EPA

United States Environmental Protection Agency
Washington, DC 20460

Work Assignment

Work Assignment Number: 1-12

☐ Other ☐ Amendment Number:

Contract Number	Contract Period	Title of Work Assignment/SF Site Name
EP-D-14-031	10/01/2014 To 09/30/2016 Base Option Period Number 1	Estimating Direct Labor Impac

Contractor: INDUSTRIAL ECONOMICS, INCORPORATED

Specify Section and paragraph of Contract SOW:

Purpose:
- [X] Work Assignment
- [ ] Work Assignment Amendment
- [ ] Work Plan Approval
- [ ] Work Assignment Close-Out
- [ ] Incremental Funding

Period of Performance: From 10/01/2015 To 09/30/2016

Comments:
THE PURPOSE OF THIS ACTION IS TO INITIATE WORK ASSIGNMENT 1-12 "REPORT ON RECENT METHODS OF ESTIMATING DIRECT LABOR IMPACTS IN OAR EIAs and RIAs WITH AN INITIAL LOE OF 200 HOURS FOR START UP WORK. ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED. THIS WORK DOES NOT DUPLICATE ANY WORK PREVIOUSLY PERFORMED UNDER MY

☐ Superfund — Accounting and Appropriations Data — [X] Non-Superfund

Note: To report additional accounting and appropriations date use EPA Form 1900-69A.

SFO (Max 2) ☐

Line	DCN (Max 6)	Budget/FY (Max 4)	Appropriation Code (Max 6)	Budget Org/Code (Max 7)	Program Element (Max 9)	Object Class (Max 4)	Amount (Dollars)	(Cents)	Site/Project (Max 8)	Cost Org/Code
1										
2										
3										
4										
5										

Authorized Work Assignment Ceiling

Contract Period: 10/01/2014 To 09/30/2016 Cost/Fee: LOE:

This Action:

Total:

Work Plan / Cost Estimate Approvals

Contractor WP Dated: Cost/Fee LOE:

Cumulative Approved: Cost/Fee LOE:

Work Assignment Manager Name Lorraine Reddick	(Signature) (Date)	Branch/Mail Code: Phone Number: 202-564-1293 FAX Number:
Project Officer Name Lorraine Reddick	(Signature) (Date)	Branch/Mail Code: Phone Number: 202-564-1293 FAX Number:
Other Agency Official Name	(Signature) (Date)	Branch/Mail Code: Phone Number: FAX Number:
Contracting Official Name Andrew Flynn	(Signature) 7-21-16 (Date)	Branch/Mail Code: Phone Number: 919-541-2674 FAX Number: 919-541-0611

STATEMENT OF WORK

Title: Report on Recent Methods of Estimating Direct Labor Impacts in OAR EIAs and RIAs

Contract No.: EP-D-14-031

Period of Performance: July 7, 2016 – September 30, 2016

Work Assignment Manager (WAM):

Lorraine Reddick
1200 Pennsylvania Avenue, NW
Washington, DC 20460
Mail Code 6103A
Phone: (202) 564 -1293
Fax: (202) 564-1548
E-mail: reddick.lorraine@epa.gov

Technical Point of Contact (TPC):

Leland Deck
1200 Pennsylvania Avenue, NW
Washington, DC 20460
Mail Code 6103A
Phone: (202) 343-9136
E-mail: Deck.Leland@epa.gov

BACKGROUND

EPA routinely estimates employment and labor impacts --to the extent practicable given available, scientifically sound data and method-- as part of the economic analysis prepared as a part of the regulatory development process. These analyses are responsive to the requirements of Executive Orders (e.g., EO 12886 on Regulatory Planning and Review, EO 12898 on Environmental Justice), economic guidance documents (e.g., OMB's Circular A-4 on regulatory guidance, EPA's Guide to Economic Analysis at EPA, and EPA's Technical Guidance for Assessing Environmental Justice), and relevant statutory provisions. Employment and labor impact analyses can include both "top down" analysis of the macro-economic, regional or broad sectorial impacts of the potential effects of regulations on employment and displacement, as well as "bottom up" analysis of the direct impacts on employment and number of jobs in directly affected firms or sectors.

PURPOSE AND SCOPE OF WORK

The purpose of this Work Assignment is to prepare a report that identifies, collects and describes the methods that the Office of Air and Radiation has used to quantify employment and jobs

analysis in major regulations promulgated from 2010 through the present. Note that the purpose of this Work Assignment is to review the methods (and data sources) used in employment and jobs analysis, and not to summarize the analytical results. The primary effort needed to prepare this information will be the identification of all regulations for which an RIA or EIA was prepared, and for 10 or 12 of these analyses prepare a summary and synthesis of the employment and labor analytical methods used in each RIA or EIA. As part of the review of each RIA or EIA, the report shall identify the source of important methods, information and data used in the RIA or EIA, such as federal government sources, published journal articles, industry reports, and contractor reports prepared for EPA.

In situations where OAR was substantially involved in conducting employment and analysis for RIA's or EIA's jointly prepared by OAR and other Offices within EPA, or for other federal agencies, the analytical employment methods shall also be included in the report. For example, the RIAs for the Clean Water Act Section 316(b) regulation, and vehicle emissions standards RIAs jointly prepared by the EPA and the National Highway Traffic Safety Administration, included substantive OAR involvement in the regulatory analysis.

TASKS

Task No. 1: Prepare Work Plan

The contractor shall prepare a work plan and cost estimate in accordance with the terms of the contract. The contractor may not exceed the ceilings for this work assignment without written approval of the Contracting Officer. The LOE ceiling for this work assignment is 378 hours. Deliverables shall be completed and submitted to the WAM and TPC as specified in this work assignment.

The contractor shall notify the WAM when 90% of the work assignment hours or approved funding level has been accumulated in the Contractor's accounting system.

Task No. 2: Identify OAR RIAs or EIAs that Include Quantitative Employment or Labor Analyses

The contractor shall identify all regulations from 2010 through the present for which an RIA or EIA was prepared by the Office of Air and Radiation. If a separate RIA was prepared for both a proposed regulation and a final regulation, this Work Assignment shall only review the RIA for the final rule. If an RIA was prepared for a proposed rule, but that rule has not been finalized, the proposal RIA shall be reviewed. In cases where an additional RIA was subsequently prepared for a revision or update to a final rule the contractor shall briefly review the subsequent RIA to identify if any substantive changes were made relevant to the methods used for the employment and labor analysis.

In situations where OAR was substantially involved in conducting employment and analysis for RIA's jointly prepared for other Offices within EPA, or for other federal agencies, the analytical employment methods shall also be included in the report. For example, the RIAs for the Clean Water Act Section 316(b) regulation, and vehicle emissions standards RIAs jointly prepared by the EPA and the National Highway Traffic Safety Administration, included substantive OAR involvement in the regulatory analysis. Whenever such an RIA is identified, the contractor shall

consult with the WAM and TCP who will determine if the RIA for that rule has sufficient new information on labor analysis to warrant being included in this work assignment within the existing scope and level of effort.

For each RIA identified, the contractor shall determine if any quantitative employment or jobs analysis was conducted. If a quantitative analysis was conducted, the contractor shall also determine what, if any, subjective (i.e., non-quantitative) discussion was included on potential employment and labor impacts

The contractor shall prepare a collection (or preliminary catalog) of the basic information on the identified RIAs in a simple database (e.g., using Microsoft Excel or Access). This basic information shall include:

1) The complete name of the rule, date of RIA, regulatory development status (e.g., proposed or final).
2) The OAR office that prepared the RIA, and all relevant sub-units of any OAR office (i.e., Division, Branch, Group, etc.) that prepared the technical economic, employment and labor analysis presented in the RIA. If possible, the name and contact information of an EPA staff member involved with the preparation of the RIA or EIA shall be included as a point of contact.
3) The internet (or EPA intranet) location of where the RIA or EIA s available,
4) A very brief description of the unemployment or labor impacts quantified. As part of the review of each RIA, the report shall identify the source of import and information and data used in the RIA, such as federal government sources, published journal articles, industry reports, and contractor reports prepared for EPA.

<u>Task No. 3: Identify and Collect Information on Employment and Labor Analysis in Each Selected RIA and EIA.</u>

Upon receipt of the basic information file prepared in Task 2, the WAM and TPC will review the information provided on each RIA or EIA in order to evaluate whether an RIA or EIA should be included in the remainder of the Work Assignment. The WAM and TPC will issue Technical Direction to the contractor specifying which RIAs or EIAs identified in Task 2 shall be reviewed in more depth by the contractor in Task 3.

For each RIA or EIA identified, the contractor shall identify and collect information about the methods and data used to conduct the employment and labor analysis. The information shall include items such as:

1) Each type of employment or labor analysis conducted, such as impact on regional employment level, the amount of employment affected due to expansion or contraction of a particular affected sector, or the number of full time equivalent (FTE) jobs created or lost in each directly affected sector.
2) Whether any pre-existing models were used to conduct the analysis, such as a specific macroeconomic or regional impact model.
3) The source of each piece of important information or data used to conduct the analysis, such as a specific Department of Labor or Census Department dataset or report, an industry report, or an EPA contractor report.

4) What sources of information and types of analysis were used to estimate future employment, and labor conditions that are included in the analysis, such as forecasted population growth, labor productivity changes, etc.
5) The specific types of employment or labor impacts estimated in the RIA or EIA, such as unemployment changes in specific NAICS sectors, the number and types of FTEs required for installing and maintaining new capital equipment, or number of FTEs required for ongoing inspections and reporting.
6) Major caveats and limitations of the employment and labor analysis that are discussed in the RIA or EIA.

In some situations the EPA will use in the employment or labor analysis section of an RIA or EIA analytical methods and data used in previous RIAs or EIAs involving the same sector. For brevity, an RIA or EIA often references the previous RIAs or EIAs, but does not provide details about the methods and data used in the current RIA that are identical with the methods and data used in the previous RIAs. In such situations, the contractor shall include information on the methods and data sources reported in the previous RIAs. The goal is to prepare a comprehensive and consistent data set of the methods and data sources used in an RIA's employment and labor analyses.

Task No. 4: Final Report and Database
Subsequent to receipt of comments on the draft report and database from the EPA WAM and TPC, the contractor shall revise the draft materials to respond to the comments. The contractor shall prepare and submit a final report and database. The contractor shall also provide the EPA WAM and TPC with electronic copies of all materials obtained by the contractor in the course of this Work Assignment, including reports, data sets, Technical Support Documents associated with the employment and labor analysis in an RIA or EIA, etc.

DELIVERABLES

1. (Task 1) Work plan and cost estimate in accordance with the terms and conditions of the contract.

2. (Task 2) A file containing the database containing basic information collected in this task. Any relevant notes or discussions on a particular RIA shall be contained within the file.

3. (Task 3)

1) A file containing the database containing basic information collected in this task,
2) A draft report summarizing the methods and data sources.
3) A weekly conference call between the contractor and the WAM and TPC to discuss progress, issues, and next steps the contractor anticipates to take in the Work Assignment

4. (Task 4)
1) A file containing the final database containing basic information collected in this task,
2) A final report summarizing the methods and data sources.

3) Electronic copies of all materials prepared or obtained by the contractor.