



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

MANUAL TRANSMITTAL SHEET

Release

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Date

4/23/87

Subject

1323 - COST RECOVERY FOR REIMBURSABLE PROJECTS/ACTIVITIES

1. Explanation of Materials Transmitted: This release transmits the policy and procedures governing charges to the non-Federal sector for Bureau services. It incorporates recent changes in policy and procedures as the result of court decisions in the area of cost recovery. Also, this release outlines procedures for determining cost recovery categories for Mineral Leasing Act and Federal Land Policy and Management Act right-of-way applications, procedures for collecting and depositing right-of-way processing and monitoring fees and procedures for identifying and collecting processing costs incurred on hydropower applications referred from the Federal Energy Regulatory Commission (FERC).
2. Reports Required: None.
3. Materials Superseded: The Manual pages superseded by this release are listed under "REMOVE" below. No other directives are superseded.
4. Filing Instructions: File as directed below.

REMOVE:


All of 1323 (Rel. 1-1406)

(Total: 17 Sheets)

INSERT:

1323

(Total: 32 Sheets)

  
Assistant Director,  
Management Services

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## 1323 - COST RECOVERY FOR REIMBURSABLE PROJECTS/ACTIVITIES

.01 Purpose. This Manual Section establishes policy and procedures governing charges to the non-Federal sector for Bureau of Land Management (Bureau) services.

.02 Objectives. The objective of the cost recovery program is to recover the costs of services to the non-Federal sector for Bureau services in a manner that:

- A. Complies with legislative authority for cost recovery.
- B. Reflects Departmental cost recovery policy as stated in the Departmental Manual, Part 346.
- C. Relies on acceptable cost accounting practices for identifying and compiling recoverable costs.
- D. Promotes consistency in the application of cost identification techniques, accounting procedures, and reporting requirements.
- E. Utilizes an effective system of internal controls to assure that all allowable costs are recovered and that costs charged are proper and correctly recorded for those cost recoverable activities which are identified by a project number.

.03 Authority. The laws and regulations authorizing recovery of costs for processing and monitoring reimbursable projects are:

- A. The Federal Land Policy and Management Act of 1976 (FLPMA), (43 U.S.C. 1701 et seq.) for right-of-way application processing and grant monitoring (Section 1764 (g)) and for service charges, reimbursement payments, and excess payments with respect to applications and documents relating to the public lands (Section 1734).
- B. The Mineral Leasing Act of 1920 (MLA), (41 Stat. 449, as amended, 30 U.S.C. 185) for oil and gas pipeline right-of-way application processing and grant monitoring.
- C. The Copy Fee Statute (43 U.S.C. 1460), for sale of document copies.
- D. Title V of the Independent Offices Appropriations Act of 1952 (IOAA), (31 U.S.C. 483a) is a government-wide authority that permits cost recovery for services to the non-Federal sector. The IOAA may be used in the absence of other specific authority. However, the IOAA must be implemented through rulemaking.

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E. 43 CFR 2808 and 2883.1-1 provides procedures for cost recovery for rights-of-way.

F. Departmental Manual, Part 346.

G. Federal Power Act of 1920 as amended, Part 1 (16 U.S.C. 792), for reimbursing the United States for the cost of administration.

H. 18 CFR 4.41 identifies the data which must be provided to a hydropower project applicant by a Federal land management agency when the project is proposed on Federal lands administered by that agency.

.04 Responsibility.

A. Director and Deputy Director (Associate), acting under broad Departmental guidance, are responsible for overall compliance with statutory authorities and Departmental policies governing cost recovery.

B. The Assistant Director for Management Services and the Assistant Director for Lands and Renewable Resources exercise leadership, direction, and authority from a bureauwide perspective for the management of this program. In this capacity they provide Bureauwide policy, program direction, leadership, and line management for the cost recovery program.

C. The Chief, Division of Finance, has staff responsibility for developing, implementing, and monitoring the financial procedures for cost recovery on ROW's and other types of reimbursable projects.

D. Other Washington Office Division Chiefs have staff responsibility for developing, implementing, and monitoring the operational aspects of their programs as they relate to cost recovery.

E. The Service Center Director, State Directors, and BLM Director-BIFC, are responsible for administering the cost recovery program and recommending changes in the regulations or procedures to improve its overall effectiveness in their respective areas of jurisdiction.

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.05 References. (See Bureau Manual Sections 1341, 2801, and 2805.)

.06 Policy.

A. Applicants for or holders of ROW grants and TUP's issued incident thereto, or participants in other types of reimbursable projects, who are identifiable recipients of services beyond those which accrue to the public at large, will reimburse the Government for direct and indirect costs involved in processing applications. These reimbursements will also include the costs of monitoring the construction, operation, maintenance, and termination phases of a grant or project, including rehabilitation of the land involved. These reimbursements may be accomplished through payment of nonrefundable application processing and grant monitoring fees and, in addition, payment for actual costs under the MLA or reasonable costs under FLPMA as recorded in the BLM accounting system for projects which are assigned project codes.

B. Cost recovery is initiated at the time an application on an approved form is accepted by the Bureau Authorized Officer (AO) or a hydropower application is referred from FERC. A letter of intent is not an approved application form.

C. All Bureau personnel have a responsibility to the public and the Bureau's right-of-way program not to initiate any formal case processing work until the applicant's cost recovery obligations have been met. Therefore, no work on an application except preapplication conferences shall begin until the appropriate application processing fee is submitted by the prospective applicant. For major projects an estimate of the total processing and monitoring cost must be coordinated with the applicant and a decision issued clearly identifying the expected work and costs involved. For these rights-of-way, the required fee must have been submitted, a project number assigned, and the initial payment received. For additional guidance on cost recovery, review 43 CFR 2808 and 43 CFR 2883.

.07 Files and Records Maintenance. Establish and maintain case files in accordance with BLM Manual Section 1274. Cost recovery data is to be included in case files established for cost recoverable projects. See BLM Manual Section 1271 for case files disposition.

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.1 Cost Reimbursement for Rights-of-Way Grants (ROW's) and Temporary Use Permits (TUP's)..11 ROW Grants.

A. MLA Grants. Title I and Title II of the Mineral Leasing Act of 1920 (MLA), as amended, (30 U.S.C. 185) are the authorities for granting and renewing ROW's through Federal lands for oil and gas pipelines. Section 28(l) of the Act requires reimbursement to the United States for administrative and other costs incurred in processing applications and monitoring the construction, operation, maintenance, and termination of oil and gas pipelines and related facilities. The regulations covering reimbursement for direct and indirect costs incurred in processing and monitoring ROW's issued under MLA are in 43 CFR 2883. The regulations which apply to appeals of authorized officer decisions are in 43 CFR 2884.1(b).

B. FLPMA Grants. Section 304(b) of the Federal Land Policy and Management Act of 1976 (FLPMA) is the authority to require a deposit of any payments intended to reimburse the United States for reasonable costs with respect to the processing of applications and other activities relating to such applications or grants. Section 304(b) states:

"The moneys received for reasonable costs under this subsection shall be deposited with the Treasury in a special account and are hereby authorized to be appropriated and made available until expended. As used in this section 'reasonable costs' include, but are not limited to the costs of special studies; environmental impact statements; monitoring construction, operation, maintenance, and termination of any authorized facility; or other special activities. In determining whether costs are reasonable under this section, the Secretary may take into consideration actual costs (exclusive of management overhead), the monetary value of the rights or privileges sought by the applicant, the efficiency to the government processing involved, that portion of the cost incurred for the benefit of the general public interest rather than for the exclusive benefit of the applicant, the public service provided, and other factors relevant to determining the reasonableness of the costs."

Section 504(g) further states:

"The Secretary concerned may, by regulation or prior to promulgation of such regulations, as a condition of a right-of-way, require an applicant for, or holder of a right-of-way to reimburse the United States for all reasonable administrative and other costs incurred in processing an application for such right-of-way and in inspection and monitoring of construction, operation, and termination of the facility pursuant to such right-of-way."

The regulations which apply to appeals of Authorized Officer decisions are in 43 CFR 2804.1(b) and 43 CFR 2808.6.

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C. Hydropower Applications. Part I of the Federal Power Act of 1920, as amended, (16 U.S.C. 792) contains the authority for the Federal Energy Regulatory Commission (FERC) to recover the cost of administration of hydropower applications for the purpose of reimbursing the United States. Work performed by the Bureau in responding to application requests referred from FERC are considered to be part of the recoverable cost of administration. The data required by FERC from the hydropower applicant in order to process an application is identified in 18 CFR 4.41. The applicant is required to consult with the land managing agency having jurisdiction to develop the required data. Costs incurred by the agency in providing this data, record notation costs, and land classification costs are recoverable by FERC.

.12 Temporary Use Permits (TUP's) Issued Incident to ROW's.

A. Applicability. TUP's are subject to the same regulations governing cost reimbursement as those for ROW grants. TUP's include, but are not limited to, temporary access, storage areas, construction camps, soil disposal areas, temporary communication sites, etc.

B. TUP's Related to ROW's in Minor Categories.

1. When submitted as part of the ROW application the TUP's are combined with the ROW application for category determination. Nonrefundable application fees are applicable to the combined application (ROW and TUP).

2. TUP applications submitted separately from ROW applications are treated as separate cases for category determination.

C. TUP's Related to ROW's in Major Categories. TUP applications related to major category ROW applications are treated as part of the ROW application for category determination and cost recovery purposes. Recovery of actual processing/monitoring costs (MLA) and reasonable processing/monitoring costs (FLPMA) apply to the TUP as well as the ROW.

.13 Exclusions from Cost Reimbursement Procedures. Cost reimbursement procedures detailed in this Manual Section do not apply to (1) cost share roads on reciprocal right-of-way agreements, (2) Federal agencies (FLPMA only), and (3) State and local governmental entities or agencies or instrumentalities thereof (both FLPMA and MLA) where public lands shall be used for governmental purposes, and such lands and resources shall continue to serve the general public. The only exception is for ROW grants or TUP's issued to State or local governments or agencies or a municipal utility or cooperative whose principal source of revenue is derived from charges levied on customers for services rendered that are similar to services rendered by a profitmaking corporation or business enterprise (43 CFR 2808 for FLPMA grants and 2883.1-1 for MLA grants). Adjustments and/or waivers for FLPMA applications are identified in .15G below.



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.14 Cost Recovery Categories. The cost reimbursement provisions of 43 CFR 2808.3-1 and 2883.1-1, as amended, establish a cost recovery fee schedule with six ROW cost reimbursement categories for MLA and five categories for FLPMA applications. Each category reflects a progressively more complex level of application processing and monitoring. The minor categories require the advance payment of a nonrefundable application processing fee. The fee for each category is based on the average cost of processing typical cases covered by the category. Applications in the major MLA category requires the advance payment of a \$5,000 nonrefundable application processing fee plus periodic advance payments of processing costs that exceed the nonrefundable fee. The FLPMA major category applications require payment of reasonable processing and monitoring costs as determined in accordance with .15F and .15G below. Periodic advance payments are required quarterly. Interim billings are required for both MLA and FLPMA when anticipated processing costs for the quarter are expected to exceed the quarterly payment. See .15B below for determination of category. The following is the definition of cost recovery categories.

A. Minor Categories. The minor categories require the advance payment of a nonrefundable application processing fee. The fee for each category is based on the estimated average cost of processing typical cases covered by the category. Minor categories are defined in the Glossary of Terms and as follows:

1. Category I.

a. Applications which commonly qualify for this category are for:

- (1) An additional use of an existing ROW.
- (2) Minor projects over or under areas already disturbed.

b. Data necessary to comply with NEPA and required by the authorized officer to make a decision are available in the office or is furnished by the applicant or the proposal qualifies for a NEPA categorical exclusion as per Bureau or Departmental policy.

c. A field examination is not required. No adjustment to the Category I level is made, if on occasion an examination is made, as long as the other distinguishing features of Category I still apply. A team concept is not used.

2. Category II.

a. Applications which commonly qualify for this category are for:

- (1) Public lands upon which heavy ROW demands exist.

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(2) Oil and natural gas field development where generally the application is for a ROW to serve an existing lease area.

(3) A significant amount of environmental and inventory work has been completed in the past as a result of development. A team concept is not used.

b. Data necessary to comply with NEPA and required by the authorized officer to make a decision are available in the office or is furnished by the applicant.

c. One field examination is required to verify existing data. The examination is normally no longer than 1 day in duration and is made by one individual. Only rarely will representatives of two or more disciplines be present. A team concept is not used.

3. Category III.

a. Applications which commonly qualify for this category are for ROW's on public lands upon which no new concentrations of ROW demands are expected (i.e., new gas or oil field).

b. Data necessary to comply with NEPA and required by the authorized officer to make a decision are available in the office or are furnished by the applicant.

c. Two field examinations are required to verify existing data. Each field trip is usually no longer than 1 day in duration and is made by no more than two specialists. An examination is conducted to:

(1) Familiarize the specialist(s) with the specific conditions of the area under application prior to preparation of the NEPA compliance and decision document.

(2) Ensure that no unusual or unique resource conditions are present.

4. Category IV.

a. Applications which commonly qualify for this category are for ROW's which require the gathering of a limited amount of original data to comply with NEPA.

b. NEPA compliance requirements exceed Category III in that one or more (but not more than two) specific resources (e.g., Threatened and Endangered (T&E) species, cultural resources, fisheries or wildlife habitats, etc.) require impact evaluation. In contrast to Category V, the majority of the impact evaluation is developed from previously compiled data.

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c. Field examination requirements differ from Category III since two or three trips may be required to process the ROW application. Two or more disciplines may participate.

5. Category V (MLA only).

a. Applications which commonly qualify for this category are those ROW's for which NEPA compliance and the decisionmaking process requires gathering of a substantial amount of original data and the assessment of this data requires formation of an interdisciplinary team.

b. A field examination normally requires three or more trips to process the application. Only rarely will more than three trips be necessary.

B. Major Categories. Applications in the major MLA category (VI) require the advance payment of a \$5,000 nonrefundable application processing fee plus the periodic advance payments of processing costs that exceed the nonrefundable fee. Applications in the major FLPMA category (V) require payments of reasonable processing and monitoring costs as per a cost decision in accordance with .15F4 below. Periodic advance payments are required quarterly. Interim billings are required for both MLA and FLPMA when anticipated processing costs for the quarter are expected to exceed the quarterly payment. See .15B below for guidance in determination of categories. The following is the definition of the major cost recovery categories.

1. Category V (FLPMA Only).

a. Applications which commonly qualify for this category are those ROW's for which NEPA compliance and the decisionmaking process requires gathering a substantial amount of original data and the assessment of this data requires formation of an interdisciplinary team.

b. The field examination normally requires three or more trips to process the application.

c. A standard nonrefundable application processing fee does not apply (see .14 above).

2. Category VI (MLA Only).

a. This applies to all ROW applications for which the processing requirements will exceed \$5,000. A standard nonrefundable \$5,000 application processing fee is required.

b. NEPA compliance requiring the preparation of an EIS automatically places the ROW application in Category VI. Major EA's that require more work than those in Category V may also place the ROW application in this category.

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c. The number of field examinations is not a factor in determining if the application will be placed in Category VI.

C. BLM Costs Associated with Federal Energy Regulatory Commission (FERC) Applications.

1. Processing and evaluation costs, recordation costs, and land classification costs for response to applicants requesting hydropower exemption, preliminary permits, or licenses from FERC are to be recorded in accordance with the project numbering system in .18C below. Record all costs for records notation in subactivity 4212, land classification associated with FERC hydropower projects in subactivity 4220, and environmental input as per 18 CFR 4.41 in subactivity 4211.

2. Copies of Bureau cost records as recorded in the Financial Management System (FMS) are to be forwarded to FERC by the Headquarters Office so that such costs may be recovered by FERC from the hydropower licensees. The recovered expenses are then deposited in the Treasury. The Bureau's costs for providing these services are funded through the normal appropriations process.

.15 Cost Reimbursement for Application Processing.

A. Nonrefundable Fees.

1. Cost reimbursement for the minor categories is limited to the payment of a fixed nonrefundable fee established for each category. The following nonrefundable application processing fee schedule has been developed for the minor categories of ROW applications.

APPLICATION PROCESSING FEE SCHEDULE  
(MINOR CATEGORIES)

MLA		FLPMA	
Category	Nonrefundable Fee	Category	Nonrefundable Fee
I	\$ 125	I	\$125
II	275	II	300
III	350	III	550
IV	600	IV	925
V	1,000		

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2. Cost reimbursement for the major category MLA applications consists of a fixed nonrefundable fee and any amounts necessary to reimburse the Bureau for total actual processing costs including indirect costs. Reimbursement for FLPMA applications will be determined in accordance with .15F below. For MLA major category applications the nonrefundable fee shall be \$5,000. The \$5,000 nonrefundable application fee is to be identified as a credit and included in the estimate for the first advance payment. An additional amount as determined by the authorized officer may be required to cover processing costs prior to receipt of the first payment from the applicant under the periodic billing procedure. Unused advance payments are refundable, or if the applicant requests in writing, may be applied to the right-of-way or permit rental. The following nonrefundable fee schedule has been developed for major categories:

APPLICATION PROCESSING FEE SCHEDULE  
(MAJOR CATEGORIES)

MLA		FLPMA	
Category	Nonrefundable Fee	Category	Nonrefundable Fee
VI	\$ 5,000	V	1/

B. Determination of Category. The authorized officer determines the appropriate category and nonrefundable fee upon receipt of, but prior to processing, the application. To determine the appropriate category for a proposed project, estimate travel expenditures by assuming that the travel would be accomplished economically and efficiently. Use only the number of employees actually needed and only the number of vehicles needed to transport them in the course of the field examination. A trip is considered to be one round trip (do not include trips for monitoring) to one right-of-way location using a vehicle of the type normally available at a BLM Field Office. This is generally a three to six-passenger vehicle carrying from one to six persons. When several separate ROW locations are visited in a trip each ROW location visited is considered a trip for category determination purposes. The authorized officer may change a category determination to a major category at any time it is determined that preparation of an EIS is required. No other category determination changes are permitted.

1/ Major (category V) FLPMA applications do not require a nonrefundable application processing fee. Reasonable processing and monitoring costs as required are recoverable. Unused advance payments are refundable, or if the applicant requests in writing, may be applied to the right-of-way or permit rentals.

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C. Each Category Determination Must be Documented. A copy of the completed decision document, ROW Cost Recovery Category and Fee Determination Record, Form 1323-2, a brief and simple statement identifying the application and category is given to the applicant before final acceptance or processing of the application. (See Illustration 1.) A category determination is a final decision for purposes of appeal under part 4 of 43 CFR. In those cases where the authorized officer has been dealing with an applicant's agent, the Form 1323-2 and instructions for appealing the authorized officer's decision should be sent by certified mail to the applicant.

D. Nonrefundable Application Processing Fee Payments. The estimated nonrefundable application processing fee must be paid before application acceptance or the commencement of any other application processing procedure, except preapplication conferences.

1. If the fee submitted is less than the amount determined by a category decision, issue the category decision and require additional payment before processing the application. Normally the estimated category established during preapplication conferences will not change. However, the estimated category may change if the project was inadequately described or misrepresented (see 2801.31B).

2. If the fee submitted exceeds the fee determined by a category decision, accept the application. Initiate a refund of the overpayment for minor categories. Overpayments may be applied to the required grant monitoring fee or rental if requested by the applicant in writing. Overpayments for major application processing likewise may be applied towards the payment of rentals and/or monitoring.

3. If the applicant successfully appeals a category decision, initiate a refund of the overpayment. All or part of the overpayment may be applied to the required grant monitoring fee or rental if requested in writing by the applicant.

E. Payments for MLA Major Category (VI) Applications. Category VI applications require the reimbursement of all actual Bureau processing and monitoring costs. When an application is filed along with the nonrefundable application processing fee, the authorized officer completes the following:

1. Completes a preliminary scoping of the issues involved, (see 2801.22B).

2. Completes a preparation (work) plan; including monitoring, (see 2801.22G).

3. Develops a preliminary financial plan and cost reimbursement plan (Illustrations 2 and 3) estimating the actual costs to be incurred by the United States in the processing of the application and monitoring of the grant.

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4. The authorized officer then requires the applicant to make periodic payments in advance of such costs being incurred by the Bureau. The nonrefundable fee payment is credited toward the applicant's cost reimbursement obligation. If excess funds remain after completion of all application and monitoring activities, these can be refunded upon Bureau initiation or receipt of a written request by the holder. Additional cost recovery fees may be requested at the time of project termination.

F. Payments for FLPMA Major Category (V) Applications.

1. Major Category (V) applications under FLPMA require the reimbursement of reasonable Bureau processing and monitoring costs. Upon a determination that an application falls under Category V:

a. The authorized officer:

(1) Shall complete a preliminary scoping of the issues involved (see 2801.22B).

(2) Shall complete a preparation (work) plan: including monitoring (see 2801.22B).

(3) Shall develop a preliminary financial plan and cost reimbursement plan (see Illustrations 2 and 3) estimating the actual costs to be incurred by the United States in the processing of the application and monitoring the grant.

(4) Shall encourage the applicant to do all or part of any special study or analysis required to complete a plan of development (see H-2801-1) or needed in connection with the processing of the application to standards established by the authorized officer. (Note: The cost of studies or analysis paid for by the applicant are not considered part of actual costs for the purpose of calculating reasonable FLPMA cost recovery. The Bureau regards such costs as voluntary expenditures by applicants for their convenience generally to expedite application processing.)

(5) Shall discuss with the applicant cost reimbursement alternatives, potential delays in processing the application, and the availability of current BLM funds to do required work.

(6) May require the applicant to submit a construction cost estimate for the entire project which also identifies those costs to construct the proposed facilities on public lands for which a right-of-way grant and/or temporary use permit is sought. (Note: No such information is required when an applicant files a waiver in accordance with paragraph .15F1b(2) below.)

b. The applicant shall choose one of the following cost reimbursement alternatives:

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(1) Seek a reduction or waiver of cost reimbursement under section 304(b) of the FLPMA. Under this alternative, the applicant shall submit a written analysis of the project showing specific monetary value considerations, public benefits, public services, or other data or information which supports a proposed finding that an application, grant, or temporary use permit qualifies for a reduction or waiver of cost reimbursement. Decisions under this paragraph shall not be limited by the one percent provisions of .15F1b(3) and .15F4 below.

(2) Choose to waive consideration of reasonable costs and agree to pay all actual costs incurred by the United States in processing the application and monitoring the grant or temporary use permit. The waiver shall be in writing and shall be filed with the authorized officer. (Note: Where a waiver is filed, it applies to all actual costs, if any, above the one percent of construction costs level under .15F1b(3) below.

(3) Enter into an agreement with the United States, whereby the applicant agrees to pay the actual costs of processing the application and monitoring the grant that are determined to be one percent or less of the estimated costs of constructing the proposed facilities on public lands. Under this agreement the applicant shall not be responsible for any actual costs exceeding the one percent level.

2. The authorized officer shall verify the applicant's construction cost estimate and other information/data submitted or developed under .15F1b(1) and (3) below. In verifying cost information, the following may be necessary:

a. Review actual cost information for similar projects that have been completed on public lands.

b. Review construction cost source documents, such as Bonneville Power Administration (BPA) annual powerline construction cost report, CRSP Transmission Study Data or other industry reports, applicant reports to public utility commissions, annual reports to stockholders, etc.

c. Seek help in verification from the Headquarters Office, an outside consultant, or Bureau staffs having on-the-ground experience in areas such as construction and heavy equipment operation.

d. Raise questions to the applicant for response prior to proceeding further with case related activities.



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3. The evaluation of information submitted under .15F2 above shall be in accordance with the criteria of section .15g below.

4. The authorized officer shall provide the applicant with a written determination (decision) of the reasonable costs to be reimbursed by the applicant or holder and those that will be funded by the United States under .15Flb(1) through (3) above and/or 43 CFR 2808.5 (see Illustrations 4 and 5). Where an appeal is filed, actions pending decisions on appeal shall be in accordance with 43 CFR 2808.6.

5. Where the State Director has issued a decision granting a reduction or waiver in reimbursable costs under .15F4 above the money necessary to fund the United States' share of the costs shall be provided through the Bureau's appropriation process, be available in the BLM State Office's existing budget, be made available by the Headquarters office from an existing budget, be contributed by the applicant, or be otherwise made available (special appropriations) for the processing of the application or processing shall not proceed. (Note: There is no specific timeframe for such funds to be made available; consequently, delays could be significant. It is essential that the applicant be advised of the potential for delays as part of the authorized officer/applicant coordination process.)

6. The authorized officer may reestimate the actual cost, coordinate with the applicant/holder and adjust the financial plan at any time that a significant change warranting a reestimate has occurred (see appendix 1, paragraph 5j). When a reestimation of the reasonableness of actual costs is made, a new decision shall be issued in accordance with .15F4 above.

G. Cost Adjustments for the FLPMA S 304(b) Factors - FLPMA Applications.

1. The State Director, after consultation with an applicant or a holder, has the discretion to reduce or waive entirely the reasonable processing and or monitoring costs required to be reimbursed for any right-of-way or temporary use permit under this subpart.

2. In reaching a decision, the State Director may require the applicant/holder to submit a written analysis of the project showing specific monetary value considerations, public benefits, public services, or other data or information which supports a proposed finding that an application, grant, or temporary use permit qualifies for a reduction or waiver of cost reimbursement. Action on a FLPMA Category V application shall be suspended pending the State Director's decision.

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a. In reaching a decision, it is important that the monetary value of the rights and privileges sought (monetary value) be considered. Monetary value is the objective value of the right-of-way or permit, i.e., what the right-of-way or permit is worth to the applicant in financial terms. Where the value of a project to the applicant is great in relation to actual costs, it is reasonable to assume that payment of the fee will not create a hardship for the applicant and that it is reasonable to expect that the fee should be paid. Also, where the applicant has the ability to pay the costs, a waiver or reduction of the fees may represent an unwarranted subsidy which should be avoided (subject however to consideration of the other reasonableness factors, especially public service and public benefit consideration).

b. The State Director may base the decision to reduce or waive reimbursable costs on any of the following factors:

(1) The applicant's/holder's financial condition is such that payment of the fee would result in undue financial hardship. If a reduction/waiver is being considered under this criteria, however, the question should be raised and evaluated as to whether the applicant has the technical and financial capability to construct the project, which is a requirement under S504(j) of FLPMA.

(2) The application processing or grant monitoring costs are determined to be grossly excessive in relation to the cost of constructing the facilities or project requiring the right-of-way or temporary use permit.

(3) A major portion of the application processing or grant monitoring costs are the result of issues not related to the actual right-of-way or temporary use permit.

(4) The applicant/holder is a nonprofit organization, corporation, or association which is not controlled by or a subsidiary of a profitmaking enterprise.

(5) The studies undertaken in connection with processing of the application have a public benefit. Costs incurred for the benefit of the general public interest, rather than for the exclusive benefit of the applicant, involve expenditures by the Government for studies, data collection, etc., that have value or utility to the Government or the general public independent of the application processing. Experience has shown that certain areas or classes of work as follows may be specifically identified as benefiting:

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(a) Work which the Bureau has planned to perform but does earlier than planned due to the filing of an application. This work may be in the form of a special study, i.e., an archaeological study, threatened/endangered species study, etc. In evaluating such planned work, keep in mind that where long term planning is involved (greater than 5 years) there is a strong possibility that the work would never occur. Consequently, no reduction would be warranted.

(b) Land use planning (including plan amendments) required under FLPMA but done earlier because of the filing of an application.

(c) Special studies done as part of the application processing which becomes base data for the Bureau and is usable for other Bureau activities. The "benefit" accrues as a result of the development of new useful data, but not from data which was already available from some source and merely included in the applicant's documentation.

(6) The facility or project requiring the right-of-way grant will provide a special service to the public or to a program of the Secretary. Several considerations are appropriate under this factor:

(a) Generally, public service does not exist where the consumer pays for the cost of the service provided.

(b) Reduction or waiver may be appropriate in the case of governmentally sponsored projects funded through general tax revenues

(c) Where a secondary public service is involved, such as the development of a recreational opportunity resulting from project construction, the service should be open to the general public at no charge.

(d) Adjustments are limited only to services resulting from construction of a project for which a charge is not rendered. Services are to be measured by a one-time allowance for tangible items such as the number of hunter days resulting from a new access road for 1 year or the number of fisherman days resulting from the construction of a reservoir for 1 year. Multiple-year use calculations are not allowed.

NOTE: In considering items 5 and 6, monitoring activities generally do not create either new studies providing public benefits or public service warranting a reduction or waiver under this section.

NOTE: Generally, nonmajor projects (categories I through IV) are not of regional or national significance and, therefore, there is not an opportunity for public benefits or public services.

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(7) A right-of-way grant is needed to construct a facility to prevent or mitigate damages to any lands or improvements or mitigate hazards or danger to public health and safety resulting from an Act of God, an act of war, or negligence of the United States.

(8) The holder of a valid existing right-of-way grant is required to secure a new right-of-way grant in order to relocate facilities which are required to be moved because the lands are needed for a Federal or federally funded project, if such relocation is not funded by the United States.

(9) Relocation of a facility on a valid existing right-of-way grant requires a new or amended right-of-way grant in order for the holder to comply with the law, regulations, or standards of public health and safety and environmental protection which were not in effect at the time the original right-of-way grant was issued.

(10) It is demonstrated that because of compelling public benefits or public services provided, or for other causes, collection of reimbursable costs by the United States for an application for a grant or permit would be inconsistent with prudent and appropriate management of the public lands and the equitable interests of the applicant/holder or of the United States.

3. The State Director may incorporate a reduction or waiver of reimbursable costs under this Section in a determination affecting reimbursement of costs made under this subpart. A record shall be made of any such determination and given to the applicant. This determination is a final decision for purposes of appeal under 43 CFR 2804.1.

4. Notwithstanding the validity of the basis for reduction or waiver of the costs required to be reimbursed under this subpart, the State Director shall not reduce or waive such costs if funds to process the application or to monitor the grant are not available. The State Director may delay any such decision pending the availability of funds.

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H. Actions Pending Decision on Appeal. Where an applicant appeals a decision issued under 43 CFR 2808.3 or 2808.5 concerning the reasonableness of amounts to be reimbursed, further work by the Bureau in processing the application shall be suspended (category V only) by the authorized officer pending final Departmental decision on the appeal.

.16 Cost Reimbursement for Grant/TUP Monitoring.

A. Minor Categories. Payments for monitoring grants or TUP's in minor categories consist entirely of a one time nonrefundable fee in accordance with the following schedule. The monitoring category will be the same category as determined for application processing. Payment of the required fee shall be made before the grant or TUP is issued.

MONITORING FEE SCHEDULE

MLA		FLPMA	
Category	Fee	Category	Fee
I	\$ 25	I	\$ 50
II	50	II	75
III	75	III	100
IV	150	IV	200
V	250	V	as required
VI	as required		

B. Major Categories. Payments for monitoring major category MLA grants or TUP's consist of the prepayment of those amounts which are necessary to reimburse the Bureau for actual monitoring costs, including allocated indirect costs. These costs are incurred in monitoring the construction, operation, maintenance, and termination of ROW facilities and for protection and rehabilitation of the lands involved. Monitoring costs for FLPMA grants or TUP's are included in the determination made for application processing.

1. A holder of an MLA grant whose application was determined to be in Category VI shall reimburse the United States for the actual cost of monitoring the grant or permit. In the case of FLPMA grants, the authorized officer shall estimate the actual costs expected to be incurred in monitoring the grant or permit and include such estimate of costs with the processing costs to reach total reasonable costs determined in .15F above. For both MLA and FLPMA, the authorized officer will require the holder to make periodic payments of such estimated reimbursable costs prior to such costs being incurred by the United States.

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2. Following termination of an MLA grant or temporary use permit, the authorized officer shall determine and the holder shall pay any such additional amounts as are necessary to reimburse the United States for any costs which exceed the payments required by paragraph .16B1 above.

3. Section B2 also applies to a FLPMA right-of-way grant or temporary use permit where the applicant has filed a waiver agreeing to pay all actual costs.

4. Where a waiver has not been filed for a FLPMA right-of-way grant or temporary use permit, total processing and monitoring costs cannot exceed the amount determined under .15F above.

5. If the periodic payments required by .16B1 above exceed the actual costs to the United States, the authorized officer may adjust the next billing to reflect the overpayment, or make a refund from applicable funds under the authority of 43 U.S.C. 1734. A holder shall not set off or otherwise deduct any debt due to it or any sum claimed to be owed it by the United States without the prior written approval of the authorized officer. If requested in writing by the applicant, overpayments may be applied to the payment of rentals required by 43 CFR 2803.1-2 or 2883.1-2.

.17 Advance Payment Requirement for Major Category Grants. Major category grants require an advance payment from the applicant/holder to cover the estimated actual (MLA) or reasonable (FLPMA) costs to be incurred by the Bureau for either processing or monitoring before the next payment is expected. The authorized officer estimates the costs to be incurred through the next full quarter. The applicant is billed by DSC for this amount less any overpayment of previous fees paid. Payment of the amount billed for processing or monitoring must be made before the costs are incurred by the United States. Advance payment requirements must be reviewed at least quarterly. The total advance payments on hand must be at least sufficient to cover the estimated total costs to be incurred before the next payment is expected. Interim billings should be made whenever the scheduled periodic payments are inadequate to recover anticipated costs. No grant or permit shall be issued until all processing costs determined to be due the United States are paid in full. Applicants are required to submit the full amount of any advance payment requested by the authorized officer.

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A. Overpayments. A temporary overpayment occurs when the Bureau's periodic cost estimate, which is the basis for determining advance payment requirements, is higher than the actual costs subsequently incurred.

1. Periodic Adjustments of Overpayments. Normally an overpayment is credited toward the next period's advance payment requirement and no further action is taken. However, if the amount of overpayment is excessive, the authorized officer may make an appropriate refund under the authority of 43 U.S.C. 1734.

2. Final Overpayment Adjustment. After completion of all cost recoverable work on major category ROW's, including processing and monitoring costs, the authorized officer must refund the excess of advance payments over the total costs incurred. The refund should be made only after sufficient time has elapsed to ensure that all recoverable Bureau costs have been determined and properly accounted for. The holder may request a refund in writing or the Bureau may initiate the refund.

B. Underpayments. The total processing and monitoring costs of a specific major category project may at no time exceed the total advance payment received. However, the total processing and monitoring costs of a FLPMA major category project are not collected once costs reach 1 percent of construction costs on public lands unless the applicant has agreed in writing to pay all actual costs or has received an alternate reasonable cost decision in accordance with .15flb(1) above.

1. Application Processing. The authorized officer must discontinue application processing when an applicant makes payment for less than the amount requested, or when a deficit funding condition is imminent. The authorized officer shall not issue a ROW grant or TUP to a major category applicant who has not paid all bills submitted by the Government relative to the particular project. (See Manual Section 2802.41A1f for further details concerning ROW projects.)

2. Grant Monitoring. When a deficit funding condition is imminent, the authorized officer must immediately bill the holder of the grant and initiate action to suspend or terminate the ROW or TUP. Only critical monitoring may be continued without payment. Critical monitoring is that needed to inspect ongoing activities pending suspension or termination of a grant to assure that environmental damage is not occurring.

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C. Reestimates. The authorized officer may reestimate the actual costs and adjust the financial plan at any time a change warranting a reestimate has occurred (see Appendix 1, para. 5J). When such a reestimation results in substantial change, a redetermination of reasonableness of actual costs under 43 CFR 2808.3 and/or 2808.5 shall also be made and an appealable decision issued thereto.

.18 Accounting Procedures.

A. Collections - Accounting for Nonrefundable Fees and Other Payments. (See Appendix 1.)

1. Account 14X5017.1, Rights-of-Way Cost Recoveries, Bureau of Land Management. This account is used for deposit of all nonrefundable fees and other payments for application processing and monitoring on ROW grants and TUP's in the Bureau of Land Management.

a. Nonrefundable fees received for minor categories in both FLPMA and MLA ROW's are deposited to subactivity 5102 and the applicable project code (see .18C below). All monies received for major category ROW's are deposited to subactivity 5101 and the project code assigned to the specific project (see .18C1b below).

b. When a category determination is changed from a minor category to a major category, the nonrefundable fee deposited to subactivity 5102 must be reclassified to subactivity 5101 and the project code assigned to the specific project. The balance of the nonrefundable processing fee of \$5,000 for MLA projects or reasonable fees for FLPMA projects must be paid prior to any further processing action. See .18B5 below for expenditure identification.

B. BLM Costs - Accounting for Processing and Monitoring Costs. (See Appendix 1.)

1. Minor Category Projects. Application processing and grant monitoring costs are coded to subactivity 4211 and the applicable project code. Processing and monitoring fees deposited to subactivity 5102 are offset against the costs in subactivity 4211 and allocated back to the State Offices as needed and/or available.



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2. Major Category Projects. Direct costs incurred to process or monitor are coded to subactivity 5101 and the project number assigned to the specific project. Indirect costs are coded to the subactivities that would be charged if the ROW project did not exist.

3. Supporting Documentation (Major Category Projects). All direct costs must be supported by documentation to establish that the costs were accurately determined and properly recorded. Supporting documentation may include time and attendance reports, invoices, authorizations, certifications, computations, agreements, and other evidential matter. Duty time coded to these projects must be supported by daily log entries which describe the work performed. Daily activity logs are maintained as shown in Illustration 6.

4. Indirect/Overhead Cost Recovery. The Bureau's indirect/overhead costs, exclusive of management overhead, are recovered by the application of a single predetermined indirect cost rate to direct costs incurred. The Bureau has only one indirect cost rate and it is applicable to all cost recoverable services. This rate is subject to periodic review and change. These indirect costs are automatically included in the category fee schedule.

5. Category Changes. Actual processing expenditures are not kept for specific minor category applications. Therefore when a category determination is changed from a minor category to a major category, expenditures cannot be reclassified and charged to subactivity 5101 and the major category project number. Anticipated processing costs for reclassified major category projects must be paid in advance in accordance with .17 above.

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C. Project Code Assignments. Applications falling into minor categories are to be identified and coded as shown in .18C1(a) below. All applications within a given State and fiscal year are to be identified with the same code. The responsible official in the State Office must assign an individual project code to each major category ROW at the time the application is accepted (see Illustration 7). Except in the case of multiple applications (see .18F below), the project code in subactivity 5101 is used to account for payments and costs during both the application processing and grant monitoring phases of the ROW. In order to identify and allow recovery of costs for preparation of responses to applicants requesting exemptions, preliminary permits, or licenses from the Federal Energy Regulatory Commission (FERC), project codes are necessary. Project codes are assigned as follows:

1. Project Coding/Numbering System.

a. Minor Category Codes (4211):

Description	Characters			
	1st	2nd	3rd	4th
FLPMA ROW	F	L	A (AZ)	A (FY 91)
MLA ROW	M	L	B (CA)	B (FY 92)
Non-Reimbursable ROW	N	R	C (CO)	C (FY 93)
Non-Case related	N	C	D (ID)	D (FY 94)
			E (MT)	E (FY 85)
			F (NV)	F (FY 86)
			G (NM)	G (FY 87)
			H (OR)	H (FY 88)
			J (UT)	J (FY 89)
			K (WY)	K (FY 90)
			L (AK)	
			M (ES)	
			N (DSC)	
			P (WO)	

Sample: A MLKF project code is a minor category Mineral Leasing Act right-of-way in Wyoming filed in FY 1986.

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b. Major Category Project Numbers (5101,5410,5420,5440,7150).

Description	Characters			
	1st	2nd	3rd	4th
FLPMA Cost Recovery ROW	X	A (AZ)	A (1)	A (1)
MLA Cost Recovery ROW	Y	B (CA)	B (2)	B (2)
Other Realty Cost Recovery	Z	C (CO)	C (3)	C (3)
		D (ID)	D (4)	D (4)
		E (MT)	E (5)	E (5)
		F (NV)	F (6)	F (6)
		G (NM)	G (7)	G (7)
		H (OR)	H (8)	H (8)
		J (UT)	J (9)	J (9)
		K (WY)	K (0)	K (0)
		L (AK)		
		M (ES)		
		N (DSC)		
		P (WO)		

Sample: A XFGJ project number designates a major category FLPMA Cost Recoverable ROW in Nevada with a State number 79. The same third and fourth characters may be used for an MLA and FLPMA project. The first and second characters will segregate the project.

c. Cost Codes for Preparing Responses to Hydropower Exemptions, Preliminary Permits, or License Requests Referred by FERC.

Description	Characters			
	1st	2nd	3rd	4th
FERC Request	H	P	--	--
Municipal Applicant	--	--	M	--
Non-municipal Applicant	--	--	N	--
Exemption	--	--	--	E
Preliminary Permit	--	--	--	P
License	--	--	--	L
Other Application Type	--	--	--	O

Sample: Nonreimbursable work on a FERC environmental statement for a non-municipal hydropower license would be coded to 4211-09-HPNL. Work performed to post to the land records a non-municipal hydropower exemption would be coded to 4212-22-HPNE (4213 in Alaska). Nonreimbursable work performed on a resource inventory (T&E, soils, wildlife, etc.) for a municipal hydropower license application would be coded to 4211-06-HPML. Withdrawal work performed on a municipal hydropower preliminary permit would be coded to 4220-10-HPMP. Note that existing program element codes are used with appropriate subactivity numbers. Refer to BLM Manual 2805.3 for discussion of hydropower applications.

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2. Additional Characters Needed. If available characters are exhausted for the third and fourth characters, the Director (880) assigns additional alpha characters to the State Office for these projects.

3. Two or More States on Same Project. If more than one State is involved in an ROW, the Director (330) will select a lead State. The lead State must assign one of its project codes for the full length of the ROW. Refer to BLM Manual 2801 for more specific information.

D. Internal Cost and Payment Reports for Major Category Projects. All financial transactions coded to a specific major category project code appear on a Special Projects Detail List (SPDL) identified by the same project code. The SPDL is produced by the Service Center, Division of Finance (D-512). Microfiche copies of this report are sent monthly to each District and State Office. The SPDL is the official Bureau record of costs charged to specific ROW projects. It is imperative that this report be carefully checked for accuracy by the authorized officer and/or project leader as it is used as the basis for any project cost analysis and reports to the applicant/holder. State and District Office personnel should ensure that the authorized officers receive a copy of the SPDL on a timely basis each month. In addition to the SPDL microfiche, the Service Center sends two copies of the Cost Recoverable Status Report, 70311, to each State Office. The SPDL is cumulative only for each fiscal year, i.e., the report does not capture prior year costs. It is, therefore, critical that a hard copy reproduced from the microfiche for each project from the October report be placed in the official case file.

E. Internal Control of Costs Charged to ROW Projects.

1. Responsibility of the Authorized Officer. Authorized Officers have the primary responsibility for internal control over costs coded to cost recoverable projects. This includes responsibility for assuring that all costs charged to specific projects are not only proper but also accurately recorded in the Bureau's accounting system. This responsibility may be redelegated at the authorized officer's option. No costs may be coded to a cost recoverable project without prior approval of the authorized officer. The authorized officer must review all cost transactions as they appear on the SPDL and take whatever action is necessary to verify that individual transactions are proper and accurately coded, and must reclassify those that are not. The authorized officer must be able to justify all costs charged against a specific project.

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2. Rules Governing Specific Personnel. The following rules pertain to the coding to specific right-of-way cases of personnel time, travel, and other costs incurred by Bureau personnel which satisfy the definition of direct cost in the Glossary of Terms.

a. Costs for the Washington Office Directorate, Service Center Director, State Directors, and Associate State Directors shall not be coded to reimbursable right-of-way cases except as provided in .18E2d below.

b. Costs for District Managers and Area Managers shall be coded directly to a right-of-way case only when performing tasks to process a specific application (including application approval) or to issue, monitor, or terminate a specific grant.

c. Costs for the designated project managers at any level of the organization, and all staff and line support essential to a specific right-of-way case, shall be coded directly to the specific application or grant only when performing tasks to process the application or to monitor or terminate the grant. The mere assignment of an individual to a specific right-of-way case is not a sufficient basis for charging time or other costs to the case if no actual case processing, monitoring, or termination work is performed.

d. Costs for the Washington Office Staff may, when properly authorized, be coded directly to a right-of-way case only when performing tasks to process a specific application or to monitor or terminate a specific grant. However, this is expected to occur infrequently. Proper authorization is considered to be a written duty assignment from the Assistant Director, Land and Renewable Resources.

F. Multiple Applications. Two or more applications may be received for one ROW system. They may be either competing or noncompeting applications. In all cases, each applicant is required to make the nonrefundable fee payment set by the appropriate ROW category. (See .18 above for procedures for depositing payments.)

1. Fees for Minor Category ROW Applications are deposited to subactivity 5102 and the applicable project code (see .18C above).

2. Fees for Major Category ROW Applications are deposited to subactivity 5101 and the appropriate project number. Additional cost recovery procedures for these cases are handled as follows:

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a. To process costs for competing applications, the authorized officer establishes one project number for costs that relate to all the applicants and additional project numbers for each competing applicant. Costs which relate to all applicants are paid for by the applicants in equal shares or in accordance with a formula agreed to in writing by all applicants and approved by the authorized officer. Each applicant shall be responsible for the reimbursement of applicable costs identified with the application. Those costs identifiable with a specific application are charged to the appropriate project number.

b. If several applications are filed separately, but judged by the authorized officer to comprise a single project, a single project number may be issued to handle cost accounting and recovery. A single billing may be issued for all the applicants and sent to the participant of their choice, who will assume responsibility for payment. Alternatively, billings may be handled as in .18F2a above. In either case, noncompeting, multiple applicants are jointly and severally liable for the cost incurred.

c. Once an ROW is issued, a project number for costs of monitoring the ROW may be established for each new ROW issued, if separate project numbers were not established for each of the applicants as provided in .18F2a above.

G. Joint Applications.

1. Liability for Nonrefundable Fee and Actual Costs or Reasonable Costs. When through a partnership, joint venture, or other business arrangement more than one person, partnership, corporation, association, or other entity, together apply for a ROW grant or TUP, all such persons or other entities are jointly and severally liable for the nonrefundable fee and actual Bureau costs (MLA) or reasonable costs (FLPMA) when the application pertains to a major category grant.

2. Identification of Lead Applicant. Applicants participating in a joint application must identify a single "lead" applicant to act as the contact point for cost reimbursement purposes.

3. Accounting for Costs. Receipts and costs pertaining to a major category joint application are accounted for under a single subactivity 5101 project number.

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H. Other Applications.

1. Incomplete Applications. If a significant deficiency is noted in the application, including a nonrefundable application processing fee that is less than the amount required, it shall not be accepted. An explanation is given to the applicant. However, many times minor deficiencies in applications which have been received in the mail can be corrected by a telephone call. If the applicant presents the application in person, every effort should be made to resolve the correctable deficiencies at that time. If the applicant insists on filing a deficient application, it may be accepted only if the required nonrefundable application processing fee is attached. In such cases, the applicant must be informed that the nonrefundable application processing fee cannot be refunded if the authorized officer later determines the application is still unacceptable.

2. Applications to Amend ROW. If a proposed amendment to the grant or TUP is substantial and/or significant and processing costs are involved, the authorized officer shall require the filing of an amended application. The amendment is subject to cost recovery on the same basis as a new application. If the amendment is not substantial, written approval may be granted by the authorized officer, and cost reimbursement is not required.

3. Renewal of Grant or TUP. Renewal of a grant or TUP, where the existing use and facilities will continue without change, is not subject to cost reimbursement.

I. Rejection, Withdrawal, or Relinquishment.

1. Rejection. If an application is rejected, the nonrefundable application processing fee is retained. The applicant is liable for any additional costs actually incurred by the Bureau (MLA) or reasonable costs (FLPMA), if the applicant is subject to major category cost reimbursement procedures. The bill for payment of any such additional processing costs is due 30 days from receipt.

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2. Withdrawal or Relinquishment. If an application is withdrawn, or a ROW relinquished, the nonrefundable processing or monitoring fee is retained and for major category applications, the applicant/holder is liable for additional costs actually incurred (MLA) or reasonable costs (FLPMA). The amount owed includes costs incurred in processing the application through the date when the authorized officer received written notice of the withdrawal, and costs subsequently incurred in terminating the application or the ROW. Such amounts that have not been paid are due within 30 days of receipt of the bill. Nonrefundable monies remaining after obligation of all costs incurred for withdrawn or terminated major category applications are to be reclassified to subactivity 5102.

J. Assignments. All applications to transfer in whole or part any ROW, title of interest in ROW, or TUP must be accompanied by a nonrefundable fee of \$50. Exceptions for an assignment are the same as in .13 above. Where multiple assignments are requested by a holder as part of a single action the assignment fee may be set by the authorized officer at less than \$50 per assignment so as to recover actual assignment costs. Deposit fees to 14x5017.1.



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Glossary of Terms

-A-

actual cost (AC): means the financial measure of resources expended or used by the Bureau of Land Management in processing a right-of-way application or monitoring the construction, operation, and termination of a facility authorized by a grant or permit. Actual costs include both direct and indirect costs exclusive of management overhead.

authorized officer (AO): is any employee of the Department of the Interior delegated the authority to perform the duties relative to specific cost recovery projects as described in this Manual Section. Responsibility for specific actions may be further delegated to a collection officer, adjudicator, realty specialist, etc., and overall operational responsibility to a project manager.

-C-

construction cost estimate: means the construction cost requirements on public land necessary for the applicant to achieve the goals of the project. The estimate shall include expenditures for labor (gross wages and fringe benefits), supervision, engineering, materials, equipment, stores, and contracts. Additionally, the estimate shall include an indirect cost element for such things as property rents, utility charges, general administration and data collection, etc., used partly, but not exclusively, on a particular project.

costs incurred for the benefit of the general public: means funds expended by the United States undertaken solely in connection with the processing of an application for studies and data collection determined to have value or utility to the United States or the general public separate and apart from the application processing.

cost recovery schedule categories: are ROW cost recovery categories as defined in 43 CFR 2808.2(a)(1)(6) and 2883.1-1(a)(3). The categories are defined more fully in .14A and .14B of this Manual Section. Each category describes a progressively more complex level of ROW application processing.

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-D-

direct costs: costs which are of such a nature that the amounts applicable to a specific project can be accurately and readily determined. Direct costs are incurred for the benefit of a specific cost reimbursement project which is identified by a project number. Any case work time is a direct cost. This could include procurement, travel, and personnel time for reviewing applications and other case documents, site visits, preparing grants, meeting NEPA requirements, appraisals, and other work or cost connected with specific application processing and grant monitoring. Costs which are not incurred for the benefit of a specific right-of-way case are not direct costs of the case and must not be charged to the project. These costs, which may generally include such things as wilderness reviews and programmatic environmental impact statements, must be coded to the appropriate subactivity for which they were primarily incurred.

-E-

efficiency to the Government processing: means the ability of the United States to process an application with a minimum of waste, expense, and effort.

existing data: data which has been previously gathered through inventories and/or preparation of NEPA documents. This data does not require verification by field examination and is readily available for use without a significant amount of record search.

-F-

field examination: on-site evaluation of an applicant's proposal which contributes to a determination as to whether a land use authorization may be issued, and if so, under what conditions.

I-

indirect/overhead costs: are costs expressed as a percent of direct costs which are of such a nature that the amounts applicable to a specific project cannot be accurately or readily determined. Indirect/overhead costs are incurred either jointly for the benefit of more than one cost reimbursable project, or in units which are so small that they cannot practically be reported separately on Time and Attendance Reports or other accounting documents. Indirect/overhead costs include any costs which must be coded to the following "overhead" activities: General Administration, Data Management, and Equal Employment Opportunity costs relative to BLM employment. (Costs of enforcing EEO stipulations in grants are direct costs and must be coded to project monitoring.)

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-M-

major category applications: actual cost reimbursement for processing and monitoring expenditures for MLA applications (category VI) and reasonable cost reimbursement as determined by applying the section 304(b) criteria of FLPMA for processing applications and monitoring grant for FLPMA applications (category V).

management overhead costs: components of Bureau indirect/overhead costs which must be excluded from cost recovery under Section 304(b) of the Federal Land Policy and Management Act of 1976. This exclusion is automatically accomplished by the DSC by eliminating management overhead costs from the indirect/overhead cost pool used to compute the Bureau's indirect cost rate. It is important to understand that the term "management overhead" pertains only to indirect/overhead costs and not to direct costs. Any manager's time which is a direct project cost is not management overhead and, therefore, is a recoverable cost which must be coded to the benefiting cost recovery project. A manager's time which is not a direct cost of a specific project is coded to whatever other activity would be charged if the specific project did not exist. Overhead costs from the standpoint of FLPMA excludes reimbursement of costs related to the Bureau Directorate including all State Directors and the entire headquarters' (Washington Office) staff except where an individual of that staff is required to perform work for a Field Office on a specific cost reimbursable case.

minor category applications: reimbursement of processing and monitoring costs are on a fee schedule basis for MLA applications in categories I-V and for FLPMA applications in categories I-IV. Except in rare instances, FLPMA applications do not warrant adjustment of the fee schedule as a result of FLPMA section 304(b) considerations.

monetary value (MV) of the rights and privileges sought: means the objective value of the right-of-way or permit. In other words, MV is what the right-of-way or permit is worth to the applicant in financial terms.

1323 - COST RECOVERY FOR REIMBURSABLE PROJECTS/ACTIVITIES

-N-

nonrefundable application processing payment: a payment by the applicant for costs incurred by the Government incident to processing an application for a ROW grant, or TUP incident thereto, including preparation of reports and statements concerning the impact of the proposal upon the environment.

nonrefundable monitoring cost payment: a payment by the grant holder for costs incurred by the Government incident to monitoring the construction, operation, maintenance, and termination of facilities authorized under minor category ROW's including the protection and rehabilitation of the lands involved. (These payments also apply to costs incurred in the preparation and administration of notices to proceed and processing TUP's applied for subsequent to grant issuance.)

-O-

original data: data not contained in sources available to the Bureau or an applicant and which must be gathered through field examination. Data contained in existing documents which are verified through field examination are not original data.

-P-

project manager: the individual designated by the authorized officer to represent him in all facets of the project. (See Appendix 2.)

public service provided: means tangible improvements, such as roads, trails, recreation facilities, etc., with significant public value that are expected in connection with the construction and operation of the project for which a right-of-way grant is sought.

-R-

reasonable costs: as defined in S304(b) of FLPMA, as amended, (43 U.S.C. 1734).

right-of-way application: an acceptable right-of-way application may be a properly completed SF-299, APD (Application for Permit to Drill), or SN (Sundry Notice). See BLM manual 2801.32.

1323 - COST RECOVERY FOR REIMBURSABLE PROJECTS/ACTIVITIES

Right-of-Way Cost Recovery

Category and Fee Determination Record

Form 1323-2  
(February 1985)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**RIGHT-OF-WAY COST RECOVERY  
CATEGORY AND FEE DETERMINATION RECORD**

INSTRUCTIONS: Circle "X" opposite applicable statement. The highest numbered category containing a circled "X" is the right-of-way or temporary use permit cost recovery category.

APPLICATION PROCESSING ACTIVITIES	CATEGORIES					
	I	II	III	IV	V	VI
<b>1. NEPA documentation</b>						
a. All existing data in office of Authorized Officer	X	(X)	X			
b. Limited amount of original data available. No interdisciplinary team required.				X		
c. Existing documentation not sufficient without substantial compilation of original data & supplemental documentation. Interdisciplinary team required.					X	
d. Processing costs exceed \$5,000.						X
e. Requires Environmental Impact Statement.						X
<b>2. Field Examinations</b>						
a. Field examination is not required.	X					
b. One field examination is required.		X				
c. Two field examinations are required.			(X)			
d. Two or three field examinations are required.				X		
e. Three or more field examinations are required.					X	

Applicant SHELL OIL Case No. I-24147

I have determined that the appropriate category is Category III. The nonreturnable application processing payment for this category is \$ 350.00. This decision is final for purposes of appeal under 43 CFR 2804.1. Notwithstanding the pendency of such appeal, an application shall not be accepted for processing without payment of the fee determined by the Authorized Officer.

Authorized Officer <u>Mary Moss</u>	Title <u>Authorized Officer</u>	Date <u>1/10/86</u>
--	------------------------------------	------------------------

Remarks:

Note: When the category rating differs between NEPA documentation (Section 1) and field Examination (Section 2) the higher category rating is assigned.

1323 - COST RECOVERY FOR REIMBURSABLE PROJECTS/ACTIVITIES

Financial Plan

Financial Plan  
Dry Basin Project  
BLM - All Offices

	FY 85	FY86	Total
Workmonths	57.25	30.00	87.25
Personnel Costs <sup>1</sup>	\$200,375.00	\$105,000.00	\$305,375.00
Travel/Aircraft	15,135.00	9,500.00	24,635.00
Procurement <sup>2</sup>	12,200.00	6,000.00	18,200.00
Subtotal	\$227,710.00	\$120,500.00	\$348,210.00
Indirect Costs <sup>3</sup>	40,532.38	21,449.00	61,981.38
TOTAL (direct/indirect)	\$268,242.38	\$141,949.00	\$410,191.38
TOTAL	\$268,300.00	\$142,000.00	\$410,300.00

<sup>1</sup> \$3,500.00 average workmonth cost.

<sup>2</sup> Includes equipment leasing, supplies, and printing.

<sup>3</sup> 17.8% indirect cost rate which is subject to change.

1323 - COST RECOVERY FOR REIMBURSABLE PROJECTS/ACTIVITIES

Cost Reimbursement Plan

Cost Reimbursement Plan Dry Basin Project BLM - All Offices							
Direct Costs	FY 85 1st Qtr	FY 85 2nd Qtr	FY 85 3rd Qtr	FY 85 4th Qtr	FY 86 1st Qtr	FY86 2nd Qtr	Total
Workmonths	1.25	23	20	13	18	12	87.25
Personnel Costs <sup>1</sup>	\$4,375.00	\$80,500.00	\$70,000.00	\$45,500.00	\$63,000.00	\$42,000.00	\$305,375.00
Travel/Aircraft	1,050.00	6,035.00	4,200.00	3,850.00	5,600.00	3,900.00	24,635.00
Procurement <sup>2</sup>	--	1,100.00	1,100.00	10,000.00	1,000.00	5,000.00	18,200.00
Subtotal	\$5,425.00	\$87,635.00	\$75,300.00	\$59,350.00	\$69,600.00	\$50,900.00	\$348,210.00
Indirect Costs <sup>3</sup>	965.65	15,599.03	13,403.00	10,564.30	12,388.80	9,060.20	61,981.38
TOTAL (direct/indirect)	\$6,390.65	\$103,234.03	\$88,703.40	\$69,914.30	\$81,988.80	\$59,960.20	\$410,191.38
TOTAL (rounded)	\$6,400.00	\$103,200.00	\$88,700.00	\$70,000.00	\$82,000.00	\$60,000.00	\$410,300.00

1 \$3,500.00 average workmonth cost.

2 Includes equipment leasing, supplies, and printing.

3 17.8% indirect cost rate which is subject to change.

1323 - COST RECOVERY FOR REIMBURSABLE PROJECTS/ACTIVITIES

Major Category Decision

2800  
(CA-060.23)

May 13, 1986

CERTIFIED MAIL No. P 710 429 754  
RETURN RECEIPT REQUESTED

Southern California Edison Co.  
P.O. Box 410  
100 Long Beach Blvd.  
Long Beach, CA 90801

DECISION

:  
:  
: Southern California Edison Co. (SCE)

ACCEPTANCE OF THE MEMORANDUM OF AGREEMENT AND COST RECOVERY PLAN  
FOR DEVERS-PALO VERDE NO. 2 TRANSMISSION LINE

SCE has agreed to file an application in order that the Bureau of Land Management may continue its review of the proposed 500 KV transmission line from the Devers substation in California to the Palo Verde generating plant in Arizona. The application need not identify a specific description of lands to be involved at this time. However prior to completion of the Supplemental Environmental Impact Statement and granting of a right-of-way, all lands to be affected will be identified.

A determination has been made by the Bureau that the cost of processing this right-of-way is in excess of \$5,000, and therefore cost recovery is required. The attached memorandum of agreement between the Bureau of Land Management and SCE and the cost recovery plan thoroughly explains the agencies' responsibilities, the review schedule and the estimated costs of processing the application.

In order to proceed with processing this application both parties (BLM and SCE) agree that the estimated cost of \$38,080.00 (as described in the Cost Recovery Plan) is fair and reasonable. It is also agreed that SCE will be billed, in advance, on a quarterly basis. Payment within 30 days is required. You have the right to appeal these cost estimates to the Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43CFR, Part 4, and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office so the file can be transmitted to the Board. A copy of your Notice of Appeal and of any statement of reasons, written arguments or briefs must also be served on the



1323 - COST RECOVERY FOR REIMBURSABLE PROJECTS/ACTIVITIES

Major Category MOU

**Southern California Edison Company**

P. O. BOX 410

100 LONG BEACH BOULEVARD  
LONG BEACH, CALIFORNIA 90801

REAL PROPERTIES DEPARTMENT

TELEPHONE  
(213) 481-2827

Mr. Gerald E. Hillier  
California Desert District Manager  
Bureau of Land Management  
1695 Spruce Street  
Riverside, CA 92507

February 25, 1986

Attention: Mr. Bill Collins

Gentlemen:

SUBJECT: Devers-Palo Verde No. 2 500kv T/L  
Memorandum of Understanding (MOU)

Enclosed are an original and one copy of an MOU between Southern California Edison (SCE) and the Bureau of Land Management (BLM) for the Devers-Palo Verde No. 2 500kv T/L executed by SCE. Please have both copies executed by the BLM and return one for our files.

The changes suggested by the BLM have been complied with. Please note that the paragraph reserving to SCE the right to contest any fees or assessments has been removed. It is our understanding that the BLM felt that since SCE, by law, has the right to contest, or appeal a BLM Decision, this paragraph was unnecessarily cumbersome and therefore did not need to be in the MOU. Also on page 4, Section IV, Item 5 has been reworded as suggested by Mike Burke, California Public Utilities Commission. Page 5, Section V regarding "NON-LIABILITY" has been removed per your request.

We thank you for your patience and assistance in getting this document in its final form, acceptable by both parties. I look forward to working with you on this project.

Very truly yours,

*C. A. Prince*

C. A. PRINCE  
Right of Way Agent

2591ac

Enclosures

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN**  
**BUREAU OF LAND MANAGEMENT, CALIFORNIA DESERT DISTRICT**  
**AND**  
**SOUTHERN CALIFORNIA EDISON COMPANY**  
**FOR THE DEVERS-PALO VERDE NO. 2 500KV TRANSMISSION LINE**  
**SUPPLEMENTAL ENVIRONMENTAL IMPACT STATEMENT**

**I. INTRODUCTION AND PURPOSE**

The Southern California Edison Company (SCE) is proposing to build a second 500kv transmission line from the Palo Verde Nuclear Generating Station in Arizona to the Devers Substation near Palm Springs, California. The proposed alignment, for the most part, will be parallel to the existing Devers-Palo Verde No. 1 500kv T/L, lying north of the existing line in California and south of the existing line in Arizona. Bureau of Land Management (BLM) and SCE, hereinafter referred to individually as Party or collectively as Parties, have agreed that a Supplemental Environmental Impact Statement, hereinafter referred to as EIS, be prepared by the BLM for this transmission line. It is the purpose of this Memorandum of Understanding (Memorandum) to establish an agreement between BLM and SCE regarding their respective roles and the conditions and procedures to be followed in preparing the EIS.

This EIS will, by reference or other methods, incorporate information along with the Environmental Impact Statement (EIS) previously prepared in connection with the Devers-Palo Verde No. 1 Project which cover the existing corridors and which contain data basic to the EIS.

It is the intent of both Parties hereto that the EIS be prepared covering all federal environmental requirements of each participating Party. It is also the intent of the Parties hereto that the EIS be prepared using, to the fullest extent possible, data previously developed and that all efforts in regard to EIS preparation be consistent with the goals of data adequacy and economy. Additionally, it is the intent of the Parties hereto that joint public meetings will be held instead of separate meetings.

## 1323 - COST RECOVERY FOR REIMBURSABLE PROJECTS/ACTIVITIES

## Major Category MOU

The EIS shall comply with the National Environmental Policy Act of 1969 (NEPA) and all subsequent regulations implementing this law, as well as the California Environmental Quality Act of 1970 (CEQA). (See Council on Environmental Quality (CEQ) regulations, 40 CFR Parts 1500-1508 and Chapter 3, Division 6, Title 14 of the California Administrative Code, respectively.) It is intended that SCE will file the EIS as part of the proceeding for a Certificate of Public Convenience & Necessity (CC&N) before the CPUC.

## II. PROCEDURE

BLM and SCE will jointly develop an EIS preparation plan within three months of execution of this Memorandum. This plan will describe the key issues to be addressed in the EIS and will discuss the organization, scheduling, tentatively scheduled coordination meetings and scope of the EIS and related EIS activities.

BLM and SCE have established primary persons to contact for all matters relating to preparation of the EIS. The designated individuals are:

William H. Collins: BLM, California Desert District  
 Carol A. Prince: SCE, Real Properties Department

Each participating Party may designate a new primary contact person by so notifying the other participating Party.

BLM and SCE will mutually and freely consult and will keep other concerned organizations informed regarding progress on the EIS, including additional data needs, scope of applicable activities and all issues of importance.

Regularly scheduled and ad hoc coordination meetings will be held between the previously identified primary contact persons, state agencies and others, as appropriate, in order to ensure communication and coordination among all participating organizations.

BLM and SCE agree that in the event EIS preparation falls 30 days or more behind the schedule established in the EIS Joint Preparation Plan, the Parties hereto will develop a schedule to overcome such delay within the total time frame established for EIS completion.

BLM and SCE agree that in the event the Parties hereto are not in agreement regarding any major issue encountered during development of the EIS, the Parties hereto will work diligently to resolve such disagreement, keeping in mind the objective of one adequate, economical EIS.

**III. BLM RESPONSIBILITIES**

1. BLM will be the lead Federal agency in the EIS preparation and will be solely responsible for ensuring full compliance with the requirements of NEPA and other pertinent Federal laws and regulations.

BLM will be responsible for the Federal public review of the EIS, any necessary public hearings, analysis of public documents, distribution of the final EIS and the decision document. However, it is recognized that SCE, as required by CEQA, will also meet its responsibilities for public review, required notices, consultation and hearings under CEQA. (Refer to California Public Utilities Code and related Regulations and Orders outlining SCE and PUC responsibilities during preparation of the Devers-Palo Verde No. 2 EIR.)

2. The BLM California Desert District Manager will have management lead on behalf of all Federal agencies, including the BLM Phoenix and Yuma District Offices for contribution to the EIS and will be ultimately responsible for the scope, content and adequacy of those portions of the EIS relating to Federal agency requirements or regulations.
3. The BLM California Desert District will provide SCE, within 30 days of execution of this Memorandum, a written estimate of the total costs to be incurred by BLM for the California Desert District (including Indio Resource Area) and Phoenix and Yuma Districts for work associated with this Memorandum.

BLM will provide SCE with a quarterly estimate of costs, to be paid in advance by SCE.

Additional payments will be made if needed. BLM will promptly refund excess payments.

BLM will provide, or cause to be provided, to SCE on a monthly basis, statements of charges for each employee showing labor hours, labor costs and expenses for this subject transmission line.

4. BLM will invite SCE to attend meetings with Federal, state, regional and local agencies and other groups as appropriate.
5. BLM will consult with SCE during impact analysis and mitigation planning.
6. BLM will review data, environmental descriptions, and analyses available from SCE and other sources and will

## 1323 - COST RECOVERY FOR REIMBURSABLE PROJECTS/ACTIVITIES

## Major Category MOU

not duplicate work already done unless it is established that the work is unacceptable for purposes of the proposed transmission line EIS. BLM will consult with SCE prior to determining whether existing work must be modified or redone. However, BLM will make the final determination on the inclusion or deletion of material wherever there is a question as to the content or relevance of any material (including all data, analyses and conclusions) in the EIS.

IV. SCE RESPONSIBILITIES

1. SCE will be responsible for ensuring full compliance with the requirements of CEQA and other pertinent state laws and regulations.
2. SCE will provide a complete description of any proposed actions for review by BLM.
3. SCE will provide BLM with any technical and environmental information SCE has which may be useful during EIS preparation.
4. Public meetings will be conducted by BLM recognizing potential participation by SCE management and representatives.
5. SCE will pay the cost of the consultant firm(s) selected jointly by CPUC and BLM to prepare both the Supplemental EIS and the required EIR document(s). Direct costs incurred by BLM will be reimbursed to BLM. All consulting expenses incurred in compliance with both NEPA and CEQA will be reimbursed through the PUC's account, established under Rule 17.1 of the PUC's Rules of Practice and Procedures.
6. SCE will respond to data requests and will provide review comments within a reasonable period of time.
7. SCE will attend meetings and will participate in the preparation of mitigation measures as appropriate.
8. SCE will reimburse BLM for direct costs reasonably incurred by BLM to perform work required by this Memorandum, in accordance with Section III, part 3, of this Memorandum.
9. SCE will provide an advance payment of \$10,000 from which BLM employees will be reimbursed for labor costs and other expenses acquired for work done in connection with the preparation of the EIS. This would include such things as coordination meetings, help in the preparation and review of EIS documents and attendance at public meetings and hearings. \*

1323 - COST RECOVERY FOR REIMBURSABLE PROJECTS/ACTIVITIES

Major Category MOU

V. TERMINATION

Each Party to this Memorandum may terminate their participation in this agreement after 30 days' prior written notice to the other Party. During the intervening 30 days, both Parties hereto agree to actively attempt to resolve any outstanding disputes or disagreements.

FOR BUREAU OF LAND MANAGEMENT

FOR SOUTHERN CALIFORNIA EDISON

BY: [Signature]  
California Desert District

BY: [Signature]  
Manager,  
Real Properties Department

Date: 2/28/86

Date: FEB 26 1986

331LANDACQ

1323 - COST RECOVERY FOR REIMBURSABLE PROJECT/ACTIVITIES

Reimbursable Project Log

Form 1323-1  
June 1983

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

PROJECT  
Number YFBC  
Name Continental Pipeline

REIMBURSABLE PROJECT LOG

Employee Name Jerry Smith Title Realty Specialist

DATE	PROJECT SEGMENT OR COMPONENT	DESCRIPTION OF WORK DONE	HOURS (Total)
2-1-85	Entire Route	Met with project sponsor in field. Discussed cultural resource protection, endangered species habitat, noxious weed control, and topsoil stockpiling. Erosion control during and after construction discussed. Sponsor agreed to have a qualified archaeologist on the project during construction in area identified and flagged on the ground with red ribbon adjacent to Mud Spring. Sponsor agreed that no work would be done between February 1 and June 15 within 2 miles of the Bald eagle nest on Dead Man Ridge. Sponsor agreed to stockpile topsoil along the right-of-way and to spread it over disturbed area after construction is completed prior to reseeding.	10
2-2-85	Access road	All travel in Host pickup (184 miles). Met with project sponsor and district engineers (John Brown). Staked approx. locations of major culverts and agreed on diameter. Sponsor agreed to install a 60" gal. steel pipe arch in Louse Creek. Travel in Host pickup (190 miles).	3 1/2
2-3-85	Entire route	Wrote stipulations based on agreement reached with project sponsor and related requirements.	4 1/2
Note: Brown completes Form 1323-1 also)			

Signature of Authorized Officer Jerry Smith Date 2-18-85

(See Instructions on reverse)

INSTRUCTIONS

This form is to be used on Major Category Projects only. It should be used to explain any time coded to subactivity 5101 unless the project authorized officer (AO) determines that logs with different formats already in use provide the same information.

Use a separate project log sheet for each project. Entries must be made each day that work is performed on a project and should be made immediately following the work. Do not attempt to record more than 1 day's activity by postponing the recording of work activity.

Date and sign each page and submit the log(s) to the project AO at the end of each payperiod along with other documents showing charges against the project, such as travel vouchers, purchase orders, utility billings, etc. Entries in the log must agree with the Time and Attendance (T&A's). A copy of the log(s) is attached to the T&A report copy retained by the official timekeeper and periodically checked by the AO to verify the data.

The AO must check each log against the Special Project Detail List (SPDL) each month to ensure that a log is on file to support each item of work appearing on the SPDL. If logs are missing, the AO must take action to obtain the missing logs.

As a result of this review, the AO initiates action through the timekeeper to correct or delete any erroneous or inappropriate entries.

It is imperative that accurate and complete daily records be kept as the project log will be used for both legal and administrative purposes.

1323 - COST RECOVERY FOR REIMBURSABLE PROJECT/ACTIVITIES

Reimbursable Project Log

INSTRUCTIONS

Submit completed logs to the project Authorized Officer (AO) at the end of each pay period.

The AO must review the entries and indicate approval by signing the log in the space provided.

PROJECT SEGMENT OR COMPONENT - Give name or number of segment, spread, or project component. If work pertains to entire project enter "entire project."

DESCRIPTION OF WORK DONE - Use as many lines as necessary to describe work accomplished. Describe mode, destination, and purpose of travel. Include names or persons contacted and topic of discussions. (*Attach additional sheet, if necessary.*)

Use separate sheet for each project.

Record only time spent on reimbursable project (5100 subactivity).

Fill out daily, or more frequently if type of work changes or work is done on more than one project.



1323 - COST RECOVERY FOR REIMBURSABLE PROJECTS/ACTIVITIES

Major Category Project Number Establishment



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

CALIFORNIA DESERT DISTRICT

1695 Spruce Street  
Riverside, California 92507

IN REPLY REFER TO:

CA-18888  
2800  
(CA-063.04)

APR 16 1986

Memorandum

To: SDs, California, Arizona & New Mexico  
DMs, Phoenix, Yuma & Las Cruces

From: District Manager, California Desert District

Subject: U.S. Telecom Fiber Optic Right-of-Way Cost Recovery Account Number

We have assigned a cost recovery project number for this application. Effective today, please charge all costs incurred in processing and monitoring this project to XEDA.

The case serial number for this application is CA-18888. This serial number should be used for all documents generated during the life of this project.

We will be issuing one right-of-way document to U.S. Telecom.

The above mentioned District Managers as well as myself will execute the document on behalf of the United States.

Please contact Bill Collins at FTS 796-6428 if you have any questions concerning this application.

A handwritten signature in cursive script, appearing to read "Bill Collins".

cc: CA-931.1  
CA-066

ACTING

1323 - COST RECOVERY FOR REIMBURSABLE PROJECTS/ACTIVITIES

Major Category Account Activation



United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
WASHINGTON, D.C. 20240

IN REPLY REFER TO:

1681  
(CA-061.60)

Memorandum

To: Director DSC (D-515)  
From: District Manager, California Desert  
Subject: 5101 Account Activation

Please activate account 5101-XBDA, U.S. Telecom, Inc. for the States of California, New Mexico, and Arizona. The billing address is:

U.S. Telecom, Inc.  
P.O. box 11315  
Kansas City, Missouri 64112  
Attention: Joe Williams

Enclosed is the first quarter estimate and an estimate for the entire duration of the project. Payment for the first quarter of \$8,000 is attached. Therefore, it is not necessary to mail the billing to the company, simply retain it for your files.

## 1323 - COST RECOVERY FOR REIMBURSABLE PROJECT/ACTIVITIES

## Billing and Collection Procedures

## on Rights-of-Way Grants and Temporary Use Permits

The following billing and collection procedures are to be used on rights-of-way (ROW) grants and Temporary Use Permits (TUP's). Steps 1 and 2 are applicable to all categories of ROW's and TUP's. Step 3 applies to minor categories and steps 4 through 7 apply to major categories.

<u>Responsible Office/Official</u>	<u>Step</u>	<u>Action</u>
	1.	PREAPPLICATION ACTIONS
Proponent		a. Contacts BLM office responsible for receiving application.
Authorized Officer		b. May set up a preapplication meeting with proponent(s) to discuss the proposal.
		c. Obtains data to determine cost reimbursement category. AO estimates category and fee and provides this information to proponent(s) for application filing purposes. Preapplication work for all categories is charged to 4211.
	2.	APPLICATION FILING
Proponent		a. Submits application and map with estimated non-refundable application fee.
Authorized Officer		b. Accepts and serializes application and establishes case file. No written decision is required to accept an application.
		c. Reviews application for accuracy and completeness. Requests additional information from proponent if necessary.
		d. Completes the Right-of-Way Cost Recovery Category and Fee Determination Record (Form 1323-2) and issues decision of category determination and fee by Certified Mail.
Applicant		e. Receives decision and returns any additional fee to the receiving office along with any requested information.
Authorized Officer		f. Does not process application until total fee and/or requested information is submitted.
		g. Completes case file examination.
	3.	APPLICATION FILING STEPS FOR MINOR ROW'S
Collection Officer		a. Prepares Form 1370-41, Receipt and Accounting Advise, and deposits nonrefundable fee to 14X5017.1, Rights-of-Way Cost Recoveries, Bureau of Land Management. Prepares Collection Data Sheet, Form 1370-35. Deposits fees to subactivity 5102 and the applicable project code. Sends receipt copy of Form 1370-41 to applicant and case file copy to case file. This completes the cost reimbursement actions required for processing applications for ROW's in minor categories.
		b. Collects from applicant, prior to grant issuance, the nonrefundable monitoring fee.
		c. Repeat step 3a.
Authorized Officer		d. Where there is a decision to reject an application, notifies the applicant of the decision by Certified Mail.

1323 - COST RECOVERY FOR REIMBURSABLE PROJECT/ACTIVITIES

Billing and Collection Procedures

on Rights-of-Way Grants and Temporary Use Permits

Authorized Officer	<p>4. APPLICATION PROCESSING FOR CHANGES FROM A MINOR CATEGORY TO A MAJOR CATEGORY</p> <ul style="list-style-type: none"> <li>a. Assigns a project code to the project.</li> <li>b. Transfers the amount of the nonrefundable application processing fee previously deposited to 14X5017.1, subactivity 5102, to 14X5017.1, subactivity 5101 and the project code assigned to the specific project.</li> <li>c. Performs the actions required under 5a.</li> <li>d. Proceed to step 5d.</li> </ul>
Authorized Officer	<p>5. APPLICATION PROCESSING FOR MAJOR CATEGORY ROW's</p> <ul style="list-style-type: none"> <li>a. Reviews application, prepares Project Preparation Plan and financial plan and develops a cost reimbursement plan which includes total costs of processing and monitoring. The AO shall inform the applicant by decision (FLPMA) and prepares an MOU (FLPMA or MLA) of the estimated amount to be reimbursed. Estimates first quarter cost. No processing work is to be done or charges made to 5101 until a project is established and initial payment received.</li> <li>b. Assigns a project code to the project.</li> </ul>
Collection Officer	<ul style="list-style-type: none"> <li>c. Prepares Form 1370-41, Receipt and Accounting Advice, and deposits application fee to 14X5017.1, Rights-of-Way Cost Recovery. The nonrefundable fee and other payments received are deposited to subactivity 5101 and the project code assigned to the specific project. Sends copy of the 1370-41 to D-515 for information and file purposes and prepares a Collection Data Sheet, Form 1370-35.</li> <li>d. When the first quarter cost estimate is received from the AO, send request for a bill to D-515. (See Illustration 8)</li> </ul>
Authorized Officer	<ul style="list-style-type: none"> <li>e. On a monthly basis, reviews and monitors Financial Management System reports (FO-305 and FO-311) to ensure that cost reports reflect valid charges to each project.</li> <li>f. Forty-five days prior to the beginning of each calendar quarter, prepares a billing request of estimated costs to be incurred during the next quarter. If needed, an interim billing request may also be requested. Forwards billing request to D-515.</li> <li>g. Subsequent quarterly billing requests will include a separate line item adjustment for overpayments or underpayments of actual costs incurred in previous quarters.</li> <li>h. If grant is to be issued and total payments exceed total costs, advises applicant of grant approval and offsets overpayments against future billings for grant monitoring.</li> <li>i. If the application is to be rejected or is withdrawn, and total payments exceed total costs, notifies applicant of rejection and of pending refund. Sends request for refund to D-515. When total costs do not exceed nonreimbursable payments, AO sends request to D-515 to reclassify unexpended funds to subactivity 5102.</li> </ul>

## 1323 - COST RECOVERY FOR REIMBURSABLE PROJECTS/ACTIVITIES

Billing and Collection Procedures  
on Rights-of-Way Grants and Temporary Use Permits

	<p>j. The AO may reestimate the actual costs (MLA) and reasonable costs (FLPMA) and adjust the financial plan at any time it is determined that a change warranting a reestimate has occurred. When a substantial change results, a redetermination of reasonableness of costs and a decision (FLPMA) or decision on actual costs (MLA) issued.</p>
<p>Authorized Officer</p>	<p>6. ROW GRANT ISSUANCE</p> <p>a. Upon receipt of all processing costs and initial monitoring payments, issue ROW grant.</p>
<p>Authorized Officer</p>	<p>7. GRANT MONITORING</p> <p>a. Continues cost recovery procedures as described in step 5.</p> <p>b. If the AO determines that substantial monitoring efforts will continue, a balance shall be maintained in the account to cover all monitoring costs.</p> <p>c. If he determines that substantial monitoring costs will not be incurred, the AO will send a refund request to D-515 for the balance in the account and will ask D-515 to cancel the project code once all project costs have been incurred and paid.</p> <p>d. If at any future time, substantial government costs will be incurred in monitoring or terminating the grant, a new project code will be requested and assigned to the project.</p>

## 1323 - COST RECOVERY FOR REIMBURSABLE PROJECTS/ACTIVITIES

## The Project Manager

## A Key to Uniformity and Consistency

Control and monitoring capability for major rights-of-way can be greatly enhanced by having one project manager who represents BLM even though lands in several resource areas, districts, or States may be involved.

If a project spans more than one State, the Director designates a lead State. The State Director should designate a project manager. Other State Directors should designate project coordinators to represent their respective States in project related matters. Similarly, District Managers and Area Managers should designate individuals to serve as coordinators to handle their local involvement in the project.

To the extent possible, the project manager should be assigned for the entire life of the project, from inception through construction. The intent is not to prevent transfers for career development, but rather to avoid routinely shifting the lead from one manager to another as the project progresses through its various stages and to avoid having more than one lead person at a time.

This would provide continuity in our dealing with applicant/holders and a central contact point through whom the downward flow of guidance and the upward flow of feedback may occur.

The project manager once designated, should assume the lead in the preapplication process described in BLM Manual 2802 and serve as BLM's point of contact with the applicant/holder. The project manager is the one who must assure that all the requirements outlined in BLM Manual 2802 - 2805, 2880, and 1323 are met efficiently and on time.

The project manager should be familiar with the area where the project is located and the probable impacts of the work proposed. The project manager must also know how to use the BLM cost recovery system as a management tool and be able to handle related negotiations with applicants/holders. Among the many duties, several stand out as deserving special attention in the light of lessons recently learned from court cases, appeals and findings of the Inspector General.

#### 1. Documentation

Because project related work is wholly or partially funded by the applicant/holder, charges are likely to be carefully scrutinized. The manager must assure that every individual charging time or other costs to the project records the following in a project log such as BLM Form 1323-1:

- a. decisions made
- b. agreements reached
- c. work done
- d. money spent
- e. unusual procedures or stipulation changes
- f. controversy
- g. other information necessary to understand what was done and why

#### 2. Control of Project Related Expenditures

The project manager should control the purse strings of the project by knowing what expenditures are necessary and approving all expenditures before they are made. By doing so, it will be much easier to ensure that costs stay within the estimates. Conversely, the need to change estimates will become apparent more quickly and can be discussed with the applicant/holder.

It is crucial that the Special Project Detail List (SPDL) be compared to individual logs and obligation documents to ensure that the applicant/holder is only billed for valid charges. The project manager is responsible for removing invalid charges.

1323 - COST RECOVERY FOR REIMBURSABLE PROJECTS/ACTIVITIES

The Project Manager

A Key to Uniformity and Consistency

3. Coordination with Other BLM Offices and Other Agencies and Interest Groups

NEPA compliance is often the largest project related cost and may require substantial coordination with other agencies, offices, or groups.

The project manager must coordinate with other interested parties to identify potential conflicts and avenues for cooperation. A key to success will be to locate responsible contacts for each party, including BLM offices, and keep in touch with them as work progresses. Any BLM office intending to charge time or incur costs relative to the project must provide appropriate estimates to the project manager in accordance with established schedules.

4. Assuring Grant Harmony

The project manager must be familiar with the entire content of any grant(s) written for the project to assure harmony with earlier decisions and agreements that may have been reached with the applicant. If grants are prepared in separate offices (possibly in different States) he must review them to detect and resolve conflicting requirements.

Project managers and persons assigned to support them should have other work to do in addition to that directly related to the project, but project related duties must be given sufficient priority to maintain schedules agreed upon with the applicant/holders.

Summary

Having one manager throughout the life of a project can produce consistency and uniformity spanning both time and administrative boundaries. This protects project sponsors from drastic changes from one year to the next and from one Resource Area, District or State, to the next. The project manager, being a single point of contact for all aspects of a project, enhances top management's control of right-of-way activities, including cost recovery.