

1 Supporting Statement A for Paperwork Reduction Act Submission

Commercial Use Authorizations

OMB Control Number 1024-NEW

Terms of Clearance: None. This is a new collection.

Justification

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

Conducting commercial operations in a unit of the National Park System without a contract, permit, commercial use authorization, or some other written agreement is prohibited. Section 418, Public Law 105-391 (16 U.S.C. 5966) gives the Secretary of the Interior the authority to authorize a private person, corporation, or other entity to provide services to visitors in units of the National Park System through a Commercial Use Authorization (CUA). Such authorizations are not considered concession contracts. We (National Park Service, NPS) authorize commercial operations that originate and operate entirely within a park (in-park); commercial operations that provide services originating and terminating outside of the park boundaries; noncommercial organized children's camps, outdoor clubs, and nonprofit institutions; and other uses as the Secretary determines appropriate. The commercial operations include a range of services, such as mountain climbing guides, boat repair services, transportation services and tours, canoe livery operations, hunting guides, retail sales at festivals, fun runs, catering services, and dozens of other visitor services.

Section 418 limits CUAs to:

- Commercial operations with annual gross receipts of not more than \$25,000 resulting from services originating and provided solely within a unit of the National Park System;
- Incidental use of resources of the unit by commercial operations which provide services originating and terminating outside of the boundaries of the unit; or
- Uses by organized children's camps, outdoor clubs and nonprofit institutions (including back country use) and such other uses as the Secretary determines appropriate.

Nonprofit institutions are not required to obtain CUAs unless taxable income is derived by the institution from the authorized use.

The legislative mandate of the National Park Service (NPS), found at 16 U.S.C. 1, is to preserve America's natural wonders unimpaired for future generations, while also making them available for the enjoyment of visitors. Meeting this mandate requires the NPS to balance preservation

with use. Maintaining a good balance requires both information and limits. The information requested will allow the unit manager to evaluate requests for a commercial use to determine impact on the resources and the appropriateness of the activity.

2. Indicate how, by whom, how frequently, and for what purpose the information is to be used.

We collect information on the CUA application (Form 10-650), the CUA Annual Report (Form 10-660), and CUA Monthly Report (Form 10-660A). We use the information from these forms to:

- Manage the program and operations.
- Determine the qualifications and abilities of the commercial operators to provide a high quality, safe, and enjoyable experience for park visitors.
- Determine the impact on the parks natural and cultural resources.
- Manage the use and impact of multiple operators.

CUA Application (Form 10-550)

Interested parties obtain the CUA application from the park where the activity is to occur. The form may be downloaded from the park website or requested in hard copy. Applications may be submitted during an appropriate window of time or an appropriate duration before an event. They are typically issued for 1 year, with 2 years being the maximum allowed by law. They may be issued for a single event. Authorizations are not renewable, and a new application must be submitted to continue the authorization beyond the current term.

Each park will customize the application by including the park name and address, contact person name and telephone number, and park-specific approved services and fee schedule/payment information. We collect the following information:

- Type of service applicant will offer
- Business Name (as shown on State business license)
- Type of Business (corporation, partnership, LLC, sole proprietorship, non-profit, other)
- Primary Contact Information (In Season) – mailing address, telephone numbers, email and website
- Contact Information (Off season) – mailing address, telephone numbers, email and website
- State Business License (number, expiry)
- Employer Identification number
- Vehicles
- Violations of any State, Federal, or local laws or regulations committed by the company, its officers, or its employees.

Some parks have minimum requirements for businesses that offer services to visitors relating to the safety and welfare of the visitors and protection of the resources. These requirements may include documentation of first aid training, an emergency response plan, limits to group size, etc.

Park-specific requirements are identified during the application process and documentation of the minimum requirements may be required of the applicant.

CUA Monthly Report (Form 10-660A)

Each park will customize the form by adding the park name, name and telephone number of the CUA coordinator, and a table with reporting requirements. To protect the natural and cultural resources, some CUA activities are limited and strictly managed. Park staff use the information in the report to track the average and actual use of each commercial operator throughout the season, in order to ensure maximum daily limits and seasonal average limits are not exceeded. It will also ensure that commercial operators do not receive an unsatisfactory rating or suspension of their authorizations. By closely monitoring this information the parks can also ensure that commercial operators do not exceed their authorization before the end of the season and create a gap when prospective visitors cannot be accommodated. These statistics can then be rolled up into the Annual Report. We collect the following information:

- Report of Monthly Visitor Service for all CUA activities
- Reportable Injuries

CUA Annual Report and Instructions (Form 10-660)

The CUA Annual Report collects visitor use statistics, financial information, and injury information. The NPS requires submission of the report every year. If monthly reports are provided, we only require that the CUA holder add the monthly reports together for the annual report. We collect the following information:

- Contact information and services provided.
- Report of annual visitor service for all CUA activities.
- Annual gross revenues derived from all CUA activities.
- Reportable injuries.

The NPS maintains this operational information and with the exception of the visitor use statistics, does not disseminate it to the public. This information allows the park to manage the impacts of the commercial use on the natural and cultural resources and the visiting public. Knowing the level of use an area is receiving allows the manager to measure and control the impacts of excessive use, including trail maintenance, landscape maintenance, parking limitations, trash collection, utility use, or degradation of the visitors experience. The financial information that is gathered allows the park to determine that legislatively mandated financial limits are being met for in-park operations (gross receipts not to exceed \$25,000).

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.

We provide the forms in a fillable version available to download from the NPS and park websites in keeping with Government Paperwork Elimination Act (GPEA). Forms can be submitted electronically via email or submitted by hard copy in the mail, by fax, or in person. Efforts are being made to make the form electronically submittable, eliminating the need to print hard copies and fax or email them, which will better support the GPEA requirements and reduce the time requirement of the CUA applicants and holders as well as the NPS. There will always be an option to submit the forms in hard copy.

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 no duplication. The information requested in the CUA application is not otherwise available in the NPS. The CUA application and report information is gathered and stored at the issuing park. There is only one office in each park that coordinates the CUA permits. The information collected in the reports is unique and is not collected elsewhere in the NPS.

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

Historically, small businesses have provided the majority of the visitor services authorized under CUAs.

The CUA Application gathers the minimum key information necessary for NPS to determine the capability, resources, and fitness of the business operation to provide the service. It also gathers the minimum amount of information needed to protect park resources.

The reports collect service activity (visitors served), gross annual revenues, and injury information. In most cases, the financial information required at the end of the operating year is very simple. There are no requirements for audited financial statements, advanced recordkeeping, or retention of records beyond what the IRS requires.

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 NPS legislative mandate is to preserve America's natural wonders unimpaired for future generations, while also making them available for the enjoyment of the visitor. In order to manage the CUA program, the NPS requires accurate and current data on the business applicants, as well as the necessary operational information to assure the business is providing the required services, staff, equipment, insurance, certifications and licenses to meet the operational and liability requirements while providing a safe, legal, and quality service to the visitors to national Parks. This information also assists the NPS to determine if the resources in an area are being negatively impacted. Not collecting this information could negatively impact NPS resources and visitors.

The CUA application information is collected at the start of any commercial activity and may be collected for a single event, an annual permit, or a biennial permit. It cannot be collected less frequently.

The CUA report information consists of two types of data: visitation information and financial information. Parks generally require monthly visitation statistics, which can then be consolidated into an annual report with the financial information. Since the CUA authorization is issued for a maximum term of 2 years, and considering that many CUAs are issued for single events or short term activities, collecting the data less than annually compromises the ability of NPS to manage or enforce the legislatively instituted program, ensure that financial requirements are met, and protect the natural and cultural resources from degradation. Requiring CUA holders to report on their activities and gross revenues annually or per event, as required by the stipulation, may be less time consuming for them than asking for this information on a less frequent schedule. Retrieving accurate data after 2 years may be problematic for the CUA holder.

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.**

We may require that information for some CUAs be submitted monthly. To protect the natural and cultural resources, some CUA activities are limited and strictly managed. Park staff use the information in the report to track the average and actual use of each commercial operator throughout the season, in order to ensure maximum daily limits and seasonal average limits are not exceeded. It will also ensure that commercial operators do not receive an unsatisfactory rating or suspension of their authorizations. By closely monitoring this information the parks can also ensure that commercial operators do not exceed their authorization before the end of the

season and create a gap when prospective visitors cannot be accommodated.

There are no other special circumstances that require us to collect this information in a manner inconsistent with OMB guidelines.

- 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 April 11, 2011, we published in the Federal Register (76 FR 2007) a notice requesting public comment on this information collection. The comment period ended on June 10, 2011. We received one comment in response to this notice. The commenter did not address the information collection requirements, but stated that the Government should be transparent and that CUA holders and fees should be posted on the Internet. Each park that issues CUA permits publishes the holder's contact information, the service(s) provided, and fee information on the park website. We did not make any changes to our information collection based on this comment.

In addition to the Federal Register notice, the following CUA holders were mailed copies of the forms and instructions. They were given contact information for both electronic response and a postage-paid envelope if they wanted to reply in hard copy. We provided our burden estimates and an explanation of how the burden was calculated. They were asked to comment on our estimates and suggest ways to improve the forms.

Name	Business	Address	City State Zip	Phone	Email
Marty Molitoris	Alpine Endeavors	P.O. Box 58	Rosendale, NY 12472	845-658-3094	marty@alpineendeavors.com
Jessica Jones	REI Adventures	PO Box 1938	Sumner, WA 98390-0800	253-437-7597	jjones@rei.com
Donna and Van Hartley	Branch Air Service	4540 Edinburgh Drive	Anchorage, Alaska 99515	907-248-3539	bras@alaska.net
Stacy and Patrick	McGough Enterprises, Inc.	1145 Cactus Rock Street	Henderson, NV 89011	702-203-1322	StacyMcGough@aol.com

McGough					
Jim Dingess	Desert Adventures	1647 Nevada Hwy, Suite A	Boulder City, NV 89005	702-293-5026	info@kayaklasvegas.com
Brian Treacy	Four Season Outfitters & Guides, LLC	1051 S. Milton Ave Suite F	Flagstaff, AZ 86001	928-525-1552	Brian: info@fsguides.com
Earl Jobson	Pink Jeep Tours, Inc.	PO Box 1447	Sedona, AZ 86339-1447		Earl: earlj@pinkjeep.com

We received two responses:

Marty Molitoris, Director, Alpine Endeavors, LLC made the following comments:

Mr. Molitoris stated that the CUA Application form is fairly straightforward and would take 1-2 hours to complete. He specifically addressed the mountain climbing CUA that is issued to a very limited number of highly qualified climbing guides each year. Because of the inherent danger in engaging in mountain climbing, the weather and other safety hazards as well as the need to protect the parks natural resources, more information is required. In addition to the CUA application, Mount Rainier requires additional documentation of employee training, certification, experience, a documented client orientation and an operating plan. Mr. Molitoris commented that gathering all of this additional would take 6-10 hours. He estimated it would cost \$120 to \$200 to complete that entire application and provide the additional documentation.

He noted that the report cost significantly less than the NPS estimate. However, his permit is for a very limited time and number of trips and would be significantly easier to assemble and report than the average CUA. Typical CUA holders have more significant data reporting requirements.

Ms. Stacy McGough, McGough Enterprises Inc. (Desert Adventures) 1145 Cactus Rock St, Henderson, NV, 89011, made the following comments:

Ms. McGough noted that the application form took about half of the time and half the cost estimated by the NPS. The report took about 11% of the time and cost estimated by the NPS.

She suggested that we make the application fee structure available and easy to locate. This fee is variable and based on costs. Each park is different depending on the GS pay scale of the person managing the CUA program. It's not a flat fee as our entrance fees are.

No changes were made based on these comments. NPS estimates of burden hours and costs are based on averages. Alpine Endeavors is not a typical CUA applicant, and the McGough CUA is one of the simpler applications and reports.

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

We do not provide payments or gifts to respondents.

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

We do not provide any assurance of confidentiality. The information collected is subject to the requirements of the Privacy Act and the Freedom of Information Act. We maintain the information in accordance with Privacy Act System of Records, Commercial Use Authorization (CUA) System-NPS-24 (78 FR 20944, April 8, 2013).

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.

We do not ask questions 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.**

We estimate that we will receive 76,250 responses totaling 69,925 annual burden hours. This collection is targeted at businesses operating commercial services within national parks. There are roughly 7,000 active permits each year.

We estimate the total dollar value of the annual burden hours for this collection to be \$2,104,743 (rounded). We used Bureau of Labor Statistics news release USDL-13-1140, June 12, 2013, Employer Costs for Employee Compensation—March 2013, to estimate average hourly wages and to calculate benefits. Table 1 of the bulletin lists the hourly wage for all workers as \$21.50.

To calculate benefits, we multiplied this rate by 1.4, resulting in an hourly cost factor of \$30.10. For the purposes of this information collection, we are using the same rate for both individuals and the private sector.

ACTIVITY	NO. OF RESPONDENTS	NO. OF ANNUAL RESPONSES ¹	COMPLETION TIME PER RESPONSE	TOTAL ANNUAL HOURS	\$ VALUE OF ANNUAL BURDEN HOURS (\$30.10/hour)
Form 10-650 - Application					
Individuals	100	100	2.5 hours	250	\$ 7,525.00
Private Sector	5,150	5,150	2.5 hours	12,875	387,537.50
Form 10-660 - Annual Report (incl. recordkeeping)					
Individuals	100	100	1.25 hours	125	3,762.50
Private Sector	7,000	7,000	1.25 hours	8,750	263,375.00
Form 10-660A - Monthly Report (incl. recordkeeping)					
Individuals	100	900	45 minutes	675	20,317.50
Private Sector	7,000	63,000	45 minutes	47,250	1,422,225.00
Totals	19,450	76,250		69,925	\$2,104,742.50

¹ All CUA holders must submit an annual report. If they keep monthly reports, we only require them to add the monthly reports together. The season for many of the CUAs is 6 to 8 months. In Alaska it is shorter; in the south it may be longer. Some of the authorizations are for single events or events that only occur once a month or less. Therefore, we estimate that monthly reports will be submitted an average of nine times a year.

13. Provide an estimate of the total annual non-hour cost burden to respondents or record keepers 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.

We estimate the nonhour burden costs for this information collection to be \$525,000 for application fees. Application fees range from \$50 to \$250 depending on the level of effort to issue, accept, review, and approve the CUA. We estimate that the average application fee is \$100.

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.

We estimate the annual cost to the Federal government to administer this information collection is \$563,655 (rounded) (\$493,655 for salaries/benefits plus \$70,000 for other costs).

Applications and reports are reviewed at national parks in all 50 States, some of which are in locality pay areas. The majority of personnel involved in this project are in the RUS locality. To determine hourly wage rates, we used the Office of Personnel Management Salary Table 2013-RUS as an average Nationwide rate. To account for benefits, we multiplied the hourly rate by 1.5 in accordance with Bureau of Labor Statistics Bulletin USDL 13-1140..

For the application, we have included staff time for creating and posting the application; mailing it, if necessary; answering queries; receiving and reviewing the application; entering information into a database; and filing. For reports, we included time for receiving and tracking the data, reconciling it with monthly reports, and filing.

Table 14.1 – Salaries and Benefits

Position/Grade	Hourly Rate	Hourly Rate w/Benefits	Annual Hours Applications	Annual Hours Reports	Total Annual Hours	Annual Cost
Clerk, GS-5/step 5	\$17.00	\$25.50	6,562	7,875	14,437	\$368,143.50
Concession Specialist, GS-9/step 5	25.77	38.66	875	1,312	2,187	84,549.42
Concession Manager, GS-11/step 5	31.17	46.76	438	438	876	40,961.76
Total			7,875	9,625	17,500	\$493,654.68

Table 14.2 - Other Costs

Action	Travel	Printing	Equipment and	Total
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			Supplies	
Training for park coordinators 25/year @ \$2500	\$62,500	\$200	\$50	\$62,750
Equipment and Supplies at park level (currently only 145 parks)			\$7,250	\$7,250
Total	\$62,500	\$200	\$7,300	\$70,000

15. Explain the reasons for any program changes or adjustments in hour or cost burden.

This is a new information collection.

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 CUA holder's contact information and details of the services provided are collected in the application form and will be published to advertise the services offered. The parks, where the activity takes place, will make the information available online, typically in a spreadsheet format. The information will also be available for requests by phone or in person. Confidential information will not be released.

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.

We will display the OMB control number and expiration date on the forms.

18. Explain each exception to the certification statement.

There are no exceptions to the certification statement.