APPENDIX C

PERMIT AUTHORITY LABOR COSTS

This analysis uses $40.00 as an estimate of the hourly labor cost for permitting authorities. This value is in 1995 dollars and represents a fully loaded cost, inclusive of all indirect costs. This $40.00 per hour rate may include some capital purchases and may exclude some facility and service costs provided by the States, but overall, it is a reasonable estimate of a fully loaded cost per hour for a State employee. Also, because it is based on actual State submittals and State permit fees, it accurately reflects part 70 program costs. The estimate of hourly cost is derived from permit fee information provided by State Agencies as part of the permit application process required under title V. In order to demonstrate the reasonableness of a recommended permit fee, States include several types of data as part of the permit application. SAIC reviewed State submittals available in the fall of 1995 and reviewed all submittals that contained detailed presentations concerning permit fees to examine the expected resource requirements reported by the States. Table C-1 includes selected data items obtained from the sampled permit applications as well as data that can be derived from that information. Column 7 is a derived item which shows the total cost per full-time equivalent (FTE) hour of labor.

Table C-1
PART 70 PERMIT APPLICATION INFORMATION
(Selected States)

State	Number of Major Sources	Title V Budget (1995)	Projected FTEs*	Hours per FTE/Year	Annual Cost Per FTE	Total Cost Per FTE Hour
Wisconsin	1,000	$8,200,000	124.5	1,820	$65,863	$36.19
Oregon	300	$3,653,600	59.2	1,744	$61,716	$35.39
Florida	160	$6,000,000	72	1,768	$83,333	$47.13
Utah	136	$2,390,000	39	1,760	$61,282	$34.82
Minnesota	600	$5,570,000	85.25	1,800	$65,337	$36.30
Ohio	900	$16,250,000	270	1,800	$60,185	$33.44
Arkansas	300	$3,315,000	42	1,805	$78,929	$43.73
Tennessee	400	$6,425,000	99.5	1,800	$64,573	$35.87
Virginia	1,888	$10,700,000	123	2,000	$86,992	$43.50
Louisiana	930	$9,758,504	51	1,800	$191,343	$106.30
Colorado	318	$2,440,000	34	1,810	$71,765	$39.65
Wyoming	155	$1,430,000	29.5	1,800	$48,475	$26.93
Puerto Rico	300	$7,710,000	105	1,800	$73,429	$40.79
Pennsylvania	800	$17,235,000	264	1,800	$65,284	$36.27
Illinois	1,000	$16,740,000	217	1,816	$77,143	$42.48

An aggregate value of hourly labor cost is computed as the weighted average of the total cost per FTE hour across States. The weight factors are the relative fractions of projected FTE's within the sample. For example, in the 15 States, there are projected to be a total of 1,614.95 FTE. Wisconsin estimates 124.5 FTE, which represents 0.077 of the total FTE in the sample. This factor is multiplied by the total cost per FTE hour for Wisconsin to obtain a weighted hourly cost estimate. This step is repeated across States and the resulting values are summed. The weighted average of $40.17 is rounded to $40.00.

A weighted average is used to better reflect the relative importance of individual States. This allows States that expect to utilize more resources to have their unique costs contribute relatively more to the computed national average value.

REFERENCE

SAIC (1995). Confirmation of Methods and Assumptions for Part 70 and NSR Reform. Final report prepared for U.S. EPA Officie of Air Quality Planning and Standards. (December).