Department's time and attendance tracking system, QuickTime; travel approval and voucher system, Concur; and financial systems, including Federal Business Management Systems (FBMS) to assist with the calculation of environmental review costs associated with each project.

⁶ Bureaus or offices may use actual hours and hourly rates if such information is readily available and more efficient than estimating hours and using an average hourly rate.

⁷ If Contractor Costs are not readily available, estimates may be used.

- d. Lead bureaus and offices shall total their⁸ FTE and contractor costs, and any other direct costs associated with preparing an EIS or EA and associated environmental reviews, rounded to the nearest thousand-dollar figure, and prominently display the total costs on the EIS cover page or first page of an EA at the Draft, Supplemental, and Final document stage, as applicable.

$$\text{Total Costs} = \text{FTE Costs} + \text{Contractor Costs}$$

4. Cost Reporting

- a. The Lead bureau or office shall enter environmental review costs into the Department's NEPA and Permit Tracking Database (Database) at the EIS and EA Draft, Supplemental, and Final document stages, as applicable, and include the total estimated costs on the EIS cover page or cover/first page of an EA at the Draft, Supplemental, and Final document stage, as applicable. Please see Attachment 1 for the template language and placement of total estimated costs on EIS cover pages. Similar wording and placement should be used for cost information on the cover/first page of EAs.
- b. No later than 30 days after the publication or issuance of the final bureau or office decision or action on the project, the Lead bureau or office shall total its entire estimated environmental review and project costs and upload them into the Database. For qualifying major infrastructure projects under the FAST Act or E.O. 13807, the Lead bureau or office shall ensure its total estimated environmental review costs and projects costs are entered into the Federal Infrastructure Permitting Dashboard within the same period of time.
- c. For qualifying major infrastructure projects under the FAST Act or E.O. 13807, Cooperating bureaus or offices shall ensure their total estimated environmental review and projects costs are entered into the Federal Infrastructure Permitting Dashboard no later than 30 days after the publication or issuance of the final Cooperating bureau or office decision or action on the major infrastructure project.

GENERAL

This guidance establishes internal Department guidelines only. It does not create any rights, substantive or procedural, legally enforceable by any party.

⁸ For FAST Act or E.O. 13807 projects, Lead bureaus or offices are not required to collect and report any Cooperating agency costs at publication of the EIS or EA Draft, Supplemental, or Final, as Cooperating agencies are required to report their cost separately.

Attachment 1 — Example EIS Cover Page

DRAFT ENVIRONMENTAL IMPACT STATEMENT

FOR THE PROPOSED HABITAT CONSERVATION PLAN FOR THE MARBLED MURRELET

VOLUME I: CHAPTERS 1-7

U.S. Fish and Wildlife Service
Pacific Region
Portland, OR

March 2018

Estimated Lead Agency Total Costs Associated with Developing and Producing This EIS
