



THE SECRETARY OF THE INTERIOR
WASHINGTON

OCT 30 2009

The Honorable Doc Hastings
House of Representatives
Committee on Natural Resources
Washington, DC 20515

Dear Representative Hastings:

You requested information regarding how Recovery Act decisions are being made and the criteria used to judge projects and award funding. Before the Recovery Act was enacted, the Department of the Interior had initiated with the bureaus a merit-based process and transparent criteria, and Interior continued in this careful and deliberate manner to ensure that each Recovery Act project had merit and could be executed within the timeframe provided in the legislation. Each bureau utilized an inventory of projects that had already undergone significant planning, design, and clearances to develop Recovery Act plans consistent with Congressional direction. Interior released its final list of projects in late April and has made great progress since that time.

Interior is investing \$3 billion in approximately 3,400 Recovery Act projects across the Nation that will create sustained employment and economic activity during the next 2 ½ years. While we are implementing the Recovery Act with maximum focus on expediting these critical investments to create jobs as quickly as possible, we are placing equal emphasis on ensuring that projects are worthy, contracts are competed in a fair and open manner, and that our activity is transparent and open. At the end of May, Interior had obligated \$15.7 million, and through October 16, \$865 million. By the end of June, 379 of our Recovery Act projects had started, and now over 1,000 have begun.

These projects will repair, restore, and improve the energy efficiency of facilities, preserve irreplaceable national treasures, and improve critical infrastructure, leaving a permanent legacy of good stewardship in many of our most treasured landscapes, as well as providing critical water infrastructure in rural communities across the West. Our implementation is on schedule and we look forward to the contributions this work will make to our Nation's economic recovery. A list of approved projects is available on our website <http://recovery.doi.gov>.

Sincerely,

Ken Salazar

Specific Information Requests

- 1) **A list of all the stimulus projects that were considered or proposed by the Department of the Interior.**

Each field or district office, bureau region, and bureau headquarters went through an extensive evaluation of all potential projects to identify those projects that could be executed within the timeframes of the Recovery Act and were meritorious. Interior has several thousand Recovery Act projects.

- 2) **A specific explanation of which officials made the decisions to select which projects received stimulus funding. What was the review and approval process within the agency, Department, OMB and White House, including which officials had a role in the review and decision-making process?**

Each bureau followed defined selection criteria for categories of projects (e.g. deferred maintenance, habitat restoration, trails maintenance, etc.). The bureaus documented their selection criteria and approach for managing their Recovery Act programs in their program plans which were reviewed in conjunction with the project lists. The focus of the Department's review was ensuring each bureau had merit-based selection criteria for each project category and had a sound risk management approach for the Recovery Act program. The Department, including Interior's Recovery Coordinator, the Office of Budget, the Office of Acquisition and Property Management, and the Office of Planning and Performance Management, used an iterative process to review the program plans and project lists. During March and April, detailed reviews of the program plans were conducted by OMB.

- 3) **The role OMB played in deciding what projects were selected, including whether OMB approval was required for each project to receive funding.**

OMB focused on ensuring that bureaus used merit-based processes to prioritize and select projects for Recovery Act funding and that projects would meet the Act requirements for job creation and timely obligation. OMB approval was not required for each individual project. However, OMB did review the project lists for the distribution of funding among categories, e.g. how much to spend on deferred maintenance versus new construction versus habitat restoration. In reviewing the distribution of funding across categories, OMB considered the impact of Recovery Act funds on reducing existing deferred maintenance backlogs as well as the future operational costs of construction.

- 4) **A current estimate of how many jobs have been created as a result of each Department's stimulus spending, preferably on a project-by-project basis.**

Interior estimates that its commitments to date will generate 9,388 job years or full-time equivalents based on the funding obligated as of October 16, 2009. In Interior's case, as with most construction-based programs, jobs are created beginning with the obligation of funds and are not tied to the actual outlay of dollars. Just as no homeowner would pay someone in advance to do repairs on his or her house, the Department pays only upon the demonstration of progress or completion in the majority of our program. Obligations lead directly to new jobs and economic activity.

Interior's estimate is based upon the Council of Economic Advisors (CEA) guidance on estimates of job creation. In this guidance, CEA estimates that \$92,136 of direct government spending creates one job year. It is important to note that this is a conservative estimate and actual job creation may be higher. Also, many of Interior's projects are seasonal in nature and will result in higher job creation/retention for shorter periods of time than a full year.