

## **Supporting Statement for OMB 0596-0017**

### **Timber Purchasers' Costs and Sales Data 2010**

#### **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.**

##### Laws, Statutes, Regulations

- National Forest Management Act, 16 USC §472a
- 36 CFR, part 223.60
- Provision B(BT) 6.9

This is a renewal for a previously approved information collection 0596-0017. The information collection in this request is necessary to implement the above statutes, regulations, and policies designed to ensure that National Forest System timber is sold at not less than appraised value. The National Forest Management Act, 16 U.S.C. §472a requires that the Federal Government receives not less than the appraised value of the timber or forest product. Specifically, The Secretary of Agriculture, under such rules and regulations as he may prescribe, may sell, at not less than appraised value, trees, portions of trees, or forest products located on National Forest System lands.

In addition, in Regulation 36 CFR Part 223.60, the objective of Forest Service timber appraisals is to determine fair market value. Fair market value is estimated by such methods as are authorized by the Chief, Forest Service, through issuance of agency directives (36 CFR 200.4). Valid methods to determine fair market value include, but are not limited to, transaction evidence appraisals, analytical appraisals, comparison appraisals, and independent estimates based on average investments. Pertinent factors affecting market value also considered include, but are not limited to, prices paid and valuations established for comparable timber, selling value of products produced, estimated operating costs, operating difficulties, and quality of timber. Considerations and valuations may recognize and adjust for factors which are not normal market influences.

Furthermore, provision B(BT) 6.9 relating to collection of information for timber sale appraisals states that Purchaser shall provide access to appropriate annual records in Purchaser's books and accounts to enable Forest Service to obtain and analyze accurate operating costs and selling price data for appropriate use in appraising Federal timber. Data so provided shall be subject to acceptance by Forest Service, and shall also be subject to review and adjustment, where needed, by Forest Service. Operating cost and selling price data shall include that applicable for appraising timber obtained from Federal sources in or processed in the Region.

- 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.**
  - a. What information will be collected - reported or recorded? (If there**

**are pieces of information that are especially burdensome in the collection, a specific explanation should be provided.)**

Appraisal specialists in each Forest Service Region will collect logging, trucking and manufacturing costs, and selling value information from timber sale purchasers. This information will be used to develop costs and values to support the residual value and transaction evidence appraisal methods.

- b. From whom will the information be collected? If there are different respondent categories (e.g., loan applicant versus a bank versus an appraiser), each should be described along with the type of collection activity that applies.**

The information is collected from National Forest System timber sale purchasers pursuant to timber sale contract provision B/BT 6.9 cited on previous page.

- c. What will this information be used for - provide ALL uses?**

The information will be used to develop and/or update Forest Service timber sale appraisal procedures. There are no other uses for this information.

- d. How will the information be collected (e.g., forms, non-forms, electronically, face-to-face, over the phone, over the Internet)? Does the respondent have multiple options for providing the information? If so, what are they?**

Respondents may provide the information electronically or by hard copy. There is no prescribed format. Clarification of information provided may occasionally require answering questions face-to-face, over the phone, or by internet.

- e. How frequently will the information be collected?**

Information will be collected annually.

- f. Will the information be shared with any other organizations inside or outside USDA or the government?**

The information will not be shared with any other organizations inside or outside the USDA or government.

- g. If this is an ongoing collection, how have the collection requirements changed over time?**

Greater reliance on transaction evidence appraisal procedures has reduced the need to collect detailed operating costs and selling price data from timber sale purchasers.

- 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.**

Information collected is the timber purchasers' business records related to costs and product values. This data may be collected in electronic format, such as a compact disc, or in photocopy format.

**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.**

Each information collection is a one-time unique collection. There is no duplication of information, and the information is only available from the timber sale purchaser.

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

The Forest Service estimates that approximately 90 percent of the timber sale purchasers are individuals or private sector businesses meeting the definition of a small business or small entity. Timber sale purchasers may send the information to the Forest Service or allow the Forest Service to examine and duplicate their cost and selling value records.

**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.**

The Forest Service will be unable to determine the fair market value of National Forest System timber that is proposed for sale. Compliance with statutes and regulations will not be possible, and the Government may not receive fair market value for its timber. Conversely the lack of current, reliable cost data could result in timber sales being appraised and advertised at higher than fair market value. Overpriced sales would not be sold preventing the Forest Service from accomplishing resource management objectives and potentially forcing purchasers out of work.

**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 secret, 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. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.6.

- 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.**

A notice was published in the Federal Register (Vol. 75, No. 44, page 10455) on March 8, 2010. Only one response was received; from the California Forestry Association stating: *CFA believes the Forest Service should continue to have the ability to request and recover timber purchaser data only to the degree that it is relevant to the Forest Service appraisal system they are directed to use. In California the Forest Service is obligated to use the transaction evidence appraisal system. Therefore, CFA believes collection of fall /buck, skid/load and haul data are useful pieces of information for the Forest Service to collect to help improve the transaction evidence appraisal process. Collection of product value and manufacturing cost are not appropriate.*

Forest Service action in response to this comment: Each Region maintains its own appraisal method so the needs may vary between Regions. The Forest Service will only collect the information needed to support its appraisal methods.

**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 record keeping, 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.**

The Forest Service directly contacted the following purchasers from whom cost information was collected since OMB approval was last obtained for this activity:

**Sierra Forest Products**, Mr. Larry Duysen, Terra Bella, CA (559) 535-4893:

- Was the data requested by FS pursuant to B/BT6.9 readily available?
  - o Yes
- How long did it take you to compile or provide the information requested?

- o 1 hour
- How often has the FS requested this information from you?
  - o They annually report cut/removed volume information to Larry Swann. Larry Duysen went on to state that years ago, Sierra Forest Products would annually be queried for cost collection information related to manufacturing costs and logging costs to the Regional Office. However, that information has not been requested for many years. Larry Duysen stated that this is the first time to his recollection that an individual has visited their mill and requested/reviewed information related to B6.9.
- Were the instructions from the FS clear concerning the information requested?
  - o Yes
- Does this information collection require you to maintain records that you would not otherwise be maintaining in the normal course of your business?
  - o No
- The contract requires the information collected to be treated as confidential. Do you have any comments about the confidentiality of the information provided?
  - o Sierra Forest Products is always concerned that provided information remain confidential
- Are the data elements requested by the FS appropriate for the intended purpose?
  - o Yes

**Timber Products Company**, Bill Turner, Yreka, CA (530) 842-2310:

- Was the data requested by FS pursuant to B/BT6.9 readily available?
  - o Yes
- How long did it take you to compile or provide the information requested?
  - o 1 Hour
- How often has the FS requested this information from you?
  - o Once
- Were the instructions from the FS clear concerning the information requested?
  - o Yes
- Does this information collection require you to maintain records that you would not otherwise be maintaining in the normal course of your business?
  - o No

- The contract requires the information collected to be treated as confidential. Do you have any comments about the confidentiality of the information provided?
  - o No
- Are the data elements requested by the FS appropriate for the intended purpose?
  - o Partially, but more detailed questions could have been asked.

**Trinity River Lumber**, Mr. Dee Sanders, Weaverville, CA (530) 623-5561

- Was the data requested by FS pursuant to B/BT6.9 readily available?
  - o No
- How long did it take you to compile or provide the information requested?
  - o 3 Hours
- How often has the FS requested this information from you?
  - o Once
- Were the instructions from the FS clear concerning the information requested?
  - o Yes
- Does this information collection require you to maintain records that you would not otherwise be maintaining in the normal course of your business?
  - o No
- The contract requires the information collected to be treated as confidential. Do you have any comments about the confidentiality of the information provided?
  - o No
- Are the data elements requested by the FS appropriate for the intended purpose?
  - o Yes

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

No payment or gift will be provided to respondents.

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

Information, so obtained, shall be treated as confidential under the Freedom of Information Act. When not in use, the information is kept in a locked file cabinet with access limited to those individuals that have a need to know.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior or 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 questions of a sensitive or private nature are asked.

**12. Provide estimates of the hour burden of the collection of information. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated.**

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. If this request for approval covers more than one form, provide separate hour burden estimates for each form.**

- a) Description of the collection activity**
- b) Corresponding form number (if applicable)**
- c) Number of respondents**
- d) Number of responses annually per respondent,**
- e) Total annual responses (columns c x d)**
- f) Estimated hours per response**
- g) Total annual burden hours (columns e x f)**

Table 1: Selling value and cost information is collected from a very limited number of purchasers. Purchasers compile this information in the normal course of their business for tax and other purposes. They only need to make the information available to the Forest Service.

<b>(a) Description of the Collection Activity</b>	<b>(b) Form Number</b>	<b>(c) Number of Respondents</b>	<b>(d) Number of responses annually per Respondent</b>	<b>(e) Total annual responses (c x d)</b>	<b>(f) Estimate of Burden Hours per response</b>	<b>(g) Total Annual Burden Hours (e x f)</b>
Timber Purchasers' Cost and Sales Data	NA	20	1	20	4	80
Totals	---	20	1	20	4	80

- **Record keeping burden should be addressed separately and should include columns for:**

- a) Description of record keeping activity: None**
- b) Number of record keepers: None**
- c) Annual hours per record keeper: None**
- d) Total annual record keeping hours (columns b x c): Zero**

Purchasers are not required to maintain records.

- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories.**

Table 2: The hourly wage is based on the wage that a secretary or clerk may receive, with benefits.

(a)Description of the Collection Activity	(b) Estimated Total Annual Burden on Respondents (Hours)	(c)* Estimated Average Income per Hour	(d) Estimated Cost to Respondents
Provide Timber Purchasers' Cost and Sales Data	80	\$18.90	\$1,512
Total	80	---	\$1,512

The Estimated Average Income Per Hour was obtained from the BLS March 2010 Table A-2: Current and real (constant 1982-1984 dollars) earnings for production and nonsupervisory employees on private nonfarm payrolls, seasonally adjusted. <http://www.bls.gov/news.release/pdf/realer.pdf>

- 13. Provide estimates of 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 shown in items 12 and 14). The cost estimates 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.**

There are no capital operation and maintenance costs.

- 14. Provide estimates of annualized cost to the Federal government. Provide a description of the method used to estimate cost and any other expense that would not have been incurred without this collection of information.**

**The response to this question covers the actual costs the agency will incur as a result of implementing the information collection. The estimate should cover the entire life cycle of the collection and include costs, if applicable, for:**

**Employee labor and materials for developing, printing, storing forms**

**Employee labor and materials for developing computer systems, screens, or reports to support the collection**

**Employee travel costs**

**Cost of contractor services or other reimbursements to individuals or organizations assisting in the collection of information**

**Employee labor and materials for collecting the information**

**Employee labor and materials for analyzing, evaluating, summarizing, and/or reporting on the collected information**

Table 3: Cost to the Government Calculation

ACTION ITEM	PERSONNEL	GS LEVEL	HOURLY RATE*	HOURS	SALARY
Collect data		12	\$42.55	160	\$6,808



ACTION ITEM	PERSONNEL	GS LEVEL	HOURLY RATE*	HOURS	SALARY
Analyze data		12	\$42.55	160	\$6,808
Totals				320	\$13,606

It is estimated that each information collection by the Government requires 8 hours to collect and 8 hours to analyze and develop relevant appraisal information. Cost per hour includes salary, supervision, and overhead. The person collecting and analyzing the cost and value information is estimated to be a GS-12/5 whose salary is approximately \$32.73 per hour, including benefits.

\* Taken from: [http://www.opm.gov/oca/10tables/pdf/g\\_s\\_h.pdf](http://www.opm.gov/oca/10tables/pdf/g_s_h.pdf), Cost to Government calculated at hourly wage multiplied by 1.3

**15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of OMB form 83-I.**

The numbers of respondents and total annual responses have not changed but the total annual hours requested in item 13 is being adjusted from 20 to 80. Although the information requested should be readily accessible in respondents' business records, the previous estimate of 1 hour per response was deemed low and is being increased to 4 hours per response. No changes or adjustments have been made to item 14 of OMB form 83-I.

**16. For collections of information whose results are planned to be published, outline plans for tabulation and publication.**

There are no plans to publish the information collected for statistical use. Summary data will be published as supplements to Forest Service Handbooks and Regional appraisal guides for use in timber sale appraisals.

**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.**

This collection does not use a form. The Agency is not seeking approval to not display the OMB number.

**18. Explain each exception to the certification statement identified in item 19, "Certification Requirement for Paperwork Reduction Act."**

The Agency is able to certify compliance with all provisions in item 19.