# INFORMATION COLLECTION REQUEST (ICR) OMB-83 SUPPORTING STATEMENT ENVIRONMENTAL PROTECTION AGENCY OFFICE OF AIR & RADIATION

#### A. JUSTIFICATION

# 1. <u>Identification of the Information Collection</u>

a. Title: Renewable Fuels Standard (RFS) Program - EPA ICR No. 2242.02.

#### b. Short characterization:

Section 1501 of the Energy Policy Act (EPAct) describes the RFS program. This provision was added to the Clean Air Act as Section 211(o), and requires EPA to establish a program to ensure that the pool of gasoline sold in the contiguous 48 states contains specific volumes of renewable fuel for each calendar year starting with 2006. Please refer to "Regulation of Fuels and Fuel Additives: Renewable Fuel Standard Program - Notice of Proposed Rulemaking" and "Regulation of Fuels and Fuel Additives: Renewable Fuel Standard Program - Final Rule" (both available in docket number EPA-HQ-OAR-2005-0161) for a detailed discussion of the RFS program. For compliance purposes, volumes of renewable fuel are identified through the use of renewable identification numbers (RINs) that are initially generated by the producer of the renewable fuel.

There are three broad categories of parties who have registration, recordkeeping, and reporting related responsibilities. These are: 1) obligated parties (refiners and importers of gasoline) and exporters of renewable fuel, 2) producers of renewable fuels, and 3) any party who owns RINs. The largest identifiable group who may own RINs are blenders, and as such, they are indicated separately on Table 1 of this supporting statement. The universe of parties who may own RINs may include, but is certainly not limited to, brokers, marketers, terminal operators and jobbers. These are also included in the estimates in Table 1.

The Regulatory Impact Analysis (RIA) in the public docket cited was consulted to provide additional detailed information about the regulated universe (see Chapter 1).

The registration and recordkeeping requirements are designed to mirror existing fuels programs to the extent possible, such as the reformulated gasoline (RFG) and anti-dumping program (EPA ICR series 1591) and diesel sulfur program (EPA ICR series 1718). Parties registered under these programs do not have to reregister under the RFS program unless there is a change in their

registration information. Most parties who are already registered would fall under the category of "obligated parties."

## 2. Need For, and Use of, the Collection

# a. Authority for the Collection

Sections 114 and 208 of the Clean Air Act (CAA), 42 U.S.C. §§ 7414 and 7542, authorize EPA to require recordkeeping and reporting regarding enforcement of the provisions of Title II of the CAA.

# b. Practical Utility/Uses of the Data

The recordkeeping and reporting requirements of this regulation will allow EPA to monitor compliance with the RFS program.

## 3. Non-duplication, Consultation, and other Collection Criteria

### a. Non-duplication

Efforts have been made to eliminate duplication in this information collection. Where possible, information requirements from various organizations within the Agency have been combined to minimize the submittal of duplicate information in different formats. As noted above, parties who have previously registered under existing compliance programs such as RFG and anti-dumping and diesel fuel will not be required to re-register with EPA. The information in this collection will not be available from another source.

## b. Public Notice

We described the proposed recordkeeping and reporting in the notice of proposed rulemaking and prepared and docketed the supporting statement accompanying that notice. Comments were received on the recordkeeping and reporting provisions included in the notice of proposed rulemaking and the supporting statement. These comments have been addressed in the response-to-comments document placed in the docket for the final rule. The most significant change that has occurred from proposed rule to final rule is that the frequency for some reports has been changed from annual to quarterly. Also, a one-time application burden that had been proposed for certain small refiners has been eliminated.

#### c. Consultations

We have drawn upon our experience with similar fuels regulations to develop the estimates in this supporting statement. Interested parties may also be interested in reviewing "Chapter 1 - Industry Characterization" of the Regulatory Impact Analysis (RIA) available in the public docket. Assumptions from the RIA were used for this supporting statement. We sent a copy of this supporting statement to the American Petroleum Institute prior to issuance of the final rule and no comments were received on these estimates.

# d. Effects of Less Frequent Data Collection

We have designed the reporting schedule to coincide with existing reporting deadline applicable to many of the same parties under such programs as RFG and anti-dumping and diesel fuel. Less frequent collection of data would make it impossible to carry out the provisions of the CAA and EPAct.

#### e. General Guidelines

This rule does not exceed any of the OMB guidelines.

## f. Confidentiality

We inform respondents that they may assert claims of business confidentiality (CBI) for any or of the information they submit. Any information claimed as confidential will be treated in accordance with 40 CFR part 2 and established Agency procedures. Information that is received without a claim of confidentiality may be made available to the public without further notice to the submitter under 40 CFR § 2.203.

### q. Sensitive Information

This information collection does not require submission of any sensitive information.

## 4. The Respondents and the Information Requested

#### a. Respondents/with NAICS and SIC Codes

The respondents to this information collection include: petroleum refineries (324110/2911), ethyl alcohol manufacturers (325193/2869), other basic organic chemical manufacturing (325110/2869), chemical and allied products merchant wholesalers (426990/5169), petroleum bulk stations and terminals (422710/5171), petroleum and petroleum products merchant wholesalers (422720/5172), and other fuel dealers (454319/5989).

### b. Information Requested

A) Reporting: The individual reports required from respondents are fully explained in Section IV of final rule and are summarized in this supporting statement. Reporting items include registration of parties engaged in activities covered by the RFS regulation and reporting related to transactions involving RINs and associated volumes of fuel.

We will use the same basic forms for registration that we use under the reformulated gasoline (RFG) and anti-dumping program. These forms are simple and have been in use since 1995, and the regulated industry is familiar with them. As with other fuels programs under 40 CFR part 80, registration is required. As mentioned above, parties who are already registered under other 40 CFR part 80 fuels programs will not have to reregister.

Compliance reports will be submitted on an annual basis, with certain reports of a transactional or summary nature submitted on a quarterly basis. The following types of reporting are required, by party:

| Type of<br>Reporting                               | Obligated<br>Parties                                                                         | Exporters of<br>Renewable<br>Fuel                                                                                                                                          | Producers<br>and<br>Importers of<br>Renewable<br>Fuel                                                        | Parties Who<br>Own RINS |
|----------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-------------------------|
| Annual<br>Compliance<br>Demonstration<br>Reporting | Calculation of RV0     List of RINS used for compliance     Calculation of deficit carryover | <ul> <li>Calculation         of RV0</li> <li>List of         RINS used         for         compliance</li> <li>Calculation         of deficit         carryover</li> </ul> | No report.                                                                                                   | No report.              |
| Quarterly RIN<br>Generation<br>Reporting           | No report.                                                                                   | No report.                                                                                                                                                                 | <ul> <li>List of<br/>batches<br/>produced or<br/>imported</li> <li>List of<br/>RINS<br/>generated</li> </ul> | No report.              |

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<sup>&</sup>lt;sup>1</sup> Please refer to <a href="http://www.epa.gov/otaq/regs/fuels/rfgforms.htm">http://www.epa.gov/otaq/regs/fuels/rfgforms.htm</a>. The relevant registration forms for our existing fuels programs are 3520-20A, 3520-20B, and 3520-20B1.

| Quarterly     | Lists RIN      | Lists RIN      | Lists RIN      | Lists RIN      |
|---------------|----------------|----------------|----------------|----------------|
| Transactional | transactions - | transactions – | transactions – | transactions - |
| Reporting     | e.g., RINs     | e.g., RINs     | e.g., RINs     | e.g., RINs     |
|               | transferred,   | transferred,   | transferred,   | transferred,   |
|               | retired,       | retired,       | retired,       | retired,       |
|               | expired.       | expired.       | expired.       | expired.       |
| Quarterly     | Provides       | Provides       | Provides       | Provides       |
| Activity      | activity       | activity       | activity       | activity       |
| Summary       | summary about  | summary about  | summary about  | summary about  |
| Reporting     | RINs and       | RINs and       | RINs and       | RINs and       |
|               | associated     | associated     | associated     | associated     |
|               | volumes.       | volumes.       | volumes.       | volumes.       |

The exact reports filed will depend upon the activity engaged in by the party. A party must file reports appropriate for each activity it engages in – for example, if a party is both an exporter of renewable fuel and a producer of renewable fuel, then that party must file the reports applicable to both activities. Please refer to Table IV.C.3-1, "Information Contained in Reports by Regulated Party" in the preamble to the final rule and to 40 CFR 80.1152.

We had proposed that all reports be filed annually. However, as mentioned above and in response to comments received on the notice of proposed rulemaking, we have increased the frequency of reporting transactional and summary reports to quarterly. RIN generation reports are also quarterly. The compliance demonstration remains an annual report, as proposed. Table 1 has been amended to reflect this change from the notice of proposed rulemaking and the estimated costs have been adjusted upward consistent with more instances of reporting. The following are the reporting deadlines for quarterly reports:

Quarterly Reporting Schedule for RFS Program

| Quarter Covered by Quarterly<br>Report | Due Date for Quarterly Report |
|----------------------------------------|-------------------------------|
| January - March                        | May 31                        |
| April - June                           | August 31                     |
| July - September                       | November 30                   |
| October - December                     | February 28                   |

In the first year of the program *only*, obligated parties and exporters are given an extra quarter to submit their list of RINs used to demonstrate compliance. This information must be reported by May 31, 2008 for calendar year 2007. All other reporting follows the schedule indicated above.

Attest engagements are required on underlying records of parties obligated to meet the renewable standard and exporters of

renewable fuels, as well as by producers and importers of renewable fuels. This burden was calculated in the supporting statement prepared for the proposed rule. Under the final rule, they are also required for other parties involved in RIN transactions and this supporting statement reflects an upward adjustment in total hours and cost associated with that burden as well.

The final rule and this supporting statement include provisions related specifically to foreign ethanol producers. These were not included in the supporting statement that accompanied the notice of proposed rulemaking. These parties may apply to have their cellulosic or waste-driven ethanol production facilities treated similarly to domestic ethanol producers. These parties are required to keep records regarding feedstocks they purchase and use, but we believe that such records would already be customarily kept in the course of business ("customary business practice" or CBP records). They would have to arrange for third party verification that they are a cellulosic or wastedriven facility, which requires engaging an outside expert (a licensed professional engineer) to provide such verification to This verification burden is accounted for in this supporting statement as a "purchased service." We expect the burden will only affect between one and five parties. As ethanol producers, these parties are also subject to the same burdens applicable to all ethanol producers.

"Table 1 - Respondent Burden Hours & Costs" indicates the estimated burden per respondent per report. This table specifies reports by party. We anticipate providing respondents the opportunity to engage in simplified, secure, electronic reporting via the Agency's Central Data Exchange (CDX). Respondents must keep copies of all reports filed for five years.

- B) Recordkeeping: Respondents must retain underlying records related to reports they file for five years. This period is consistent with other fuels programs and with customary business practices (CBP) for the industry. Respondents must transfer volumes of fuel with product transfer documentation or bills of lading, which is already done in the course of business. The only new burden we anticipate related to such documentation is related to the initial generation of RIN codes and this burden is included in Table 1.
- 5. The Information Collected, Agency Activities, Collection Methodology, and Information Management
- a. Agency Activities
  - All reports and registrations will be reviewed by EPA for completeness and for potential violations.

- Potential violations will be referred to enforcement personnel.
- Registration numbers will be issued for new registrants.
- Reports and registrations will be stored by EPA in a secure location.

# b. Collection and Methodology and Management

We anticipate receiving data in a simplified and secure fashion via the Agency's CDX. Information claimed as CBI will be stored in appropriately controlled areas.

# c. Small Entity Flexibility

This collection will not adversely affect small entities. The notice of proposed rulemaking describes flexibility provisions available to small refiners. We had proposed a one-time burden associated with applying for small refiner flexibility from the RFS standard and general relief for small refiners. However, in response to comments received on the notice of proposed rulemaking, we have *eliminated* this paperwork burden and have assumed that all small refiners qualify for this relief. Table 1 has been amended to reflect this change. (It is still necessary for small refiners to apply for extended relief due to economic hardship, since such relief is based upon specific, demonstrated conditions.)

### d. Collection Schedule

Registrations are received on a rolling basis, as updates may be sent in at any time and new parties may enter the regulated industry at any time. Most reporting is annual, some is quarterly.

## 6. Estimating the Burden and Cost of Collection

### a. Estimating the Respondent Universe

We drew upon experience implementing similar regulations among the same entities to develop estimates of the burden associated with this collection.

#### b. Estimating the Respondent Burden and Cost

Three labor categories are involved: managerial (includes legal and professional review), technical, and clerical. The estimates use the Bureau of Labor Statistics figures from "Employer Costs for Employee Compensation - Table 12 - Private Industry, Manufacturing, and Non-Manufacturing Industries by Occupational Group" (December 2003), with a 3% annual inflation factor applied to bring the values to 2006. Using this method, the following wages and benefits apply by category:

# Wages and Benefits

| Managerial | \$53.87 | per | hour |
|------------|---------|-----|------|
| Technical  | \$35.29 | per | hour |
| Clerical   | \$24.56 | per | hour |

Doubling for company overhead beyond wages and benefits, and for convenience, rounding up to the dollar, gives the following rates for this ICR:

#### Total Employer Cost

Managerial \$108 per hour Technical \$71 per hour Clerical \$49 per hour

It is assumed that for each hour of activity the mix will be about 0.1 hour managerial, 0.7 hour technical, and 0.2 hour clerical. This gives an average labor cost of \$71 per hour, which will be used in this ICR. For purchased services related to attest engagements, we have doubled this hourly cost to \$142 in order to more accurately reflect the cost of an outside auditor's services. We believe the \$142 is also accurate with regard to the cost to a foreign ethanol producer's engagement of an outside engineering consultant's services (i.e., third party verification).

TABLE 1 - Respondent Burden Hours & Costs (Including Capital & Maintenance - O&M)

| Collection                                                                                         | Number of       | Number of  | Total Number | Hours per         | Total Hours        | Non-Postage |
|----------------------------------------------------------------------------------------------------|-----------------|------------|--------------|-------------------|--------------------|-------------|
| Activity                                                                                           | Respondents     | Responses  | of Responses | Response          | &                  | Purchased   |
|                                                                                                    |                 | per        |              | & Cost per        | Total Cost         | Services @  |
|                                                                                                    |                 | Respondent |              | Response          | @ \$71/hour        | \$142/hour  |
| Refiner and importer of gasoline ("obligated parties") and exporter of renewable fuel registration | 25 <sup>2</sup> | 2          | 50           | 2<br><br>\$142.00 | 100<br><br>\$7,100 | 0           |
| Renewable<br>fuel producer                                                                         | 280³            | 1          | 280          | 44                | 1,120<br>          | 0           |
| registration                                                                                       |                 |            |              | \$284.00          | \$79,520           |             |

<sup>&</sup>lt;sup>2</sup> Assumes 150 refiners (rounded up from the draft RIA) and 75 importers. Virtually all in this identified universe of 225 are already registered; number of respondents includes new registrants (exporters of renewable fuel). We have estimated 25 new registrants. Assumes two facilities/reports per party.

<sup>&</sup>lt;sup>3</sup> Assumes 162 ethanol plants that may be on line by December 2012 (102 are on line now) plus 117 biodiesel plants in that time frame (53 are on line now); this yields 279, rounded up for convenience.

<sup>?</sup> Although refiners and importers are familiar with registration, renewable fuel producers are new registrants. We assumed extra time in order to prepare the registration form.

| Registration by blenders                                                                                           | 1,200            | 1 | 1,200 | 2                 | 2,400                 | 0 |
|--------------------------------------------------------------------------------------------------------------------|------------------|---|-------|-------------------|-----------------------|---|
| who own RINs                                                                                                       |                  |   |       | \$142.00          | \$170,400             |   |
| Registration<br>by parties<br>who own RINs<br>other than<br>blenders                                               | 300⁵             | 1 | 300   | 4<br><br>\$284.00 | 1,200<br><br>\$85,200 | 0 |
| Obligated party (refiner and importer) and exporters of renewable fuel's annual compliance demonstration reporting | 250 <sup>6</sup> | 1 | 250   | 4<br><br>\$284.00 | 1,000<br><br>\$71,000 | 0 |

The future market will determine the actual number of parties. We have estimated 100 brokers, 100 marketers, and 100 "other" parties (e.g. jobbers, terminal owners) not covered by other reporting categories.

<sup>&</sup>lt;sup>6</sup> See note 1.

| Obligated    | 250 | 4 | 1,000 | 4        | 4,000     | 0 |
|--------------|-----|---|-------|----------|-----------|---|
| party        |     |   |       |          |           |   |
| (refiner and |     |   |       | \$284.00 | \$284,000 |   |
| importer)and |     |   |       |          |           |   |
| exporters of |     |   |       |          |           |   |
| renewable    |     |   |       |          |           |   |
| fuel's       |     |   |       |          |           |   |
| reporting    |     |   |       |          |           |   |
| related to   |     |   |       |          |           |   |
| RIN          |     |   |       |          |           |   |
| transactions |     |   |       |          |           |   |
| and activity |     |   |       |          |           |   |
| summaries    |     |   |       |          |           |   |
| (two related |     |   |       |          |           |   |
| quarterly    |     |   |       |          |           |   |
| reports)     |     |   |       |          |           |   |
| Renewable    | 280 | 4 | 1,120 | 4        | 4,480     | 0 |
| fuel         |     |   |       |          |           |   |
| producers'   |     |   |       | \$284.00 | \$318,080 |   |
| annual       |     |   |       |          |           |   |
| reports      |     |   |       |          |           |   |
| related to   |     |   |       |          |           |   |
| renewable    |     |   |       |          |           |   |
| fuel         |     |   |       |          |           |   |
| production   |     |   |       |          |           |   |
| and RIN      |     |   |       |          |           |   |
| generation   |     |   |       |          |           |   |
| (quarterly   |     |   |       |          |           |   |
| reporting)   |     |   |       |          |           |   |

| Renewable fuel         | 280   | 4 | 280   | 4           | 4,480          | 0 |
|------------------------|-------|---|-------|-------------|----------------|---|
| producers'             |       |   |       | \$284.00    | \$318,080      |   |
| reports<br>related to  |       |   |       |             |                |   |
| RIN                    |       |   |       |             |                |   |
| transactions           |       |   |       |             |                |   |
| and balances           |       |   |       |             |                |   |
| (two related           |       |   |       |             |                |   |
| quarterly              |       |   |       |             |                |   |
| reports)               |       |   |       |             |                |   |
| Blenders'              | 1,200 | 4 | 4,800 | 4           | 19,200         | 0 |
| (parties who           |       |   |       | <br>#004 00 | <br>#1 000 000 |   |
| own RINs)<br>reports   |       |   |       | \$284.00    | \$1,363,200    |   |
| related to             |       |   |       |             |                |   |
| RIN                    |       |   |       |             |                |   |
| transactions           |       |   |       |             |                |   |
| and activity           |       |   |       |             |                |   |
| summaries              |       |   |       |             |                |   |
| (two related           |       |   |       |             |                |   |
| quarterly              |       |   |       |             |                |   |
| reports)               | 000   | 4 | 4 000 | 4           | 4 000          |   |
| Reports by parties who | 300   | 4 | 1,200 | 4           | 4,800          | 0 |
| own RINS               |       |   |       | \$284.00    | \$340,800      |   |
| (other than            |       |   |       | Ψ204100     | Ψ040,000       |   |
| blenders)              |       |   |       |             |                |   |
| related to             |       |   |       |             |                |   |
| RIN                    |       |   |       |             |                |   |
| transactions           |       |   |       |             |                |   |
| and activity           |       |   |       |             |                |   |
| summaries              |       |   |       |             |                |   |
| (two related           |       |   |       |             |                |   |
| quarterly reports)     |       |   |       |             |                |   |
| 1 cho! (3)             |       | 1 |       |             |                |   |

| Attest engagement by obligated parties (refiners and importers)& exporters of renewable fuel on their three types of reporting | 250 | 1 | 250 | *All PS<br>(see O&M) | * All PS<br>(see O&M) | \$852,000 <sup>7</sup> |
|--------------------------------------------------------------------------------------------------------------------------------|-----|---|-----|----------------------|-----------------------|------------------------|
| Attest engagement by renewable fuel producers on their three types of reporting                                                | 280 | 1 | 280 | *All PS<br>(see O&M) | *All PS<br>(see O&M)  | \$954,240 <sup>8</sup> |

Assumes 8 hours for each type of report that is subject to the attest engagement per respondent (24 hours) for 250 respondents at \$142/hour (double the estimated hourly rate for an employee).

<sup>&</sup>lt;sup>8</sup> Assumes 8 hours for each type of report that is subject to the attest engagement per respondent (24 hours) for 280 respondents at \$142/hour.

| Attest engagement by blenders (who own RINs) and parties other than blenders (who own RINs)on two reports | 1,500 | 1 | 1,500 | *All PS | *All PS | \$3,408,000°          |
|-----------------------------------------------------------------------------------------------------------|-------|---|-------|---------|---------|-----------------------|
| Foreign Ethanol Producer Third-Party Verification Report                                                  | 5     | 1 | 5     | *All PS | *All PS | \$5,680 <sup>10</sup> |

<sup>&</sup>lt;sup>9</sup> Assumes 8 hours for each type of report that is subject to the attest engagement per respondent (16 hours) for 1,500 respondents at \$142/hour.

<sup>&</sup>lt;sup>10</sup> Assumes 8 hours for each verification report for 5 respondents at \$142/hour. We have assumed that professional engineering consultants will be similar in hourly rate to outside auditors and CPAs.

| Applications | 25          | 1 | 25        | 10    | 250         | 0           |
|--------------|-------------|---|-----------|-------|-------------|-------------|
| for          |             |   |           |       |             |             |
| extension of |             |   |           | \$710 | \$17,750    |             |
| small        |             |   |           |       |             |             |
| refiner      |             |   |           |       |             |             |
| exemption    |             |   |           |       |             |             |
| due to       |             |   |           |       |             |             |
| economic     |             |   |           |       |             |             |
| hardship     |             |   |           |       |             |             |
| Total        | 6,425       |   | 13,380    |       |             |             |
|              | Respondents |   | Responses |       | 43,030      |             |
|              |             |   |           |       | Hours       |             |
|              |             |   |           |       |             |             |
|              |             |   |           |       | \$3,055,130 | \$5,219,920 |
|              |             |   |           |       | Dollars     | Dollars     |
|              |             |   |           |       |             | (all        |
|              |             |   |           |       |             | Purchased   |
|              |             |   |           |       |             | Services)   |

### c. Estimating the Agency Burden and Cost

EPA must generate company and facility registration number(s) for new registrants and notify them of these numbers, which must appear on reports. Report formats and instructions/guidance must be prepared by Agency personnel. Reports will be processed by contractors and must be reviewed by Agency personnel. No response back to the submitter is required for reports and attest engagements, unless a problem/error is noted. Because we anticipate that much of the information submitted will be claimed as CBI, security measures and tools must, and will, be applied to protect the data.

We anticipate that many of our activities related to RFS will be similar to that of other fuels programs, including the reformulated gasoline and anti-dumping program (EPA ICR series 1591) and the diesel sulfur program (EPA ICR series 1718). In an effort to simplify reporting for regulated parties, we are working to simplify and combine fuel-related reporting activities and to store all data on a single, secure, closed local area network (LAN). As discussed elsewhere in this supporting statement, we will be encouraging highly simplified, electronic methods of reporting through the Agency's CDX portal.

This supporting statement estimates a burden for the RFS program that is similar to that of the other major fuels programs discussed above and that considers "start-up" costs associated with accepting new registrants and new reports. Using the RFG and anti-dumping ICR and other recent fuels-related ICRs as a guide in developing these initial estimates for RFS, we anticipate that RFS may require the equivalent labor of two full time GS-13 technical employees for a total of \$322,000, and labor costs of \$152,000 in the clerical category and \$56,000 in the management category. 11 Most of the clerical category labor will be related to the start-up effort of processing of new registrations and issuing of registration numbers. In addition, we estimate \$483,000 in additional contract costs related to data processing and IT support services. 12 Additional IT costs may include future purchases of new hardware (e.g. servers, workstations) and additional software, software licenses and security-related

These estimates are derived from "OPM Salary Table 2006-DCB," effective January 2006. This table may be found at http://www.opm.gov/oca/06tables/indexGS.asp. The extreme of step 10 was assumed for all categories. We have assumed a full-time GS-7 clerical worker, two full-time GS-13 technical workers, and a GS-15 manager working one-quarter of his/her time managing this project (0.25). All values were multiplied by 1.6 (which is a common factor utilized in ICRs to account for overhead costs). We rounded the resulting dollar value to the nearest thousand.

<sup>&</sup>lt;sup>12</sup> This estimate assumes an increase of 50% over current contracts for fuels reporting, which total \$966,000 for 2006.

expenses required for handling of reports. These IT costs are roughly estimated at \$80,000. Since we are using the CDX, some costs incurred by the Agency will be tied to the number of registrants who send us reports. Specifically, there is an annual "subscription cost" associated with the use CDX that is passed on to the EPA program office and we estimate that new registrants due to RFS may cost us approximately \$45,000.13 There are also development and maintenance costs related to enabling RFS reporting via CDX and we estimate approximately \$50,000<sup>14</sup> in such costs, which are separate from subscription costs and other items described. All of these items yield a total of \$1,188,000. Please note, however, that some items are difficult to estimate at this time and may not be included in our estimate. Therefore, the actual dollar amount may be higher than our estimate. As with all items in this supporting statement, we strongly encourage comment on the estimated Agency burden and on the Agency activities associated with this proposed information collection.

## d. Estimating the Respondent Universe

We were able to estimate the number of regulated entities drawing upon experience regulating the same or similar entities.

#### e. Bottom Line Burden Hours and Costs

From Table 1, we estimate the following totals:

TOTAL NO. OF REPORTS: 13,380 TOTAL BURDEN HOURS: 43,030

TOTAL COSTS @ \$71/HOUR: \$ 3,055,130

TOTAL NON-POSTAGE PURCHASED SERVICES @ \$142/HOUR: \$ 5,219,920

## f. Reason for Change in Burden

The change in burden is due to regulations that give effect to the EPACt provisions for a renewable fuels standard (RFS).

### g. Burden Statement

The annual public reporting and recordkeeping burden for this collection of information is estimated to 3 hours per response. <sup>15</sup> Burden means the total time, effort, or financial

<sup>&</sup>lt;sup>13</sup> This estimate is based upon recently negotiated subscription costs for other fuels reporting programs of \$15,000 per year.

 $<sup>^{14}</sup>$  This estimate is based upon a recently proposed CDX project of similar complexity.

<sup>&</sup>lt;sup>15</sup> The average respondent burden is the total number of hours divided by the total number of reports (responses) from Table 1, rounded <u>up</u> to the first decimal place for simplicity.

resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations are listed in 40 CFR part 9 and 48 CFR chapter 15.

To comment on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including the use of automated collection techniques, EPA has established a public docket for this ICR under Docket ID number EPA-HQ-OAR-2005-0161, which is available for online viewing at www.regulations.gov, or in person viewing at the Air Docket in the EPA Docket Center (EPA/DC). The EPA Docket Center Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is (202) 566-1744, and the telephone number for the Air Docket is (202) 566-1742.

You may use www.regulations.gov to submit or view public comments, access the index listing of the contents of the public docket, and to access those documents in the public docket that are available electronically. When in the system, select "search," then key in the Docket ID Number (EPA-HQ-OAR-2005-0161). Also, you can send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, D.C. 20503, Attention: Desk Officer for EPA. Please include the EPA Docket ID Number EPA-OAR-2005-0161 and OMB Control Number 2060-NEW in any correspondence.